AVIATION PRICE AGREEMENT

Between the Montana Department of Natural Resources and Conservation Forestry Division, 2705 Spurgin Road, Missoula Montana, 59804 and

Aero Air, LLC
dba Erickson Aero Tanker
2050 NE 25th Avenue
Hillsboro OR 97124

1. PURPOSE

The purpose of this Price Agreement is to establish general terms and conditions for aviation equipment and services in connection with fire suppression activities by the Montana Department of Natural Resources & Conservation.

Requirements designated in this bid must be satisfied, or a functional equivalent bid submitted, which is acceptable to the State. Bidders who do not meet this criterion may be disqualified from further consideration. A bidder must state if they are unable or unwilling to meet any requirement. Inability or unwillingness to meet any requirement, in part or total, may be cause for disqualification of the entire response. Any exceptions taken by the bidder must be clearly identified on the bid forms.

2. FULLY OPERATED

Vendor, except as otherwise provided in this agreement, will furnish the aviation equipment and services in accordance with the specifications, terms and conditions of this agreement and at the applicable accepted bid schedule prices, the aircraft, pilots, other personnel, repairs, operating supplies, service facilities, and incidentals necessary to the operations of the aircraft. Vendor must furnish the aircraft, pilots, other personnel, repairs, operating supplies, service facilities, equipment, services and personnel and incidentals as described in the bid submittal at the price quoted for that period. This agreement requires that the Vendor's operations be conducted within FAA civil authorities and not as a Public Use Aircraft. The Vendor shall remain the operator of the aircraft at all times.

3. HOLD HARMLESS/INDEMIFICATION

The Vendor agrees to protect, defend, and save the State of Montana, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Vendor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Vendor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State of Montana, under this agreement.

4. REQUIRED INSURANCE

3.1 General Requirements. The Vendor shall maintain for the duration of the agreement, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Vendor, its agents, employees,

representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

4.2 Primary Insurance. The Vendor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Vendor's insurance and shall not contribute with it.

4.3 Aircraft Liability Insurance. The Vendor shall purchase and maintain occurrence coverage of $25,000,000.

4.4 Specific Requirements for Commercial General Liability Insurance. The Vendor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of $1,000,000 per occurrence and $2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Vendor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insured for liability arising out of activities performed by or on behalf of the Vendor, including the insured's general supervision of the Vendor; products, premises owned, leased, occupied, or used.

4.5 Specific Requirements for Environmental Liability Insurance. The Vendor shall purchase and maintain coverage of $1,000,000.

4.6 Specific Requirements for Automobile Liability Insurance. The Vendor shall purchase and maintain coverage with split limits of $500,000 per person (personal injury), $1,000,000 per accident occurrence (personal injury), and $100,000 per accident occurrence (property damage), OR combined single limits of $1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the Vendor or its officers, agents, representatives, assigns, or subcontractors. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insured's for automobiles leased, hired, or borrowed by the Vendor.

4.7 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by DNRC. At the request of DNRC either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State of Montana, its officers, officials, employees, or volunteers; or (2) at the expense of the Vendor, the Vendor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

4.8 Certificate of Insurance/Endorsements. The Vendor shall obtain and retain in force for the duration of this agreement, the following forms of insurance written by an insurance company having a Best's rating of A- or better and be licensed and admitted in Montana. The Vendor will ensure that a certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverage has been received by DNRC, 2705 Spurgin Road, Missoula, MT 59804. The Vendor must notify DNRC immediately, of any material change in insurance coverage, such as changes in limits, coverage, change in status of policy, etc. DNRC reserves the right to

require complete copies of insurance policies at all times. All policies shall be endorsed to include the State of Montana, its departments, agents, officials, and employees as additional insured and shall protect the Vendor and the State of Montana from claims for damages for bodily injury, including accidental death, as well as for claims for property damages, which may fall within the scope of Vendors' obligations under this agreement. All policies shall contain waiver of subrogation coverage or endorsements. Failure of the DNRC to demand such certificate(s) or other evidence of full compliance with these insurance requirements or failure of the DNRC to identify a deficiency from evidence that is provided shall not be construed as a waiver of Vendor's obligation to maintain such insurance. Failure to maintain the required insurance may result in termination of this agreement.

4.9 Compliance with the Workers' Compensation Act. Vendor is required to comply with the provisions of the *Montana Workers' Compensation Act* while performing work for the State of Montana in accordance with sections *39-71-401, 39-71-405*, and *39-71-417, MCA*. Proof of compliance must be in the form of workers' compensation insurance, an independent vendor's exemption, or documentation of corporate officer status. Neither the vendor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the Department of Natural Resources and Conservation, 2705 Spurgin Road, Missoula, MT 59804, upon expiration.

4.10 Subcontractor Insurance. The Vendor shall require all subcontractors utilized in performance of this agreement to provide certificates of insurance to the DNRC evidencing insurance coverage with the required additional insured endorsements as set forth in the preceding paragraphs.

4.11 No Warranty Regarding Insurance Limits. By requiring insurance herein, the DNRC does not represent that coverage and limits will necessarily be adequate to protect Vendor and such coverage and limits shall not be deemed as a limitation on Vendor's liability under the indemnities granted to the State of Montana in this agreement.

5. LIABILITY FOR DAMAGE TO EQUIPMENT

5.1. Security of the aircraft and Vendor-owned equipment shall be the responsibility of the Vendor regardless of whether the aircraft is operating from a remote alternate base point or the designated base point.

5.2. Any claim for damage, loss, or destruction of any item of equipment accepted under this agreement that occurs while said item of equipment is being used on authorized work will be considered under applicable laws and regulations. Under no circumstances will a claim be approved for damage, loss, or destruction of said equipment due to ordinary wear and tear or to which negligence on the part of the Vendor, his agent or employees contributed.

6. OFFICIALS, AGENTS AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE

In no event shall any official, officer, employee, or agent of the State of Montana be in any way personally liable or responsible for any covenant or agreement herein contained whether

expressed or implied, nor for any statement, representation, or warranty made herein or in any connection with this agreement. This section shall not apply to any remedies in law or at equity against any person or entity that exist by reason of fraud, misrepresentation, or outside the terms of this agreement.

7. AIRCRAFT AND PERSONNEL CARDING

All aircraft and support vehicles shall be approved by the USFS or Department of Interior, OAS indicating they meet the standards and specifications of the current Federal Large Air Tanker Contract. Personnel will have a current interagency card issued by the USFS or Department of Interior, OAS. Any aircraft, support vehicle or person not having such approval or card will not be authorized for use under this agreement. All aircraft, support vehicles and personnel must meet the specifications of the current Federal Large Air Tanker Contract while operating under this agreement. A copy of the current federal approval or card for all aircraft, support vehicles and personnel must be submitted with each vendor's bid.

8. ACCESS TO RECORDS

The Vendor agrees to provide the State of Montana, Legislative Auditor, or their authorized agent's access to any records necessary to determine contract compliance (*Section 18-1-118, MCA*).

9. NO GUARANTEE OF USE AND TIME UNDER HIRE

DNRC makes no guarantee of use during the term of this price agreement. DNRC personnel may utilize this price agreement at their discretion, and may opt to enter into other price agreements and/or use aircraft from other vendors, whichever is deemed by DNRC personnel to be in the best interest of the State of Montana. The time under hire shall start at the time the equipment begins traveling to an incident after being ordered by DNRC, and end at the estimated time of arrival back to the point of hire after being released from the incident by DNRC. DNRC may release the equipment and personnel described in this agreement from an incident at its discretion and/or based on resource needs. DNRC does not guarantee that it will utilize the equipment and personnel described in this agreement on an incident for a specific period of time.

10. PAYMENTS

Payment will be made at the rates shown in this Price Agreement. When a daily availability is charged the aircraft and support equipment along with all necessary personnel will be in a state of readiness for operations within a fifteen (15) minute notice.

	Aircraft/Vehicle Make	Model	Registration or License #	Rental Cost per Hour (Aircraft) or Mileage (Fuel Servicing and/or Maintenance Vehicle)	Daily Availability*
1	Boeing	MD-87	N293EA	$7,324.00	$53,894.00

**The awarded Daily Availability Rate shall include all fixed and variable costs (depreciation, salaries, overnight allowances, overhead, permanent shop facilities, etc.) incurred in providing continuous service exclusive of those costs directly attributed to actual flight.*

11. WITHHOLDING OF PAYMENT

The DNRC may withhold payments to the Vendor if the Vendor has not performed in accordance with this agreement. Such withholding cannot be greater than the additional costs to the DNRC caused by the lack of performance.

12. COMPLIANCE WITH LAWS

The Vendor must, in performance of work under this contract, fully comply with all applicable Federal, State, or local laws, rules, and regulations, including, but not limited to, *the Montana Human Rights Act*, the *Civil Rights Act of 1964*, the *Age Discrimination Act of 1975*, the *Americans with Disabilities Act of 1990*, and *Section 504 of the Rehabilitation Act of 1973.* Any subletting or subcontracting by the Vendor subjects subcontractors to the same provision. In accordance with *Section 49-3-207, MCA*, the Vendor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

13. REDUCTION OF FUNDING

The DNRC must terminate this agreement if funds are not appropriated or otherwise made available to support the State's continuation of performance of this agreement in a subsequent fiscal period (see *Section 18-4-313(4), MCA*).

14. CHOICE OF LAW AND VENUE

This agreement is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal, or subsequent agreement must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees (see *Section 18-1-401, MCA*).

15. EFFECTIVE DATE, DURATION, AND RENEWAL

Agreement Term: This agreement shall take effect **upon DNRC signature date, and will terminate one (1) year from the date of execution** unless terminated earlier on accordance with the terms of this contract (Section 18-4-313, MCA).

First Judicial District in and for the County of Lewis & Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Section 18-1-401, MCA) **STATE OF MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION 2015 AVIATION PRICE AGREEMENT.**

The undersigned, having read all the agreements, together with any and all special provisions and specifications set forth, do agree thereto in every particular and will furnish the above at the prices stated. Further, the undersigned understands that this document shall constitute the entire agreement between the undersigned and the Montana Department of Natural Resources and Conservation,

Date: _____

Company: **Aero Air LLC dba Erickson Aero Tanker**

Phone: **(503) 640-3711 x 426** Fax: **(503) 640-4870**

Mailing Address: **2050 NE 25th Avenue**

Hillboro	**OR**	**97124**
City	State	Zip

Authorized Signature: _____

ACCEPTED BY:

MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

Date: 06/13/15

By: John P. Monzie

Title: Deputy Chief

AGREEMENT NUMBER: 155077-1

AVIATION PRICE AGREEMENT

Between the Montana Department of Natural Resources and Conservation
Forestry Division, 2705 Spurgin Road, Missoula Montana, 59804 and

Aero Air LLC dba Erickson Aero Tanker
2050 NE 25th Avenue
Hillboro OR 97124

This Amendment to Agreement No. 155077-1 hereinafter called the "Amendment No.1", is made and entered into between the Montana Department of Natural Resources and Conservation, ***Fire & Aviation Bureau, 2705 Spurgin Road, Missoula MT 5984,*** hereinafter called the "Department", and, ***Aero Air LLC dba Erickson Aero Tanker, 2050 NE 25th Avenue, Hillboro OR 97124***, hereinafter called the "Contractor". Except as amended herein, Agreement No. 155077-1 remains fully in effect.

The parties to this Amendment No.1, agree to amend the following sections of the aforementioned contract as follows:

"16. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

16.1 Agreement. *This Agreement consists of 7 numbered pages, Solicitation # **155077-1,** as amended, and Contractor's response, as amended. In the event of a dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same order as this contract.*

16.2 Entire Agreement. *These documents are the entire agreement of the parties. They supersede all prior Agreements, representations, and understandings. Any Amendment or modification must be in a written agreement signed by all the parties."*

The effective date of this Amendment is the last day of signing by all parties.

This Amendment consists of one (1) page. One original is to be retained by the Department and one original is to be retained by the Contractor. A copy of the original has the same force and effect for all purposes as the original.

6-16-15
Date

By: _____
Contractor's Authorized Representative

06/25/15
Date

By: John P. Morgan
Department of Natural Resources & Conservation

REV 3/12