



PROFESSIONAL SERVICES CONTRACT
APPENDIX A
GENERAL TERMS AND CONDITIONS

Contract No:
Date Prepared:

These terms, conditions and requirements apply to the Contract Documents describing the Work for the Project. If any provision of these Contract Documents is declared by a court to be illegal or in conflict with any law, the validity of the remaining provisions and the ensuing rights and obligations of the Parties to the contract shall not be affected.

1. **AUTHORITY.** The Chief Executive Officer (or authorized representative) has the authority to make findings, determinations and decisions with respect to the contract; to approve materials, Work and payment therefore; and to modify or terminate the contract on behalf of AAC.
2. **RESPONSIBILITY.** The Contractor shall have responsibility for the means, methods, sequences, or procedures related to the Project, based on the guidance provided in the contact document. The Contractor shall conduct all Work in such a manner that protects the public and State resources. The Contractor’s relationship to AAC in performing this contract is that of an independent subcontractor and nothing herein shall be construed as creating an employee/employer relationship. The personnel performing services under this contract shall at all times be under the Contractor’s exclusive direction and control.
3. **GOVERNING LAW.** The Contractor must comply with all applicable laws, regulations, codes, ordinances and written directives issued by the Procurement Officer. In addition, the Contractor must obtain applicable licenses and permits; provide supervision and labor, except as may otherwise be provided by AAC. These General Conditions are governed by the laws of the State of Alaska. Any dispute arising from or relating to these General Conditions shall be subject to litigation in the Superior Court for the State of Alaska, Third Judicial District at Anchorage.
4. **PERMITS AND LICENSES.** The Contractor shall, at its own expense, obtain all necessary permits, licenses, certifications, and any other similar authorization required or which may become required by the Government of the United States or any state or by any political subdivision of the Unites States except where laws, rules, or regulations expressly require AAC to obtain the same.
5. **INDEPENDENT CONTRACTOR.** The Contractor and any agents and employees of the Contractor act as independent contractors to AAC and are not officers, employees, agents, partners or joint ventures of AAC in the performance of this Agreement.
6. **NONDISCRIMINATION.** The Contractor shall comply with Federal Acquisition Regulation (FAR) 52.222-26 Equal Opportunity.
7. **PAYMENT OF TAXES.** The Contractor shall pay all federal, state, and local taxes incurred by the Contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract.
8. **NO ASSIGNMENT OR DELEGATION.** The Contractor shall not assign, subcontract, or delegate any work under this contract without prior written Approval from the Procurement Officer.
9. **LIMITATION OF COSTS.** When the contract is approximately 75% complete, the Contractor shall determine if the Authorized Amount(s) might be exceeded; and, if so, shall provide an estimate of cost to complete. AAC will determine after discussion with the Contractor if the additional cost is reasonable and does not include costs that should be absorbed by the Contractor. If additional cost is validated, a negotiated Amendment will be executed which either (1) reduces the scope of services/work products

required commensurate with the Authorized Amount(s), or (2) increases the Authorized Amount(s) to that required for completion of the original scope.

10. **INVOICING.** To ensure payment, invoices are to be submitted to the attention of the Alaska Aerospace Accounts Payable department electronically at AACBillings@akaerospace.com by the thirtieth (30th) calendar day of each month. Invoices should be in Subcontractor's format and shall contain the following information: Subcontract number and serialized invoice number; Description of work; hours worked, and labor rate. To ensure payment, invoices are to be submitted monthly to AAC within 30 days of performance. Charges submitted after the above stated times will, at AAC's discretion, not be paid.
11. **PAYMENT.** Payment for services provided shall be made 30 days after receipt of proper billing or the date on which payment is due under terms of the contract per AS 37.05.285. AAC will make final payment to the Contractor following approval of completion of all Work and the Contractor's submittal of all required releases and invoices. Liens or other claims relating to the Project may be withheld from final payment if written notice is first given to the Contractor. Acceptance of the final payment will constitute the Contractor's waiver to future claims.
12. **CHANGES.** AAC reserves the right to make written changes to the Contract Documents for modifications within the general scope of the Work with compensation adjustment based on T&M or agreed upon fixed fee or percentage of work complete.
13. **CANCELLATION/TERMINATION.**
 - a. **TERMINATION FOR CONVENIENCE.** AAC may, for its sole convenience, terminate this contract in whole or in part, at any time by giving written notice of its intention to do so. In the event of such termination, the Contractor shall be entitled to received payment in accordance with payment provisions of this contract for services rendered and charges incurred prior to the effective date of termination. Contractor shall not be paid for any work done after receipt of a notice of termination or for any costs incurred by the Contractor's suppliers or subcontractors, which the Contractor could have reasonably avoided. In no event shall AAC be liable for unabsorbed overhead or anticipated profit on unperformed services.
 - b. **TERMINATION FOR CAUSE.** AAC has the right to terminate this contract by written notice of default to the Contractor, in whole or in part in the following circumstances: The failure of the Contractor to perform a material obligation under this Agreement shall be a default if not cured within ten (10) days after AAC gives the Contractor written notice of the default, or if the default cannot be cured within such ten (10) day period, within the time for cure specified in a written cure plan provided by the Contractor and approved in writing by AAC.
14. **FORCE MAJEURE.** Neither AAC nor the Contractor shall be responsible to perform the terms of this contract when performance is prevented by fore majeure, provided that: (1) notice and reasonably detailed particulars are given to the other party and (2) the cause of such failure or omission is remedied so far as possible with reasonable dispatch. The term "force majeure" shall mean acts of God, earthquakes, fire, flood, war, civil disturbances, governmentally imposed rules, regulations or other causes, which is not within the reasonable control of either party and which through exercise of due diligence, a party is unable to foresee or overcome. In no event shall force majeure include normal or reasonably foreseeable or avoidable operational delays.
15. **WARRANTY.** In the event Contractor supplies equipment, goods, materials, or other supplies in addition to services under this contract, Contractor warrants said items: (a) shall be of good quality and free from all defects and deficiencies in workmanship, material and design; (b) shall be fit, suitable and operate successfully for their intended purpose; (c) shall be new; (d) shall be free from all license, claims, demands, and other defects in title; and (e) shall conform to the specifications, if any, stated in the contract. The Contractor shall honor all guarantees and warranties offered by the manufacturer of the equipment, goods, materials, and other supplies provided under this contract.

16. **DISPUTES.** Any dispute arising out of this Contract, which cannot be satisfactorily remedied by the Parties to the Contract, shall be resolved under AAC Regulation 1.070.
17. **IDEMNIFICATION AND INSURANCE.** The Contractor shall indemnify, save harmless, and defend AAC, its agents and its employees in accordance with Appendix B. Furthermore, the Contractor shall, prior to the Award of the contract, provide proof of Insurance as applicable under Appendix B as requested. These coverages shall remain in force for the duration of the Contract.
18. **AUDIT.** AAC has the right to audit at reasonable times the accounts and books of the Contractor in accordance with the provisions of AAC Regulation 1.050(h)(1)(B). The Contractor shall keep full and accurate records and accounts of all its activities under this Contract, including, without limitation, reasonable substantiation of all expenses incurred, and all property acquired hereunder.
19. **CONFLICT OF INTEREST.** The Contractor shall act to prevent any actions or conditions which could result in a conflict with AAC's best interests. This obligation shall apply to the activities of Contractor's employees and agents in their relationships with AAC employees, their families, vendors, and subcontractors.
20. **NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.** Confidential and proprietary information refers to any data or information relating to the business of AAC and any affiliated/partnered relationship which would reasonably be considered as proprietary to AAC, including but not limited to accounting records, business processes, business development prospects, strategic planning, client records, and customer contracts. Your firm will not disclose, divulge, reveal, report or use for any purpose any Confidential or Proprietary information obtained under this Agreement, except as authorized by AAC.



PROFESSIONAL SERVICES CONTRACT
APPENDIX B
INSURANCE AND INDEMNIFICATION

Contract No:
Date Prepared:

Article 1 - Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, hold harmless, and defend Alaska Aerospace Corporation (AAC) from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement.

Article 2 - Insurance

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this Agreement the policies of insurance listed below.

Article 3 - Worker's Compensation Insurance

The Contractor shall provide and maintain, for all employees engaged in work under this contract, worker's compensation insurance coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations, including but not limited to Federal U.S.L.&H and Jones Acts requirements.

Article 4 - Commercial General Liability

The Contractor shall provide commercial general liability coverage for all business premises and operations used by the Contractor in the performance of services under this agreement.

Article 5 - Automobile Liability

The Contractor shall provide automotive liability coverage for all vehicles used by the Contractor in the performance of services under this agreement, with minimum coverage limits of three-hundred thousand (\$300,000) combined single limit per claim.

Article 6 - Professional Liability (Errors and Omissions) Insurance

Covering all errors, omissions, or negligent acts of the Contractor, its subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in a financial loss to AAC.

Table with 2 columns: Contract Amount, Minimum Required Limits. Rows include categories like 'Under \$100,000' and 'Over \$1,000,000'.