



Agenda # 5
Commission Meeting Date:
August 18, 2015

**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Operation and Maintenance Contract Amendment and Extension: Great Falls Wastewater Treatment Plant, OF 1010

From: Environmental Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Approve Contract Amendment and Extension for Operation and Maintenance of Wastewater Treatment Plant

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (approve\|not approve) the Contract Amendment and Extension Agreement for Operation and Maintenance of the Wastewater Treatment Plant with Veolia Water North America Operating Services, LLC and authorize the City Manager to execute the amended contract.”

2. Mayor calls for a second, discussion, public comment, and calls for the vote.

Background:

Summary of Changes:

This contract amendment and extension includes the following changes and revisions to the contract:

1. More clearly defines cost and savings sharing and how Incentive Target Price is defined,
2. Extends the contract to December 31, 2020,
3. Changes compensation cycle to calendar year,
4. Acknowledges and provides additional special consideration for potential rapid Health Insurance Cost Increases,
5. Implements an Electricity Reduction Incentive Program where contractor and city share savings and costs related to electricity related plant operational efficiencies,
6. Accounts for lawn and grounds maintenance,
7. More concisely provides for invoicing, cost accounting and cost reconciliation,
8. More clearly defines the scope of services, what constitutes a change in scope, and the process for resolving changes to scope,

9. Adjusts the small capital improvement funding ceiling, and
10. Updates general contract language, brings contract to current standards, and clearly states key contract definitions.

History

During the current 5-year discharge permit cycle alone, the City of Great Falls has been required to significantly decrease its ammonia levels in its discharge. Starting November 1, 2015, restrictions on the copper and arsenic levels in the City's discharge come into effect for the first time. The current 5-year permit cycle ends November 30, 2015, at which time the State will begin to draft a new permit that may contain new requirements and/or more restrictive requirements for the next five years. To comply with new and ever more restrictive requirements it is necessary to maintain highly specialized skills and knowledge combined with institutional experience. Veolia Water North America Operating Services, LLC (Veolia) embodies these two attributes and is uniquely qualified to operate and maintain the City's treatment plant for the following reasons.

- (1) Veolia has operated the City of Great Falls Wastewater Treatment Plant under contract since 1977. Originally, Veolia provided operation and maintenance services only. Through time it became evident that it was more efficient and cost effective to use Veolia to provide minor capital improvements, management of the instrumentation and control system (SCADA), as well as management of the sewage pump stations. As such, Veolia has a unique understanding of how Great Falls' treatment plant functions, responds in different situations, and has evolved over the years.
- (2) Veolia is an organization that specializes in wastewater treatment plant operation and maintenance and provides the City of Great Falls and other national and international clients top quality services. When challenges arise Veolia draws on a vast network of specialized knowledge and experience to troubleshoot issues and arrive at solutions.
- (3) Veolia consents to operate under a contract that has an Incentive Target Price (ITP) compensation structure. The ITP compensation structure provides for the sharing of the costs of operating over budget; as well as, sharing the benefits realized by operating under budget. As such the contract incentivizes and encourages efficiency and balances continual improvement in the quality of the City's discharge with effective plant operation.

Fiscal Impact:

The ITP compensation structure sets the compensation for each year of the contract based on the actual expenditures from the previous year, adjusted by U. S. Bureau of Labor and Statistics consumer price index applicable to our area, with a maximum increase not to exceed 7%. In instances when the actual cost of operations and maintenance are less than the ITP the City and Veolia share the savings, thus incentivizing Veolia to improve efficiency and effectiveness. In instances when the actual cost of operating the plant exceeds the ITP the overages are also shared. The estimated cost for the services provided under the contract Term, through December 31, 2020, is in the worst case approximately \$18,000,000, which includes small capital projects to keep the treatment plant current.

Alternatives:

The City Commission could:

- (1) Vote to amend and extend the contract, or
- (2) Vote to deny amending and extending the contract,

Staff Recommendation:

Staff recommends approval of the amended and extended contract.

Attachments/Exhibits:

1. Contract Amendment and Extension Agreement for Operation and Maintenance of Wastewater Treatment Plan (Office File 1010).

CONTRACT AMENDMENT AND EXTENSION AGREEMENT FOR
OPERATION AND MAINTENANCE OF WASTEWATER TREATMENT PLANT
OFFICE FILE NO. 1010

This Amendment and Extension Agreement (“Agreement”) is made and entered into this 18th day of August 2015 by and between the City of Great Falls, Montana herein referred to as “CITY” and Veolia Water North America Operating Services, LLC, herein referred to as “CONTRACTOR”.

WHEREAS, the CITY and Envirotech Operating Services, Inc. entered into that certain Contract dated February 18, 1992 for the operation and maintenance of the CITY’s Wastewater Treatment Plant;

WHEREAS, CONTRACTOR is the successor to Envirotech Operating Services, Inc.

WHEREAS, the Contract was subsequently amended by the parties or their predecessors certain instruments executed by the CITY and CONTRACTOR or its predecessors, including an Amendment dated December 5, 1995, Amendment #2 dated November 4, 1998, Amendment #3 dated March 7, 2000, Amendment #4 dated March 16, 2004, Amendment #5 dated August 17, 2004, Amendment #6 dated June 5, 2007, Amendment #7 dated March 30, 2015, Amendment # 8 dated May 19, 2015 and Amendment # 9 dated June 16, 2015. (The Contract and all Amendments thereto are collectively referred to as the “Original Contract”);

WHEREAS, the CITY desires that the CONTRACTOR continue to provide services in connection with its Wastewater Treatment Facilities by extending the Original Contract for an additional period as described in this amendment and extension in accordance with Montana Code Annotated §7-5-4301(2)(b)(ii); and

WHEREAS, the parties desire to clarify certain provisions and to consolidate the Original Contract into a single instrument and therefore intend to amend and restate the Original Contract in its entirety by this Agreement.

WITNESSETH: that CONTRACTOR hereby agrees to furnish all equipment, tools, supplies materials and necessary labor to Operate and Maintain the Wastewater Treatment Plant in the said City of Great Falls, Montana, and will do and perform all other work specified complete and in all respects fully in accordance with the contract documents, and that all said work shall be done and performed and fully completed in accordance with the contract documents.

NOW, THEREFORE, in mutual consideration herein described another good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. THE CONTRACT:

Except for Titles, Subtitles, Headings, Running Headlines, Table of Contents, and Indices (all of which are printed herein merely for convenience), the following, except for such portions thereof as may be specifically excluded, constitute the Contract Documents:

- This Agreement
- Exhibits to this Agreement

- All supplementary drawings issued after award of the Contract.
- All provisions required by law to be a part of the Contract Documents, whether actually inserted therein or not.

2. DEFINITIONS:

The following words and expressions (or pronouns used in their stead) shall, wherever they appear in the Contract Documents, be construed as follows unless a different meaning is clear from the context.

“Agreement” shall mean the written agreement between the CITY and the CONTRACTOR covering the Work to be performed.

“Applicable Law” means any law, rule, code, regulation, ordinance, consent decree, consent order, consent agreement, permit, determination or order of, or governmental approval issued by, any governmental agency having jurisdiction applicable to any activities associated with the testing, acceptance, operation, maintenance, repair, replacement or modification of any part of the Facility or any other obligations of the parties under this Contract.

“Bond(s)” shall mean the Performance and other instruments of security furnished by the CONTRACTOR and his Surety in accordance with the Contract Documents.

“City Commissioners” shall mean the City Commission of the City of Great Falls, Montana.

“Change in Law” shall mean any of the following events occurring after the date hereof: the adoption, modification or repeal, or official change in interpretation, of any Applicable Law by any entity with jurisdiction over the CITY or the Facility resulting in the modification or imposition of any condition, restriction or limitation in any governmental approval granted by any governmental agency, and which imposes additional costs, burdens or limitations with respect to the operation, repair, maintenance and replacement of the Facility or the parties' other obligations under this Agreement. Changes in law which materially modify this Agreement or impose material additional costs, burdens, or limitations with respect to the operation, repair, maintenance and replacement of the Facility or the parties' other obligations under this Agreement, will be considered a change in scope, and the provisions of Paragraph numbered 8 below will apply to those changes.

“Construction Contractor” shall mean a firm hired by the CITY to construct facility improvements.

“Consumer Price Index” or “CPI” shall mean Consumer Price Index-All Urban Consumers, West Urban Area (All items, 1982-84=100)(Series Id: CUUR0400SA0; Not Seasonally Adjusted).

“Contract” or “Contract Documents” shall mean each of the various parts of the Agreement referred to in Part 1 both as a whole and severally.

“Contract Administrator” shall mean the duly authorized representative of the City of Great Falls during the contract period.

“CONTRACTOR” shall mean Veolia Water North America Operating Services, LLC and its successors, personal representatives, executors, administrators, and assignees.

“Contract Price” shall mean the total monies payable to the CONTRACTOR under the Contract Documents.

“Contract Time” shall mean the number of calendar days stated in the Agreement for the completion of the Work.

“CITY” shall mean the City of Great Falls, Montana, for whom the Work is being performed.

“Day” shall mean one calendar day when used in the Contract Documents.

“Engineer” shall mean the consulting engineering firm hired by the CITY to design and/or manage construction of an expansion to the facility.

“Facility” or “Facilities” shall mean the City of Great Falls Wastewater Treatment Plant and lift stations identified in this Agreement.

“Modification Agreement” shall mean written order to the CONTRACTOR signed by the CITY authorizing an addition, deletion, or revision in the work or an adjustment in the Contract Price issued after execution of the Agreement.

“Notice(s)” shall mean written notice(s). Notice shall be served upon the CONTRACTOR either personally or by leaving the said notice at his residence or with his agent in charge of the Work, or addressed to the CONTRACTOR at the residence or place of business given in this Agreement and deposited in a postpaid wrapper in any post box regularly maintained by the United States Post Office.

“Project” shall mean the operation and maintenance of the Facility.

“Services” shall mean the improvement and/or the means or methods necessary for the performance, implementation and prosecution of the Work and the Project.

“Subcontractor” shall mean any person, firm or corporation other than employees of the CONTRACTOR who or which contracts with the CONTRACTOR to furnish, or actually furnishes labor, materials, and/or equipment for the Project.

“Surety” shall mean any corporation that executes, as Surety, the CONTRACTOR's Bond(s).

“Unforeseen Circumstances” shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance, (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction, (iii) any Change in Law, (iv) labor disputes, strikes, work slowdowns or work stoppages; and (v) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

“Work” shall mean the operation and maintenance of the Facility.

3. CONTRACT ADMINISTRATION

The CITY shall appoint a Contract Administrator to oversee the performance of the terms of this Contract. All official communications including submission of reports, Notices and other requirements of this Contract shall be done through the Contract Administrator. The CITY wishes to maintain a good working relationship with the CONTRACTOR and encourages all other communication through appropriate channels.

4. TERM

The term of this Contract shall begin September 1, 2015 and end December 31, 2020.

5. COMPENSATION

a) Compensation shall be determined on the basis of an Incentive Target Price (ITP) as described in this section. For the purposes of determining compensation, this contract extension shall be divided into six (6) Terms beginning and ending as follows:

- Term 1 – Commencement through December 31, 2015
- Term 2 – January 1, 2016 through December 31, 2016
- Term 3 – January 1, 2017 through December 31, 2017
- Term 4 – January 1, 2018 through December 31, 2018
- Term 5 – January 1, 2019 through December 31, 2019
- Term 6 – January 1, 2020 through December 31, 2020

b) Monthly payments for Term 1 are based on the ITP calculation derived from actual documented expenditures, plus the Lawn Care Adjustment, for the period beginning April 1, 2015 and ending December 31, 2015. The monthly payment was calculated by dividing the ITP number by twelve (12). Total compensation for Term 1 shall include prorated monthly payments equal to the monthly ITP payment described in this subparagraph (b) plus any additional costs caused by:

- Change in scope of Work;
- Change in Law;
- Increased loading/flow to the WWTP of at least 10% over the prior year;
- Expenses due to emergency responses;
- Increases in utility costs;
- Other changes in operation approved by the CITY.

The ITP for Term 2 shall be based on actual documented costs for the preceding nine (9) month period, April through December 2015. The ITP for Terms 3-6 shall be based on actual documented costs for the immediately preceding calendar year (January 1 through December 31) and otherwise be calculated as described herein. The ITP shall be on an actual documented cost basis which shall include total direct costs, overhead mark-up, profit mark-up and utility costs.

During each Term of the contract, CONTRACTOR shall be incentivized to beat the ITP and shall share savings during the contract Term (i.e., ITP less Documented Cost Price). A Documented Cost Price shall consist of actual documented direct costs plus Overhead mark-up plus profit mark-up plus utility expenditures. A Documented Cost Price during a Term which is in excess of

the ITP shall be equally shared between CONTRACTOR and the CITY except that the maximum financial exposure to the CITY in any Term shall not exceed \$50,000. At the end of each Term and upon the expiration or earlier termination of this Agreement, the ITP will be reconciled against the actual costs as described in this section and summarized below:

- The budget categories Personnel, Outside Services, Chemicals and Other Direct Costs are subject to sharing of savings or cost overruns on a 50:50 basis.
- The budget category Repair & Maintenance is not subject to sharing of cost savings. All cost saving are returned to the CITY. Cost overruns are shared on a 50:50 basis.
- The categories Contingency and Utilities are not considered in the ITP reconciliation and not subject to 50:50 sharing.
- The financial exposure limit described above and the limit on growth of payments described in the following paragraph apply to the total of the budget categories Personnel, Outside Services, Chemicals, Other Direct Costs and Repair & Maintenance including Overhead mark-up and Profit mark-up allowed for these items.
- Cost changes resulting from changes in flow and/or loading are not subject to 50:50 sharing and are the responsibility of the CITY.

Base Fee Adjustment: Total ITP payments to CONTRACTOR during a contract year shall not increase by more than the CPI or 5%, whichever is less, over the previous contract year's total ITP payments, unless such cost increases are attributable to:

- Change in scope of Work;
- Change in Law;
- Increased loading to the WWTP of at least 5% over the prior year;
- Expenses due to emergency responses;
- Health Insurance Cost Adjustments;
- Increases in utility costs;
- Other changes in operation approved by the CITY.

In these cases, the only payments in excess of the previous year's total payments plus the allowable increase shall be due to the listed expenses and shall be properly documented. The CONTRACTOR shall be entitled to overhead mark-up and profit mark-up for these expenses (except utility costs).

The ITP shall be calculated for each cost category as follows:

- A. Personnel – The actual annual salaries and benefits of the budget year for the current direct labor, taking into consideration the prior year's actual allocations to and from the CITY's wastewater treatment facility. Overtime includes the actual overtime hours worked during the prior year at 150% of the actual average union wage rate and any applicable incremental benefit costs for the contract year.
- B. Outside Services
 - a. Landfill – the actual tonnage delivered to the landfill during the prior year at the actual landfill cost for the contract year.
 - b. Other Outside Services – The dollar amount for all other outside services during the prior year adjusted for the change in the CPI during the contract year.

- C. Chemicals – The actual consumption of sodium hypochlorite, polymer and chemicals to prevent struvite scaling during the prior year at the actual rate for the contract year, plus the dollar amount for other miscellaneous chemicals during the prior year adjusted by the change in the CPI during the prior year.
- D. Other Direct Costs – The dollar amount for all other costs (excluding depreciation) during the prior year adjusted for the change in the CPI during the contract year. Depreciation amount shall be the dollar amount during the previous year adjusted for the annual incremental change in CONTRACTOR assets during the contract year.
- E. Repair & Maintenance – For Term 1, the monthly Repair & Maintenance Budget shall be equal to the total Repair & Maintenance expenditures for the period 4/1/2014 to 3/31/2015, less any carryover budget from the previous ITP year increased by CPI and divided by 12. For each subsequent year the Repair & Maintenance budget shall equal the actual expenditure for the year just ended increased by the CPI. All unused maintenance funds for each contract year shall be 100% refunded to the CITY at the end of each contract year in conjunction with the ITP calculation. All remaining Repair & Maintenance from the preceding ITP year shall be fully credited or refunded to the CITY. Each succeeding ITP year's Repair & Maintenance Budget shall be the previous calendar year's actual Repair & Maintenance expenditures increased by the CPI. At the termination of the contract, any remaining portion of these funds shall be fully credited or refunded to the CITY.
- F. Overhead mark-up – The Overhead mark-up shall be nineteen percent (19%).
- G. Profit mark-up – The Profit mark-up shall be fifteen and seventy-five one-hundredths percent (15.75%).
- H. Utilities (Natural Gas, Water, Electricity and Telephone Services) – Utility costs are considered separately and are not subject to overhead or profit percentages. At the beginning of each ITP Year, the Utilities costs for purposes of payment to the CONTRACTOR shall be equal to the prior ITP Term's total actual utility costs. At the end of each respective Term, the Utilities costs shall be updated to reflect the actual total Utilities costs incurred in that ITP Term and a Revised ITP calculated. Total payments to the CONTRACTOR in excess of the ITP calculated at the beginning of the year shall be returned in full to the CITY. Total payments to the CONTRACTOR less than the ITP calculated at the beginning of the year shall be paid in full to the CONTRACTOR with no mark-up. The CITY may make payments directly to the utility provider at the CITY's discretion. Should the CITY make payments directly to a utility provider during one ITP year and then choose to discontinue making these payments during a subsequent ITP year, the CONTRACTOR may request a change in the monthly ITP payments to address the additional costs.
- I. Health Insurance Cost Increases - The CITY and CONTRACTOR acknowledge and agree that health insurance costs have and will continue to rise, and that neither party be adversely impacted by such cost increases. Therefore, CITY and CONTRACTOR acknowledge and health insurance cost adjustments to the CONTRACTOR's compensation shall be no less than zero (0%) percent, and no more than the lesser of (i) the most recent full year Medical Care CPI-U (Series I.D. CUR0000SAM), (ii) or seven (7%) percent, whichever is less, from one year to the next ("Health Care Adjustment"). The actual total from January, 2015 to December 31, 2015 for CONTRACTOR's health insurance cost shall become the Base Year cost for the calculation of each succeeding year. The Health Care Adjustment for Terms 2-6

will be limited by the aforementioned Medical Care CPI-U for the immediately preceding Term, or 7%, whichever is less. Prorated medical costs for Term 1 ending December 31, 2015, are based upon the prior agreement Health Insurance Cost Increases clause, which references Appendix A of that agreement to calculate the next year's medical expenses.

- J. Lawn Care Adjustment for Term 1 - It is recognized that without an adjustment the CONTRACTOR would not be fully reimbursed for lawn care costs incurred during 2015. To correct this situation a Lawn Care Adjustment of \$427 shall be added to CONTRACTOR's monthly payment for Term 1 only. This amount, plus the amount paid through the ITP calculation methodology described in this section shall be considered full payment for Lawn Care services for Term 1

The following format will be utilized to identify the ITP each year:

<u>FY</u>	<u>INCENTIVE TARGET PRICE</u>		
Personnel Onsite Direct Labor			
- Salaries And Wages	_____		
- Overtime	_____		
- Benefits	_____		
Total Personnel		_____	
Outside Services			
-Janitorial Services	_____		
-Uniform Services	_____		
-Lawn Services	_____		
-Landfill	_____		
-Other	_____		
Total Outside Services		_____	
Chemicals		_____	
Repair & Maintenance		_____	
Other Direct Costs		_____	
Total Direct Costs			_____
Overhead mark-up (19% Of Direct Costs)		_____	
Sub-Total Cost			_____
Profit mark-up (15.75% of Sub-Total Costs)			_____
Total subject to cost sharing			_____
Utilities			
-Electricity	_____		
-Natural Gas	_____		
-Other	_____		
Total Utilities			_____
Minor Capital			_____
Total Contract Price			_____
Monthly Payment to CONTRACTOR			_____

Electricity Reduction Incentive Program – CONTRACTOR and the CITY will share in electrical savings or overages. This program applies only to electric consumption experienced at the Treatment Plant. No sharing of costs or savings will occur during any Term unless a 5% reduction or overage of electrical usage is realized compared to Initial Baseline (as defined below). All sharing of savings shall be on a 50:50 basis. CONTRACTOR shall pay the CITY an Overage Reimbursement payment only when Electricity Usage for the Term is greater than 105% the Electrical Usage and the overage is not caused by material changes in flow or loading conditions. . Conversely, the CITY shall pay CONTRACTOR an electricity Reduction Incentive Payment only when electricity usage for the Term is less than 95% of Electrical Usage during Initial Baseline. The electricity Reduction Incentive Payment or Overage Reimbursement shall be calculated at the end of Terms two (2) through five (5) as follows:

- Electricity Reduction Incentive Payment or Overage Reimbursement shall be the dollar amount that is one half of the product of the Rate Per kWh for the Term multiplied by the total Electrical Usage Savings or Electrical Usage Overage during the Term.
- The Rate Per kWh shall be calculated by summing the total cost of electricity coincident with the kWh consumption for the Term, including supply, transmission, delivery, demand and service charges divided by kWh Consumed during the Term.
- The kWh Consumed during the Initial Baseline and during each Term is the sum of kWh consumption reported on the utility bills beginning with the bill that includes the meter reading taken in January (wherein the usage is calculated by comparing the January reading with a reading taken in December) and ending with the bill that includes a meter reading during the following December.
- Electrical Usage during the term and the Electrical Usage during Initial Baseline is the quotient of the total kWh Consumed divided by the BOD and TSS removed during the corresponding Term.
- Electrical Usage Savings or Electrical Usage Overage is the product of the BOD and TSS removed during the Term multiplied by the quantity that is that portion of the difference in Electrical Usage during the Term and Initial Baseline that is less than 95% or in excess of 105% of Initial Baseline Electrical Usage, respectively.
- BOD and TSS removed is the sum of the BOD removed added to the TSS removed during the term.
- BOD removed during the term is the average of all of the differences of measured daily BOD influent load minus the measured daily BOD effluent load during the Term multiplied by the number of days in the Term.
- TSS removed during the term is the average of all of the differences of measured daily TSS influent load minus the measured daily TSS effluent load during the Term multiplied by the number of days in the Term.
- The Initial Baseline shall be the period January 2015 through December 2015.

If Electrical Usage exceeds 105% of the Initial Baseline and CONTRACTOR reasonably demonstrates that the overage was the result of increased plant flow conditions, despite the BOD and TSS removal remaining relatively constant, there shall be no obligation to pay an Overage Reimbursement for the effective period.

If the co-generation system and/or other generator are utilized to generate more than 0.1% of the kWh used during the Term, the full cost of operation of the generator, including auxiliary equipment, and the kWh generated shall be included in the above calculations.

Contingency Funds – The CITY, at its sole discretion, may provide additional funding for expenditures that are not funded through the other budget line items. This funding would be available for items that generally meet the following criteria:

- a. Items that do not meet the CITY's definition of a capital item.
- b. Non-routine expenditure for an item or group of related items that cost \$5,000 or more, where the expenditure will either not recur or will recur at a less than annual frequency. Items that cost less than \$5,000 shall be expended from the Repair & Maintenance budget and appropriate adjustments will be made to maintain expenditures within the established budget.
- c. Items that are integral to the CITY's facilities and require significant interaction of CONTRACTOR's personnel to utilize.
- d. Items that are not otherwise addressed by the terms of this agreement.

The CONTRACTOR shall be entitled to overhead mark-up and profit mark-up for the direct expenses associated with Contingency Funding. There is no guarantee that funding will be available for any Contingency expenditure. Expenditures of Contingency funds will not be subject to reconciliation through the ITP reconciliation process.

6. INVOICING, COST ACCOUNTING AND RECONCILIATION

1) The CITY shall pay CONTRACTOR the annual compensation in monthly installments in an amount equal to the sum of (1) one-twelfth of the then current annual Incentive Target Price; (2) any emergency, extraordinary or supplemental items determined on a monthly basis; and (3) any adjustments, plus or minus, to reconcile any prior monthly payments. Any overpayment from prior months shall be credited against the monthly payment.

2) The monthly installment payment shall be on account of the services rendered during the current month. If the CONTRACTOR provides the CITY with an invoice by the first day of each month which sets forth the monthly portion and each component thereof as calculated for the then current Term, then the CITY shall pay the invoice within 30 days of receipt.

3) The CONTRACTOR shall furnish the CITY with monthly and annual cost accounting statements. Direct costs shall be categorized by Operating, Preventative Maintenance, and Corrective Maintenance. The report format is negotiable. The CONTRACTOR shall submit documentation to support the reported values upon request of CITY. The format and content of the report will be mutually agreed upon by August 28, 2015. The first actual report will be submitted no later than September 28, 2015, and shall cover the period of April –August 2015. Thereafter, the reports shall be submitted by the 28th day of the month following the end of each reporting period. The CITY, at its own expense, shall have the right to audit CONTRACTOR costs at any time during the life of this Agreement. To facilitate this, CONTRACTOR will keep operation and maintenance financial records onsite for CITY inspection.

4) The CITY and the CONTRACTOR acknowledge and agree that the monthly compensation currently payable under this Agreement is an estimate. As such, the amounts payable during any Term may not represent the actual amount of compensation due and payable. Therefore, the parties agree that within 90 days after the effective date of termination or other expiration of this Agreement, the CONTRACTOR shall provide to the CITY an settlement statement (the "Termination Settlement Statement") setting forth the actual aggregate ITP payable to the CONTRACTOR with respect to the preceding Term (or other relevant period) and a reconciliation of such amount with the amounts actually paid by the CITY. The CITY shall have ten (10) days to respond to the Termination Settlement Statement with any comments, clarifications or objections, or the Termination Settlement Statement shall be final and conclusive. The CITY or the CONTRACTOR, as appropriate, shall pay all known and undisputed amounts set forth in the Termination Settlement Statement within 60 days after receipt or delivery thereof. If any amount is then in dispute or is for other reasons not definitely known at the time the Termination Settlement Statement is due, the Termination Settlement Statement shall identify the subject matter and reasons for such dispute or uncertainty and, in cases of uncertainty, shall include a good faith estimate by the CONTRACTOR of the amount in question. When the dispute is resolved or the amount otherwise finally determined, the CONTRACTOR shall file with the CITY an amended Termination Settlement Statement which shall, in all other respects, be subject to this paragraph.

7. SCOPE OF SERVICES

1) CONTRACTOR will control, maintain and operate the CITY's Facilities so that effluent discharged therefrom meets the effluent standards as stated In MPDES Permit No. MT-0021920, dated December 1, 2010, provided that at all times, the plant influent is free from abnormal or biologically toxic substances which cannot be treated or removed in the CITY's Treatment Plant using the existing process and facilities. It is recognized that abnormal or biologically toxic substances which cannot be treated or removed in the CITY's Treatment Plant may, on occasion, enter the influent stream of the Treatment Plant. As soon as such substances are recognized, the CONTRACTOR or the CITY will notify each other of this condition and work with each other to reduce or eliminate such substances to the best ability of each party. The CITY agrees that such cooperation in no way obligates CONTRACTOR beyond the stated responsibility in the above paragraph. The above permit will expire on November 31, 2015. The CONTRACTOR shall accept any additional duties required by the new permit. Any increased costs due to a material Change in Law will be paid to CONTRACTOR as outlined in Part 8 of this section titled "Change in Service Scope or Service Type". CONTRACTOR shall also manage the Facility and operations to ensure compliance with all other permits issued by the Department of Environmental Quality, Environmental Protection Agency or other state or federal agency that apply to the Facility including but not limited to MTR-000452 (General Permit for Storm Water Discharges Associated with Industrial Activity), Montana Air Quality Permit 4176-00, and Title 40, Chapter I. Subchapter O (STANDARDS FOR THE USE OR DISPOSAL OF SEWAGE SLUDGE). CONTRACTOR shall cooperate with the CITY in the application for or renewal of any existing or new permit. Any increased costs due to a material Change in Law will be paid to CONTRACTOR as outlined in Part 8 of this section titled "Change in Service Scope or Service Type".

2) Process operations that will be covered by CONTRACTOR under this Agreement will include:

- Raw Sewage Pumps
- Mechanical Bar Screen
- Primary Treatment
- Activated Sludge/Nitrification
- Secondary Settling
- Gravity Thickening
- Flotation Thickening
- Anaerobic Digesters
- Centrifuges
- Disinfection (UV)
- Electricity Engine Generator Set and all corresponding auxiliary equipment
- Sludge Pumping Associated with Processes Above
- Lift Stations identified in this Agreement

The lift stations included in CONTRACTOR'S scope of Work shall be operated and maintained by the CONTRACTOR and in accordance with established O&M manuals for each system. In the event that future lift stations are added and with mutual agreement and understanding of new work responsibilities then CONTRACTOR shall assume the operation and maintenance of additional lift stations as they are added to the CITY's collection system. With the addition of new lift stations, it is understood there will be additional hours required to operate and maintain these stations without additional CONTRACTOR staff being added unless otherwise agreed by the parties. The CONTRACTOR will provide the CITY with a detailed estimate of anticipated hours needed for O&M of any new station for an entire year. This estimate will be based on anticipated preventive maintenance hours, corrective maintenance hours estimated from stations that are similar, general inspection and condition review and travel time to and from the station. If requested by the CONTRACTOR this estimate shall be used to adjust the monthly service fee in lieu of the 30 day monitoring period described in Part 8 titled "Change in Service Scope or Service Type" until the next ITP reconciliation occurs. The CONTRACTOR at its own discretion of available overtime will also have the right to hire temporary help instead of overtime to supplement the staff and assist with other required duties in direct relation to the number of estimated O&M hours for that station.

The current list of lift stations operational at the time of this agreement is as follows:

WASTEWATER LIFT STATIONS ASSIGNED TO FACILITY STAFF

<u>L.S. #</u>	<u>ADDRESS</u>
1	600 RIVER DRIVE NORTH
2	601 RIVER DRIVE NORTH
3	11 1 ST AVE. NORTH
4	100 RIVER DRIVE SOUTH
5	1705 39 TH ST. SOUTH
6	4904 10 TH AVENUE SOUTH
7	3500 15 TH AVENUE SOUTH
8	404 ½ 20 TH AVENUE SOUTH
9	5102 1 ST AVENUE SOUTH
10	4600 7 TH AVENUE NORTH
12	601 RIVER DRIVE SOUTH
14	512 6 TH STREET SW
15	810 10 TH AVENUE SW
16	1326 5 TH ST NW
17	4600 GIANT SPRINGS ROAD
18	1716 3 RD AVENUE SOUTH
19	1601 2 ND AVENUE SW
20	835 13 TH STREET SW
21	14 TH ST SW & MARKET PLACE DR
22	2800 TERMINAL DRIVE
23	3114 SOUTH LOWER RIVER ROAD
24	704 JUNIPER AVENUE
25	3015 COYOTE LANE
27	4120 NORTH STAR BLVD
28	1715 WHISPERING RIDGE DRIVE
29	3503 2 ND STREET NE
30	122 BLACK EAGLE ROAD
31	4403 9 th STREET NE
32	3314 LOWER RIVER ROAD

3) The CONTRACTOR shall supply vehicles necessary to complete routine WWTP and Lift stations operations and maintenance. The cost to operate and maintain all vehicles and equipment shall be paid by the CONTRACTOR.

4) Maintenance and Capital Improvement Responsibilities:

A. A maintenance program for the Facilities shall be employed which provides for systematic coverage of routine items and programming of larger repair items. A schedule of maintenance activities shall be available to operation personnel for coordination and to the CITY for review and approval.

CONTRACTOR will utilize a computer-assisted maintenance management system for the Facilities. The CITY representative shall have the right to inspect maintenance performance and cost records during normal business hours.

CONTRACTOR shall maintain and repair all CITY-owned equipment, machinery, vehicles, instrumentation, structures, and plant furnishings to a fully operational condition in accordance with industry standards, manufacturer's recommendations or design specifications. Maintenance and operation activities shall protect the CITY's warranties on new or existing equipment. CONTRACTOR shall, at its sole cost and expense, pay for all such repairs and maintenance, exclusive of capital items as defined herein, to the limits defined below.

B. An annual budget of maintenance and repair activities is required to be submitted by CONTRACTOR by December 15 and approved by the CITY in advance of the CITY's budget year. The objective of this budget is to discuss and agree on maintenance program priorities and allocation of the limited funds earmarked for these purposes. Reporting shall be as set forth in Section C below. Included with this report shall be a listing of any recommended capital improvements the CONTRACTOR believes will be required for any of the Facilities covered under this contract. The CONTRACTOR will not be relieved of responsibility to perform if the recommendations are not implemented.

Maintenance responsibilities also include grounds care, lawns, landscaping, fencing, signs, site drainage, walkways, building paint, and similar structural and non-structural features shall be kept in good condition both functionally and aesthetically.

Inventory shall be kept of spare parts, standard lubricants, long lead time replacement items, and similar use items to promote continuity of operations.

C. Maintenance and repair reports shall be provided quarterly and submitted to the CITY by the 30th day of the first month of each quarter. The CONTRACTOR shall provide the CITY with full documentation that preventative maintenance is being performed on all CITY-owned equipment in accordance with manufacturer's recommendations upon request of the CITY. This report must include documentation of corrective and preventative maintenance and spare parts inventory.

A summary Annual Report (15 copies) shall be prepared at year end to describe the maintenance standing and significant occurrences of the previous year. Reports shall be submitted to the CITY by April 1 and comparisons to work plans and budget figures shall be included.

The CITY shall have the right to hire a qualified independent firm to review the maintenance program being conducted by CONTRACTOR at the facilities. Any such maintenance reviews shall be at the sole expense of the CITY, and the independent firm shall make no commercially unreasonable requests of the CONTRACTOR.

D. The CONTRACTOR shall provide management services for capital improvements under the following terms:

1. Minor Capital: CONTRACTOR shall manage and execute minor capital improvement projects not to exceed \$112,500 during the first Term 1 and \$150,000 per Term for each of the subsequent Terms. Any unexpended portion of this annual budget shall be carried over to the next Term's Miscellaneous Capital Improvements Budget. Unexpended funds from the contract year ending 3/31/2015 shall be carried over into Term 1. At the termination of the Contract, any unspent portion of these funds shall be refunded to the CITY in full. The improvements (hereafter referred to as "project" or "projects") shall meet the CITY's accounting definition of a capital improvement and each individual project shall not exceed \$80,000. CONTRACTOR shall provide a list of projects each year including a budget for each.

CONTRACTOR and the CITY shall mutually agree on a list of proposed projects for each Term prior to commencing any project for that Term. Following agreement on the list of projects that will be completed each year, the CITY shall, each month, pay to CONTRACTOR an amount equal to the estimated budget for the agreed-upon projects divided by the number of months in the Term. CONTRACTOR shall provide separate billing for this amount.

The CITY will pay actual expenses for material and contract labor (labor contracted by CONTRACTOR and performed by non-CONTRACTOR personnel to complete the project) with a 15% Overhead mark-up and 10% Profit mark-up.

2. Other Capital: At any time the CITY may request CONTRACTOR provide a project or projects in addition to the minor capital outlined above. In this case, CONTRACTOR shall provide a project budget, including construction time line, payment schedule, and proposed Overhead mark-up and Profit mark-ups. CONTRACTOR shall not proceed with any project without express approval of the CITY.
3. General Conditions for all Capital Projects: Implementation of any or all of the described projects is contingent on the availability of funding. This agreement is not a guaranty that any funds will be available for any project. Further, the CITY retains the right to discontinue or increase funding for any or all projects at its sole discretion. In such case that funding is discontinued after expenses have been incurred, the CITY will reimburse reasonable expenses. Reimbursement will include Overhead and Profit mark-ups at rates agreed to prior to the start of the project.

Should it become apparent, during the progress of a project being performed, that the budget for that project will be exceeded, CONTRACTOR shall immediately notify the CITY.

The costs for capital improvement projects shall not be included in the annual ITP calculation or reconciliation process.

Work to be performed under this section shall include all labor and materials for complete installation for the various components in accordance with accepted industry standards and all Applicable Law at the time this Agreement is signed. All components shall be appropriately installed and fully functional. All projects, in their entirety, shall become the property of the CITY after termination of this Agreement unless otherwise specifically agreed to in writing.

4. Capital Resulting in Cost Savings: CONTRACTOR may submit a request for modifications or changes it deems beneficial to the operations and/or maintenance of the WWTP or lift stations. For a project to qualify under this provision CONTRACTOR must submit a proposal identifying the scope, cost, means of funding and benefits associated with the project. If accepted, the CITY and CONTRACTOR will negotiate the terms of the capital investment cost recovery and the split between the two parties relative to the future cost savings associated with the project. The intent of the Sharing of Cost Savings provision is to provide an incentive for CONTRACTOR to continually seek innovative initiatives which improve the overall operations and maintenance of the WWTP and Lift Stations, while reducing costs.

E. An item of equipment is defined to include all of the "wire to water" components of any mechanical function hardware. For example, an item of equipment such as a positive displacement pump would include, but is not limited to, electrical starter, motor, pump shaft, impeller or piston and enclosure. Such maintenance shall not include costs associated with flood, fire, explosion or any other extraordinary occurrences not within the control of CONTRACTOR.

F. CONTRACTOR will pay all expenses incurred in usual treatment plant operations including, but not limited to, wages, salaries, utilities, consumables such as chemicals, fuel, lubricants, landfill tipping fees and contracted services, if any.

G. CONTRACTOR will staff the CITY's Facilities with full-time employees experienced and certified in wastewater treatment process control and maintenance procedures in compliance with Montana Code Annotated 37-42-101 through 322 and Administrative Rules of Montana 17.40.201 through 214.

H. CONTRACTOR will prepare all operating reports according to the State of Montana requirements and will prepare all process data reports, operation and maintenance reports and submit a copy of them to the CITY.

I. CONTRACTOR shall perform sample collection and laboratory analysis for BOD5, Total Suspended Solids, Oil and Grease, Ammonia pH, metals, VOCs, sulfide and other parameters for Industrial Customers of the CITY for the purpose of monitoring these industrial discharges. Such collection and testing shall be limited to 100 sampling events per year (each sample may be analyzed for multiple pollutants and each sample event may include multiple sample bottles being collected). A schedule of sampling

duties shall be prepared by the CITY. This schedule is subject to change at the discretion of the CITY upon 30 day notice to CONTRACTOR. The CITY may request CONTRACTOR to perform intensive spot monitoring at specific locations by performing composite sampling with portable automatic samplers. Episodes will be limited to one week duration with 30 day notice. Each day will count as one event toward maximum sampling events.

J. CITY may submit samples it has collected for analysis of the above pollutants upon 48 hour notice to CONTRACTOR. Each set of samples brought in by CITY will count toward the 100 maximum sampling events. A summary of the test results shall be forwarded to the CITY by the 28th day of the month following the sample analysis.

K. The CONTRACTOR shall be responsible for fulfilling the CITY's contract obligations to operate and maintain the metering and sampling facility at Malmstrom Air Force Base. In particular, the CONTRACTOR shall "be responsible for maintenance, reading and calibration of the automatic composite flow sampler and flow meter on a regularly scheduled basis". This shall include collection and analysis of weekly composite samples for BOD5, TSS, Oil and Grease, pH and Flow Meter reading. The schedule for sample collection shall be approved by the CITY. This sample collection and analysis shall be in addition to those required above.

L. The CITY shall maintain all existing warranties, guarantees, and licenses that have been granted to the CITY as owner of the Wastewater Treatment Plant for the benefit of CONTRACTOR during the CONTRACTOR operation of the Wastewater Treatment Plant.

M. The CONTRACTOR shall accept high strength wastes as authorized by the CITY, provided such wastes are free from abnormal or biologically toxic substances which cannot be treated or removed by current plant processes or which may cause exceedance of the Facility design loadings as determined by proper testing by the CONTRACTOR. The CONTRACTOR shall work with the CITY to develop a plan for wastewater customers to discharge such wastes.

N. The CONTRACTOR shall allow septic tank pumping contractors that are authorized by the CITY to dump septage into the Facility at a designated location, provided such septages are free from abnormal or biologically toxic substances which cannot be treated or removed by current plant process or which may cause exceedance of the Facility design loadings as determined by proper testing by the CONTRACTOR. The CONTRACTOR shall sample each load of septage for pH, observe color, odor, all unusual conditions, and record source and estimated volume of septage. The estimated volume may be provided by the septic tank pumping contractor. The CONTRACTOR will submit a monthly report to the CITY containing the names of all septic tank pumping CONTRACTORS and reported volumes disposed. All fees applicable to such septage CONTRACTORS shall be billed by, and become the property of, the CITY.

O. The CITY is currently under the provisions of a Consent Decree in RE: *United States of America and State of Montana v. The City of Great Falls, MT and Malteurop North America, Inc.*, United States District Court, Montana, Cause No. CV-14-16-GF-BMM, United States Department of Justice Reference Number 90-5-1-108955, a copy of which has been provided to CONTRACTOR. Said Consent Decree applies to certain areas of CONTRACTOR'S work under this Agreement, and CONTRACTOR agrees to

perform work under this Agreement in compliance with said Consent Decree. Any increased costs due to new requirements imposed by the Consent Decree will be paid to CONTRACTOR as outlined in Part 8 of this Agreement titled "Change in Service Scope or Service Type".

8. CHANGE IN SERVICE SCOPE OR SERVICE TYPE

1) Any adjustment in the scope or type of Work or Services under this Agreement resulting from a material Change in Law, or other changes in Facility operation or additions, deletions or revisions in the Work or Services requested by the CITY, may be authorized upon the mutual agreement of the parties regarding the allocation of cost, risk and responsibility for such Work or Services. In the event of any such Change in Law or upon CITY'S request for a change in scope in the Work or Services, CONTRACTOR shall provide the CITY with a detailed proposal or estimate of the costs, resources and materials necessary to comply with any such change and the parties shall collaborate in formulating a reasonable and cost effective solution required to provide the CITY with the desired Work or Services, or comply with the Change in Law. In the event the parties are unable to agree on an allocation of costs, resources and materials, the CONTRACTOR agrees to provide any Work or Services mandated by the Change in Law and the CITY shall pay for any such increased costs (in addition to the compensation stated in Part 5 above) as determined by a reasonable monitoring period, which shall not be less than thirty days. The increased costs shall include actual documented direct costs plus Overhead mark-up of 19% and profit mark-up of 15.75%. The increased monthly cost shall be added to the monthly billing retroactively, either to the beginning of the monitoring period or to the time at which the additional cost is mutually recognized to have begun occurring, and the ITP revised to reflect the added cost.

2) In addition to Capital projects listed in section 7 above, the CITY may authorize and fund capital changes to the Facilities which may result in decreased or increased operating costs at the treatment plant. In such event, both parties will mutually agree on the amount of cost savings or increase as determined by a 30-day cost monitoring period. Such decreased or increased costs will be realized by an amendment to the contract. CONTRACTOR agrees to furnish detailed cost estimates to the CITY's Engineer for the purpose of determining the feasibility, savings or increased costs of capital changes proposed by the CITY.

9. PERFORMANCE BOND

CONTRACTOR shall make, execute, purchase, maintain and deliver to CITY a performance bond in an amount at least equal to the CONTRACTOR's compensation under this Agreement in a sum equal to the current ITP for each then current Contract Term, conditioned that the CONTRACTOR shall faithfully perform all of CONTRACTOR's obligations under this Contract and pay all laborers, mechanics, Subcontractors, material suppliers and all persons who supply the CONTRACTOR or CONTRACTOR's Subcontractors with provisions, material, or supplies for performing Work on the Project. All bonds must be obtained with a surety company that is duly licensed and authorized to transact business within the state of Montana and to issue bonds for the limits so required. The surety company must have a Best's Financial Strength Rating of A, as rated by the A. M. Best Co., or an equivalent rating from a similar rating service. All Bonds must remain in effect throughout the life of this Agreement and until the date of expiration of CONTRACTOR's warranties. A certified copy of the agent's authority to act must accompany all bonds signed by an agent. If the surety on any Bond furnished by CONTRACTOR is declared bankrupt or becomes insolvent or its right to do business within the state of Montana is terminated, CONTRACTOR shall promptly notify CITY and shall within

twenty (20) days after the event giving rise to such notification, provide another Bond with another surety company, both of which shall comply with all requirements set forth herein.

Bond Types and Amounts:

Performance Bond Equal to CONTRACTOR's compensation amount in a sum equal to the current ITP for each then current Contract Term.

10. FACILITY MODIFICATIONS

The CONTRACTOR must notify the CITY and receive written approval before initiating any modifications to the Facility during the contract period. All modifications, additions, equipment installations, etc., which are made shall become an integral part of the Facility and shall be considered the CITY's property.

11. EMERGENCY PREPAREDNESS PLAN

The CONTRACTOR shall submit annually to the CITY an up-to-date written emergency preparedness plan for its review and acceptance. The plan shall, at a minimum, address actions to be taken in the event of high winds, fires, floods and explosions. The plan shall be delivered to the CITY prior to March 1st of each year.

12. SAFETY PROGRAM

The CONTRACTOR shall operate and maintain the Facility in a safe manner through implementation of a comprehensive safety program. A written safety procedures manual shall be maintained by the CONTRACTOR and updated at least annually. All accidents and injuries shall be reported immediately to the CITY. It shall be the CONTRACTOR's responsibility to train its employees in regard to standard safety practices of wastewater treatment plants.

13. PUBLIC RELATIONS

From time to time, tours will be conducted through the Facility, by appointment. The CONTRACTOR, upon prior notification of at least 24 hours, shall be available to conduct tours. In addition, the Facility shall be kept clean and tidy and free of debris at all times so as not to create a safety hazard. The CONTRACTOR shall respond promptly to public complaints concerning the Facility, either received by the CITY and conveyed to the CONTRACTOR or received directly at the Facility. The CITY shall be notified within twenty-four (24) hours of any complaints received at the Facility. A record of all citizen complaints and the CONTRACTOR's responses shall be logged and a record maintained at the Facility. Any press releases or other public statements concerning the Facility shall be approved by the CITY prior to release.

14. FUTURE CONSTRUCTION

The CONTRACTOR will work with the CITY and its Engineer to develop and coordinate Capital Improvement schedules including provision of operational, maintenance and cost data. The CONTRACTOR, along with the CITY, the Engineer and the Construction CONTRACTOR will work together to develop a plan to maintain accessibility and minimize disruption and outages to the existing plant when construction is being performed. The CONTRACTOR will work with the other involved parties to coordinate activities. In the event a critical piece of equipment must be taken out of service, a plan shall be developed and approved by all parties at least ten (10) working days prior to the scheduled outage, if practical. The CITY will pay any extra costs associated with any equipment outage if sufficient documentation is provided that the outage is due to circumstances beyond the control of the CONTRACTOR. The CONTRACTOR further agrees to give complete access to these other parties and, except as stated above, to not claim any additional costs for the on-site presence of these contractors in the performance of the design and construction and related activities.

15. FACILITY RECORD

The CONTRACTOR shall keep a Facility record in which, at a minimum, all important and unusual Facility occurrences shall be recorded such as process upsets, mechanical equipment failures, visitors of significance, electrical power outages, regulatory agency inspections and significant changes in Facility wastewater flow.

16. LIABILITY FOR FINES AND PENALTIES

The CONTRACTOR shall be liable for the payment of fines and/or civil penalties levied against the CONTRACTOR and/or the CITY by any regulatory agency having jurisdiction, as a result of the CONTRACTOR's failure to comply with the terms and conditions of any duly authorized permit, court order, administrative order, law, statute, ordinance, etc. as a result of the CONTRACTOR's breach of its obligations under this Agreement, or any negligent or willful acts or omissions during the period of the contract.

17. HOLD HARMLESS AGREEMENT

CONTRACTOR hereby agrees to, and shall, hold harmless, indemnify and defend the CITY, its elective and appointive boards, officers, agents and employees from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from operations under this Agreement, whether such operations be by CONTRACTOR or by any Subcontractor of CONTRACTOR, resulting from a breach of CONTRACTOR's obligations under this Agreement, or any negligent or willful acts or omissions. This indemnity does not apply to bodily injury or property damage arising out of the discharge, dispersal, release or escape of the Wastewater Treatment Plant effluent into or upon land, the atmosphere or any water course or body of water unless such discharge, dispersal, release or escape occurs as a result of the negligence or willful misconduct of CONTRACTOR. CONTRACTOR and CITY will provide the necessary technical assistance in support of the other in claims, suits or actions filed by third parties, at no charge to the other.

18. INSURANCE

1) The CITY shall purchase and maintain standard fire insurance policies or group risk-pool retention indemnity, including extended coverage to the full insurable value of the Facilities, Wastewater Treatment Plant, and lift stations and CONTRACTOR will be named as an additional insured according to its insurable interest under these policies during the life of this contract and CONTRACTOR shall have no liability to the CITY with respect to loss, damage and destruction covered by such policies. Such policies shall be endorsed to waive subrogation rights against CONTRACTOR.

2) CONTRACTOR shall purchase and maintain insurance coverage as set forth below. The general and liability insurance policies indicated below must name the CITY, (including its elected or appointed officers, officials, employees, or volunteers), as an additional insured with respect to CONTRACTOR's obligations under this Contract and be written on a "primary—noncontributory basis." CONTRACTOR will provide the CITY with copies of the applicable additional insured endorsement documentation. Each coverage shall be obtained from an insurance company authorized to transact insurance business within the state of Montana, with a minimum of "A.M. Best Rating" of A-, VI All insurance coverage shall remain in effect throughout the life of this Contract and general liability coverage shall remain in effect for the warranty period. All insurance policies must contain a provision or endorsement that the

coverage afforded will not be canceled until at least thirty (30) days prior written notice has endeavored to been given to CITY. Insurance coverages shall be in a form reasonably acceptable to the CITY.

Insurance Coverage at least in the following amounts is required:

- | | |
|----------------------------------|---|
| 1. Commercial General Liability* | \$2,000,000 per occurrence
\$4,000,000 general aggregate
\$4,000,000 products/comp operations |
|----------------------------------|---|

*Including coverage for bodily injury and property damage, products and completed operations and contractual liability as found in the most recent edition of the ISO Coverage Form CG 00 01.

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|--------------------------|--|
| 2. Automobile Liability | \$2,000,000 combined single limit each accident |
| 3. Workers' Compensation | Statutory limits |
| 4. Employers' Liability | \$1,000,000 each accident
\$1,000,000 each employee
\$1,000,000 policy limit |

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CONTRACTOR may provide applicable excess or umbrella coverage to supplement CONTRACTOR's existing insurance coverage, if CONTRACTOR's existing policy limits do not satisfy the minimum coverage requirements as set forth above.

19. RENEWAL

1) The term of the contract may be extended by the CITY, at its sole discretion in accordance with MCA 7-5-4301(2)(b)(ii).

2) If CITY desires to renew this Agreement, it shall give written notice to CONTRACTOR ninety (90) days prior to the termination date. If CONTRACTOR's acceptance is conditional upon an increase in compensation, over and above the price adjustments allowed in the contract terms, it shall provide a statement to that effect, together with the amount of compensation, and a written justification of its requested increase.

20. SEWAGE TREATMENT BONDS

CONTRACTOR will work with the CITY and provide the information legally required by the CITY and Board of Underwriters for the express purpose of issuing new bonds for the Sewage Treatment Systems. Additional costs which are commercially reasonably incurred by CONTRACTOR for this special effort will be reimbursed by the CITY.

21. TERMINATION

1) This Agreement may be terminated by the CITY for any reason upon ninety (90) days written notice to the CONTRACTOR.

2) If this Agreement is terminated, CONTRACTOR shall furnish the services of a qualified superintendent of the Wastewater Treatment Plant to the CITY for a period not to exceed ninety (90) days after the termination date, at CITY's request, for the purpose of continued supervision and of assisting in the placement and training of Wastewater Treatment Plant personnel to be furnished by CITY. In such event, CITY shall pay to CONTRACTOR the salary, plus normal fringe benefits of the superintendent, plus \$50 per day, for such period. Upon termination of this Agreement, the parties agree to promptly reconcile the ITP calculation as provided in Part 6 no later than the expiration of the transition period, or in no event later than thirty (30) days following the cessation of services by the CONTRACTOR.

22. RELATIONSHIP

The parties agree and acknowledge that in the performance of this Agreement, CONTRACTOR shall render services as an independent contractor and not as the agent, representative, Subcontractor, or employee of the CITY. The parties further agree that all individuals and companies retained by CONTRACTOR at all times will be considered the agents, employees, or independent contractors of CONTRACTOR and at no time will they be the employees, agents, or representatives of the CITY. The CITY, its employees, servants and guests shall be allowed upon the premises at all times as long as they do not interfere with the operation of the Facility and follow all safety rules.

23. ASSIGNMENT

CONTRACTOR binds itself, its successors and assigns to perform all provisions of this Agreement. CONTRACTOR shall have the right to assign this Agreement, without CITY's consent, (i) to an affiliate that has the technical and financial ability to perform its obligations hereunder; or (ii) in conjunction with a merger, consolidation or sale of substantially all of the assets of CONTRACTOR. CONTRACTOR shall provide prior written notice to CITY of any such transfer, along with evidence of the technical and financial ability of the transferee. CONTRACTOR may also collaterally assign its right to any payments hereunder, but not its obligations to perform Services under this Agreement, to one or more lenders providing financing to CONTRACTOR or its affiliates. Except for the foregoing, neither CITY nor CONTRACTOR shall assign, subcontract or transfer their interests in this Agreement without the written consent of the other.

24. OPERATION

The operation and maintenance of the Wastewater Treatment Plant shall be done in a first class manner at all times in accordance with generally accepted practices for municipal wastewater treatment plants and shall comply with all Applicable Law.

25. OWNERSHIP OF DOCUMENTS

Upon request by the CITY, all plans, designs, drawings, specifications, documents, sample results and data, in whatever medium or format, originated or prepared by or for CONTRACTOR in contemplation of, or in the course of, or as a result of this Agreement or work at the Wastewater Treatment Plant, shall be promptly furnished to the CITY ("City Documents and Information"). All CITY Documents and Information shall be the exclusive property of the CITY. CONTRACTOR hereby assigns all right, title, and interest in and to the CITY Documents

and Information, including but not limited to, all copyright and patent rights in and to the CITY Documents and Information. Neither party grants to the other any express or implied licenses under any patents, copyrights, trademarks, or other intellectual property rights, except to the extent necessary to complete its obligations to the other under this Agreement.

26. LAWS AND REGULATIONS

CONTRACTOR shall comply fully with all Applicable Law including, but not limited to, all workers' compensation laws, all environmental laws including, but not limited to, the generation and disposal of hazardous waste, the Occupational Safety and Health Act (OSHA), the safety rules, codes, and provisions of the Montana Safety Act in Title 50, Chapter 71, MCA, all applicable City, County, and State building and electrical codes, the Americans with Disabilities Act, and all non-discrimination, affirmative action, and utilization of Montana residency, minority and small business statutes and regulations.

27. NON-DISCRIMINATION

All hiring, compensation, terms, conditions of other privileges of employment of persons performing work for CONTRACTOR and Subcontractors will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, national origin, or other class protected by state and/or federal law. The CONTRACTOR will include a similar provision in all subcontracts entered into for the performance of this contract. This contract may be cancelled or terminated by the CITY of Great Falls for a violation of this provision, and money due or to become due hereunder may be forfeited for a second or subsequent violation of the terms or conditions of this paragraph.

28. CONTRACTOR'S RATES OF WAGES, BENEFITS, AND EXPENSES

For purposes of prevailing wage requirements, depending on the nature of work performed, this Project is considered as Nonconstruction Services or Heavy Construction Services. The applicable Montana or Federal Prevailing Wage Rates for these types of projects, as included in these Contract Documents, are incorporated herein by this reference. These wage requirements are updated from time to time. The wage rates current at the time the work is performed shall be used.

29. LABOR RELATIONS

1) CONTRACTOR shall post a legible statement of all wages and fringe benefits to be paid to the CONTRACTOR's employees and the frequency of such payments (i.e., hourly wage employees shall be paid weekly). Such posting shall be made in a prominent and accessible location at the site of the Wastewater Treatment Plant and shall be made no later than the first day of work. Such posting shall be removed only upon the termination of this Agreement.

2) In performing the terms and conditions of this Agreement and the work at the Wastewater Treatment Plant, CONTRACTOR shall give preference to the employment of bona fide residents of Montana, as required by §18-2-403, MCA, and as such, term is defined by §18-2-401(1), MCA, and the Administrative Rules of Montana, including but not limited to A.R.M. 24.17.147, obliging CONTRACTOR to hire 50% bona fide Montana residents, excluding projects involving the expenditure of federal aid funds or where residency preference laws are specifically prohibited by federal law. When making assignments of work, CONTRACTOR shall use

workers both skilled in their trade and specialized in their field of work for all work to which they are assigned.

3) Pursuant to Mont. Code Ann. §§18-2-403 and 18-2-422, CONTRACTOR shall pay wages, benefits, and expenses as set forth on **Exhibits A and B, attached hereto, or the applicable current versions thereof at the time Work is performed**, CONTRACTOR's Rates of Wages, Benefits, and Expenses, attached hereto. CONTRACTOR shall pay all hourly wage employees on a weekly basis. Violation of the requirements set forth on **Exhibit A and B** may subject the CONTRACTOR to the penalties set forth in Mont. Code Ann. §18-2-407. CONTRACTOR shall maintain payroll records and, upon CITY's request, provide certified copies to the CITY. CONTRACTOR shall maintain such payroll records during the term of this Agreement, and for a period of three (3) years following the date of termination of this Agreement.

4) In the event that, during the term of this Agreement and throughout the course of CONTRACTOR's performance herein, any labor problems or disputes of any type arise or materialize which in turn cause any work herein to cease for any period of time, CONTRACTOR specifically agrees to take immediate steps, at its own expense and without expectation of reimbursement from CITY, to alleviate or resolve all such labor problems or disputes. The specific steps CONTRACTOR shall take to resume work shall be left to the discretion of CONTRACTOR; provided, however, that CONTRACTOR shall bear all costs of any related legal action. CONTRACTOR shall provide immediate relief to the CITY so as to permit the work at the Wastewater Treatment Plant to resume and be completed within the time frames set forth herein at no additional cost to CITY.

5) CONTRACTOR shall indemnify, defend, and hold the CITY harmless from any and all claims, demands, costs, expenses, damages, and liabilities arising out of, resulting from, or occurring in connection with any labor problems or disputes of any kind, including but not limited to compensation or benefits, or any delays or stoppages of work associated with such problems or disputes.

30. SHARING OF COST SAVINGS

Except as otherwise provided in this Agreement, any savings realized from modifications or changes to the operations and maintenance of the WWTP or lift stations that are the result of actions or expenses by CONTRACTOR rather than the CITY shall be mutually shared between the two parties after CONTRACTOR has recovered the full cost of its investment on such modifications or changes. The actual split of the savings will be negotiated between the two parties on a project by project basis. Such savings will be calculated to reflect their current value in each ITP Year, which would include commercially reasonable Overhead and Profit mark-ups. CONTRACTOR shall submit a request and receive prior approval by the CITY for any contemplated modifications or changes to the operations and maintenance of the WWTP or lift stations before any such work commences.

31. INTERPRETATION AND INTENT OF CONTRACT DOCUMENTS

The Contract Documents are complementary; what is called for by one is as binding as if called for by all. If the CONTRACTOR finds a conflict, error or discrepancy in the Contract Documents, CONTRACTOR will call it to the CITY's attention in writing before proceeding with the Work affected thereby. Any work that may reasonably be inferred from the Contract Documents as being required to produce the intended result, shall be supplied whether or not it is

specifically called for. Work, materials or equipment described in words which so applied have a well known technical or trade meaning shall be deemed to refer to such recognized standards. In case of conflict, the more stringent requirements shall take precedence.

32. CONTRACTOR'S RESPONSIBILITIES

1) The CONTRACTOR will give all notices and comply with all Applicable Laws, ordinances, rules and regulations applicable to the Work. If the CONTRACTOR observes that the Contract Documents are at variance therewith, he will give the CITY prompt written notice thereof, and any necessary changes shall be adjusted by an appropriate modification. If the CONTRACTOR performs any Work knowing it to be contrary to such Applicable Laws and without such notice to the CITY, it will bear all costs arising therefrom; however, it shall not be CONTRACTOR'S primary responsibility to make certain that the Contract Documents are in accordance with such laws, ordinances, rules and regulations.

2) In emergencies affecting the safety of persons, the Work or property at the site or adjacent thereto, the CONTRACTOR, without special instruction or authorization from the CITY, is obligated to act at its discretion to prevent threatened damage, injury or loss. CONTRACTOR will give the CITY prompt written notice of any significant changes in the Work or deviations from the Contract Documents caused thereby, and a Modification Agreement shall thereupon be issued covering the changes and deviations involved. If the CONTRACTOR believes that additional work done by it in an emergency which arose from causes beyond its control entitles CONTRACTOR to an increase in the Contract Price or an extension of the Contract Time, it may make a claim therefore; the same being included in the Modification Agreement.

33. CHANGES IN THE WORK

Without invalidating the Agreement, the CITY may at any time or from time to time order additions, deletions or revisions in the Work the same being thereupon authorized by Modification Agreements. Only upon receipt of Modification Agreement, shall the CONTRACTOR be authorized to proceed with the Work involved. All such Work shall be executed under the applicable conditions of the Contract Documents.

Additional Work performed by the CONTRACTOR without authorization of a Modification Agreement will not entitle it to an increase in the Contract Price or an extension of the Contract Time except in the case of an emergency as provided in Part 32. The effect of this paragraph shall remain paramount and shall prevail irrespective of any conflicting provisions contained in these Contract Documents.

The CITY will execute appropriate Modification Agreements prepared by the Contract Administrator covering changes in the Work to be performed as provided in this Article, Work performed in an emergency as provided in Part 32, and any other claim of the CONTRACTOR for a change in the Contract Time or the Contract Price which is approved by the CITY.

It is the CONTRACTOR's responsibility to notify its Surety of any changes affecting the general scope of the Work or change of the Contract Price and the amount of the applicable Bonds shall be adjusted accordingly.

34. CHANGE OF CONTRACT PRICE

The total compensation payable to the CONTRACTOR for performing the work in accordance with the terms of this contract shall be based upon the following described factors:

- The amount described under section 5 “Compensation” in this agreement.
- Adjustments in prices as permitted in these Contract Documents.
- Adjustments in prices as outlined on Modification Agreements.

35. SEVERABILITY

If any provisions, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

36. MUTUAL WAIVER OF CERTAIN DAMAGES

Under no circumstances shall either party be liable to the other for any special, incidental, consequential or punitive damages, regardless of whether such damages arise under breach of contract, tort, strict liability, or any other theory of law or equity.

37. LIMITATION OF LIABILITY

To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, including but not limited to the provisions of Paragraphs numbered 16, 17 and 29 above of this Agreement, CITY and CONTRACTOR acknowledge and agree that CONTRACTOR’s maximum liability for performance or non-performance of any obligation arising under the Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations, shall be limited to: (i) general money damages in an amount equal to the amount of any proceeds of insurance received by the CITY or to which CONTRACTOR is entitled pursuant to any general liability insurance or automobile liability policy required to be maintained by CONTRACTOR (without regard to the amount of any deductible which may be applicable under any such general liability or automobile liability policy) with respect to such loss; or (ii) to the extent proceeds of insurance are not received and such general liability or automobile insurance is not applicable, an cumulative amount not to exceed one-quarter of the then current Incentive Target Price. It is the intent of the parties that the limitation of liability hereunder shall not discharge or relieve the insurer’s obligations for any risks to be insured by either the CITY or CONTRACTOR under the terms of this Agreement.

IN WITNESS WHEREOF, CONTRACTOR and CITY have caused this Agreement to be executed and intend to be legally bound thereby.

CITY OF GREAT FALLS, MONTANA

VEOLIA WATER NORTH AMERICA
OPERATING SERVICES, LLC,

CONTRACTOR

By: _____
Gregory T. Doyon, City Manager

By: _____
Lanita McCauley Bates,
Senior Vice President

Date: _____

Date: _____

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF THE CITY)

APPROVED AS TO FORM:

By: _____
Sara R. Sexe, City Attorney

Attachment A
Montana Prevailing Wage Rates for Nonconstruction Services 2015

**MONTANA
PREVAILING WAGE RATES FOR NONCONSTRUCTION SERVICES 2015**

Effective: January 2, 2015

**Steve Bullock, Governor
State of Montana**

**Pam Bucy, Commissioner
Department of Labor & Industry**

To obtain copies of prevailing wage rate schedules, or for information relating to public works projects and payment of prevailing wage rates, visit ERD at www.mtwagehourbopa.com or contact:

Employment Relations Division
Montana Department of Labor and Industry
P. O. Box 201503
Helena, MT 59620-1503
Phone 406-444-5600
TDD 406-444-5549

The Labor Standards Bureau welcomes questions, comments and suggestions from the public. In addition, we'll do our best to provide information in an accessible format, upon request, in compliance with the Americans with Disabilities Act.

MONTANA PREVAILING WAGE REQUIREMENTS

The Commissioner of the Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 of the Montana Code Annotated (MCA), has determined the standard prevailing rate of wages for the occupations listed in this publication.

The wages specified herein control the prevailing rate of wages for the purposes of 18-2-401, et seq., MCA. It is required that each employer pay (as a minimum) the rate of wages, including fringe benefits, travel allowance, zone pay and per diem applicable to the district in which the work is being performed as provided in the attached wage determinations.

All Montana Prevailing Wage Rates are available on the Internet at www.mtwagehourbopa.com or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

In addition, this publication provides general information concerning compliance with Montana's Prevailing Wage Law and the payment of prevailing wages. For detailed compliance information relating to public works contracts and payment of prevailing wage rates, please consult the regulations on the internet at www.mtwagehourbopa.com or contact the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

PAM BUCY
Commissioner
Department of Labor and Industry
State of Montana

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A. Date of Publication

The rate schedule was published with the Secretary of State on December 24, 2014. It is for use in bid solicitations first made on or after January 2, 2015.

B. Definition of Nonconstruction Services Occupations

Section 18-2-401(9)(a)-(9)(l), MCA defines "nonconstruction services" as "...work performed by an individual, not including management, office, or clerical work, for:

- (a) the maintenance of publicly owned buildings and facilities, including public highways, roads, streets, and alleys;
- (b) custodial or security services for publicly owned buildings and facilities;
- (c) grounds maintenance for publicly owned property;
- (d) the operation of public drinking water supply, waste collection, and waste disposal systems;
- (e) law enforcement, including janitors and prison guards;
- (f) fire protection;
- (g) public or school transportation driving;
- (h) nursing, nurse's aid services, and medical laboratory technician services;
- (i) material and mail handling;
- (j) food service and cooking;
- (k) motor vehicle and construction equipment repair and servicing; and
- (l) appliance and office machine repair and servicing."

C. Definition of Public Works Contract

Section 18-2-401(11)(a) MCA defines “public works contract” as “...a contract for construction services let by the state, county, municipality, school district, or political subdivision or for nonconstruction services let by the state, county, municipality, or political subdivision in which the total cost of the contract is in excess of \$25,000...”

D. Prevailing Wage Schedule

This publication covers only Nonconstruction Service occupations and rates. These rates will remain in effect until superseded by a more current publication. Current prevailing wage rate schedules for Heavy, Highway, and Building Construction occupations can be found on the Internet at www.mtwagehourbopa.com or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

E. Rates to Use for Projects

Rates to be used on a public works project are those that are in effect at the time the project and bid specifications are advertised.

F. Wage Rate Adjustments for Multiyear Contracts

Section 18-2-417, MCA states:

“(1) Any public works contract that by the terms of the original contract calls for more than 30 months to fully perform must include a provision to adjust, as provided in subsection (2), the standard prevailing rate of wages to be paid to the workers performing the contract.

(2) The standard prevailing rate of wages paid to workers under a contract subject to this section must be adjusted 12 months after the date of the award of the public works contract. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.

(3) Any increase in the standard rate of prevailing wages for workers under this section is the sole responsibility of the contractor and any subcontractors and not the contracting agency.”

G. Fringe Benefits

Section 18-2-412, MCA states:

“(1) To fulfill the obligation...a contractor or subcontractor may:

(a) pay the amount of fringe benefits and the basic hourly rate of pay that is part of the standard prevailing rate of wages directly to the worker or employee in cash;

(b) make an irrevocable contribution to a trustee or a third person pursuant to a fringe benefit fund, plan, or program that meets the requirements of the Employee Retirement Income Security Act of 1974 or that is a bona fide program approved by the U. S. department of labor; or

(c) make payments using any combination of methods set forth in subsections (1)(a) and (1)(b) so that the aggregate of payments and contributions is not less than the standard prevailing rate of wages, including fringe benefits and travel allowances, applicable to the district for the particular type of work being performed.

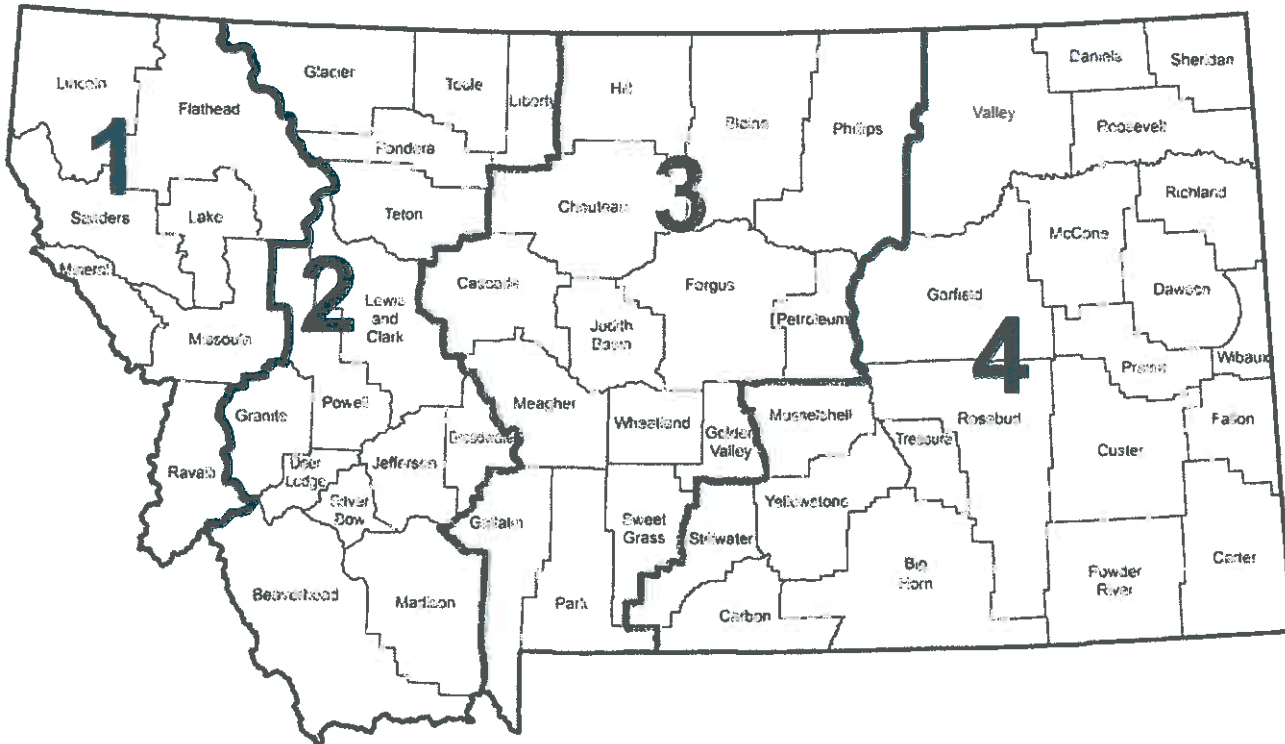
(2) The fringe benefit fund, plan, or program described in subsection (1)(b) must provide benefits to workers or employees for health care, pensions on retirement or death, life insurance, disability and sickness insurance, or bona fide programs that meet the requirements of the Employee Retirement Income Security Act of 1974 or that are approved by the U. S. department of labor.”

Fringe benefits are paid for all hours worked (straight time and overtime hours). However, fringe benefits are not to be considered a part of the hourly rate of pay for calculating overtime, unless there is a collectively bargained agreement in effect that specifies otherwise.

H. Prevailing Wage Districts

Montana counties are aggregated into 4 districts for the purpose of prevailing wage. The prevailing wage districts are composed of the following counties:

Montana Prevailing Wage Districts



I. Dispatch City

Dispatch City is the courthouse in the city from the following list which is closest to the center of the job: Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, and Missoula.

J. Zone Pay

Zone pay is not travel pay. It is an amount added to the base pay, the combined sum then becomes the new base wage rate to be paid for all hours worked on the project. Zone pay shall be determined by measuring the road miles one way over the shortest practical maintained route from the dispatch city to the center of the job.

K. Computing Travel Benefits

Travel pay, also referred to as travel allowance, shall be paid for travel both to and from the job site, except those with special provisions listed under the classification. The rate is determined by measuring the road miles one direction over the shortest practical maintained route from the dispatch city or the employee's home, whichever is closer, to the center of the job.

L. Per Diem

Per Diem typically covers the costs associated with board and lodging expenses. Per diem is paid when an employee is required to work at a location outside the daily commuting distance and is required to stay overnight or longer.

M. Apprentices

Wage rates for apprentices registered in approved federal or state apprenticeship programs are contained in those programs. Additionally, section 18-2-416(2), MCA states, “...*The full amount of any applicable fringe benefits must be paid to the apprentice while the apprentice is working on the public works contract.*” Apprentices not registered in approved federal or state apprenticeship programs will be paid the appropriate journey level prevailing wage rate when working on a public works contract.

N. Posting Notice of Prevailing Wages

Section 18-2-406, MCA provides that contractors, subcontractors and employers who are “...*performing work or providing construction services under public works contracts, as provided in this part, shall post in a prominent and accessible site on the project or staging area, not later than the first day of work and continuing for the entire duration of the project, a legible statement of all wages and fringe benefits to be paid to the employees.*”

O. Employment Preference

Sections 18-2-403 and 18-2-409, MCA requires contractors to give preference to the employment of bona fide Montana residents in the performance of work on public works contracts.

P. Nonconstruction Services Occupations

MAINTENANCE OF PUBLICLY OWNED BUILDINGS AND FACILITIES

- BASIN OPERATORS
- BOILER OPERATORS
- BUILDING INSPECTORS
- DITCH RIDERS
- ELEVATOR REPAIRERS
- HIGHWAY MAINTENANCE WORKERS
- JANITORS AND CLEANERS
- STREET CLEANERS AND SWEEPERS

GROUNDS MAINTENANCE FOR PUBLICLY OWNED PROPERTY

- CEMETERY WORKERS
- FOREST FUELS MITIGATION SAWYERS
- FOREST FUELS MITIGATION THINNERS AND EQUIPMENT OPERATORS
- LANDSCAPING AND GROUNDSKEEPING WORKERS
- PEST CONTROL WORKERS
- PESTICIDE/HERBICIDE HANDLERS, SPRAYERS AND APPLICATORS
- TIMBER MARKERS
- TREE PLANTERS
- TREE TRIMMERS AND PRUNERS

**OPERATION OF PUBLIC DRINKING WATER SUPPLY,
WASTE COLLECTION AND WASTE DISPOSAL SYSTEMS**

- HAZARDOUS MATERIALS REMOVAL WORKERS
- METER READERS
- PUMP STATION OPERATORS
- REFUSE AND RECYCLABLE COLLECTORS
- SANITARY LANDFILL ATTENDANTS
- SANITARY LANDFILL OPERATORS
- SEWAGE DISPOSAL WORKERS
- SEWER PIPE CLEANERS AND REPAIRERS
- WASTEWATER TREATMENT PLANT ATTENDANTS
- WASTEWATER TREATMENT PLANT OPERATORS
- WATER TREATMENT PLANT OPERATORS

LAW ENFORCEMENT, INCLUDING CORRECTION AND DETENTION OFFICERS

ANIMAL CONTROL OFFICERS
BAILIFFS
CORRECTION AND DETENTION OFFICERS
DISPATCHERS
PARKING ENFORCEMENT OFFICERS
PROBATION OFFICERS
SECURITY GUARDS, (Armed)
SECURITY GUARDS, (Unarmed)

FIRE PROTECTION

FIRE EXTINGUISHER REPAIRERS
FIRE MARSHALLS
FIREFIGHTERS, (Wildlands)

PUBLIC OR SCHOOL TRANSPORTATION DRIVING

BUS DRIVERS
BUS DRIVERS, (School)
TRUCK DRIVERS, (Light or Delivery)
VAN DRIVERS, (Shuttle)

NURSING, NURSE'S AID SERVICES, AND MEDICAL LABORATORY TECHNICIAN SERVICES

ADVANCED PRACTICE NURSES
EMERGENCY MEDICAL TECHNICIANS
HOME HEALTH AIDES
LICENSED PRACTICAL NURSES
MEDICAL LABORATORY TECHNICIANS
MEDICAL LABORATORY TECHNOLOGISTS
NURSES, (Community Health)
NURSES, (Office)
NURSING AIDES, ORDERLIES AND ATTENDANTS
PHYSICIAN ASSISTANTS
REGISTERED NURSES

MATERIAL AND MAIL HANDLING

FREIGHT, STOCK AND MATERIAL HANDLERS
MAIL CARRIERS
MAIL SORTERS AND PROCESSORS

FOOD SERVICE AND COOKING

COOKS, (Institution and Cafeteria)
COUNTER ATTENDANTS
DINING ROOM ATTENDANTS
FOOD PREPARATION WORKERS

MOTOR VEHICLE AND CONSTRUCTION EQUIPMENT REPAIR AND SERVICING

AUTOMOTIVE MECHANICS
BUS AND TRUCK MECHANICS, (Diesel Engines)
CONSTRUCTION EQUIPMENT MECHANICS

APPLIANCE AND OFFICE MACHINE REPAIR AND SERVICING

APPLIANCE SERVICE TECHNICIANS
COMPUTER, AUTOMATED TELLER AND OFFICE MACHINE REPAIRERS
RADIO ENGINEER TECHNICIANS

WAGE RATES

MAINTENANCE OF PUBLICLY OWNED BUILDINGS AND FACILITIES:

BASIN OPERATORS

No Rate Established

BOILER OPERATORS

	Wage	Benefit
District 1	\$19.97	\$8.28
District 2	\$18.52	\$7.97
District 3	\$18.14	\$6.61
District 4	\$20.06	\$6.22

BUILDING INSPECTORS

	Wage	Benefit
District 1	\$26.28	\$8.49
District 2	\$25.76	\$7.75
District 3	\$24.76	\$7.75
District 4	\$24.76	\$7.75

DITCH RIDERS

	Wage	Benefit
District 1	\$13.39	No Rate Established
District 2	\$13.39	No Rate Established
District 3	\$13.80	No Rate Established
District 4	\$13.39	No Rate Established

ELEVATOR REPAIRERS

	Wage	Benefit
District 1	\$47.76	\$32.38
District 2	\$47.76	\$32.38
District 3	\$47.76	\$32.38
District 4	\$47.76	\$32.38

Travel:

All Districts

0-15 mi. free zone

>15-25 mi. \$38.28/day

>25-35 mi. \$76.56/day

>35 mi. \$72.55/day or cost of receipts for hotel and meals, whichever is greater.

HIGHWAY MAINTENANCE WORKERS

	Wage	Benefit
District 1	\$21.04	\$6.75
District 2	\$19.06	\$6.59
District 3	\$18.26	\$6.60
District 4	\$18.93	\$6.63

Duties Include:

Patching pavement, repairing guard rails, clearing brush, and plowing snow. Maintains highways, municipal and rural roads, airport runways, and right-of-ways.

JANITORS AND CLEANERS

	Wage	Benefit
District 1	\$12.16	\$5.44
District 2	\$11.45	\$4.43
District 3	\$12.47	\$5.10
District 4	\$11.35	\$2.78

Duties Include:

Heavy cleaning, routine maintenance, and tending boiler or furnace.

STREET CLEANERS AND SWEEPERS

	Wage	Benefit
District 1	\$21.04	\$6.75
District 2	\$19.06	\$6.59
District 3	\$18.26	\$6.60
District 4	\$18.93	\$6.63

GROUNDS MAINTENANCE FOR PUBLICLY OWNED PROPERTY

CEMETERY WORKERS

	Wage	Benefit
District 1	\$14.88	\$5.46
District 2	\$10.30	\$4.66
District 3	\$12.63	\$5.80
District 4	\$14.95	\$5.46

FOREST FUELS MITIGATION SAWYERS

No Rate Established

FOREST FUELS MITIGATION THINNERS AND EQUIPMENT OPERATORS

No Rate Established

LANDSCAPING AND GROUNDSKEEPING WORKERS

	Wage	Benefit
District 1	\$14.59	\$6.63
District 2	\$13.34	\$6.66
District 3	\$12.97	\$5.71
District 4	\$13.68	\$4.53

Duties Include:

Shovel snow from walks, driveways, or parking lots and spread salt in those areas.

PEST CONTROL WORKERS

No Rate Established

PESTICIDE/HERBICIDE HANDLERS, SPRAYERS AND APPLICATORS

	Wage	Benefit
District 1	\$13.92	\$7.38
District 2	\$13.73	\$7.38
District 3	\$13.42	\$7.12
District 4	\$13.61	\$7.38

TIMBER MARKERS

No Rate Established

TREE PLANTERS

No Rate Established

TREE TRIMMERS AND PRUNERS

	Wage	Benefit
District 1	\$24.10	\$7.98
District 2	\$24.10	\$7.98
District 3	\$24.10	\$7.98
District 4	\$24.10	\$7.98

Travel:

All Districts

0-25 mi. - free zone

>25-50 mi. - \$20.00/day

>50 mi. - \$70.00/day

**OPERATION OF PUBLIC DRINKING WATER SUPPLY,
WASTE COLLECTION AND WASTE DISPOSAL SYSTEMS**

HAZARDOUS MATERIALS REMOVAL WORKERS

No Rate Established

METER READERS

	Wage	Benefit
District 1	\$16.27	\$6.42
District 2	\$18.01	\$6.27
District 3	\$19.53	\$5.59
District 4	\$20.61	\$5.86

PUMP STATION OPERATORS

No Rate Established

REFUSE AND RECYCLABLE COLLECTORS

	Wage	Benefit
District 1	\$15.61	\$7.95
District 2	\$15.77	\$7.89
District 3	\$17.94	\$7.50
District 4	\$18.62	\$7.92

SANITARY LANDFILL ATTENDANTS

	Wage	Benefit
District 1	\$15.04	No Rate Established
District 2	\$15.04	No Rate Established
District 3	\$15.04	No Rate Established
District 4	\$15.04	No Rate Established

SANITARY LANDFILL OPERATORS

	Wage	Benefit
District 1	\$19.71	\$6.91
District 2	\$21.75	\$6.29
District 3	\$20.23	\$6.46
District 4	\$19.95	\$6.71

SEWAGE DISPOSAL WORKERS

	Wage	Benefit
District 1	\$18.40	No Rate Established
District 2	\$18.40	No Rate Established
District 3	\$18.40	No Rate Established
District 4	\$18.40	No Rate Established

SEWER PIPE CLEANERS AND REPAIRERS

	Wage	Benefit
District 1	\$22.88	\$6.86
District 2	\$21.42	\$8.09
District 3	\$21.38	\$8.45
District 4	\$21.38	\$8.45

WASTEWATER TREATMENT PLANT ATTENDANTS

No Rate Established

WASTEWATER TREATMENT PLANT OPERATORS

	Wage	Benefit
District 1	\$20.32	\$8.37
District 2	\$19.90	\$6.08
District 3	\$21.93	\$7.49
District 4	\$20.67	\$8.78

WATER TREATMENT PLANT OPERATORS

	Wage	Benefit
District 1	\$18.22	\$7.72
District 2	\$18.69	\$6.73
District 3	\$18.85	\$7.12
District 4	\$21.03	\$8.48

LAW ENFORCEMENT, INCLUDING CORRECTION AND DETENTION OFFICERS

ANIMAL CONTROL OFFICERS

	Wage	Benefit
District 1	\$17.36	\$7.23
District 2	\$17.48	\$7.23
District 3	\$18.05	\$7.48
District 4	\$17.46	\$7.23

BAILIFFS

No Rate Established

CORRECTION AND DETENTION OFFICERS

	Wage	Benefit
District 1	\$16.78	\$6.65
District 2	\$14.57	\$6.68
District 3	\$14.07	\$6.38
District 4	\$16.21	\$7.74

DISPATCHERS

	Wage	Benefit
District 1	\$17.18	\$4.06
District 2	\$19.81	\$6.13
District 3	\$14.60	\$7.40
District 4	\$18.14	\$8.61

PARKING ENFORCEMENT OFFICERS

	Wage	Benefit
District 1	\$15.45	\$6.57
District 2	\$15.45	\$6.57
District 3	\$15.94	\$7.27
District 4	\$15.92	\$7.19

PROBATION OFFICERS

	Wage	Benefit
District 1	\$20.57	\$9.14
District 2	\$21.34	\$9.37
District 3	\$20.25	\$9.03
District 4	\$21.16	\$9.35

SECURITY GUARDS, (Armed)

No Rate Established

SECURITY GUARDS, (Unarmed)

	Wage	Benefit
District 1	\$11.96	\$5.51
District 2	\$10.25	\$5.71
District 3	\$11.31	\$3.63
District 4	\$10.93	\$1.37

FIRE PROTECTION

FIRE EXTINGUISHER REPAIRERS

No Rate Established

FIRE MARSHALLS

No Rate Established

FIREFIGHTERS, (Wildlands)

	Wage	Benefit
District 1	\$16.15	\$3.50
District 2	\$16.11	\$6.08
District 3	\$19.78	\$6.44
District 4	\$19.93	\$6.52

PUBLIC OR SCHOOL TRANSPORTATION DRIVING

BUS DRIVERS, (School)

	Wage	Benefit
District 1	\$16.19	\$3.46
District 2	\$13.77	\$5.75
District 3	\$18.15	\$4.50
District 4	\$17.54	\$3.40

BUS DRIVERS, (Transit)

	Wage	Benefit
District 1	\$14.07	\$3.79
District 2	\$13.35	\$3.79
District 3	\$14.77	\$7.44
District 4	\$15.38	\$9.02

TRUCK DRIVERS, (Light or Delivery)

	Wage	Benefit
District 1	\$11.73	\$4.68
District 2	\$14.38	\$4.61
District 3	\$14.31	\$4.74
District 4	\$10.00	\$4.77

VAN DRIVERS, (Shuttle)

	Wage	Benefit
District 1	\$13.63	No Rates Established
District 2	\$13.63	No Rates Established
District 3	\$13.37	No Rates Established
District 4	\$12.29	No Rates Established

NURSING, NURSE'S AID SERVICES, AND MEDICAL LABORATORY TECHNICIAN SERVICES

ADVANCED PRACTICE NURSES

	Wage	Benefit
District 1	\$44.57	\$6.58
District 2	\$42.69	\$6.31
District 3	\$42.16	\$7.12
District 4	\$46.76	\$8.73

Occupations Include:

Nurse Practitioners, Clinical Nurse Specialists, Nurse Anesthetists, and Nurse Midwives.

EMERGENCY MEDICAL TECHNICIANS

	Wage	Benefit
District 1	\$10.00	No Rate Established
District 2	\$10.78	No Rate Established
District 3	\$10.78	No Rate Established
District 4	\$10.78	No Rate Established

HOME HEALTH AIDES

	Wage	Benefit
District 1	\$12.75	No Rate Established
District 2	\$12.75	No Rate Established
District 3	\$12.75	No Rate Established
District 4	\$12.75	No Rate Established

LICENSED PRACTICAL NURSES

	Wage	Benefit
District 1	\$17.85	\$4.90
District 2	\$19.55	\$5.04
District 3	\$18.84	\$4.26
District 4	\$19.36	\$3.78

MEDICAL LABORATORY TECHNICIANS

	Wage	Benefit
District 1	\$19.36	\$5.94
District 2	\$19.69	\$5.94
District 3	\$21.07	\$5.94
District 4	\$20.80	\$5.94

MEDICAL LABORATORY TECHNOLOGISTS

	Wage	Benefit
District 1	\$27.11	\$8.22
District 2	\$22.00	\$5.04
District 3	\$27.81	\$6.03
District 4	\$27.92	\$6.71

NURSES, (Community Health)

	Wage	Benefit
District 1	\$23.51	\$6.35
District 2	\$23.60	\$6.35
District 3	\$24.53	\$6.39
District 4	\$25.11	\$4.41

NURSES, (Office)

	Wage	Benefit
District 1	\$21.83	\$6.45
District 2	\$22.21	\$6.27
District 3	\$21.85	\$6.09
District 4	\$20.47	\$6.22

NURSING AIDES, ORDERLIES AND ATTENDANTS

	Wage	Benefit
District 1	\$12.14	\$4.42
District 2	\$12.73	\$3.98
District 3	\$13.40	\$5.04
District 4	\$11.78	\$2.49

Occupations Include:

Certified Nursing Assistants, Hospital Aides, Infirmary Attendants

PHYSICIAN ASSISTANTS

	Wage	Benefit
District 1	\$42.95	\$12.33
District 2	\$46.40	\$10.61
District 3	\$47.75	\$10.44
District 4	\$48.67	\$10.44

REGISTERED NURSES

	Wage	Benefit
District 1	\$27.59	\$8.16
District 2	\$28.82	\$5.50
District 3	\$26.65	\$7.18
District 4	\$27.66	\$5.75

MATERIAL AND MAIL HANDLING

FREIGHT, STOCK AND MATERIAL HANDLERS

	Wage	Benefit
District 1	\$12.17	\$3.35
District 2	\$13.02	\$3.77
District 3	\$14.11	\$3.88
District 4	\$14.82	\$3.53

MAIL CARRIERS

No Rate Established

MAIL SORTERS AND PROCESSORS

	Wage	Benefit
District 1	\$12.17	No Rate Established
District 2	\$12.17	No Rate Established
District 3	\$12.17	No Rate Established
District 4	\$12.17	No Rate Established

FOOD SERVICE AND COOKING

COOKS, (Institution and Cafeteria)

	Wage	Benefit
District 1	\$12.77	\$5.64
District 2	\$11.54	\$3.71
District 3	\$13.27	\$5.04
District 4	\$12.03	\$2.96

COUNTER ATTENDANTS

	Wage	Benefit
District 1	\$ 9.43	\$3.55
District 2	\$ 8.86	\$3.81
District 3	\$10.65	\$5.06
District 4	\$ 9.49	\$1.48

DINING ROOM ATTENDANTS

	Wage	Benefit
District 1	\$ 9.43	\$3.86
District 2	\$ 8.86	\$3.81
District 3	\$15.00	\$3.72
District 4	\$ 8.65	\$3.72

FOOD PREPARATION WORKERS

	Wage	Benefit
District 1	\$11.60	\$5.32
District 2	\$10.04	\$5.04
District 3	\$10.51	\$3.54
District 4	\$11.93	\$3.97

MOTOR VEHICLE AND CONSTRUCTION EQUIPMENT REPAIR AND SERVICING

AUTOMOTIVE MECHANICS

	Wage	Benefit
District 1	\$19.89	\$4.82
District 2	\$20.11	\$5.00
District 3	\$18.47	\$4.15
District 4	\$18.45	\$8.82

BUS AND TRUCK MECHANICS, (Diesel Engines)

	Wage	Benefit
District 1	\$21.21	\$4.37
District 2	\$19.88	\$5.04
District 3	\$19.62	\$5.71
District 4	\$21.00	\$7.94

CONSTRUCTION EQUIPMENT MECHANICS

	Wage	Benefit
District 1	\$22.18	\$6.92
District 2	\$21.01	\$6.59
District 3	\$18.35	\$7.73
District 4	\$22.87	\$9.56

APPLIANCE AND OFFICE MACHINE REPAIR AND SERVICING

APPLIANCE SERVICE TECHNICIANS

	Wage	Benefit
District 1	\$18.81	\$4.33
District 2	\$17.23	\$4.33
District 3	\$18.36	\$4.28
District 4	\$18.28	\$4.21

COMPUTER, AUTOMATED TELLER AND OFFICE MACHINE REPAIRERS

	Wage	Benefit
District 1	\$16.93	\$4.67
District 2	\$15.94	\$4.67
District 3	\$16.86	\$4.67
District 4	\$16.86	\$4.67

RADIO ENGINEER TECHNICIANS

No Rate Established

Attachment B
Montana Prevailing Wage Rates for Heavy Construction Services 2015

**MONTANA
PREVAILING WAGE RATES FOR HEAVY CONSTRUCTION SERVICES 2015**

Effective: January 2, 2015

**Steve Bullock, Governor
*State of Montana***

**Pam Bucy, Commissioner
*Department of Labor and Industry***

To obtain copies of prevailing wage rate schedules, or for information relating to public works projects and payment of prevailing wage rates, visit ERD at www.mtwagehourbopa.com or contact:

Employment Relations Division
Montana Department of Labor and Industry
P. O. Box 201503
Helena, MT 59620-1503
Phone 406-444-5600
TDD 406-444-5549

The Labor Standards Bureau welcomes questions, comments and suggestions from the public. In addition, we'll do our best to provide information in an accessible format, upon request, in compliance with the Americans with Disabilities Act.

MONTANA PREVAILING WAGE REQUIREMENTS

The Commissioner of the Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 of the Montana Code Annotated (MCA), has determined the standard prevailing rate of wages for the occupations listed in this publication.

The wages specified herein control the prevailing rate of wages for the purposes of 18-2-401, et seq., MCA. It is required that each employer pay (as a minimum) the rate of wages, including fringe benefits, travel allowance, zone pay and per diem applicable to the district in which the work is being performed as provided in the attached wage determinations.

All Montana Prevailing Wage Rates are available on the internet at www.mtwagehourbopa.com or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

In addition, this publication provides general information concerning compliance with Montana's Prevailing Wage Law and the payment of prevailing wages. For detailed compliance information relating to public works contracts and payment of prevailing wage rates, please consult the regulations on the internet at www.mtwagehourbopa.com or contact the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

PAM BUCY
Commissioner
Department of Labor and Industry
State of Montana

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A. Date of Publication

The rate schedule was published with the Secretary of State on December 24, 2014. It is for use in bid solicitations first made on or after January 2, 2015.

B. Definition of Heavy Construction

The Administrative Rules of Montana (ARM) 24.17.501(4) – (4)(a), Public Works Contracts For Construction Services Subject to Prevailing Rates, states: “*Heavy construction projects include, but are not limited to, those projects that are not properly classified as either ‘building construction’, or ‘highway construction.’*”

Heavy construction projects include, but are not limited to, antenna towers, bridges (major bridges designed for commercial navigation), breakwaters, caissons (other than building or highway), canals, channels, channel cut-offs, chemical complexes or facilities (other than buildings), cofferdams, coke ovens, dams, demolition (not incidental to construction), dikes, docks, drainage projects, dredging projects, electrification projects (outdoor), fish hatcheries, flood control projects, industrial incinerators (other than building), irrigation projects, jetties, kilns, land drainage (not incidental to other construction), land leveling (not incidental to other construction), land reclamation, levees, locks and waterways, oil refineries (other than buildings), pipe lines, ponds, pumping stations (prefabricated drop-in units – not buildings), railroad construction, reservoirs, revetments, sewage collection and disposal lines, sewers (sanitary, storm, etc.), shoreline maintenance, ski tows, storage tanks, swimming pools (outdoor), subways (other than buildings), tipples, tunnels, unsheltered piers and wharves, viaducts (other than highway), water mains, waterway construction, water supply lines (not incidental to building), water and sewage treatment plants (other than buildings) and wells.”

C. Definition of Public Works Contract

Section 18-2-401(11)(a), MCA defines “public works contract” as “...a contract for construction services let by the state, county, municipality, school district, or political subdivision or for nonconstruction services let by the state, county, municipality, or political subdivision in which the total cost of the contract is in excess of \$25,000...”

D. Prevailing Wage Schedule

This publication covers only Heavy Construction occupations and rates in the specific localities mentioned herein. These rates will remain in effect until superseded by a more current publication. Current prevailing wage rate schedules for Building Construction, Highway Construction and Nonconstruction Services occupations can be found on the internet at www.mtwagehourbopa.com or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

E. Rates to Use for Projects

Rates to be used on a public works project are those that are in effect at the time the project and bid specifications are advertised.

F. Wage Rate Adjustments for Multiyear Contracts

Section 18-2-417, MCA states:

“(1) Any public works contract that by the terms of the original contract calls for more than 30 months to fully perform must include a provision to adjust, as provided in subsection (2), the standard prevailing rate of wages to be paid to the workers performing the contract.

(2) The standard prevailing rate of wages paid to workers under a contract subject to this section must be adjusted 12 months after the date of the award of the public works contract. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.

(3) Any increase in the standard rate of prevailing wages for workers under this section is the sole responsibility of the contractor and any subcontractors and not the contracting agency.”

G. Fringe Benefits

Section 18-2-412, MCA states:

“(1) To fulfill the obligation...a contractor or subcontractor may:

(a) pay the amount of fringe benefits and the basic hourly rate of pay that is part of the standard prevailing rate of wages directly to the worker or employee in cash;

(b) make an irrevocable contribution to a trustee or a third person pursuant to a fringe benefit fund, plan, or program that meets the requirements of the Employee Retirement Income Security Act of 1974 or that is a bona fide program approved by the U. S. department of labor; or

(c) make payments using any combination of methods set forth in subsections (1)(a) and (1)(b) so that the aggregate of payments and contributions is not less than the standard prevailing rate of wages, including fringe benefits and travel allowances, applicable to the district for the particular type of work being performed.

(2) The fringe benefit fund, plan, or program described in subsection (1)(b) must provide benefits to workers or employees for health care, pensions on retirement or death, life insurance, disability and sickness insurance, or bona fide programs that meet the requirements of the Employee Retirement Income Security Act of 1974 or that are approved by the U. S. department of labor.”

Fringe benefits are paid for all hours worked (straight time and overtime hours). However, fringe benefits are not to be considered a part of the hourly rate of pay for calculating overtime, unless there is a collectively bargained agreement in effect that specifies otherwise.

H. Dispatch City

Dispatch City is the courthouse in the city from the following list which is closest to the center of the job: Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, and Missoula.

I. Zone Pay

Zone pay is not travel pay. It is an amount added to the base pay, the combined sum then becomes the new base wage rate to be paid for all hours worked on the project. Zone pay shall be determined by measuring the road miles one way over the shortest practical maintained route from the dispatch city to the center of the job.

J. Computing Travel Benefits

Travel pay, also referred to as travel allowance, shall be paid for travel both to and from the job site, except those with special provisions listed under the classification. The rate is determined by measuring the road miles one direction over the shortest practical maintained route from the dispatch city or the employee's home, whichever is closer, to the center of the job.

K. Per Diem

Per Diem typically covers the costs associated with board and lodging expenses. Per diem is paid when an employee is required to work at a location outside the daily commuting distance and is required to stay overnight or longer.

L. Apprentices

Wage rates for apprentices registered in approved federal or state apprenticeship programs are contained in those programs. Additionally, section 18-2-416(2), MCA states, “...*The full amount of any applicable fringe benefits must be paid to the apprentice while the apprentice is working on the public works contract.*” Apprentices not registered in approved federal or state apprenticeship programs will be paid the appropriate journey level prevailing wage rate when working on a public works contract.

M. Posting Notice of Prevailing Wages

Section 18-2-406, MCA, provides that contractors, subcontractors, and employers who are “...*performing work or providing construction services under public works contracts, as provided in this part, shall post in a prominent and accessible site on the project or staging area, not later than the first day of work and continuing for the entire duration of the project, a legible statement of all wages and fringe benefits to be paid to the employees.*”

N. Employment Preference

Sections 18-2-403 and 18-2-409, MCA require contractors to give preference to the employment of bona fide Montana residents in the performance of work on public works contracts.

O. Welder Rates

Welders receive the rate prescribed for the craft performing an operation to which welding is incidental.

P. Foreman Rates

Rates are no longer set for foremen. However, if a foreman performs journey level work, the foreman must be paid at least the journey level rate.

WAGE RATES

BOILERMAKERS

Wage	Benefit
\$30.00	\$29.45

Duties Include: Bulk storage tanks and bolted steel tanks.

Travel:

0-120 mi. free zone
>120 mi. federal mileage rate/mi. in effect when travel occurs.

Special Provision: Travel is paid only at the beginning and end of the job.

Per Diem:

0-70 mi. free zone
>70-120 mi. \$55.00/day
>120 mi. \$70.00/day

BRICK, BLOCK, AND STONE MASONS

Wage	Benefit
\$25.74	\$12.25

Travel:

0-45 mi. free zone
>45-60 mi. \$25.00/day
>60-90 mi. \$55.00/day
>90 mi. \$65.00/day

CARPENTERS

Wage	Benefit
\$27.00	\$11.57

Zone Pay:

0-30 mi. free zone
>30-50 mi. base pay + \$4.00/hr.
>50 mi. base pay + \$6.00/hr.

CEMENT MASONS

Wage	Benefit
\$21.43	\$9.41

Duties Include:

Smooth and finish surfaces of poured concrete, such as floors, walks, sidewalks, or curbs. Align forms for sidewalks, curbs, or gutters.

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$2.95/hr.
>60 mi. base pay + \$4.75/hr.

CONSTRUCTION EQUIPMENT OPERATORS GROUP 1

Wage	Benefit
\$24.32	\$11.40

This group includes but is not limited to:

Air Compressor; Auto Fine Grader; Belt Finishing; Boring Machine (Small); Cement Silo; Crane, A-Frame Truck Crane; Crusher Conveyor; DW-10, 15, and 20 Tractor Roller; Farm Tractor; Forklift; Form Grader; Front-End Loader, under 1 cu. yd; Oiler, Heavy Duty Drills; Herman Nelson Heater; Mucking Machine; Oiler, All Except Cranes/Shovels; Pumpman.

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

CONSTRUCTION EQUIPMENT OPERATORS GROUP 2

Wage	Benefit
\$25.54	\$11.40

This group includes but is not limited to:

Air Doctor; Backhoe\Excavator\Shovel, up to and incl. 3 cu. yds; Bit Grinder; Bituminous Paving Travel Plant; Boring Machine, Large; Broom, Self-Propelled; Concrete Travel Batcher; Concrete Float & Spreader; Concrete Bucket Dispatcher; Concrete Finish Machine; Concrete Conveyor; Distributor; Dozer, Rubber-Tired, Push, & Side Boom; Elevating Grader\Gradall; Field Equipment Serviceman; Front-End Loader, 1 cu. yd up to and incl. 5 cu. yds; Grade Setter; Heavy Duty Drills, All Types; Hoist\Tugger, All; Hydralift Forklifts & Similar; Industrial Locomotive; Motor Patrol (except finish); Mountain Skidder; Oiler, Cranes\Shovels; Pavement Breaker, EMSCO; Power Saw, Self-Propelled; Pugmill; Pumpcrete\Grout Machine; Punch Truck; Roller, other than Asphalt; Roller, Sheepsfoot (Self-Propelled); Roller, 25 tons and over; Ross Carrier; Rotomill, under 6 ft; Trenching Machine; Washing /Screening Plant

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

CONSTRUCTION EQUIPMENT OPERATORS GROUP 3

Wage	Benefit
\$26.00	\$11.40

This group includes but is not limited to:

Asphalt Paving Machine; Asphalt Screed; Backhoe\Excavator\Shovel, over 3 cu. yds; Cableway Highline; Concrete Batch Plant; Concrete Curing Machine; Concrete Pump; Cranes, Creter; Cranes, Electric Overhead; Cranes, 24 tons and under; Curb Machine\Slip Form Paver; Finish Dozer; Front-End Loader, over 5 cu. yds; Mechanic\Welder; Pioneer Dozer; Roller Asphalt (Breakdown & Finish); Rotomill, over 6 ft; Scraper, Single, Twin, or Pulling Belly-Dump; YO-YO Cat.

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

CONSTRUCTION EQUIPMENT OPERATORS GROUP 4

Wage	Benefit
\$27.00	\$11.40

Zone Pay:
0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

This group includes but is not limited to:
Asphalt/Hot Plant Operator; Cranes, 25 tons up to and incl. 44 tons; Crusher Operator; Finish Motor Patrol; Finish Scraper.

CONSTRUCTION EQUIPMENT OPERATORS GROUP 5

Wage	Benefit
\$28.00	\$11.40

Zone Pay:
0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

This group includes but is not limited to:
Cranes, 45 tons up to and incl. 74 tons.

CONSTRUCTION EQUIPMENT OPERATORS GROUP 6

Wage	Benefit
\$29.00	\$11.40

Zone Pay:
0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

This group includes but is not limited to:
Cranes, 75 tons up to and incl. 149 tons; Cranes, Whirley (All).

CONSTRUCTION EQUIPMENT OPERATORS GROUP 7

Wage	Benefit
\$30.00	\$11.40

Zone Pay:
0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

This group includes but is not limited to:
Cranes, 150 tons up to and incl. 250 tons; Cranes, over 250 tons—add \$1.00 for every 100 tons over 250 tons; Crane, Tower (All); Crane Stiff-Leg or Derrick; Helicopter Hoist.

CONSTRUCTION LABORERS GROUP 1/FLAG PERSON FOR TRAFFIC CONTROL

Wage	Benefit
\$20.08	\$8.65

Zone Pay:
0-30 mi. free zone
>30-60 mi. base pay + \$3.05/hr.
>60 mi. base pay + \$4.85/hr.

CONSTRUCTION LABORERS GROUP 2

Wage	Benefit
\$23.47	\$8.65

This group includes but is not limited to:

General Labor; Asbestos Removal; Burning Bar; Bucket Man; Carpenter Tender; Caisson Worker; Cement Mason Tender; Cement Handler (dry); Chuck Tender; Choker Setter; Concrete Worker; Curb Machine-lay Down; Crusher and Batch Worker; Heater Tender; Fence Erector; Landscape Laborer; Landscaper; Lawn Sprinkler Installer; Pipe Wrapper; Pot Tender; Powderman Tender; Rail and Truck Loaders and Unloaders; Riprapper; Sign Erection; Guardrail and Jersey Rail; Spike Driver; Stake Jumper; Signalman; Tail Hoseman; Tool Checker and Houseman and Traffic Control Worker.

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

CONSTRUCTION LABORERS GROUP 3

Wage	Benefit
\$24.34	\$8.65

This group includes but is not limited to:

Concrete Vibrator; Dumpman (Grademan); Equipment Handler; Geotextile and Liners; High-Pressure Nozzleman; Jackhammer (Pavement Breaker) Non-Riding Rollers; Pipelayer; Posthole Digger (Power); Power Driven Wheelbarrow; Rigger; Sandblaster; Sod Cutter-Power and Tamper.

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

CONSTRUCTION LABORERS GROUP 4

Wage	Benefit
\$25.00	\$8.65

This group includes but is not limited to:

Hod Carrier***; Water Well Laborer; Blaster; Wagon Driller; Asphalt Raker; Cutting Torch; Grade Setter; High-Scaler; Power Saws (Faller & Concrete) Powderman; Rock & Core Drill; Track or Truck Mounted Wagon Drill and Welder incl. Air Arc.

Zone Pay:

0-30 mi. free zone
>30-60 mi. base pay + \$3.50/hr.
>60 mi. base pay + \$5.50/hr.

***Hod Carriers will receive the same amount of travel and/or subsistence pay as bricklayers when requested to travel.

DIVER

	Wage	Benefit
Stand-By	\$36.02	\$12.89
Diving	\$72.04	\$12.89

Depth Pay (Surface Diving)

0-20 ft.	free zone
>20-100 ft.	\$2.00 per ft.
>100-150 ft.	\$3.00 per ft.
>150-220 ft.	\$4.00 per ft.
>220 ft.	\$5.00 per ft.

Diving In Enclosures

0-25 ft.	free zone
>25-300 ft.	\$1.00 per ft.

Zone Pay:

0-30 mi.	free zone
>30-50 mi.	base pay + \$4.00/hr.
>50 mi.	base pay + \$6.00/hr.

DIVER TENDER

	Wage	Benefit
Stand-By	\$35.02	\$12.89

The tender shall receive 2 hours at the straight time pay rate per shift for dressing and/or undressing a Diver when work is done under hyperbaric conditions.

Zone Pay:

0-30 mi.	free zone
>30-50 mi.	base pay + \$4.00/hr.
>50 mi.	base pay + \$6.00/hr.

ELECTRICIANS

Wage	Benefit
\$30.73	\$13.20

Travel:

0-18 mi.	free zone
>18-60 mi.	federal mileage rate/mi. in effect when travel occurs and employee uses own vehicle.
> 60 mi.	\$75.00/day in lieu of any other travel allowance.

INSULATION WORKERS-MECHANICAL (HEAT AND FROST)

Wage	Benefit
\$32.32	\$17.57

Duties Include:

Insulate pipes, ductwork or other mechanical systems.

Travel:

All Districts

0-30 mi.	free zone
>30-40 mi.	\$20.00/day
>40-50 mi.	\$30.00/day
>50-60 mi.	\$40.00/day
>60 mi.	\$45.00/day + \$0.56/mi. if transportation is not provided / \$0.20/mi. if in company vehicle.
>60 mi.	\$77.00/day on jobs requiring an overnight stay + \$0.56/mi. if transportation is not provided / \$0.20/mi. if in company vehicle.

IRONWORKERS-STRUCTURAL STEEL AND REBAR PLACERS

Wage	Benefit
\$26.50	\$20.73

Travel:
0-45 mi. free zone
>45-85 mi. \$45.00/day
>85 mi. \$75.00/day

Duties Include:

Structural steel erection; assemble prefabricated metal buildings; cut, bend, tie, and place rebar; energy producing windmill type towers; metal bleacher seating; handrail fabrication and ornamental steel.

LINE CONSTRUCTION – EQUIPMENT OPERATORS

Wage	Benefit
\$30.12	\$12.75

Zone Pay:
0-25 mi. \$30.00/day
>25 mi. \$60.00/day

LINE CONSTRUCTION – GROUNDMAN

Wage	Benefit
\$24.30	\$12.03

Zone Pay:
0-25 mi. \$30.00/day
>25 mi. \$60.00/day

LINE CONSTRUCTION – LINEMAN

Wage	Benefit
\$40.63	\$13.84

Zone Pay:
0-25 mi. \$30.00/day
>25 mi. \$60.00/day

MILLWRIGHTS

Wage	Benefit
\$30.00	\$11.57

Zone Pay:
0-30 mi. free zone
>30-50 mi. base pay + \$4.00/hr.
>50 mi. base pay + \$6.00/hr.

PAINTERS

Wage	Benefit
\$23.76	\$15.28

Travel:
0-120 mi. free zone
>120 mi. \$45.00/day.

PILE BUCKS

Wage	Benefit
\$27.00	\$11.57

Duties Include:

Set up crane; set up hammer; weld tips on piles; set leads; insure piles are driven straight with the use of level or plum bob. Give direction to crane operator as to speed, and direction of swing. Cut piles to grade.

Zone Pay:

0-30 mi. free zone
>30-50 mi. base pay + \$4.00/hr.
>50 mi. base pay + \$6.00/hr.

PLUMBERS, PIPEFITTERS, AND STEAMFITTERS

Wage	Benefit
\$33.21	\$15.11

Travel:

0-70 mi. free zone
>70 mi. \$0.55/mi. if transportation is not provided.

Special Provision:

If employee travels back and forth from home to job site, the employee will receive compensation for no more than two trips.

Per Diem:

\$90.00/day

SHEET METAL WORKERS/HVAC

Wage	Benefit
\$27.33	\$14.44

Duties Include:

Testing and balancing, commissioning and retro-commissioning, of all air-handling equipment and duct work.

Travel:

0-51 mi. free zone
>51mi. \$0.25/mi. in employer vehicle
\$0.65/mi. in employee vehicle

Per Diem:

\$60.00/day

TEAMSTERS GROUP 1

Wage	Benefit
\$20.39	\$9.16

Pilot car driver.

Zone Pay:

0-25 mi. free zone
>25-50 mi. base pay + \$2.50/hr.
>50 mi. base pay + \$3.00/hr.

TEAMSTERS GROUP 2

Wage	Benefit
\$26.06	\$9.16

This group includes but is not limited to:

Combination Truck and Concrete Mixer and Transit Mixer; Dry Batch Trucks; Distributor Driver; Dumpman; Dump Trucks and similar equipment; Dumpster; Flat Trucks; Lumber Carriers; Lowboys; Pickup; Powder Truck Driver; Power Boom; Serviceman; Service Truck/Fuel Truck/Tireperson; Truck Mechanic; Trucks with Power Equipment; Warehouseman, Partsman, Cardex and Warehouse Expeditor; Water Trucks.

Zone Pay:

0-25 mi. free zone
>25-50 mi. base pay + \$2.50/hr.
>50 mi. base pay + \$3.00/hr.