



CITY OF WASILLA

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

PHONE: (907) 373-9050

FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 92-112

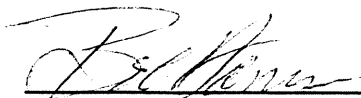
From: Deputy Administrator
Date: September 24, 1992
Subject: Polarconsult Request for Additional Insurance Costs

Several weeks ago Council authorized increasing the amount of the Polarconsult contract by \$24,216 to cover errors and omissions insurance. Total contract authorization is now \$105,694.

We have since then been trying to get the required documents to consummate the contract. A copy of my September 16, 1992 correspondence is attached. It outlines remaining requirements.

On this date I received a call from David Ausman of Polarconsult. He stated that they overlooked or were not aware of a \$500 policy fee and \$466.50 tax. He asks that Council approve a contract increase of \$966.50 to cover these costs. He also stated that the remaining requirements are completed and that we should be able to sign the contract in the next few days.

If Council approves the increase we will adjust the contract document accordingly.



Robert E. Harris
Deputy Administrator

Enclosure

APPROVED

DATE: 9-28-92

BY: EGH

polarconsult alaska, inc.

ENGINEERS • SURVEYORS • ENERGY CONSULTANTS

CITY OF WASILLA
290 East Herning Avenue
Wasilla, Alaska 99654-7091

September 24, 1992

RECEIVED

SEP 24 1992

City of Wasilla, Alaska

Attn: Mr. Robert Harris
Deputy Administrator

Sub: City of Wasilla letter dated September 16.

Dear Bob,

Pursuant to our recent phone conversation attached are the following items:

- The Evanston policy claiming the City as an additional insured.
- A revised cost estimate.
- A copy of the auto insurance coverage that you requested. (Allstate says that they have faxed you a copy.)
- The revised project schedule.

Please note the additional cost of \$966.50 on the Phase I portion of the cost estimate. As shown on the attached F.B. Beattie July 13 letter this consists of a \$500 non-refundable policy fee (P.F.) and the standard state taxes which total \$466.50. These costs were overlooked and as shown on the correspondence must be paid up front.

We are agreeable to the special language which will execute the contract when the insurance is verified. If you have any additional needs please give me a call.

Sincerely,

David Ausman, CE
POLARCONSULT

DATE: July 13, 1992

TO: Brigitte Ressel
Willis Corroon of AK, Inc.
Anchorage, AK

FROM: Sharon Furman

PROPOSAL FOR: Pelarconsult Alaska, Inc.
Architects & Engineers Professional Liability

INSURANCE CARRIER: Evanston Insurance Company B+VII *

*The Insurance Company is a non-admitted market in the State of Alaska and not subject to the State Guarantee Fund.

COVERAGE: PROJECT SPECIFIC - Wasilla Sewage Treatment Facility
Design of Recirculation Granular Media Filter

COVERAGE TERM: 2 Year Policy + 2 Year Discovery Period

LIMIT OF LIABILITY: \$1,000,000 EACH CLAIM/ANNUAL AGGREGATE

DEDUCTIBLE EACH CLAIM: \$10,000 **TOTAL PREMIUM**** \$24,216.00

**Premium payable in annual installments: 50% 1st year; 25% 2nd year; 15% 3rd Year and 10% 4th Year

1ST ANNUAL PREMIUM: \$13,074.50 (Incl. \$500 P.F. earned inception Tax/Fees of \$466.50)

SPECIAL CONDITIONS:

- Claims Made Policy Form
- Prior Acts Exclusion - Retro Date Policy Inception
- Defense costs included in Limit/Deductible
- Asbestos/Pollution Exclusions
- EIC Amendatory Endorsement
- Alaska Policyholder Notice
- Additional Named Insured: Leroy Reid, P.E.
- Project Policy Endorsement (sole agent clause and annual premium adjustment and installment provisions)
- Effective Date: August 1, 1992
- Commission: 8.5%

This indication is subject to Underwriters receipt of the original SMCO Specific Project application.

We will await your instructions. Please call if you have any questions. (206) 689-9209.



CITY OF WASILLA

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September 16, 1992

Mr. Earle Ausman
Polarconsult Alaska, Inc.
1503 West 33rd Avenue, Suite 310
Anchorage, Alaska 99503

Dear Earle:

We have received and found satisfactory the specimen of the form of errors and omissions insurance except that we request that the form should name the City as an additional insured, not an additional "named" insured. The difference is whether or not the City would be held responsible for the policy premium to be paid.

We understand why Polarconsult does not wish to actually request the insurance until the contract is signed. Conversely, the City does not wish to sign a contract unless the insurance is in place. To solve the problem, consider the following language in a cover letter to be done at the time of executing the contract:

This letter is intended to confirm that Polarconsult and the City of Wasilla have executed the consulting services contract of even date herewith. As of the execution of the contract, the required insurance has not been made fully effective. Consequently, having executed the contract, the parties understand and agree that the contract shall become effective, retroactive to the date of the execution of the contract, upon presentation of proof that all required insurance has been made effective.

When proof of insurance has been provided, another letter would be presumably prepared and sent by the City indicating that the required insurance has been verified and, therefore, the contract is operative, retroactive to the date that it was signed.

As we discussed during the first week of September, there are three other remaining issues to be resolved.

First, the three phases of the contract should have a total cost associated with each phase and should not require a full up-front payment for the errors and omissions insurance as indicated by your correspondence. I would suggest that the first year's insurance payment of 50%, as indicated by Ms. Ressel's fax of July 14, 1992, be included in the proposed fee for Phase I. Phase II estimated fee would be increased by 25% of the insurance cost and Phase III increased by the remaining 25%. The project fee schedule would then be as follows:

Polarconsult

September 16, 1992

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Phase I	\$ 49,944
Phase II	36,826
Phase III	<u>18,924</u>
	\$105,694


If you agree to the above cost distribution please provide a revised copy of your project cost proposal so that it can be included in the contract documents.

Next we need a copy of Polarconsult's automobile insurance that shows the required coverages. The policy could be in your name provided that Polarconsult is listed as an additional insured.

The final item is a revised project schedule for the phases and tasks according to the scope of services. We would wish to review the schedule and incorporate it into the contract.

Hopefully the above items can be readily taken care of and we can sign the contract and get to work very quickly. If I can be of assistance please call.

Sincerely,



Robert E. Harris
Deputy Administrator

REH/sbh