

**CONTRACT BETWEEN
THE CITY OF RAPID CITY
AND THE BLACK HILLS COUNCIL OF LOCAL GOVERNMENTS
TO PROVIDE MANAGEMENT SERVICES FOR THE RAPID TRANSIT SYSTEM**

For and in consideration of mutual benefits to accrue there from, this agreement by the Common Council of the City of Rapid City of December 3, 2001, is by and between the City of Rapid City (hereinafter referred to as "CITY") and the Black Hills Council of Local Governments (hereinafter referred to as "COUNCIL").

I. PURPOSE

The purpose of this agreement is to establish the intent, amount, duration, terms and conditions for a contract regarding professional services by the COUNCIL to provide management services to the City for the Rapid Transit System.

II. INTENT

The intent of the management services contract is to provide management services for the operation of the Rapid Transit System. This shall include but not be limited to operation, vehicle maintenance, oversight, staff hiring and supervision, development of grant applications, systems development for proper compliance with federal regulations, development of specifications for vehicles, preparing annual budgets, and completion of all federal, state and local reports as required.

III. TERMS

This Contract shall become effective on January 1, 2002, and will terminate on December 31, 2004. It is agreed that this Contract shall be subject to renewal upon consent and approval by both parties to this agreement. Such renewal is subject to negotiations regarding expanded, reduced, or continued level of management services.

IV. COMPENSATION AND EXPENDITURE OF FUNDS

Subject to the terms and conditions set forth in this Contract, the CITY agrees to compensate the COUNCIL the sum of FORTY EIGHT THOUSAND FOUR HUNDRED AND SEVENTEEN DOLLARS (\$48,417) during the initial year of this Contract. Compensation for the following two (2) years of the Contract (2003 - 2004) shall be negotiated each respective year. The COUNCIL does hereby covenant and warrant that it will expend the funds contracted with the CITY pursuant to this Contract for no purpose other than to provide services at the budgeted amounts as described in Attachment A (projected contract costs). The CITY agrees to reimburse the COUNCIL for all travel and travel-

related items (lodging, per diem, etc.) associated with the Management Contract. The reimbursable travel expenses would be for out-of-area travel required by the Federal Transit Administration (FTA) as part of the grant between the CITY and FTA.

V. PAYMENT

The CITY shall pay the COUNCIL in accordance with submitted vouchers for services rendered. Payment shall be made to the COUNCIL as earned, in accordance with the monthly submitted vouchers, within thirty (30) days of receipt of voucher.

VI. ADMINISTRATIVE CONTROL OF FUNDS

The COUNCIL shall make monthly reports to the City of Rapid City Community Development Department as to the operations of the Rapid Transit System, including but not limited to, revenue generated, miles driven, passengers transported, fuel records, cost per mile for transit service and days of operation for each month.

VII. INSPECTION OF WORK

The CITY shall, at all times, be accorded the right for review and inspection of the expenditure and service delivery of the Rapid Transit System. In addition, the CITY shall also, at all times, reserve this same right to authorized personnel of the Federal Transit Administration (FTA).

VIII. TERMINATION

The CITY reserves the right to terminate this agreement for cause. Such termination shall be by thirty (30) days written notice to the COUNCIL, at its office in Rapid City. Monthly voucher billing shall be determined as of the date of termination.

IX. AUDITS

The COUNCIL shall provide to the City of Rapid City an annual audit prepared by a certified public accountant showing disbursement of all funds received by the COUNCIL. This audited statement shall be due one hundred and twenty (120) days after completion of the COUNCIL's fiscal year, with an additional audited statement due for the balance of the contract year if this Contract is terminated.

X. FEDERAL AND STATE LAWS/REGULATIONS

The COUNCIL shall comply with all applicable Federal and State laws and regulations regarding the management of the Rapid Transit System.

XI. MODIFICATION

No modification of this agreement either as to be performed or as to payments to be made, shall be effective unless made in writing and signed by authorized agents of each party.

XII. SPECIAL CONDITIONS

Attached to and made a part of this Contract is Exhibit A, which is the Proposal and budget adopted by the Common Council for the City of Rapid City on _____, 2003.

Dated this _____ day of _____ 2003.

BLACK HILLS COUNCIL
OF LOCAL GOVERNMENTS

CITY OF RAPID CITY

Van A. Lindquist, Executive Director

Jim Shaw, Mayor

ATTEST:

Jim Preston, Finance Officer

(SEAL)

ATTACHMENT A

BLACK HILLS COUNCIL OF LOCAL GOVERNMENTS
Projected Contract Costs
January 1, 2004 through December 31, 2004

Itemized Personal Costs

Salary	\$43,440
Retirement	\$ 2,606
FICA	\$ 3,323
Insurance	\$ <u>7,711</u>
Total Management Contract	\$57,080