

Contract No. \_\_\_\_\_

**PROFESSIONAL SERVICES CONTRACT**  
**BETWEEN**  
**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**AND**  
**THOMAS C. TIERNEY**  
**FOR**  
**LABOR CONSULTING SERVICES**

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APPENDIX A: TASK ORDER(S)

**PROFESSIONAL SERVICES CONTRACT  
BETWEEN  
CHUGACH ELECTRIC ASSOCIATION, INC.  
AND  
THOMAS C. TIERNEY**

In consideration of the mutual promises herein contained, Chugach Electric Association, Inc. (Chugach), and Thomas C. Tierney (Consultant), hereby agree as follows:

**SECTION 1. SCOPE OF SERVICES**

The Consultant shall provide professional services, on a Task Order basis, to the Board of Directors (Board) of Chugach (the "Work"). Services will include reviewing all of Chugach's labor contracts and providing advice to the Chugach Board of Directors (Board) on labor negotiations and other labor related matters. The Consultant's review of Chugach's labor contracts shall include, but not be limited to, the recently ratified Outside and Generation IBEW contracts as well as the Office and Engineering IBEW and HERE contracts currently in negotiation. Consultant shall assist the Board in developing and implementing (a) negotiating options and strategies presently available to Chugach in connection with its labor contracts, (b) an effective process for considering, analyzing and acting on labor issues, (c) strategies for communicating relevant information on labor issues to Chugach members during contract negotiations and after contract ratification. Other labor-related tasks may be assigned by the Board. As needed to fulfill his assigned tasks, Consultant shall have full access to Chugach records, managers, attorneys, and unions representing Chugach employees.

The Consultant shall report to the Board through the Board Chair or her designee.

**SECTION 2. COMPENSATION**

Chugach shall pay the Consultant \$150 per hour for the Work, up to a maximum Contract amount of \$25,000. Chugach reserves the right to increase the maximum Contract amount by amendment of this Contract.

The execution of this Contract does not obligate Chugach to provide Work to or pay the Consultant except as provided by Task Orders issued hereunder.

All disbursements, including FAX, long distance telephone charges, on-line computer research, copying costs, postage, and courier services, will be paid at cost. Chugach will not pay additional charges for routine secretarial work, word processing or office supplies. Disbursements for extensive copying and computerization of documents and research will not be reimbursed unless approved by the Board in advance. The Board must authorize travel in advance. Chugach shall reimburse Consultant's transportation, lodging, meals and related travel

expenses at Consultant's cost. Chugach will pay for coach airfare only. Consultant shall make travel arrangements as soon as possible after receiving authorization from the Board Chugach to obtain the lowest available airfare, and shall plan all travel in order to obtain the lowest fares and lodging costs when possible. All other expenses must be pre-approved by the Board and shall be invoiced at the cost to the Consultant. Services and materials purchased by the Consultant for Task Orders issued under this Contract shall be invoiced at Consultant's cost.

**SECTION 3. TERMS OF PAYMENT**

Consultant may invoice services and expenses on a monthly basis or upon Task Order completion. All invoices shall specify, by Task Order, the time and costs for the invoice period, a description of the services performed on the date the services were performed, the totals previously invoiced, and the unexpended balance of the Task Order. Invoices shall list the Contract number and Task Order number and include the support documentation for expenses incurred.

Chugach shall make payment for said invoiced amounts within thirty (30) days after receipt of invoice by Chugach. Should the Board dispute any portion of the Consultant's invoices, Chugach shall pay the undisputed portion of the statement and advise the Consultant in writing of the disputed portion.

The invoices shall be sent to Chugach c/o Chairman, Board of Directors and shall be marked CONFIDENTIAL on the envelope and on each page of the invoice.

**SECTION 4. TIME FOR PERFORMANCE**

Subject to earlier termination as provided in this Contract, the term of this Contract shall commence June 12, 2007 and shall continue until terminated by one of the parties. Chugach reserves the option to extend this Contract, subject to an agreement on rates.

**SECTION 5. INDEPENDENT CONTRACTOR, AGENCY, SUBCONTRACTOR**

The Consultant agrees to perform the Work described in this Contract as an independent contractor and not as a subcontractor, agent, or employee of Chugach or the Board.

Nothing in this Contract shall be interpreted to make Consultant the agent of Chugach or the Board, nor Chugach or the Board the agent of Consultant.

The Consultant shall enter into no subcontract without prior written consent of the Board. If any part of the Work is to be performed by a subcontractor, the terms and conditions of this Contract shall apply to such subcontractor. The Consultant shall administer its subcontracts. No approval of a subcontractor shall relieve the Consultant from any of its obligations or liabilities under this Contract.

**SECTION 6. CHUGACH'S SATISFACTION**

Work performed by the Consultant under this Contract shall be to the satisfaction of the Board. In all areas, the Board shall be the sole judge as to whether Work is satisfactory.

**SECTION 7. PERFORMANCE**

Consultant warrants that all Work performed will be of a professional caliber as the Board has a right to expect, free from faults or defects, and will meet in all respects the requirements of the Contract Documents including Task Orders. Consultant, at its own expense, shall promptly re-perform any Work, which fails to conform to aforesaid warranties in any respect. If Consultant is delayed in starting or completing the Work or is unable to perform the Work because of any actions of Chugach or the Board, Consultant shall be entitled to an extension of time to complete the Work commensurate with the actual extent of any delay caused by said actions. Should such actions cause changes to the scope of the Work, Consultant will notify the Board, and the parties will jointly determine if any modifications to this Contract are required.

**SECTION 8. USE OF THE CONSULTANT'S WORK**

All reports, recommendations, and any information furnished by the Consultant in connection with its performance hereunder shall be the property of Chugach and may be used by Chugach or the Board, as Chugach or the Board deems appropriate. The Board reserves the right to have third parties review the Consultant's Work.

**SECTION 9. PROPRIETARY AND CONFIDENTIAL DATA AND INFORMATION; OWNERSHIP OF WORK PRODUCT**

All information and data, regardless of form, that is received from Chugach or the Board and/or prepared by the Consultant for this Contract are the property of Chugach and shall be treated as confidential and, in some instances, subject to the attorney client privilege, by the Consultant and the CONSULTANT SHALL NOT DISCLOSE SUCH INFORMATION OR DATA TO OTHERS EXCEPT UPON EXPRESS WRITTEN APPROVAL OF THE BOARD. Without the prior written approval of the Board, the Consultant shall not use for any purpose other than the performance of the Work contemplated by this Contract, information, including but not limited to data, calculations, memoranda, designs, drawings, charts, graphs, specifications, reports, or other documents or information received by and/or prepared by the Consultant for the contracted effort, supplies and/or materials.

Directly or indirectly in connection with this Contract, Consultant may develop, receive, or otherwise learn of certain trade secrets, technical or other information, processes, apparatus, technology, or formulae relating to the business of Chugach ("Confidential Information"). Consultant shall not disclose to any person or entity, or itself use, any Confidential Information except as necessary to perform the Work or as otherwise agreed to, in a writing signed by the Board prior to such disclosure. In addition, Consultant shall not disclose to any person or entity

any records, evaluations, reports, data, drawings, drafts, calculations, test results and other documents developed pursuant to this Contract.

All reports, data, field notes, drafts, calculations, estimates, maps, drawings, and other written documents prepared or developed by Consultant in performance of its obligations hereunder ("Work Product"), and all copies thereof, shall be the property of Chugach and shall be turned over to Chugach at the Board's request. All such Work Product must be prominently labeled by Consultant as confidential. All documents, sketches, specifications, drawings, plans, and other information pertaining to the business of Chugach or to the Work, and all copies thereof, provided to Consultant for its information and use hereunder are the property of Chugach, are not to be used on other work or projects of Consultant.

Upon the Board's request, the Consultant will return all such documentation to Chugach and shall safeguard against disclosure to others all Work papers and other documents and materials in the Consultant's possession that include such information, except to the extent necessary to comply with the valid order of a governmental entity or court of competent jurisdiction. In this event, a copy of said order shall be provided immediately to the Board.

Consultant shall require all persons and entities involved in the performance of any aspect of the Work, including its employees, agents and any subcontractors it employs, to be bound by a nondisclosure agreement encompassing the requirements of this Section.

#### **SECTION 10. REVISIONS TO THIS CONTRACT**

The Board shall have the right to make any changes in or delete services from the Work described in this Contract and any Task Orders issued hereunder, and may direct the Consultant to perform extra Work and the Consultant shall implement such changes and perform such extra Work when documented as a Task Order or amendment. Should any such change increase or decrease, or affect the amount or character of services required in this Contract or its Task Orders, the price shall be adjusted accordingly. The amount of increase or decrease, if any, in the price shall be determined by agreement between the Consultant and the Board; however, Work initiation shall not proceed until the agreement is documented as noted above.

Any revisions and amendments to this Contract may be effected by an amendment to the Contract increasing or decreasing the amount of, or making alterations in, the Work to be performed, which amendment shall be furnished to the Consultant, and if accepted by the Consultant, shall be signed and returned to the Board promptly. In the absence of such an amendment, the Consultant shall have no claim for compensation in addition to the price agreed upon for any Work performed and no right to additional time for completion of the Work described in this Contract. In case of any such change, so much of the Contract as is not necessarily thereby changed shall remain in full force and effect and no act or conduct of either party or any employee or employees or agent or agents thereof shall be held to operate as a waiver of any term, condition, or provision of this Contract, unless made by proper authority and reduced to writing in the form of an amendment to this Contract. The provisions of this Section

shall not be construed to in any way limit the right of the Board to make any changes, which the Board may deem desirable, as provided in this Section.

Acceptance by the Consultant of the final payment under this Contract or one of the Task Orders shall constitute a waiver of all claims against Chugach or the Board.

Amendments to this Contract or its Task Orders shall be in writing and signed by both parties.

**SECTION 11. TERMINATION**

At any time after the execution of the Contract, either party hereto shall have the absolute right to terminate the Contract and its Task Orders for any reason including its sole and absolute discretion, in whole or in part, upon a 30 day written notice and payment to the Consultant for services rendered up to the time of termination. Upon such notice of termination, the Consultant shall stop the performance of Work hereunder except as may be necessary to carry out such notice of termination, and take any other action toward termination of the Work, which the Board may reasonably direct. Upon such termination, the obligations of the parties hereto to one another under this Contract or the portion thereof, which is terminated, shall cease, except for such obligations, which, by their nature or the terms of this Contract, would survive completion of the Work hereunder. Consultant shall be paid on a pro rata basis for Work completed under this Contract through the effective date of termination, except as provided in Section 3.

If only a portion of the Work to be performed under the Contract and any Task Order issued hereunder is terminated by the Board, the Consultant shall continue to perform all portions of the Work not terminated, and as to the portions of the Work not terminated, the Contract shall remain in full force and effect. In no event shall Chugach or the Board be liable to the Consultant for any anticipated profits on any portion of the Work terminated by the Board, nor for any other sum except as set forth in this Contract. The remedies of the Consultant specified in this Contract shall constitute the exclusive remedies of the Consultant in the event of termination, in whole or in part, by the Board.

**SECTION 12. SUSPENSION**

The Board reserves the right to suspend Work under this Contract, in whole or in part, with or without cause. The Consultant shall resume Work so suspended when directed to do so by the Board. If only a portion of the Work is suspended, Chugach will compensate the Consultant for those portions of the Contract effort performed by the Consultant not specifically suspended and/or canceled and for such effort as may be necessary to comply with a suspension directive. If the Board requests the Consultant to perform other services during a period of suspension, those services shall be considered a change/revision and shall be compensated as provided in Sections 2, 3, and 10.

**SECTION 13. ACCOUNTING & RIGHT TO AUDIT**

The Board shall have the right to hire an independent certified public accountant or other consultant to audit, during the Consultant's normal working hours, the Consultant's accounts and records relating to costs incurred hereunder. The expense of such audit will be borne by Chugach.

**SECTION 14. CHUGACH'S RIGHTS NOT WAIVED BY PAYMENT**

No certificate given or payment made shall be considered as conclusive evidence of the satisfactory performance of the Consultant's obligations under this Contract in whole or in part, nor shall any certificate or payment be construed as acceptance of defective Work or as relieving the Consultant from its full responsibility under this Contract. Acceptance or acquiescence in a course of performance rendered under the Contract shall not be relevant to determine the meaning of the Contract and no waiver by a party of any right under the Contract shall prejudice that party's exercise of that right in the future.

**SECTION 15. INDEMNIFICATION, DEFENSE & HOLD HARMLESS**

Except as otherwise provided in AS 45.45.900, the Consultant shall indemnify, save harmless and defend Chugach or the Board, its officers, agents and employees from any and all liability, including without limitation all costs, damages, attorneys fees, and expenses, for all actions and/or claims, including without limitation claims for contribution or indemnification, resulting from deaths, injuries, loss or damages arising directly or indirectly as a result of any error, omission, act or failure to act on the part of the Consultant, and/or any of its subcontractors and/or anyone, including but not limited to Chugach or the Board, its officers, agents, and employees, directly or indirectly employed or utilized by the Consultant or otherwise involved in the preparation for and/or the performance of this Contract, or any Work awarded hereunder, including without limitation suppliers, mechanics, materialmen, sureties or insurers.

**SECTION 16. ASSIGNMENTS**

This is a personal services agreement. Therefore, any assignments by the Consultant of its interest in any part of this Contract or any delegation of duties under this Contract without the express written consent of the Board shall be void, and any attempt by the Consultant to assign any part of its interest or delegate duties under this Contract shall give the Board the right to immediately terminate this Contract without any liability for Work performed.

**SECTION 17. NOTICES AND CORRESPONDENCE**

All notices required or provided for under this Contract, including but not limited to notice of termination, shall be in writing and shall be effective if delivered personally or sent by certified mail, return receipt requested, with postage prepaid, or by overnight carrier, or confirmed telex or facsimile addressed as follows:

If to Chugach:

When Mailed: Chugach Electric Association, Inc.  
P.O. Box 196300  
Anchorage, Alaska 99519-6300  
Attn: Chairman, Board of Directors

When Personally

Delivered: Chugach Electric Association, Inc.  
5601 Electron Drive  
Anchorage, Alaska 99518  
Attn: Chairman, Board of Directors

If to Consultant

When Mailed: Thomas C Tierney  
2435 Chilligan Drive  
Anchorage, Alaska 99517  
Phone: (907) 243-6027  
Cell: (907) 244-0527 Email: tct@gci.net

Any notice sent by mail in the manner set forth above shall be deemed given and received 72 hours after the date deposited in the United States mail. Any notice or communication given by personal delivery or sent by overnight carrier, telegram, telex, or facsimile in the manner set forth above shall be deemed given upon receipt. Any party hereto may change its notice address by giving notice to the other parties, in the manner set forth herein; provided, however, that no change of address notice shall be effective until received by the other parties.

**SECTION 18. VENUE, GOVERNING LAW AND JURISDICTION**

Venue for any arbitration or litigation under this Contract, including any Task Order issued hereunder, shall be Anchorage, Alaska. This designation of venue shall not be construed to modify the provisions of Section 19 (Arbitration and Disputes). Insofar as is necessary, the parties hereby consent and submit to the jurisdiction of said courts or arbitrators. This Contract is made subject to and shall be governed and construed in accordance with the laws of the State of Alaska and the authority granted to the individual parties thereunder. The prevailing party in any arbitration or litigation concerning this Contract or any Work hereunder shall be entitled to costs and a reasonable attorney's fee in addition to any damages or relief granted.

**SECTION 19. ARBITRATION AND DISPUTES**

The Board, at its sole discretion, shall have the right to require Consultant to arbitrate any and all claims, disputes and other matters in question between the Board and the Consultant arising out of or relating to this Contract or the breach thereof. Consultant agrees that, upon the written demand of the Board based on a contention of a duty of Consultant to indemnify Chugach or the Board, or a claim for contribution, it will become a party to any arbitration proceeding involving

Chugach or the Board , and any third party. All arbitration under this provision shall be conducted pursuant to the rules of the American Arbitration Association then in effect.

Notwithstanding the fact that a dispute may exist between the Board and Consultant regarding any matter relating to the performance of the Work, Consultant shall nevertheless proceed, when so directed by the Board, with the Work in accordance with existing specifications and established schedules.

**SECTION 20. PUBLIC ANNOUNCEMENT**

The Consultant is to make no announcement or release of information concerning the Work or this Contract unless and until such release has been submitted to and approved in writing by the Board.

**SECTION 21. HEADINGS**

The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of the Contract between the parties hereto, nor should they be used to aid in any manner in the construction or interpretation of this Contract.

**SECTION 22. SEVERABILITY**

If any provision of this Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Contract shall be unaffected by such adjudication, and the remaining provisions of the Contract shall remain in full force and effect as if such provision so adjudicated to be invalid had not been included herein.

**SECTION 23. CONTRACT DOCUMENTS**

This Contract Document consists of:

- \* Contract;
- \* Task Order(s).

In case of conflict, the Contract takes precedence.

**SECTION 24. NO THIRD PARTY BENEFICIARY**

This Contract and all rights hereunder are intended for the sole benefit of the parties hereto, and shall not imply or create any rights on the part of, or obligations to, any other entity not a party to this Contract. No provision of the Contract Documents is intended nor shall be construed to be for the benefit of any third party.

**SECTION 25. SUCCESSORS IN INTEREST**

Each and every clause and provisions herein contained shall be binding upon and inure to the benefit of the successors, heirs, and assigns of the parties hereto and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto.

**SECTION 26. WORKERS' COMPENSATION WAIVER**

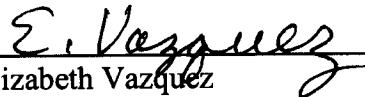
The Consultant states that he/she is a sole proprietor and as such, is not required by law to and does not carry Workers' Compensation Insurance. Accordingly, the Consultant waives any claim for, entitlement to, and benefits from Workers' Compensation coverage and releases Chugach and the Board from any and all liability for requiring such coverage or providing same.

Consultant specifically accepts the provisions of Contract Section 15, Indemnification.

**SECTION 27. ENTIRE AGREEMENT**

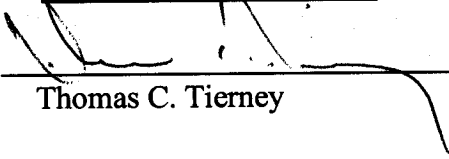
The terms of this Contract and any provisions adopted by reference or otherwise incorporated into this Contract set forth the full intent of the parties regarding the matters covered by this Contract. Neither party is relying on or may rely on any written or oral collateral, prior, or contemporaneous agreements, assurances, representations or warranties not set forth in this Contract. No modifications of this Contract shall be implied in law or equity, nor may any part hereof be amended, supplemented, waived or modified without an instrument in writing signed by both parties. The Board may terminate the Contract without prior Consultant approval; termination must be in writing..

**FOR: CHUGACH ELECTRIC ASSOCIATION, INC.**

BY:   
Elizabeth Vazquez  
ITS: Board Chair

DATE: 6/14/07

**FOR: THOMAS C. TIERNEY**

BY:   
Thomas C. Tierney

DATE: 6/14/07

Contract No. \_\_\_\_\_

**APPENDIX A**

**TASK ORDER(S)**

**Set forth in Section 1 of the Contract.**