



*This is Task Order No. 1, Amendment 0, consisting of 4 pages.*

**AON Risk Services Central, Inc.**

# Task Order No. 1, Amendment 0

## Pre-Award Public-Private-Partnership (P3) Risk Advisory Services

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In accordance with Paragraph 1.01 of the Agreement Between **Fargo-Moorhead Flood Diversion Authority** ("Diversion Authority") and **AON Risk Services Central, Inc (AON)** for Professional Services, dated \_\_\_\_\_, 2016 ("Agreement"), Diversion Authority and AON agree as follows:

The parties agree that nothing herein shall preclude AON from invoicing for work authorized under a prior Authority Work Directive and performed prior to effective date of this Task Order, even to the extent such prior work was revised by this Task Order.

### 1. Specific Project Data

- A. Title: Pre-Award Public-Private-Partnership (P3) Risk Advisory Services
- B. Description: Analyze insurance and risk issues and support the drafting and negotiating of agreements being developed by the Diversion Authority's advisors: General Counsel (Ohnstad Twichell), Owner's Agent (CH2M), Financial Advisor (EYIA), and Legal Advisor (Ashurst).
- C. Background: The Diversion Authority and the USACE have entered into a Project Partnership Agreement (PPA) for construction of the Project under a Split Delivery, and With the Diversion Authority's portion to be delivered as a Public Private Partnership (P3). The Diversion Authority has begun the procurement process for a P3 Developer with the issuance of Requests for Qualifications and the preparation of a Request for Proposals.

### 2. Services of AON

- A. Meetings and Coordination
  - i. Provide staff to attend meetings and workshops, including:
    - 1. A two (2) day Industry Day meeting in Fargo.
    - 2. A kickoff meeting in Chicago.
    - 3. Coordination conference calls and meetings as requested by the Diversion Authority or its advisors.
- B. Assistance with Preparation of Draft P3 Procurement Documents
  - i. Undertake a risk analysis of the potential insurance issues and requirements of the Project. This risk review will include in particular:
    - 1. Property risks including physical damage, business interruption, and delay in start-up;
    - 2. Liability risks including casualty, workers compensation, environmental risks, and marine,
    - 3. Completed operations/product defect and professional indemnity risks;
    - 4. Performance risk exposures;
    - 5. Flood and other weather related force majeure risks;
    - 6. Terrorism exposures and coverages available to transfer that risk; and

7. Other relevant insurable and uninsurable risks unique to the project.
  - ii. Advise on contractual risk allocation, risk mitigation, and the transfer of such risks, particularly with regard to indemnity and insurance clauses;
  - iii. Prepare an analysis of the types of performance security and insurance best-suited for the Project including sample bond forms, terms, limits, deductibles, etc. for design of insurance specifications for the Project, information memorandum, and other related documents for internal discussions;
  - iv. Advise as to compliance with any applicable state & local insurance laws and,
  - v. Assist the Diversion Authority in identification of owner controlled insurance coverages that could be purchased by the Diversion Authority. These coverages may include Owner's Interest Project Specific General Liability, Owners Protective Professional Indemnity, Flood Insurance and any other Project Specific coverages as the District requires.
- C. Supplemental Farm Revenue Replacement Program for Summer Operation Study.
  - i. Conduct a study of the proposed Supplemental Farm Revenue Replacement Program for Summer Operation, considering the following items:
    1. Self-Insurance vs Purchased Policy - assist with quantifying the risks and assessing the advantages and disadvantages of a self-funded Program as well as purchasing a policy.
    2. Purchased Policy Options. Determine options available for purchased policies.
    3. Claims Administration. Determine options to administer claims, both with Project operation and without Project operation.
- D. Deliverables include:
  - i. Risk Analysis
  - ii. Recommendations of performance securities and insurance
  - iii. Supplemental Farm Revenue Replacement Program for Summer Operation Study
  - iv. Others as requested by the Diversion Authority or its advisors.
- E. Services Not Included:
  - i. This scope of work does not include services post selection of a P3 Developer.

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### 3. Diversion Authority Responsibilities

Diversion Authority shall have those responsibilities set forth in the Agreement.

4. Times for Rendering Services

<u>Phase</u>	<u>Start Time</u>	<u>Completion Time</u>
A and B	May 26, 2016	August 31, 2017
C	September 8, 2016	October 31, 2016

5. Payments to Engineer

- A. Diversion Authority shall pay Engineer for services rendered as follows:
  - I. Compensation for services in Subtasks 2.A, 2.B, and 2.C shall be on a Time and Material basis in accordance with the Standard Hourly Rates shown the Agreement.
- B. AON will notify Diversion Authority when 80 percent of the budget is expended.
- C. AON will submit an amendment for additional compensation when 90 percent of the budget is expended, or confirm to Diversion Authority that this Task Order can be completed for the remaining budget.
- D. AON will not perform work beyond 100 percent of the budget without Diversion Authority's authorization by an amendment to this Task Order.

<b>Subtask</b>	<b>Budget (\$)</b>
2.A. Meetings and Coordination	50,000
2.B. Assistance with Preparation of Draft P3 Procurement Documents	70,000
2.C. Supplemental Farm Revenue Replacement Program for Summer Operation Study	30,000
<b>TOTAL</b>	<b>150,000</b>

- A. The terms of payment are set forth in the Agreement

- 6. Sub-Consultants: None
- 7. Other Modifications to Agreement: None
- 8. Attachments: None
- 9. Documents Incorporated By Reference: Agreement

10. Terms and Conditions: Execution of this Task Order by Diversion Authority and AON shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. AON is authorized to begin performance upon its receipt of a copy of this Task Order signed by Diversion Authority.

The Effective Date of this Task Order is \_\_\_\_\_.

AON:

**AON Risk Services Central, Inc**

Signature

Date

Name

Title

DESIGNATED REPRESENTATIVE FOR  
TASK ORDER:

Name

Title

Address

E-Mail Address

Phone

Fax

OWNER:

**Fargo-Moorhead Metro Diversion Authority**

Signature

Date

Darrell Vanyo

Name

Chairman, Flood Diversion Board of Authority

Title

DESIGNATED REPRESENTATIVE FOR  
TASK ORDER:

Keith Berndt

Name

Cass County Administrator

Title

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