Osmose

June 15, 2007

Mr. Mike Thornton
Purchasing Manager
CITY OF LEESBURG
ELECTRIC DEPARTMENT
2010 Griffin Rd.
Leesburg, FL 34748

RE: WOOD POLE INSPECTION AND TREATMENT PROPOSAL – 2007
AGREEMENT FOR CONTRACT SERVICES - RETURN OF CONTRACT

Dear Mr. Thornton:

As requested, enclosed are the two (2) original signed copies of the Agreement for Contract Services between the City of Leesburg Electric Department and Osmose Utilities Services, Inc. pertaining to the pole inspection and treatment of approximately 2,000 distribution poles in your service territory in 2007. Thank you in advance for returning an executed copy for our files.

If you need further assistance or have any questions regarding these matters, please do not hesitate to contact our Director-Sales, Mr. David Bonk, at (407) 304-6850.

We look forward to working with you on this important project.

Sincerely,

David R. Hagley
Vice President-Contracts

Attachment

DRH/ng

C: Buffalo,
K. Arington
B. Braswell
D. Bonk
J. Rowe
0-38-740

Osmose Utilities Services, Inc.
215 Greencastle Road • Tyrone, GA 30290-2944
770-632-6700 • Fax 678-364-0844

AGREEMENT FOR CONTRACTOR SERVICES

THIS AGREEMENT is made as of the __ day of _____ in the year 2003, between The City of Leesburg, Florida, whose address is 501 West Meadow Street, Post Office Box 490630, Leesburg, Florida 34749-0630 (hereinafter referred to as the "CITY"), and OSMOSE UTILITIES SERVICES, 215 Greencastle Road, Tyrone, GA 30290-2944, (hereinafter referred to as the "CONTRACTOR").

W I T N E S S E T H:

WHEREAS, the CITY desires to retain the services of a competent and qualified contractor to provide utility pole inspections, tagging, and repair services for the CITY; and

WHEREAS, The Orlando Utility Commission, Florida (hereinafter referred to as "OUC") publicly submitted an Invitation To Bid Number 1504 OQ, for an annual agreement for utility pole inspection services; and

WHEREAS, Invitation To Bid 1504 OQ did seek proposals from firms or individuals to provide such services on an annual contract for OUC; and

WHEREAS, the CONTRACTOR did submit a bid response that was deemed responsive and responsible by OUC; and

WHEREAS, OUC did hold a negotiation meeting, in which OUC and the CONTRACTOR did reach mutual agreement as to the terms and conditions of such services; and

WHEREAS, the CONTRACTOR and OUC thereafter entered into an agreement wherein CONTRACTOR would provide utility pole inspection services for OUC; and

WHEREAS, the CITY desires that the CONTRACTOR provide the same services for the CITY under the same terms and conditions as agreed upon for OUC; and

WHEREAS, the CONTRACTOR is willing to provide such services to the CITY.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties to this Agreement, and for other good and valuable considerations, the parties agree as follows:

1. Recitals. The above recitals are true and correct and by reference are incorporated herein and made a part thereof.

2. Services. The CONTRACTOR shall provide utility pole inspection services, as and when directed by the CITY, in accordance with the current pricing specified in CONTRACTOR'S Agreement with OUC, Bid No. 1504 OQ is incorporated by reference herein. Pricing for services provided will be in accordance with Attachment "A".

3. **Conflicting Terms.** To the extent that the CONTRACTOR'S Agreement with OUC, Bid No. 1504 OQ, conflicts with the terms of this Agreement, the terms of this Agreement shall govern.

4. **Labor and Materials.** All work will be done in a competent and workmanlike manner, using quality, new materials in compliance with this agreement and all documents incorporated herein.

5. **Insurance.** The CONTRACTOR will maintain throughout this Agreement the following insurance:

A. **Comprehensive General Liability.** The CONTRACTOR shall purchase and maintain Commercial General Liability coverage on forms no more restrictive than the latest editions of the Commercial General Liability policies of the Insurance Services Office (ISO). The Commercial General Liability policy shall provide minimum limits of $1,000,000 per occurrence combined single limit that includes coverage for bodily and personal injury and property damage liability for premises, operations, products and completed operations, independent contractors, contractual liability covering the agreement, contract or lease, broad form property damage coverages, and property damage resulting from explosion, collapse or underground exposures (x,c,u).

B. **Business Automobile Liability.** The CONTRACTOR shall purchase and maintain Business Automobile Liability coverage on forms no more restrictive than the latest editions of the Business Automobile Liability policies of the Insurance Services Office (ISO). The Business Automobile Liability policy shall provide minimum limits of $1,000,000 per occurrence combined single limit that includes coverage for claims for bodily injury and property damage arising from the use of motor vehicles, including on-site and off-site operations, and owned, non-owned and hired vehicles, and employee non-ownership use.

C. **Workers Compensation.** The CONTRACTOR shall purchase and maintain Workers' Compensation insurance for all workers' compensation obligations imposed by state law and with employers liability limits of at least $100,000 each accident and $100,000 each employee with $500,000 policy limit for disease. **CONTRACTORS exempt from maintaining Workers' Compensation insurance must provide a valid certificate of exemption issued by the State of Florida.**

D. The original of each such policy of insurance, or a complete duplicate, shall be delivered to the CITY by CONTRACTOR prior to starting work, together with evidence that the premiums have been paid.

E. All required insurance shall be provided by insurers acceptable to the CITY with an A.M. Best rating of at least "A."

F. The CONTRACTOR shall require, and shall be responsible for assuring that any and all of its subcontractors secure and maintain such insurance that are required by law to be provided on behalf of their employees and others until the completion of that subcontractors work.

G. The required insurance shall be secured and maintained for not less than the limits required by the CITY, or as required by law, whichever is greater.

H. The required insurance shall not limit the liability of the CONTRACTOR. The CITY does not represent these coverages or amounts to be adequate or sufficient to protect the CONTRACTOR'S interests or liabilities, but are merely required minimums.

~~**I**. All liability insurance, except professional liability, shall be written on an occurrence basis.~~

J. The CONTRACTOR waives its right of recovery against the CITY to the extent permitted by its insurance policies.

K. Insurance required of the CONTRACTOR, or any other insurance of the CONTRACTOR shall be considered primary, and insurance of the CITY, if any, shall be considered excess as applicable to any claims, which arise out of the agreement, contract or lease.

~~**L**. Except for works' compensation and professional liability, the CONTRACTOR'S insurance policies shall be endorsed to name the CITY OF LEESBURG as additional insured to the extent of the agreement, contract or lease.~~

M. The Certificate(s) of Insurance shall designate the CITY as certificate holder as follows:

> **City of Leesburg**
> **Attention: Mike Thornton, Purchasing Manager**
> **P.O. Box 490630**
> **Leesburg, Florida 34749-0630**

N. The Certificate(s) of Insurance shall include a reference to the project and/or purchase order number.

O. The Certificate(s) of Insurance shall indicate that the CITY shall be notified at least thirty (30) days in advance of cancellation.

P. The Certificate(s) of Insurance shall include all deductibles and/or self-insurance retentions for each line of insurance coverage.

6. Waiver of Lien. The CONTRACTOR agrees to make payment of all proper charges for labor and materials supplied and CONTRACTOR shall hold harmless the CITY against any claim arising out of: any unpaid bills for labor, services or materials furnished to this project.

7. Indemnification. The CONTRACTOR agrees to make payment of all proper charges for labor required in the aforementioned work and CONTRACTOR shall indemnify CITY and hold it harmless from and against any loss or damage, claim or cause of action, and any attorneys' fees and court costs, arising out of: any unpaid bills for labor, services or materials furnished to this project; any failure of performance of CONTRACTOR under this Agreement; or the negligence of the CONTRACTOR in the performance of its duties under this Agreement, or any act or omission on the part of the CONTRACTOR, his agents, employees, or servants. CONTRACTOR shall defend, indemnify, and save harmless the CITY or any of their officers, agents, or servants and each and every one of them against and from all claims, suits, and costs of every kind and description, including attorney's fees, and from all damages to which the CITY or any of their officers, agents, or servants may be put by reason of injury to the persons or property of others resulting from the performance of CONTRACTOR'S duties under this Agreement, or through the negligence of the CONTRACTOR in the performance of its duties under this Contract, or through any act or omission on the part of the CONTRACTOR, his agents, employees, or servants.

If however, this Agreement is a "construction contract" as defined in and encompassed by the provision of Florida Statutes § 725.06, then the following shall apply in place of the aforementioned indemnification provision:

The CONTRACTOR shall indemnify the CITY and hold it, its officers, and its employees harmless from liabilities, losses, and costs, including, but not limited to, reasonable attorney's fees to the extent caused by the negligence, recklessness, or intentional wrongful conduct of the CONTRACTOR and persons employed or utilized by the CONTRACTOR in the performance of this Agreement. The liability of the CONTRACTOR shall, however, be limited to two million and 00/100 dollars ($2,000,000.00) per occurrence, and the obligation of the CONTRACTOR to indemnify the CITY shall be limited to acts, omissions, or defaults of the CONTRACTOR; any contractors, subcontractors, sub-subcontractors, materialmen, or agents or employees of any of them, providing labor, services or materials in connection with the project; and the CITY, its officers, agents and employees, provided however that the CONTRACTOR shall not be obligated to indemnify the CITY against losses arising from the gross negligence, or willful, wanton, or intentional misconduct of the CITY, its officers, agents and employees, or against statutory violations or punitive damages except to the extent caused by or resulting from the acts or omissions of the CONTRACTOR, or any contractors, subcontractors, sub-subcontractors, materialmen, or agents or employees of any of them, providing labor, services, or materials in connection with this Agreement.

8. Codes, Laws, and Regulations. CONTRACTOR will comply with all applicable codes, laws, regulations, standards, and ordinances in force during the term of this Agreement.

9. Permits, Licenses, and Fees. CONTRACTOR will obtain and pay for any permits and licenses required by law that are associated with the CONTRACTOR'S performance of the Scope of Services.

10. Access to Records. CONTRACTOR will maintain accounting records, in accordance with generally accepted accounting principles and practices, to substantiate all invoiced amounts. Said records will be available for examination in person by the CITY at the CONTRACTOR'S place of business during normal business hours. Said records will be maintained for a period of three (3) years after the date of the invoice.

11. Contingent Fees Prohibited. The CONTRACTOR warrants that he or she has not employed or retained any company or person, other than a bona fide employee and / or its authorized representative working solely for the CONTRACTOR, to solicit or secure this Agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee and / or its authorized representative working solely for the CONTRACTOR any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. In the event of a breach of this provision, the CITY shall have the right to at its discretion, deduct from the contract price, or otherwise recover, the full amount of any such fee, commission, percentage, gift or consideration paid in breach of this Agreement.

12. Payment. CITY shall compensate CONTRACTOR for their services in monthly installments based on the full and verified completion of work during the previous month.

13. Ownership of Documents. All data, specifications, calculations, estimates, plans, drawings, construction documents, photographs, summaries, reports, memoranda, and other documents, instruments, information and material prepared or disclosed by the CITY (or by such sub-consultants and specialty consultants of the CITY) in rendering services hereunder shall be the sole property of the CITY. All devices, designs (including drawings), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by the CONTRACTOR, and all intellectual property rights, shall remain CONTRACTOR'S sole property. The CITY and the CONTRACTOR grant to the other party to this agreement a non-exclusive, non-transferable license to use any such material solely for the other parties' use for the manufacturing of, installation of, or the use of the equipment purchased under this agreement. Unless required by applicable law, neither the CITY nor the CONTRACTOR shall disclose any such material to any third party without the other party's prior written consent. All original documents shall be permanently kept on file at the office of the respective parties.

14. Independent Contractor. The CONTRACTOR agrees that he or she is an independent contractor and not an agent, joint venturer, or employee of the CITY, and nothing in this Agreement shall be construed to be inconsistent with this relationship or status. None of the benefits provided by the CITY to its employees, including but not limited to, workers' compensations insurance, unemployment insurance, or retirement benefits, are available from the CITY to the CONTRACTOR. CONTRACTOR will be responsible for paying its own Federal

income tax and self-employment tax, or any other taxes applicable to the compensation paid under this agreement. The CONTRACTOR shall be solely and entirely responsible for his or her acts during the performance of this Agreement.

15. Assignment. Neither party shall have the power to assign any of the duties or rights or any claim arising out of or related to the Agreement, whether arising in tort, contract, or otherwise, without the written consent of the other party. These conditions and the entire Agreement are binding on the heirs, successors, and assigns of the parties hereto.

16. No Third Party Beneficiaries. This Agreement gives no rights or benefits to anyone other than the CONTRACTOR and the CITY.

17. Jurisdiction. The laws of the State of Florida shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it. In the event of any litigation arising under or construing this Agreement, venue shall lie only in Lake County, Florida.

18. Term and Termination. This Agreement shall be effective upon execution and shall continue up and to July 31, 2008. Upon mutual agreement of the CITY and CONTRACTOR this Agreement may be extended for two (2) additional one (1) year periods. All or part of this Agreement may be terminated by the CITY for its convenience on fifteen (15) days written notice to the CONTRACTOR. In such event, the CONTRACTOR will be entitled to compensation for services competently provided prior to cancellation or suspension up to the date of termination.

19. Contact Person. The primary contact person under this Agreement for the CONTRACTOR shall be David R. Hagley / V.P. - Contracts. The primary contact person under this Agreement for the CITY shall be Rick Reichart, Electric Operations Manager.

20. Approval of Contractors. The CITY reserves the right to approve the contact person and the persons actually performing the CONTRACTOR services on behalf of CONTRACTOR pursuant to this Agreement. If CITY, in its sole discretion, is dissatisfied with the contact person or the person or persons actually performing the services on behalf of CONTRACTOR pursuant to this Agreement, CITY may require CONTRACTOR assign a different person or persons be designated to be the contact person or to perform the CONTRACTOR services hereunder.

21. Disclosure of Conflict. The CONTRACTOR has an obligation to disclose to the CITY any situation that, while acting pursuant to this Agreement, would create a potential conflict of interest between the CONTRACTOR and his duties under this agreement.

IN WITNESS WHEREOF, this agreement has been executed by and on behalf of the City of Leesburg, Florida, and Osmose Utilities Services, Inc. on this ____day of _____, 2007.

"CONTRACTOR"

OSMOSE UTILITIES SERVICES, INC.

By: David R. Hagley / David R. Hagley

Its: Vice President - Contracts

Date: 06/15/07

"CITY"

The City of Leesburg, Florida

By:_____
Mayor

Attest:_____
City Clerk

Approved as to form:

_____
City Attorney

ATTACHMENT A

Osmose.

Distribution

PRICE SCHEDULE

Revised 5/30/06

A.	External Treat	$ 27.65
B.	Excavated Reject	$ 25.65
C.	Reject with External Treat	$ 29.07
D.	Visual Report	$ 6.15
E.	Sound and Bore	$ 7.28
F.	Internal Treatment	$ 9.50
G.	Fumigants (MITC-FUME)	$ 6.21/ tube
H.	Private Property	$ 3.98
I.	Install Pole Stencils	$ 0.22
J.	Install Guy Markers-Labor	$ 4.31
K.	Groundwire Repair	$ 10.64
L.	Risers	$ 3.83
M.	Reattach GW Molding	$ 3.20
N.	**FastGate® Delivery and Processing**	**$ 0.55**
O.	**Digital Image**	**$ 4.75**
P.	**LoadCalc Assessment**	**$ 8.00**

215 Greencastle Road
Tyrone, GA 30290-2944
Phone: 770-632-6700 Fax: 678-367-0844

ATTACHMENT A

Osmose®

Transmission
PRICE SCHEDULE

A.	External Treat	$ 37.77
B.	Excavated Reject	$ 35.35
C.	Reject with External Treat	$ 38.77
D.	Visual Report	$ 7.15
E.	Sound and Bore	$ 8.28
F.	Internal Treatment	$ 11.25
G.	Fumigants (MITC-FUME)	$ 6.21/ tube
H.	Private Property	$ 3.98
I.	Install Pole Stencils	$ 0.22
J.	Install Guy Markers-Labor	$ 4.31
K.	Groundwire Repair	$ 11.59
L.	Rock Backfill	$ 9.50
M.	FastGate® Delivery and Processing	$ 0.55

ATTACHMENT A

Osmose®

May 17, 2006
Mr. Alan Kemp
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PRICE SCHEDULE-POLE REINFORCING

TRUSS SIZE	UNIT PRICE
C2-3610	$ 340.01
C2-4910	$ 384.14
C2-5610	$ 390.56
C2-7110	$ 440.38
1080 X 11	$ 479.25
1180 X 11	$ 520.46
1280 X 11	$ 548.63
1380 X 11	$ 599.40
1480 X 11	$ 651.82
1580 X 12	$ 692.48
1680 X 12	$ 712.81
C2-5610-D	$ 623.64
C2-7110-D	$ 736.56
2)1080 X 11	$ 814.30
2)1180 X 11	$ 893.34
2)1280 X 11	$ 972.24
2)1380 X 11	$ 1,051.26
2)1480 X 11	$ 1,167.37
2)1580 X 12	$ 1,247.26
2)1680 X 12	$ 1,289.52

ADDERS:

A. Reject Trip Charge ..... $ 35.49

215 Greencastle Road
Tyrone, GA 30290-2944
Phone: 770-632-6700 Fax: 678-367-0844

FIRST AMENDMENT

This Amendment to the Inspection and Treatment of Electric Utility Distribution / Transmission Wood Poles Agreement dated August 19, 2003 ("Agreement") is entered into this 20th day of June 2006 between the Orlando Utilities Commission ("Owner") and Osmose Utilities Services, Inc. ("Contractor"), Owner and Contractor collectively referred to as "the Parties."

WITNESSETH:

WHEREAS, the Parties recognize that certain terms of the Agreement need to be amended to reflect changes as contemplated herein; and

WHEREAS, the Parties desire to extend the Term of the Agreement by 2 years; and

WHEREAS, the Parties desire to allow the Contractor to increase all the unit prices stated in the Agreement to the amounts given in Attachment "A" and establish the new prices for the extended term;

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. The Term of the Agreement is hereby extended by 2 years starting August 1, 2006 (the Extended Term). At the end of said period (midnight Eastern time on July 31, 2008), the Agreement shall automatically terminate unless the Parties hereto mutually agree in writing to extend said Extended Term.

2. During the extended term, all unit prices stated in the Agreement shall change to the amounts given in Attachment "A" and establish the new prices for the extended term;

3. All other terms and conditions shall remain in effect.

IN WITNESS WHEREOF, OWNER and Contractor have caused this Amendment to be executed in triplicate in their names by their respective duly authorized officials, as of the day and year first above written.

ATTEST:

By: Sharon L. Knudsen

ORLANDO UTILITIES COMMISSION

By: _____
Kenneth Isionek
General Manager, CEO

WITNESSES:

By: Linda M. Pinson
Name Linda M. Pinson

By: _____
Name William H. Hoover

OSMOSE UTILITIES SERVICES, INC.

By _____

Name David R. Hagley
Title: Vice President-Contracts

Approved as to form and legality.
OUC Legal Department
DATE: 7-18-06 BY: _____