

TOWN OF REDDING, CT
Administrative Policies and Procedures

POLICY

Contract Authorization

PURPOSE

To provide a level of control which establishes authorization levels and other procedures which employees who enter into contracts and agreements on behalf of the Town must follow

PROCEDURE

Contracts with a total value of less than \$ 5,000:

- Only Department Head approval as the apparent authority is required. It is the responsibility of the Department Head to forward a signed copy of the contract or agreement to the Controller's Office.

Contracts with a total value greater than \$ 5,000:

- Requires approval of Department Head and either the Controller or First Selectman

Contracts (excluding renewals) with a value greater than \$ 50,000 need to be reviewed by Town Counsel.

All contracts must include the Town's "Addendum to Municipal Contract" (Appendix A)

A copy of all contracts will be kept on file in the Controller's Office.

Effective Date **October 1, 2009**

Approved by: Controller Steve Gniadek

First Selectman Natalie Ketcham

APPENDIX A
Addendum to Municipal Contract

This Addendum is made this ___ day of _____ (the “**Effective Date**”), by and between _____ (the “**Contractor**”), with offices located at _____, and the **TOWN OF REDDING** (the “**Town**”), with offices located at 100 Hill Road, P.O. Box 1028, Redding, Connecticut 06875, to be a part of the contract between the Town and the Contractor described as _____.

WITNESSETH:

WHEREAS, the Town desires to obtain or purchase the following goods or services _____ (the “**Services**”); and

WHEREAS, the Town has determined that the Contractor appears to have sufficient equipment, facilities, skill and expertise to provide the **Services**; and

WHEREAS, the Town and the Contractor entered into a contract on _____ described as _____ (the “**Contract**”) whereby the Contractor will provide the **Services**; and

WHEREAS, this Addendum contains additional terms and conditions which, to the extent not inconsistent with the provisions in the body of the **Contract**, shall control.

NOW THEREFORE, in consideration of the premises herein set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. Independent Contractor. The Contractor acknowledges and agrees that it is an independent contractor and that nothing in the **Contract** shall be construed to create the relationship of employer and employee between the Town and the Contractor. No employee related withholdings or deductions shall be made from payments due the Contractor and the Contractor shall be responsible to comply with all applicable provisions of state and federal laws. The Contractor shall not be entitled to receive any benefits from the Town and the Contractor and its employees shall not be eligible for workers' compensation or unemployment benefits. The Contractor shall at all times be free to exercise initiative, judgment, and discretion in how best to perform or provide the **Services**.

2. Insurance. The Contractor shall maintain the following insurance during the term of the **Contract**:

(a) Worker’s Compensation and Employer’s Liability Insurance in accordance with applicable law.

(b) Commercial General Liability Insurance on a per occurrence basis with limits of liability not less than \$ 1,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage.

(c) Automobile Liability Insurance with limits of liability of not less than \$ 1,000,000 per occurrence combined single limit including Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.

(d) Professional Errors and Omissions Insurance which shall include Consultant's Computer Errors and Omissions Coverage, with limits not less than \$ 1,000,000 per claim and in the aggregate.

3. Confidentiality. The Contractor agrees that all information disclosed by the Town to the Contractor and not otherwise known to the general public shall be held in confidence and used only in performance under the Contract. The Contractor shall exercise the same standard of care to protect such information as would be used to protect its own proprietary or trade secret information.

The Town understands and agrees that it may have access to confidential or proprietary information, processes or documentation owned or controlled by the Contractor ("Confidential Information"). The Town agrees to protect such Confidential Information from disclosure or use that may violate the Contractor's trademarks, copyrights or other proprietary rights.

4. Exclusivity. The Contract is exclusive between the Town and the Contractor, but the right to provide other or additional Services is not exclusive to the Contractor.

5. Assignment. Neither party shall assign or transfer the Contract nor any duties or obligations hereunder without the prior written approval of the other party.

6. Authorization. Each of the parties represents and warrants that the Contract and Addendum are valid and binding obligations enforceable against it and that the representative executing the Contract and Addendum is duly authorized and empowered to sign.

7. Modifications. Any alterations, variations, modifications, or waivers of the Contract's provisions shall only be valid when they have been reduced to writing, and signed by the Town and the Contractor.

8. Default. The occurrence of any of the following shall constitute an event of default by the Contractor and, if not corrected within thirty (30) days of the Town providing the Contractor written notice of the default, shall allow the Town to terminate the Contract:

- (a) The Contractor fails to adequately perform or deliver the Services;
- (b) The Contractor fails to follow the specifications or standards established by the Contract;
- (c) The Contractor fails to perform or complete the Services in a timely fashion as established by the Town in the Contract;
- (d) The Contractor's bankruptcy, assignment to a trustee, receiver or similar fiduciary;
- (e) The Contractor makes a material misrepresentation;
- (f) The Contractor persistently disregards laws, ordinances, rules, regulations or orders of the Town or any public authority having jurisdiction;
- (g) The Contractor fails to make satisfactory progress towards completion of the Services; or
- (h) The Contractor fails to perform any other material provision of the Contract.

The Town may lawfully terminate the Contract if, after providing Contractor thirty (30) days written notice of the default, the Contractor does not correct the situation. Upon the Contractor's default of the Contract, the Town may withhold any payment due the Contractor for purposes of set-off until such time as the exact amount of damages due is determined. Such withholding shall not constitute the Town's default or failure to perform.

9. Indemnification. Any and all claims that arise or may arise against the Contractor, its agents, servants, or employees as a consequence of any act or omission on the part of the Contractor or its agents, servants, or employees while engaged in the performance of the Contract shall in no way be the obligation or responsibility of the Town. The Contractor shall defend, indemnify, and hold harmless the Town, its officers, agents, and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney fees which the Town, its officers, agents, or employees may hereafter sustain, incur, or be required to pay, arising out of or by reason of any act or omission of the Contractor, its agents, servants or employees, in the execution, performance, or failure to adequately perform the Contractor's obligations pursuant to the Contract. Nothing in the Contract shall constitute a waiver by the Town of any statutory limits or immunities from liability.

10. Appropriations. The Contractor understands and agrees that continued performance of the Contract subsequent to the end of the Fiscal Year in which the Effective Date occurs is subject to an annual appropriation by the Town, and that the Contract shall be deemed terminated without further cost to

either party if continuation of the Contract would result in the Town becoming liable for any sum which exceeds the appropriation for the Town department which administers the Contract.

11. **Notices.** All notices and communications to be made hereunder shall be given to the parties at the following addresses:

If to the Town:

Town of Redding
Town Hall
100 Hill Road
P.O. Box 1028
Redding, Connecticut 06875
Attention: _____

If to the Contractor:

12. **Entire Agreement.** The Addendum, taken together with the Contract, contain the entire agreement between the parties with respect to the subject matter of the Contract and supersede all prior arrangements or understandings with respect thereto, written or oral. No other agreements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth or referred to in the Contract.

IN WITNESS WHEREOF, the parties hereunto cause the Addendum to be executed on the Date(s) below in their respective names and by their Authorized Representative.

TOWN OF REDDING

CONTRACTOR

Authorized Signature

Authorized Signature

Name:
Title:

Name:
Title:

Date:

Date:

