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TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: **CONTRACT**

NAME OF CONTRACTOR: DEPARTMENT OF LOCAL AFFAIRS

SUBJECT/PROJECT: ENERGY IMPACT ASSISTANCE FOR MILL
TAILINGS REMOVAL

LOCATION: CITY OF GRAND JUNCTION

CITY DEPARTMENT: PUBLIC WORKS

YEAR: 1989

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

CONTRACT

THIS CONTRACT, made this 2nd day of March 1989, by and between the State of Colorado for the use and benefit of the Department of Local Affairs, 1313 Sherman St., Denver, Colorado 80203 hereinafter referred to as the State, and the City of Grand Junction, Colorado, hereinafter referred to as the Contractor.

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance there of remains available for payment in Fund Number 1001, G/L Account Number 50092, Contract Encumbrance Number 859164; and

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, the State desires to assist state agencies, school districts, local governments and political subdivisions of the State that are experiencing social and economic impacts resulting from the development of energy resource industries in Colorado; and

WHEREAS, pursuant to 39-29-101 to 114 C.R.S., 1973, as amended, the Local Government Severance Tax Fund is created, which is to be administered by the Department of Local Affairs; and

WHEREAS, applications for distributions from the Local Government Severance Tax Fund have been received by the Department of Local Affairs; and

WHEREAS, the Executive Director desires to distribute said funds pursuant to law; and

WHEREAS, the Contractor is an eligible political subdivision to receive impact assistance from the Local Government Severance Tax Fund;

NOW THEREFORE it is hereby agreed that:

1. Area Covered. The Contractor shall perform and accomplish all the necessary work and services provided under this Contract, as described in the attached Exhibit A, which is incorporated herein and made part of this Contract by reference, in connection with and respecting the following area or areas: Grand Junction

2. Scope of Services. In consideration for the monies to be received from the State, the Contractor shall do, perform, and carry out, in a satisfactory and proper manner, as determined by the State, all work elements as indicated in the "Scope of Services", set forth in the Attached Exhibit A, hereinafter referred to as the "Project". Work performed prior to the execution of this Contract shall not be considered part of this Project.

3. Responsible Administrator. The performance of the services required hereunder shall be under the direct supervision of Mark Achen, an employee or agent of Contractor, who is hereby designated as the administrator-in-charge of this Project. At any time the administrator-in-charge is not assigned to this Project, all work shall be suspended until the Contractor assigns a mutually acceptable replacement administrator-in-charge and the State receives notification of such replacement assignment.

4. Time of Performance. This Contract shall become effective upon proper execution of this Contract. The Project contemplated herein shall commence as soon as practicable after the execution of this Contract and shall be undertaken and performed in the sequence set forth in the "Time of Performance" in the attached

Exhibit A. Expenses incurred by the Contractor in association with said Project prior to execution of this Contract shall not be eligible expenditures. The Contractor agrees that time is of the essence in the performance of its obligations under this Contract, and that completion of the Project shall occur no later than the termination date set forth in the Time of Performance.

5. Compensation and Method of Payment. The State agrees to pay to the Contractor, in consideration for the work and services to be performed, a total amount not to exceed ONE MILLION AND NO/100 - - - Dollars (\$1,000,000.00). The method and time of payment shall be made in accordance with the "Payment Schedule" set forth in Exhibit A.

6. Accounting. At all times from the effective date of this Contract until completion of this Project, the Contractor shall maintain properly segregated books of State funds, matching funds, and other funds associated with this Project. All receipts and expenditures associated with said Project shall be documented in a detailed and specific manner, and shall accord with the "Budget" set forth in Exhibit A. Contractor may adjust budgeted expenditure amounts up to ten percent (10%) within said Budget without approval of the State. Adjustments of budget expenditure amounts in excess of ten percent (10%) must be authorized by the State in an amendment to this Contract properly executed and approved pursuant to the State Fiscal Rules. In no event shall the State's total consideration exceed the amount shown in Paragraph 5 above.

- a. Unless otherwise provided in this Contract, if Exhibit A provides for more than one payment by the State, the initial payment set forth in the Payment Schedule shall be made as soon as practicable after proper execution of this Contract. The Contractor shall initiate all subsequent payment requests by submitting documented proof of proper expenditure of State funds thus far received to a contract monitor designated by the State.
- b. The Contractor shall request the final payment, which is the amount withheld by the State until the Project is complete, for the Project by submitting to the contract monitor a detailed costs accounting of all State funds received and expended towards completion of the Project. Upon determining to its satisfaction that all funds received by the Contractor have been properly spent towards accomplishment of the Project, the State shall promptly make final payment to the Contractor.
- c. Within ninety (90) days of completion of the Project, the Contractor shall submit to the contract monitor a detailed cost accounting of expenditures of the final payment received from the State. Any State funds not expended in connection with the Project shall be remitted to the State at that time.

7. Audit. The State or its authorized representative shall have the right to inspect, examine, and audit Contractor's records, books and accounts, including the right to hire an independent Certified Public Accountant of the State's choosing and at the State's expense to do so. Such discretionary audit may be called for at any time and for any reason from the effective date of this Contract until five (5) years after the date final payment for this Project is received by the contractor, provided that the audit is performed at a time convenient to the Contractor and during regular business hours. Whether or not the State calls for a discretionary audit as provided for in this paragraph, if the Project is accomplished within a single fiscal year of the Contractor, the Contractor shall, at the conclusion of the Project, and in addition to any other reports required, submit a report and auditor's statement of the Project account to the Office of Impact Assistance in the Department of Local Affairs, Such report shall be prepared in conjunction with Contractor's regular yearly audit, and must be submitted within six (6) months after the close of the then current Contractor's fiscal year.

8. Personnel. The Contractor represents that he has, or will secure at his own expense, unless otherwise state in Exhibit A, all personnel, as employees of the Contractor, necessary to perform the work and services required to be performed by the Contractor under this Contract. Such personnel may not be employees of or have any contractual relationship with the State. All of the services required hereunder will be performed by the Contractor or under his supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized under State and local law to perform such services.

9. Termination of Contract for Cause. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract for cause by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other material prepared by the Contractor under this Contract shall, at the option of the State, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Notwithstanding the above, the Contractor shall not be relieved of liability to the State for any damages sustained by the State by virtue of any breach of the Contract by the Contractor, and the State may withhold any payments to the Contractor for the purpose of setoff until such time as the exact amount of damages due the State from the Contractor is determined.

10. Termination for Convenience of State. The State may terminate this Contract at any time the State determines that the purposes of the distribution of State monies under the Contract would no longer be served by completion of the Project. The State shall effect such termination by giving written notice of termination to the Contractor and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in Paragraph 9 above shall, at the option of the State, become its property. If the Contract is terminated by the State as provided herein, the Contractor will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Contractor covered by this Contract, less payments of compensation previously made. Provided, however, that if less than sixty percent (60%) of the services covered by this Contract have been performed upon the effective date of such termination, the Contractor shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under this Contract) incurred by the Contractor during the Contract period which are directly attributable to the uncompleted portion of the services covered by this Contract. If this Contract is terminated due to the fault of the Contractor, Paragraph 9 hereof relative to termination shall apply.

11. Changes. The State may, from time to time, require changes in the scope of services of the Contract to be performed hereunder. However, this Contract is intended as the complete integration of all understandings between the parties, at this time, and no prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect, whatsoever, unless embodied in a written contract amendment incorporating such changes, including any increase or decrease in the amount of monies to be paid to the Contractor, executed and approved pursuant to the State's Fiscal Rules.

12. Reports. At least two (2) copies of all reports prepared as a result of the Project will be submitted to the Office of Financial Assistance Services in the Department of Local Affairs within two (2) weeks of completion of such reports.

13. Employment Referrals. The Contractor shall accept and require that all subcontractors accept, from either the Job Training Partnership Act Service Delivery Area employment and training agency or the Job Service Center in the area, referrals as candidates for filling vacant job positions supported by or created as a result of funds provided by the State under this Contract.

14. Conflict of Interest.

- a. No employee of the Contractor shall perform or provide part-time services for compensation, monetary or otherwise, to a consultant or consultant firm that has been retained by the Contractor under the authority of this Contract.
- b. The Contractor agrees that no person at any time exercising any function or responsibility in connection with this Project on behalf of the Contractor shall have or acquire any personal financial or economic interest, direct or indirect, which will be materially affected by this Contract, except to the extent that he may receive compensation for his performance pursuant to this Contract.
- c. A personal financial or economic interest includes, but is not limited to:
 - i) any business entity in which the person has a direct or indirect monetary interest;
 - ii) any real property in which the person has a direct or indirect monetary interest
 - iii) any source of income, loans, or gifts received by or promised to the person within twelve (12) months prior to the execution date of this Contract;
 - iv) any business entity in which the person is a director, officer, general or limited partner, trustee, employee, or holds any position of management.

For purposes of this subsection, indirect investment or interest means any investment or interest owned by the spouse, parent, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law of the person by an agent on his/her behalf, by a general, limited, or silent partner of the person, by any business entity controlled by said person, or by a trust in which he/she has substantial interest. A business entity is controlled by a person if that person, his/her agent, or a relative as defined above possesses more than fifty percent (50%) of the ownership interest. Said person has a substantial economic interest in a trust when the person or an above-defined relative has a present or future interest worth more than One Thousand Dollars (\$1,000.00).

- d. In the event a conflict of interest, as described in this Paragraph 14, cannot be avoided without frustrating the purposes of this Contract, the person involved in such a conflict of interest shall submit to the Contractor and the State a full disclosure statement setting forth the details of such conflict of interest. In cases of extreme and unacceptable conflicts of interest, as determined by the State, the State reserves the right to terminate the Contract for cause, as provided in Paragraph 9 above. Failure to file a disclosure statement required by this Paragraph 15 shall constitute grounds for termination of this Contract for cause by the State.

15. Compliance with Applicable Laws. At all times during the performance of this Contract, the Contractor shall strictly adhere to all applicable federal and State laws that have been or may hereafter be established.

16. Severability. To the extent that this Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Contract, the terms of this Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof. The waiver of any breach of a term hereof shall not be construed as waiver of any other term.

17. Binding on Successors. Except as herein otherwise provided, this agreement shall inure to the benefit of and be binding upon the parties, or any subcontractors hereto, and their respective successors and assigns.

18. Assignment. Neither party, nor any subcontractors hereto, may assign its rights or duties under this Contract without the prior written consent of the other party.

19. Limitation to Particular Funds. The parties hereto expressly recognize that the Contractor is to be paid, reimbursed, or otherwise compensated with funds provided to the State for the purpose of contracting for the services provided for herein, and therefore, the Contractor expressly understands and agrees that all its rights, demands and claims to compensation arising under this Contract are contingent upon receipt of such funds by the State. In the event that such funds or any part thereof are not received by the State, the State may immediately terminate this Contract.

20. Minority Business Enterprise Participation. It is the policy of the State of Colorado that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of its construction grant contracts. The Contractor agrees to use its best efforts to carry out this policy to the fullest extent practicable and consistent with the efficient performance of this Contract. As used in this Contract, the term "minority business enterprise" means a business, at least 50 percent (50%) of which is owned by minority group members or, in the case of publicly owned businesses, at least 51 percent (51%) of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes or Black Americans, Spanish-speaking Americans, Asian Americans, American Indians, American Eskimos and American Aleuts. The Contractor may rely on written representations by bidders, contractors, and subcontractors regarding their status as minority enterprises and need not conduct an independent investigation.

21. Workmen's Compensation Coverage. The Contractor is responsible for providing Workmen's Compensation Coverage for all of its employees to the extent required by law, and for providing such coverage or requiring its subcontractors to provide such coverage for the sub-contractor's employees. In no case is the State responsible for providing Workmen's Compensation Coverage for any employees or sub-contractors of Contractor pursuant to this Agreement, and Contractor agrees to indemnify the State for any costs for which the State may be found liable in this regard.

22. Survival of Certain Contract Terms. Notwithstanding anything herein to the contrary, the parties understand and agree that all terms and conditions of this contract and the exhibits and attachments hereto which may require continued performance or compliance beyond the termination date of the contract shall survive such termination date and shall be enforceable by the State as provided herein in the event of such failure to perform or comply by the Contractor or its subcontractors.

SPECIAL PROVISIONS**CONTROLLER'S APPROVAL**

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

FUND AVAILABILITY

2. Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public works for this State, the contractor shall, before entering the performance of any such work included in this contract, duly execute and deliver to and file with the official whose signature appears below for the State, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety, conditioned for the due and faithful performance of the contract, and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provendor or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done, the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond, when so required, is executed, delivered and filed, no claim in favor of the contractor arising under this contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with 38-26-106 CRS, as amended.

INDEMNIFICATION

4. To the extent authorized by law, the contractor shall indemnify, save and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

DISCRIMINATION AND AFFIRMATIVE ACTION

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (24-34-402. CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. *Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.*

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(3) The contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(4) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(5) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.

(6) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.

(7) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and subcontractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6 a. Provisions of 8-17-101 & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When a construction contract for a public project is to be awarded to a bidder, a resident bidder shall be allowed a preference against a non-resident bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident. If it is determined by the officer responsible for awarding the bid that compliance with this subsection .06 may cause denial of federal funds which would otherwise be available or would otherwise be inconsistent with requirements of federal law, this subsection shall be suspended, but only to the extent necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (section 8-19-101 and 102, CRS).

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. At all times during the performance of this Contract, the Contractor shall strictly adhere to all applicable federal and state laws, rules and regulations that have been or may hereafter be established.

9. The signatories hereto aver that they are familiar with 18-8-301, et. seq., (Bribery and Corrupt Influences) and 18-8-401, et. seq., (Abuse of Public Office), CRS 1978 Replacement Vol., and that no violation of such provisions is present.

10. The signatories aver that to their knowledge, no state employee has a personal or beneficial interest whatsoever in the service or property described herein:

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

Contractor :

(Full Legal Name) _____

CITY OF GRAND JUNCTION. COLORADO

By John W. Bennett

Position (Title) MAYOR

84-6000 592
Social Security Number or Federal I.D. Number

STATE OF COLORADO
ROY ROMER, GOVERNOR

By [Signature]
*5 EXECUTIVE DIRECTOR.

DEPARTMENT OF LOCAL AFFAIRS

(If Corporation:)

Attest (Seal)

By Neva B. Lockhart, CMR
Corporate Secretary, or Equivalent, Town/City/County Clerk
City Clerk

ATTORNEY GENERAL RUANE WOODARD

By [Signature]
DAVID L. KAYE
First Assistant Attorney General
General Legal Services

APPROVALS

CONTROLLER

By [Signature]
JAMES A. STROUP

EXHIBIT A

Scope of Services

EXHIBIT A

1. Scope of Services

The Project consists of providing the matching funds necessary to secure federal funding for the removal of radioactive mill tailings from selected communities in Western Colorado.

The City of Grand Junction, as Contractor for this Project, will receive the Impact funds provided herein and will make such funds available to the Colorado Department of Health according to a payment schedule to be developed by the Colorado Department of Health. The Contractor agrees to release funds to the Colorado Department of Health within 21 days of receipt of a written request for funds.

The City of Grand Junction will serve as the Contractor (grant recipient) for this project since a significant portion of the tailings removal will occur in and around Grand Junction. It is recognized that tailings removal will occur in Garfield, Gunnison, Moffat, Montrose, La Plata, San Miguel and Mesa Counties.

The Contractor agrees that its programmatic role is strictly limited to receiving the funds provided herein and making those funds available to the Colorado Department of Health when requested. Programmatic decisions related to the tailings removal programs will be made by the Colorado Department of Health.

Funds provided under this Contract may only be applied towards the matching requirements for the UMRAP (Uranium Mill Tailings Remedial Action Program) funded by the United States Department of Energy. The UMRAP local match requirement is 10%.

The Colorado Department of Health will provide the Contractor and the State with periodic summaries of actual expenditures and anticipated expenditures made, or to be made, related to this Contract.

The funds provided herein may only be used for the purpose of matching the federal grant funds and are not available for any other purpose.

Copies of any and all contracts entered into by the Contractor in order to accomplish this Project will be submitted to the Department of Local Affairs, Financial Assistance Services Section, upon execution, and any and all contracts entered into by the Contractor or any of its subcontractors shall comply with all applicable Federal and Colorado State laws and shall be governed by the laws of the State of Colorado notwithstanding provisions therein to the contrary.

The Contractor shall comply with all applicable State and Federal laws, rules, regulations and Executive Orders of the Governor of Colorado involving non-discrimination on the basis of race, color, religion, national origin, age, handicap or sex. In compliance with Paragraph 5 of the Special Provisions section of the main body of this Contract, the Contractor agrees to consider minorities or minority businesses as employees, specialists, agents, consultants, or subcontractors under this Contract. The Contractor may utilize the expertise of the State Minority Business Office within the Office of the Governor for assistance in complying with the non-discrimination and affirmative action requirements of this Contract and applicable statutes.

EXHIBIT A

EXHIBIT A

2. Time of Performance

The Project will commence upon the date of execution of this Contract. However, no expenditures may be made by the Contractor prior to July 1, 1989.

The Project will end on or before December 31, 1990. However, this Contract may be extended a maximum of 12 months subject to the mutual agreement of the State and Contractor. A request for extension by the Contractor shall be submitted to the State at least thirty (30) days prior to the expiration of the Contract and shall include a full justification for the extension request. If approved by the State, written notification will be provided to the Offices of the State Controller and the State Attorney General.

3. Budget

REVENUE		EXPENDITURES	
Impact Assistance Funds	\$1,000,000	Tailings Removal Match Requirement	\$1,000,000
	_____		_____
	TOTAL \$1,000,000		TOTAL \$1,000,000

4. Payment Schedule

I.	\$ 950,000	Initial payment to be made within thirty (30) days of the date of execution of this Contract.
II.	\$ 50,000	Final payment to be made upon the completion of the Project. The Contractor will submit a final financial and narrative status report documenting the expenditure of all Impact Assistance funds for which payment has been requested.

	\$1,000,000	TOTAL

The request for final payment will be initiated by the Contractor in accordance with the provisions in Paragraph 6 of the main body of this Contract. The final payment request will be routed through the Colorado Department of Health, Radiation Control Division, for approval prior to submission to the Department of Local Affairs.

5. Contract Monitoring

The Department of Local Affairs and the Colorado Department of Health will monitor the Project on an as-needed basis. Upon request of the State staff the Contractor will provide access to all records and notification of all meetings relevant to the project.

6. Reporting Schedule

The Colorado Department of Health and the Contractor will provide the State with financial and narrative status reports on a quarterly basis with quarters ending March 31, June 30, September 30, and December 31. The combined reports shall include a full accounting of funds expended during the report period, a listing of sites where remedial action took place, and a certification by the Health Department of the receipt of funds from the Department of Energy.

EXHIBIT A

