

**CONTRACT BETWEEN
THE CITY OF RAPID CITY
AND PROJECT SOLUTIONS, INC. TO PROVIDE
CONSTRUCTION INSPECTORS FOR RAPID CONSTRUCTION**

For and in consideration of mutual benefits contained herein, this agreement is entered into on December 4, 2007 by the City of Rapid City (hereinafter referred to as "CITY") and Project Solutions, Inc. (hereinafter referred to as "CONTRACTOR").

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 CONTRACTOR to provide services for the observation of Rapid Construction's work pertaining to the laying of water and sewer lines, the bedding thereof and the backfill of trenches excavated for the purpose of laying said lines for the CITY.

II. INTENT

The intent of agreement is to provide construction observers/inspectors to observe Rapid Construction's work pertaining to the laying of water and sewer lines within the jurisdiction of the City of Rapid City.

III. TERMS OF AGREEMENT

This Contract shall become effective on December 4, 2007, and will terminate on December 3, 2008.

IV. COMPENSATION AND EXPENDITURE OF FUNDS

Subject to the terms and conditions set forth in this Contract, the CITY agrees to compensate the CONTRACTOR according to the following schedule: Hourly rate of \$75.00. There is no charge for travel within the City. The reimbursable rate for mileage outside the City limits is 0.405 \$/mile. There is no Contract Manager charge. Total amount of the compensation under this agreement is not to exceed \$100,000.00.

V. PAYMENT

The CITY shall pay the CONTRACTOR in accordance with submitted vouchers for services rendered. Payment shall be made to the CONTRACTOR as earned, in accordance with the monthly submitted vouchers, within forty-five (45) days of receipt of voucher.

VI. SCOPE OF WORK

CONTRACTOR shall provide an Observer/Construction Inspector within two business days of being notified by Rapid Construction of the work requiring observation. The Observations services shall include a daily written/photo log of construction activities and being onsite to visualize the materials and construction methods employed. Should any materials testing be required the observer shall notify the City Engineer and the City will make arrangements to perform those tasks. Weekly reports of the inspections shall be provided to the City Engineer. If an industry standard or municipal design criteria or applicable law is violated by Rapid Construction, the CONTRACTOR shall notify the City Engineer immediately. The CITY is the client of the CONTRACTOR and all work performed under this agreement shall be done in the best interest of the CITY.

CONTRACTOR is an independent contractor and shall carry Professional Errors and Omissions Insurance with minimum amount of \$250,000.00 per occurrence.

VII. TERMINATION

The CITY reserves the right to terminate this agreement for cause or convenience. Such termination shall be by thirty (30) days written notice to the CONTRACTOR at its office in Rapid City.

VII. FEDERAL AND STATE LAWS/REGULATIONS

The CONTRACTOR shall comply with all applicable Federal, State, and local laws and regulations.

VIII. MODIFICATION

No modification of this agreement shall be performed unless made in writing and signed by authorized agents of each party.

IX. CHOICE OF LAW AND VENUE

This Agreement shall be construed and the parties' obligations governed by the laws of the State of South Dakota. Any dispute arising out of or related to this Agreement shall only be litigated in the Seventh Judicial Circuit Court for the State of South Dakota, located in Rapid City, Pennington County, South Dakota.

X. MERGER

This document constitutes the entire Agreement of the parties. No other promises or consideration form a part of this Agreement. All prior discussions and negotiations are merged herein or intentionally omitted.

Dated this _____ day of _____, 2007.

PROJECT SOLUTIONS, INC.

CITY OF RAPID CITY

Its: _____

Alan Hanks, Mayor

ATTEST:

Finance Officer
(SEAL)