

## **PROFESSIONAL SERVICES AGREEMENT**

THIS PROFESSIONAL SERVICES AGREEMENT, made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_ 2023, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the COMMONWEALTH OF KENTUCKY created pursuant to KRS Chapter 67A ("LFUCG"), 200 East Main Street, Lexington, Kentucky 40507, and **GRESHAM SMITH**, a Tennessee general partnership, ("Organization") with offices located at 100 West Main Street, Suite 350, Lexington, Kentucky 40507.

### **WITNESSETH**

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

- 1. EFFECTIVE DATE; TERM.** This Agreement shall commence on \_\_\_\_\_, 2023 and shall last for a period of 2 (two) years unless terminated by LFUCG at an earlier time, and subject to administrative extension as necessary to complete the project and at the sole discretion of LFUCG.
  
- 2. RELATED DOCUMENTS.** This Agreement shall consist of the terms herein as well as the following additional documents, which are attached hereto as exhibits and incorporated herein by reference as if fully stated:
  - a. Exhibit "A" – LFUCG RFQ #51-2022, Legacy Business Park Site Development
  - b. Exhibit "B" – Organization's Response to RFQ
  - c. Exhibit "C" – Engineering Scope of Services
  - d. Exhibit "D" – Legacy Business Park Schedule
  - e. Exhibit "E" – Legacy Business Park Engineering Fees

To the extent that there is any conflict between or among any of these documents, the terms and provisions of this Agreement shall prevail, followed by terms and provisions of Exhibit "C", "A", "D", "E", and "B" in that order.

- 3. SCOPE OF SERVICES.** Organization shall perform the services outlined in the attached Exhibits "C" – Engineering Scope of Services for LFUCG (the "Services"). The project schedule is established in Exhibit "D".
  
- 4. PAYMENT.** LFUCG shall pay Organization a total amount not to exceed Two Million Two Hundred Twenty-Nine Thousand dollars (\$2,229,000) for the performance of the Services. Payments shall be made monthly for expenditures the Organization actually

incurred, only after receipt of monthly invoices. The funds are limited to the services provided herein and may not be spent by the Organization for any other purpose without the prior written consent of LFUCG. Absent any additional written agreement stating otherwise any travel or other expenses are included in the above payment.

a. LFUCG shall make payment under this Agreement upon timely submission of an invoice(s) from Organization specifying that the Services have been performed, accompanied by data satisfactory to LFUCG to document entitlement to payment for the Services performed to date. LFUCG shall have thirty (30) days from the date of receipt of the invoice to pay the invoice amount. LFUCG reserves the right to refuse payment if it is determined by LFUCG that the Services performed or materials provided for the Services are inadequate or defective.

b. LFUCG also reserves the right to reject any invoice submitted for services more than sixty (60) days after the services were rendered.

**5. TERMINATION.** LFUCG, through the Mayor or the Mayor's designee, may terminate this Agreement for any reason whatsoever by providing Organization with at least thirty (30) days advance written notice. Organization shall be entitled for payment of all work performed up to that period of time, calculated on a reasonable basis.

a. In the event of a termination based upon a material condition of non-performance or default by Organization, LFUCG shall provide Organization advance written notice and a reasonable period of time to cure the breach.

b. Organization may only terminate this Agreement based upon LFUCG's failure to timely pay for properly invoiced and accepted work. Organization shall provide LFUCG with at least thirty (30) days advance written notice and an opportunity to cure prior to termination.

c. Organization acknowledges that LFUCG is a governmental entity, and that the validity of this Agreement is based upon the availability of appropriated funding. In the event that such funding is not appropriated in a future fiscal year, LFUCG's obligations under this Agreement shall automatically expire without penalty to the LFUCG thirty (30) days after written notice to Organization. LFUCG shall exercise any application of this provision in good faith.

**6. REPORTING.** Organization shall provide LFUCG with timely reports and updates related to the provisions of the Services in the form and manner reasonably specified by LFUCG.

**7. REGISTRATION; COMPLIANCE; AUTHORITY TO SIGN.** Organization shall be lawfully registered or authorized to do business in the Commonwealth of Kentucky and Lexington-Fayette County and shall at all times comply with any and all applicable

federal, state, and local laws, ordinances, and regulations. LFUCG may request proof that Organization has timely filed federal, state, or local tax forms which shall be provided by Organization on a timely basis. The person signing this Agreement on behalf of Organization is fully authorized to do so.

## **8. INDEMNITY AND INSURANCE.**

The risk management provisions of RFP No. 51-2022 attached hereto are edited as follows. Copies of the required Certificates of Insurance shall be provided to the LFUCG as required therein.

### **INDEMNITY:**

- (1) To the extent permitted by law, Organization shall indemnify and hold LFUCG harmless from and against damages, losses and judgments arising from claims by third parties, including reasonable attorneys' fees and expenses recoverable under applicable law, but only to the extent they are caused by the negligent acts, errors or omissions of Organization, its employees and its other consultants in the performance of professional services under this Agreement. Organization's obligation to indemnify and hold harmless LFUCG and its elected and appointed officials and employees does not include a duty to provide upfront defense.
- (2) Other than claims arising out of the performance of professional services and to the extent permitted by law, Organization shall indemnify, defend and hold LFUCG and LFUCG's elected and appointed officials and employees harmless from and against liability for claims, suits, or actions of any kind where such liability arises out of or is in connection with the personal negligent acts or willful misconduct of this Agreement by Organization or any individual or entity for whom Organization bears legal liability and which results in bodily injury to any individual or entity (including the employees or officers of the Architect) or for property damage.
- (3) To the fullest extent permitted by law, Organization's total liability to LFUCG and anyone claiming by, through, or under LFUCG for any cost, loss, or damages caused in part by the negligence of Organization and in part by the negligence of LFUCG or any other negligent entity or individual, shall not exceed the percentage share that Organization's negligence bears to the total negligence of Organization, LFUCG, and all other negligent entities and individuals. It is intended that Organization shall not be responsible for the negligence or willful misconduct activities of LFUCG's, or those of its elected officials, employees or others for whom LFUCG is responsible, with regard to any claim.
- (4) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.

- (5) LFUCG is a political subdivision of the Commonwealth of Kentucky. Organization acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the Organization in any manner.

**INSURANCE:** Organization shall maintain the following for the duration of this Agreement:

Coverage	Limits
General Liability aggregate	\$1 million per occurrence, \$2 million
Auto Liability	\$1 million combined single limit
Worker's Compensation	Statutory
Employer's Liability	\$100,000
Excess/Umbrella Liability	\$1 million per occurrence
Professional Liability	\$1 million per claim
Professional Liability	\$1 million per claim occurrence

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky (DOI). LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. The General Liability Policy shall include Premises and Operations coverage unless it is deemed not to apply by LFUCG.
- d. The General Liability Policy shall include Employment Practices Liability coverage or an endorsement in a minimum amount of \$1 million unless it is deemed not to apply by LFUCG.
- e. The Policy shall include Umbrella/Excess Liability coverage in the amount of \$1 million per occurrence, \$1 million aggregate, unless it is deemed not to apply by LFUCG.

**Written Notice:** LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.

**Rating Required:** Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

**Renewals:** After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

**Right to Review, Audit and Inspect:** Organization understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

**9. RECORDS.** Organization shall keep and make available to LFUCG any records related to this Agreement as are necessary to support its performance of the services for a period of at least five (5) years following the expiration or termination of this Agreement, or as otherwise required depending upon the source of funds. Books of accounts shall be kept by Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of Organization related to this Agreement and shall be made available to LFUCG upon request.

a. LFUCG shall be the owner of all final documents, data, studies, plans, reports, and information prepared by Organization under this Agreement upon payment in monies owed Organization. Organization shall not be held liable for reuse of documents or modifications thereof by LFUCG or its representatives for any purpose other than the original intent of this Agreement without written authorization of Organization.

b. Organization understands and agrees that this Agreement and any related documents may be subject to disclosure under the Kentucky Open Records Act and will comply with any reasonable request by LFUCG to provide assistance with such a request.

**10. ACCESS.** Organization shall allow LFUCG any necessary reasonable access to monitor its performance under this Agreement.

**11. CONTRACTUAL RELATIONSHIP ONLY.** In no event shall the parties be construed, held or become in any way for any purpose the employee of the other party, or partners, associates or joint ventures in the conduct of their respective endeavors or otherwise.

**12. EQUAL OPPORTUNITY; FAIRNESS ORDINANCE.** Organization shall provide equal opportunity in employment for all qualified persons, and shall (a) prohibit discrimination in employment because of race, color, creed, national origin, sex, age,

sexual orientation, gender identity, or handicap, (b) promote equal employment through a positive, continuing program of equal employment, and (c) cause any subcontractor or agency receiving funds provided pursuant to this Agreement to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices. Organization agrees to comply with LFUCG's Fairness Ordinance (Ordinance No. 201-99) and all sources of applicable law, including those specified in any Exhibit attached to this Agreement and incorporated herein by reference.

**13. SEXUAL HARASSMENT.** Organization must adopt or have adopted a written sexual harassment policy, which shall, at a minimum, contain a statement of current law; a list of prohibited behaviors; a complaint process; and a procedure which provides for a confidential investigation of all complaints. The policy shall be given to all employees and clients and shall be posted at all locations where Organization conducts business. The policy shall be made available to LFUCG upon request.

**14. ANNUAL AUDIT.** Organization agrees that all revenue and expenditures related to this Agreement shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed to state and local law and regulation. A copy of this audit, or clean audit opinion letter from an independent certified public accountant, shall be submitted to LFUCG each year of the Agreement.

**15. INVESTMENT.** Any investment of the funds received pursuant to this Agreement must fully comply with any restrictions imposed by law.

**16. NO ASSIGNMENT.** Organization may not assign any of its rights and duties under this Agreement without the prior written consent of LFUCG.

**17. NO THIRD PARTY RIGHTS.** This Agreement does not create a contractual relationship with or right of action in favor of a third party against either Organization or LFUCG.

**18. KENTUCKY LAW AND VENUE.** This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in the Circuit Court of Fayette County, Kentucky.

**19. AMENDMENTS.** By mutual agreement, the parties to this Agreement may, from time to time, make written changes to any provision hereof. Organization acknowledges that LFUCG may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of its Mayor.

**20. NOTICE.** Any written notice required by the Agreement shall be delivered by certified mail, return receipt requested, to the following:

For Organization:

Gresham Smith  
100 West Main Street, Suite 350  
Lexington, KY 40507  
Attn: Louis Johnson

For Government:

Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, Kentucky 40507  
Attn: Craig Bencz

**21. WAIVER.** The waiver by either party of any breach of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision.

**22. ENTIRE AGREEMENT.** This Agreement shall constitute the entire agreement between the parties and no representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be effective for any purpose. This Agreement shall replace any previous agreement between the parties on the same subject matter.

**23. DISPUTE RESOLUTION.** LFUCG and Organization agree that they shall diligently pursue resolution of all disagreements within 45 days of either party's written notice using a mutually acceptable form of mediated dispute resolution prior to exercising their rights under law. Organization shall continue to perform services for the Project and LFUCG shall pay for such services during the dispute resolution process unless LFUCG issues a written notice to suspend work. Causes of action between the parties to this Agreement shall be deemed to have accrued and the applicable statutes of repose and/or limitation shall commence not later than the date of substantial completion.

**24. FORCE MAJEURE.** Organization shall not be liable for any damages caused by any delay that is beyond Organization's reasonable control, including but not limited to unavoidable delays that may result from any acts of God, strikes, lockouts, wars, acts of terrorism, riots, acts of governmental authorities, extraordinary weather conditions or other natural catastrophes, or any other cause beyond the reasonable control or contemplation of either party.

**25. INSURANCE AND LIABILITY.** Organization shall maintain the insurance, coverage limits, and insurance conditions required in Section 8 herein during the period of service. LFUCG will be included as an additional insured on the Commercial General Liability and Automobile Liability insurance policies.

**26. STANDARD OF CARE.** Services provided by Organization under this Agreement

will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Organization makes no warranty or guaranty, either express or implied. Organization will not be liable for the cost of any omission that adds value to the Project. Organization's standard of care shall not be altered by the application, interpretation or construction of any other provision of this Agreement.

**27. SUSPENSION OF WORK.** LFUCG may suspend services performed by Organization with cause upon seven (7) days written notice. Organization shall submit an invoice for services performed up to the effective date of the work suspension and LFUCG shall pay Organization all outstanding invoices within thirty (30) days. If the work suspension exceeds sixty (60) days from the effective work suspension date, Organization shall be entitled to renegotiate the Project schedule and the compensation terms for the Project.

**28. GEOTECHNICAL.** LFUCG acknowledges that Organization is providing geotechnical services by hiring a consultant, which is done solely for the convenience of LFUCG. The fees for these services will be a reimbursable expense without markup. LFUCG agrees that it will look solely to the geotechnical service consultant in the event that any claims, loss, expense or damages result from the services provided by or which should be provided by the geotechnical consultant.

**29. SURVEY.** LFUCG acknowledges that Organization is providing survey services by hiring a consultant, which is done solely for the convenience of LFUCG. The fees for these services will be a reimbursable expense without markup. LFUCG agrees that it will look solely to the survey service consultant, in the event that any claims, loss, expense or damages result from the services provided by or which should be provided by the survey consultant.

**30. RIGHT TO RELY.** Organization shall have the right to rely upon the accuracy and completeness of services and information provided by LFUCG, the geotechnical consultant and the survey consultant.

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington,

Kentucky, the day and year first above written.

LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT

BY: \_\_\_\_\_  
LINDA GORTON, MAYOR

ATTEST:

\_\_\_\_\_  
Clerk of the Urban County Council

GRESHAM SMITH

BY: \_\_\_\_\_  
LOUIS JOHNSON, PLA ASLA

DATE: \_\_\_\_\_

**EXHIBIT "A"**

LFUCG RFQ No. 51-2022, Legacy Business Park Site Development

**EXHIBIT "B"**

Organization's Response to RFQ

## **EXHIBIT "C"**

### Engineering Scope of Services

**EXHIBIT "D"**

Legacy Business Park Schedule

**EXHIBIT "E"**

Legacy Business Park Engineering Fees