



STATE OF VERMONT  
STANDARD CONTRACT FOR PERSONAL SERVICES

Contract # 7392

1. **Parties.** This is a contract for personal services between the State of Vermont, **Vermont Hydroelectric Power Authority** (hereafter called "VHPA"), and **Government Finance Associates, Inc.**, with principal place of business in New York, New York (hereafter called "Contractor"). Contractor's form of business organization is **a corporation**. Contractor **is not** required by law to have a Business Account Number from the Vermont Department of Taxes.
2. **Subject Matter.** The subject matter of this contract is personal services. Detailed services to be provided by the contractor are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed **\$100,000**.
4. **Contract Term.** The period of contractor's performance shall begin on **July 26, 2004**, and end on **July 25, 2005**.
5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.
  - Approval by the Attorney General's Office **is** required.
  - Approval by the Secretary of Administration **is not** required.
6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. **Cancellation.** This contract may be cancelled by either party by giving written notice at least 10 days in advance.
8. **Attachments.** This contract consists of 10 pages including the following attachments which are incorporated herein:
  - Attachment **A** - Specifications of Work to be Performed
  - Attachment **B** - Payment Provisions
  - Attachment **C** - Customary State Contract Provisions
  - Attachment **D** - Other Provisions.

**WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.**

**by the STATE OF VERMONT**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: John D. Sayles

Title: Interim Manager

Agency: Vermont Hydroelectric Power Authority

**by the CONTRACTOR**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Fed.ID/SocSec.# \_\_\_\_\_

**ATTACHMENT A**  
**Specifications of Work to be Performed**

Contractor shall provide the following services with regard to financial matters to the VHPA on a continuing basis throughout the period of this contract. Such financial services shall include, but not be limited to, rendering financial advice as well as analysis and research in the following areas:

- A. Advise and assist the VHPA in the development, structure and timing of issuance of taxable and/or tax-exempt bonds in accordance with applicable laws, customs, and practices governing such issuance.
- B. Advise and assist the VHPA in structuring financing of hydroelectric assets using various modes of financing, including but not limited to, taxable and tax-free bonds, credit-enhancement, asset-backed financing, revenue bonds, commercial paper and private placements.
- C. Advice on the amount, timing, and nature of borrowings, as well as the credit structure, maturity schedule, call provisions and other items, as needed.
- D. Advice on the merits of competitive, negotiated or private placement of debt.
- E. For competitive issues, assistance in the preparation of official statements and other appropriate information to prospective bond and note investors.
- F. Assistance in preparing and presenting timely and adequate information on proposed financings and the VHPA's finances and operations to the bond rating agencies and institutions providing credit enhancement.
- G. Evaluation of the terms and recommendation of acceptance, rejection or renegotiation with respect to sale bids or final pricing as applicable.
- H. Advise on such matters as bond registration, printing, investment of proceeds and other matters related to the settlement and delivery of the bonds or notes, as required.
- I. Assistance with preparation of RFP/Qs and written evaluation of proposals for the procurement of:
  - § Credit enhancements, including LOCs and bond insurance
  - § Reinvestment of proceeds
  - § Investment banking services

- \$ Printing
- \$ Competitive offerings
- \$ Paying Agent or Trustee
- \$ Escrow Agent, if required

J. Attendance at meetings related to debt offerings and participation in the deliberations at such meetings, including:

- \$ Preparation of any Official Statement
- \$ Due diligence
- \$ Rating agency presentations
- \$ Pricing
- \$ Closing

K. Provide ongoing financial advisory services, including:

- \$ Assistance with regular contacts with the rating agencies.
- \$ Evaluations of financial proposals received by the VHPA.
- \$ Advice on investor relations and assistance in preparation of related presentation materials.

L. Advise and assist the VHPA in structuring interim financing programs including bond anticipation notes, revenue anticipation notes, lines of credit, letters of credit, commercial paper programs, or other financings, as required.

M. Review bond documents, regulations, rules, proposed legislation, and other documents relating to the VHPA's financing.

N. Assist the VHPA when necessary in the negotiation and preparation of any agreements between the VHPA and other entities, particularly its partners, participating in any financing program.

O. As necessary, resolve issues regarding the sale and issuance of bonds that are raised by prospective purchasers, rating agencies, or public officials.

P. As requested, participate in public forums as the VHPA's Financial Advisor to explain financial aspects of borrowings or debt.

## ATTACHMENT B

### Payment Provisions

The State shall pay Contractor as follows:

1. Pay Contractor at the following rates for services rendered:  
  
\$190. Per hour
2. Reimburse Contractor for reasonable and necessary expenses incurred by Contractor in performance of services, including mileage reimbursement at the State rate for use of a personal motor vehicle. **Copies of receipts must be provided by Contractor for all expenses, with the exception of mileage as defined above.**
3. Upon submission of an invoice by the Contractor, including a list of dates and hours worked with a description of the work performed and a summary of expenses incurred.

Submit Invoices to:

John D. Sayles  
Interim Manager  
Vermont Hydroelectric Power Authority  
c/o Department of Public Service  
112 State Street - Drawer 20  
Montpelier, VT 05620-2601

**All bills submitted by the Contractor to the Vermont Hydroelectric Power Authority will make reference to the Contract Number appearing in the upper right corner of Page 1 of this Contract.**

## ATTACHMENT C

### STATE OF VERMONT - CONTRACTS FOR SERVICES CUSTOMARY STATE CONTRACT PROVISIONS (Revised 8/95)

1. **Entire Agreement.** This contract represents the entire agreement between the parties on this subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This contract will be governed by the laws of the State of Vermont.
3. **Appropriations.** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority.
4. **No employee benefits for Contractor.** The Contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation and sick leave, workers' compensation or other benefits or services available to state employees, nor will the State withhold any federal or state taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The Contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. **Independence, Liability.** The Contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the Contractor's acts or omissions in the performance of this contract.
6. **Reliance by the State on Representations.** All payments by the State under this contract will be made in reliance upon the accuracy of all prior written representations by the Contractor, including but not limited to bills, invoices, progress reports and other proofs of work.

7. **Records Available for Audit.** The Contractor will maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of this contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.
8. **Fair Employment Practices and Americans with Disabilities Act.** The Contractor agrees to comply with the requirements of Title 21, VSA Chapter 5, Subchapter 6, relating to fair employment practices, to the extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Contractor under this contract.
9. **Set Off.** The State may set off any sums which the Contractor owes the State against any sums due the Contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
10. **Taxes Due to the State.**
  - a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
  - b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the Contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

- c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the Contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Contractor also understands the State may set off taxes (and related penalties, interest, and fees) due the State of Vermont, but only if the Contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Contractor has no further legal recourse to contest the amounts due.

11. **Child Support.** (Applicable if the Contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, Contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

12. **Subcontractors.** Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph 10 above.

13. **No Gifts or Gratuities.** Contractor will not give title or possession of any thing of substantial value (including property, currency, travel and education programs) to any officer or employee of the State during the term of this contract.

14. **Copies.** All written reports prepared under this contract will be printed using both sides of the paper.

15. **Insurance.** Before commencing work on this contract, the Contractor must provide certificates of insurance to show that the following minimum coverages are in effect. It is

the responsibility of the Contractor to maintain current certificates of insurance on file with the state through the term of the contract.

Workers Compensation: With respect to all operations performed, the contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Contractor shall carry general liability insurance with a combined single limit of **\$1,000,000.00**.

Automotive Liability: The Contractor shall carry automotive liability insurance covering all motor vehicles, no matter the ownership status, used in connection with the contract. Limits of coverage shall not be less than \$300,000 combined single limit.

No warranty is made that the coverage described herein is adequate to cover and protect the interests of the Contractor for the Contractor's operations. The coverage described is solely a minimum that has been set to protect the interests of the State.

## ATTACHMENT D

### Other Provisions

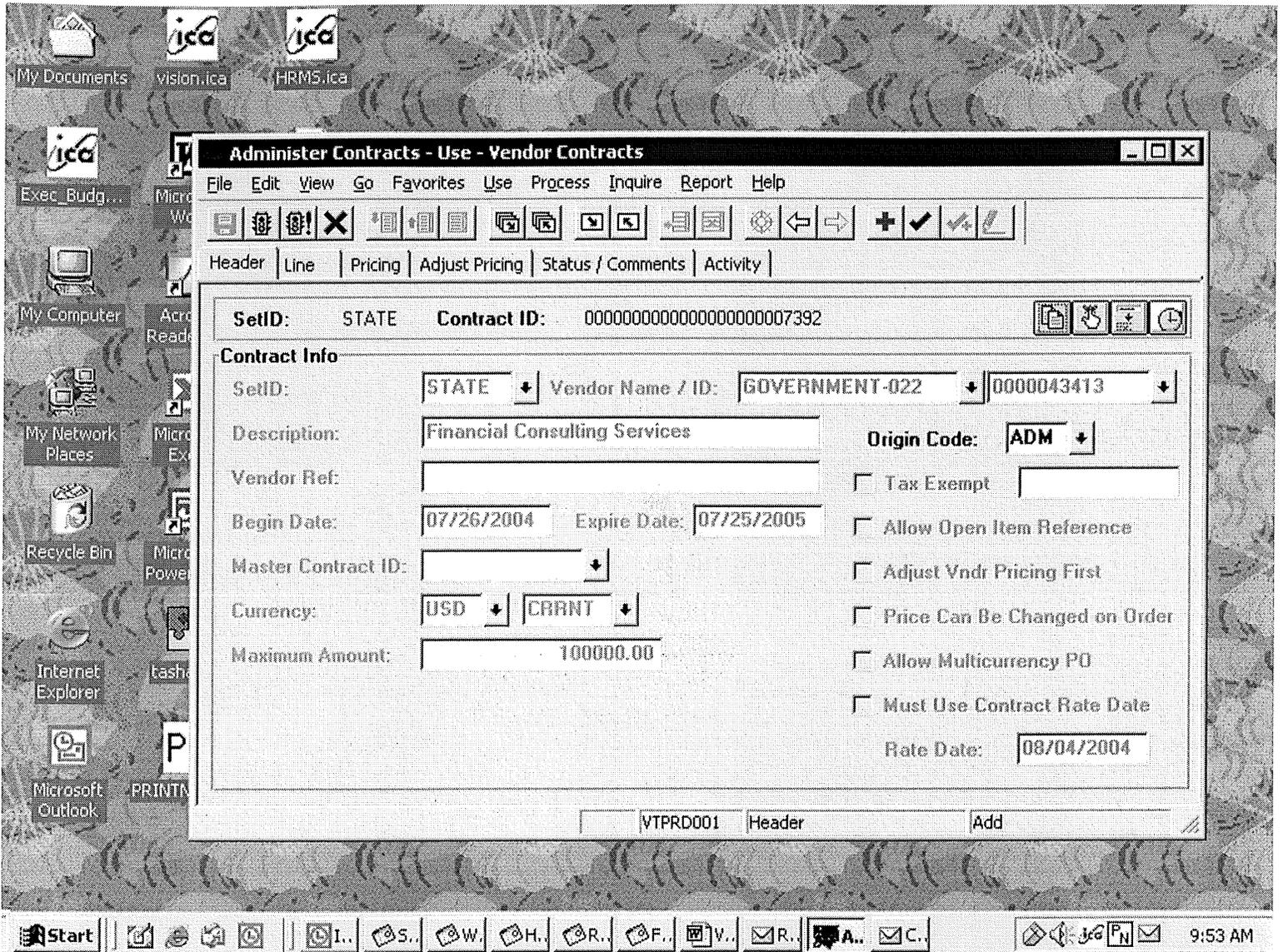
1. **Work Product Ownership.** Upon full payment by the State, all products of the Contractor's work, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of Vermont and may not be copyrighted or resold by Contractor.
2. **Prior Approval/Review of Releases.** Any notices, information pamphlets, press releases, research reports, or similar other publications prepared and released in written or oral form by the Contractor under this contract shall be approved by the State prior to release.
3. **Ownership of Equipment.** Any equipment purchased by or furnished to the Contractor by the State under this contract is provided on a loan basis only and remains the property of the State.
4. **Confidential Information.** During the course of the work contemplated in this contract, the Contractor shall not on its own enter into any agreements which pertain to information to be used in performing such work and which restrict access to information or denominate information as confidential, allegedly confidential, or protected from disclosure.



PeopleSoft General Ledger  
ORGANIZATION BUDGET STATUS

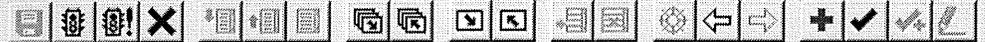
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Scenario: FINAL

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31600	1100990451				000100	2005	495,821.00	0.00	0.00	0.00	495,821.00
<b>Total for Account:</b>								495,821.00	0.00	0.00	495,821.00
<b>Total for Fund:</b>								495,821.00	0.00	0.00	495,821.00
<b>Total for Period:</b>							2005	495,821.00	0.00	0.00	495,821.00
<b>Total for Business Unit: 01100</b>								495,821.00	0.00	0.00	495,821.00



**Administer Contracts - Use - Vendor Contracts**

File Edit View Go Favorites Use Process Inquire Report Help



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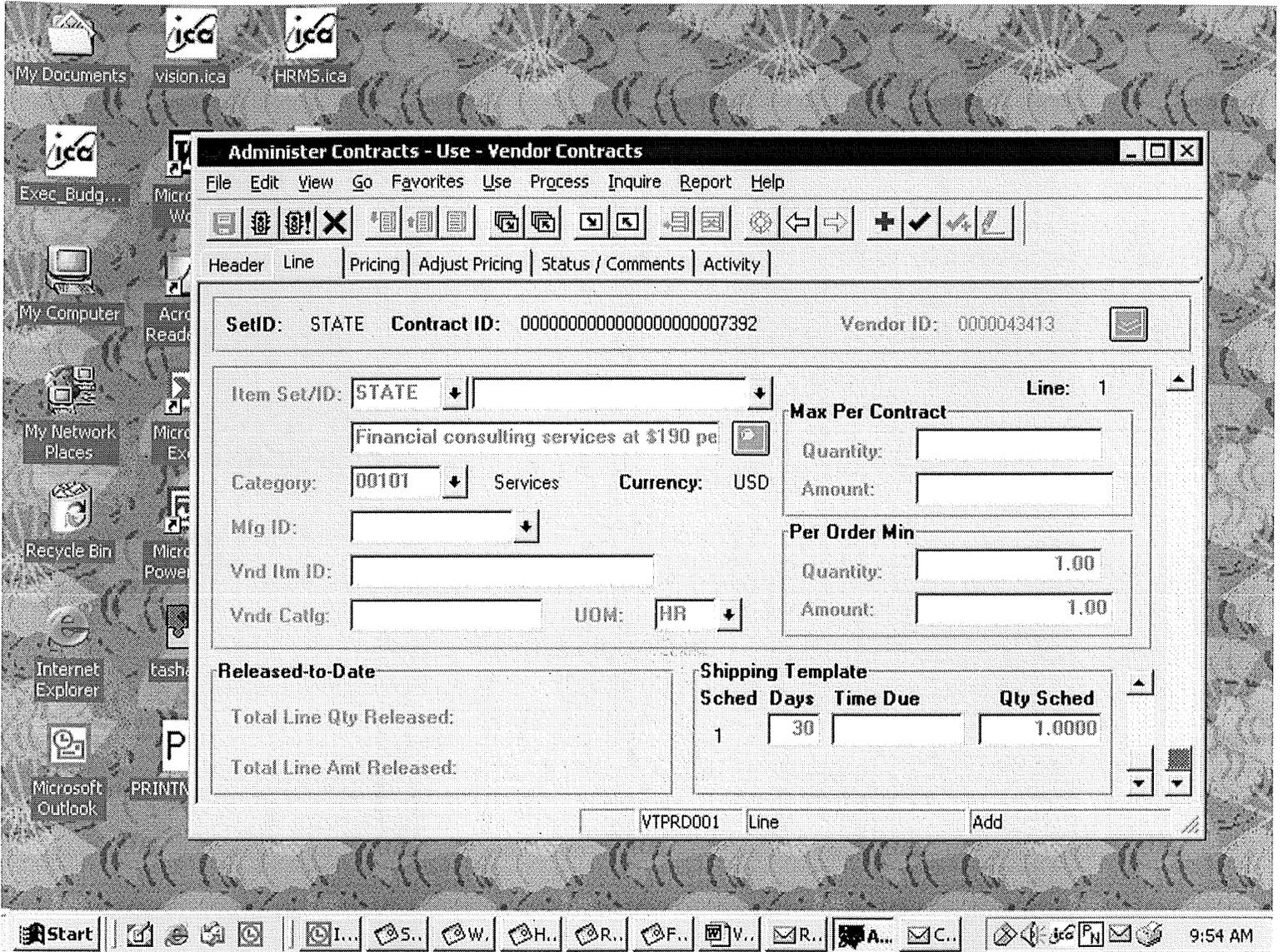
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**Contract Info**

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Vendor Ref:				<input type="checkbox"/> Tax Exempt
Begin Date:	07/26/2004	Expire Date:	07/25/2005	<input type="checkbox"/> Allow Open Item Reference
Master Contract ID:				<input type="checkbox"/> Adjust Vndr Pricing First
Currency:	USD	CARRT		<input type="checkbox"/> Price Can Be Changed on Order
Maximum Amount:	100000.00			<input type="checkbox"/> Allow Multicurrency PO
				<input type="checkbox"/> Must Use Contract Rate Date
				Rate Date: 08/04/2004

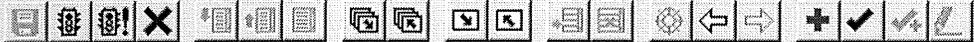
VTPRD001 Header Add

GFA Contract  
#7392



**Administer Contracts - Use - Vendor Contracts**

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Header Line Pricing Adjust Pricing Status / Comments Activity

SetID: STATE Contract ID: 000000000000000000007392 Vendor ID: 0000043413

Item Set/ID: STATE [dropdown] [dropdown] Line: 1

Financial consulting services at \$190 pe [button]

Category: 00101 [dropdown] Services Currency: USD

Mfg ID: [dropdown]

Vnd Itm ID: [text box]

Vndr Catlg: [text box] UOM: HR [dropdown]

<b>Max Per Contract</b>	
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Amount:	1.00

**Released-to-Date**

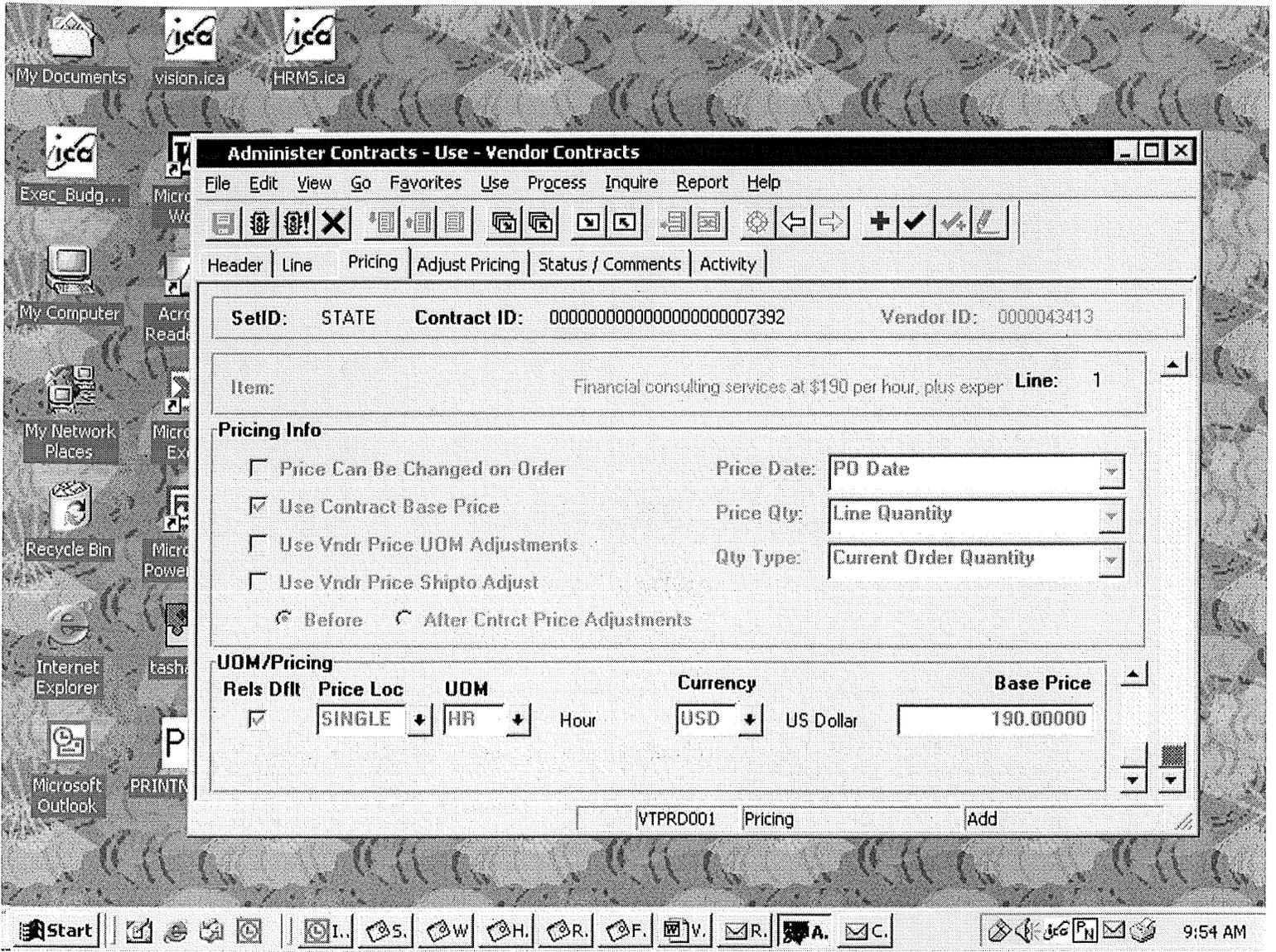
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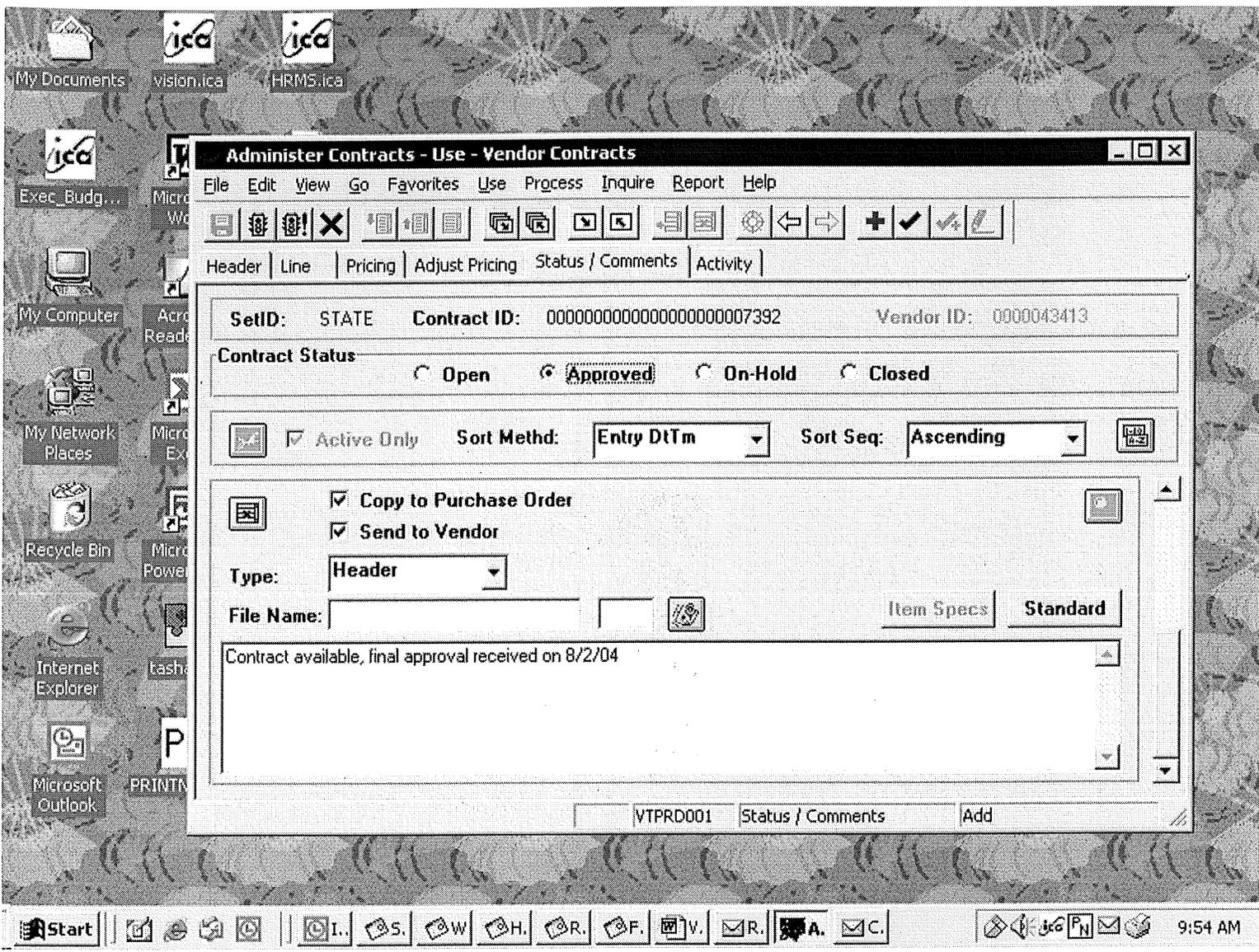
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**Shipping Template**

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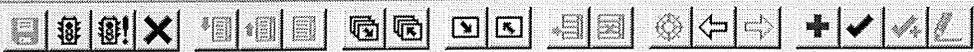
VTPRD001 Line Add





**Administer Contracts - Use - Vendor Contracts**

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SetID: STATE Contract ID: 0000000000000000000000007392 Vendor ID: 0000043413

Contract Status:  Open  **Approved**  On-Hold  Closed

Active Only Sort Methd: **Entry DTTm** Sort Seq: **Ascending**

Copy to Purchase Order  Send to Vendor

Type: **Header**

File Name:  Item Specs Standard

Contract available, final approval received on 8/2/04

VTPRD001 Status / Comments Add



**Strader, Robin**

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**From:** Beatty, David  
**Sent:** Tuesday, August 03, 2004 9:48 AM  
**To:** Sayles, John; Smith, Mike K; Wallis, Tasha  
**Cc:** Ferland, Brad; Morrison, Mary; Hofmann, Robert; Reardon, Jim; Trautz, Otto; Doyon, Ruthellen  
**Subject:** VT Hydroelectric Power Authority fund

It appears to be most reasonable to leave the VHPA fund under the Secretary of Administration's business unit 01100. VHPA is funded for FY 2005 from the capital bill (Fund 31600) and the deptID is 1100990451.

The balance in the fund today is \$495,821.00, which results from \$500,000 of bonds sold, less bond issuance costs.

John, as interim manager, will initiate all disbursements from the fund by approving VHPA invoices for payment and forwarding the approved invoice to Robin for payment through VISION. John is currently developing two contracts for VHPA and has forwarded the contract details to Robin for set up in VISION. Contracting must comply with Bulletin 3.5 guidelines, including preparation of AA14's, as appropriate.

Per Act 121, Sec 101, which is now part of 30 V.S.A. chapter 90, recordkeeping should support an annual audit and an annual report due in February.

§ 8059. RECORDS; ANNUAL REPORT; AUDIT

(a) The authority shall keep an accurate account of all its activities and of all its receipts and expenditures.

(b) Each year, prior to February 1, the authority shall submit a report of its activities for the preceding fiscal year to the governor and to the general assembly. The report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall cause an audit of its books and accounts to be made at least once in each year by a certified public accountant. The cost of the audit shall be considered an expense of the authority, and a copy of the audit shall be filed with the state treasurer.

David Beatty  
Budget & Management Analyst  
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8/3/2004