



LMCIT Sample Service Contract between City and Independent Contractor

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The following contract is a “simple” example of a service contract that a city may use to contract with an independent contractor to perform services for the city. LMCIT recommends that your city attorney review any final contracts. LMCIT members can also use LMCIT’s free Contract Review Service to assist in reviewing agreements.

This contract (the “Agreement”) is made and entered into this ____ day of _____, 20__, between the City of _____, Minnesota (the “City”), and the _____, (the “Contractor”), (collectively, the “Parties”).

1. Scope of Services. The Contractor agrees to perform the following services: [describe the services to be provided and when they are to be performed].

[Alternate language: Contractor shall perform the work as described in Exhibit A to this Agreement which is incorporated herein by reference.]

Contractor agrees to comply with all federal, state, and local laws and ordinances applicable to the services to be performed under this Agreement, including all safety standards. The Contractor shall be solely and completely responsible for conditions of the job site, including the safety of all persons and property during the performance of the services. The Contractor represents and warrants that it has the requisite training, skills, and experience necessary to provide the services and is appropriately licensed by all applicable agencies and governmental entities.

Contractor shall not perform any additional services without the express written permission of the City.

2. Compensation. The City agrees to pay the Contractor as follows: [describe the dollar amount of compensation; compensation may be paid on an hourly basis, as a flat fee, or some other basis as agreed to by the parties; consider including “not to exceed” dollar language].

The Contractor shall submit an invoice to the City upon completion of the services.

[Alternate language for continuing services: Contractor shall submit monthly payment invoices to the City after such services have been completed.]

Each invoice shall include in detail the hours worked and a description of the services performed.

The City shall pay Contractor within one (1) week after the invoice has been approved for payment by the City Council.

The City shall not withhold monies for the payment of any federal or state income taxes, social security benefits, or other taxes.

If the City objects to all or any portion of any invoice, the City shall notify the Contractor of the dispute with ten (10) days from the date of receipt and shall pay that portion of the invoice not in dispute. Any dispute shall be settled in accordance with Paragraph 8 of this Agreement.

3. Term. [Describe the term of the agreement. Services may be provided on a particular date or during a defined period of time.]

The City shall have the option to terminate this Agreement at any time. Termination shall be effective upon ten (10) days written notice to the Contractor.

If the Contractor refuses or fails to complete the tasks described in Paragraph 1, or to complete the services in a manner satisfactory to the City, the City may, by written notice to the Contractor, give notice of its intention to terminate this Agreement. After such notice, the Contractor shall have ten (10) days to cure, to the satisfaction of the City. If the Contractor fails to cure, the City shall send the Contractor a written termination letter which shall be effective upon deposit in the United States mail to the Contractor's address as stated in Paragraph 8F.

In the event of termination, the City shall only be responsible to pay for all services satisfactorily performed by the Contractor to the effective date of termination, as described in the final invoice to the City.

4. Independent Contractor Relationship. It is expressly understood that the Contractor is an "independent contractor" and not an employee of the City. The Contractor shall have control over the manner in which the services are performed under this Agreement. The Contractor shall supply, at its own expense, all materials, supplies, equipment and tools required to accomplish the work contemplated by this Agreement. The Contractor shall not be entitled to any benefits from the City, including, without limitation, insurance benefits, sick and vacation leave, workers' compensation benefits, unemployment compensation, disability, severance pay, or retirement benefits.

5. Insurance Requirements. (Note: Liability insurance requirements may be modified or waived depending on the nature of the contract. The insurance limits stated are suggested minimums.)

- A. Liability. The Contractor agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability arising from premises, operations, products-completed operations, personal injury, advertising injury, and contractually assumed liability. The City shall be named as an additional insured.
- B. Automobile Liability. If the Contractor operates a motor vehicle in performing the services under this Agreement, the Contractor shall maintain commercial automobile liability insurance, including owned, hired, and non-owned automobiles, with a minimum liability limit of \$1,000,000, combined single limit.
- C. Workers' Compensation. The Contractor agrees to comply with all applicable workers' compensation laws in Minnesota.

D. Certificate of Insurance. The Contractor shall, prior to commencing services, deliver to the City a Certificate of Insurance as evidence that the above coverages are in full force and effect.

6. Indemnification. To the fullest extent permitted by law, the Contractor agrees to defend, indemnify and hold harmless the City, and its employees, officials, volunteers and agents from and against all claims, actions, damages, losses and expenses, including attorney fees, arising out of the Contractor's negligence or the Contractor's performance or failure to perform its obligations under this Agreement. The Contractor's indemnification obligation shall apply to the Contractor's subcontractor(s), or anyone directly or indirectly employed or hired by the Contractor, or anyone for whose acts the Contractor may be liable. The Contractor agrees this indemnity obligation shall survive the completion or termination of this Agreement.

7. Data Practices. The Contractor agrees to abide by the applicable provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, pertaining to privacy or confidentiality. The Contractor understands that all of the data created, collected, received, stored, used, maintained or disseminated by MMUA in performing those functions that the City would perform as a government entity, is subject to the requirements of Chapter 13 and the Contractor must comply with those requirements as if it were a government entity. This does not create a duty on the part of the Contractor to provide the public with access to public data if the public data is available from the City, except as required by the terms of this Agreement.

8. Dispute Resolution. The Parties shall cooperate and use their best efforts to ensure that the various provisions of the Agreement are fulfilled. The Parties agree to act in good faith to undertake resolution of disputes, in an equitable and timely manner and in accordance with the provisions of this Agreement. If disputes cannot be resolved informally by the Parties, the following procedures shall be used:

- A. Whenever there is a failure between the Parties to resolve a dispute on their own, the Parties shall first attempt to mediate the dispute. The parties shall agree upon a mediator, or if they cannot agree, shall obtain a list of court-approved mediators from the _____ County District Court Administrator and select a mediator by alternately striking names until one remains. The City shall strike the first name followed by the Contractor, and shall continue in that order until one name remains.
- B. Litigation. If the dispute is not resolved within thirty (30) days after the end of mediation proceedings, the Parties may litigate the matter.

9. General Provisions.

- A. Entire Agreement. This Agreement supersedes any prior or contemporaneous representations or agreements, whether written or oral, between the Parties and contains the entire agreement.
- B. Assignment. The Contractor may not assign this Agreement to any other person unless written consent is obtained from the City.
- C. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both Parties.
- D. Nondiscrimination. In the hiring of employees to perform work under this Agreement, the Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.

- E. Force Majeure. Except for payment of sums due, neither party shall be liable to the other or deemed in default under this Agreement, if and to the extent that such party's performance is prevented by reason of Force Majeure, as determined by the City.
- F. Notices. All notices and other communications under this Agreement must be in writing and must be given by registered or certified mail, postage prepaid, or delivered by hand at the addresses set forth below:

Notice to City: _____

Notice to Contractor: _____

- G. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in the State of Minnesota.
- H. Waivers. The waiver by either party of any breach or failure to comply with any provision of this Agreement by the other party shall not be construed as, or constitute a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of this Agreement.
- I. Ownership of Documents. All reports, plans, specifications, data, maps, and other documents produced by the Contractor in the performance of services under this Agreement shall be the property of the City.
- J. Government Data. The Contractor agrees to maintain all data received from the City in the same manner as the City as required under the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
- K. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, and which taken together shall be deemed to be one and the same document.
- L. Savings Clause. If any court finds any portion of this Agreement to be contrary to law, invalid, or unenforceable, the remainder of the Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the Parties, have caused this Agreement to be approved on the date above.

City of _____, Minnesota

By: _____
 Its Mayor

And: _____
 Its Clerk

Contractor _____