

CONSTRUCTION SERVICES AGREEMENT

Roof Edge, Gutter & Eave Repairs Deadwood Recreation & Aquatic Center

This Construction Services Agreement ("Agreement") is entered into as of _____, 2026 ("Effective Date"), by and between the **City of Deadwood, South Dakota**, acting through its Historic Preservation Office, with an address of 102 Sherman Street, Deadwood, South Dakota 57732 ("City" or "Owner"), and **Rangel Construction Company, LLC**, with an address of 2626 West Main Street, Suite #3, Rapid City, South Dakota 57702 ("Contractor"). The City and Contractor may each be called a "Party" and together the "Parties."

Recitals. Contractor submitted a proposal dated August 13, 2026, for repairs to the original 1912 building at the Deadwood Recreation & Aquatic Center, 105 Sherman Street, Deadwood, South Dakota 57732. The City desires to retain Contractor for that work, and Contractor agrees to perform it under the terms below. The proposal is incorporated only to define the technical scope, rates, clarifications, and exclusions; if it conflicts with this Agreement, this Agreement controls.

1. Scope of Work

Contractor shall furnish all labor, supervision, materials, equipment, tools, transportation, and incidentals necessary to repair the roof edge, gutters, and eaves of the original 1912 building. Work includes:

- a) removing, repairing or replacing as necessary, and reinstalling water-damaged soffit and trim-band components;
- b) removing, repairing, or replacing where necessary existing copper gutters;
- c) repairing or replacing flashing at the back of the stone parapet and along the front and side edges where the connecting roof line meets the stone parapet;
- d) replacing roof shingles as needed;
- e) preparing and repainting all soffit and trim-band surfaces; and
- f) providing the City reference photographs of Contractor's observations.

Contractor shall perform the Work in a good and workmanlike manner, protect the historic fabric and adjacent property, comply with manufacturer instructions, and coordinate access and operations with the City so the Aquatic Center and surrounding public areas remain safe.

2. Contract Basis and Not-to-Exceed Amount

The City shall compensate Contractor for the Work on a time-and-materials, cost-plus basis using the rates as shown below with markups not to exceed the industry standard. The total amount payable under this Agreement shall not exceed **Ninety-Five Thousand Dollars (\$95,000.00)**, including all labor, materials, equipment, subcontractor costs, incidentals, markups, insurance charges, and applicable taxes. Contractor shall monitor project costs and promptly notify the City if the Work is expected to approach the not-to-exceed amount. Contractor shall not incur costs above that amount unless the City first approves them through a written change order executed by an authorized City representative. Any costs incurred above the not-to-exceed amount without such prior written approval shall be Contractor's responsibility and shall not be payable by the City.

Time-and-Materials Rates	
Cost Category	Compensation
Labor	\$70 per hour, average cost per worker for a 3–4 person crew
Materials	Actual documented
Equipment	Comparable rental and fuel cost
Subcontractors and job-related incidentals	Actual documented lump-sum cost
South Dakota contractor's excise tax	2.041% of total cost of the Work

3. Schedule

Contractor shall commence the Work promptly after receiving the City's written notice to proceed and shall diligently prosecute it to completion. The anticipated duration is six to eight weeks, and final completion shall occur no later than **November 30, 2026**.

Contractor shall promptly notify the City in writing of any condition that may affect the schedule. Extensions require the City's prior written approval, except for delays caused by events beyond Contractor's reasonable control.

4. Concealed Conditions and Change Orders

The Parties acknowledge that the proposal was based on nondestructive visual investigation and that the full extent of repair may become known only after existing materials or coatings are removed. Upon discovering concealed or materially different conditions, Contractor shall stop the affected portion of the Work, protect the site, and

give prompt written notice describing the condition, proposed response, price effect, and schedule effect. Contractor shall not proceed with additional or changed work until the City issues a written change order. Oral directions do not modify this Agreement.

5. Invoicing and Payment

Contractor may submit monthly progress-payment requests. Each invoice shall itemize labor by worker, classification, date, and hours; identify materials and equipment; state subcontractor and incidental charges; show markups, insurance, and excise tax separately; identify prior payments and the remaining not-to-exceed balance; and include supporting records. Supplier and subcontractor invoices shall be provided upon request. The City may withhold disputed amounts, amounts unsupported by adequate documentation, amounts needed to correct defective work, and any retainage permitted or required by law. Final payment is conditioned on final completion, acceptance by the City, delivery of required closeout documents, and Contractor's certification that laborers, suppliers, and subcontractors have been paid.

6. Clarifications and Exclusions

- Cold-weather precautions, including covering, temporary heating, and snow removal, are excluded unless authorized by written change order.
- Repairs to existing masonry or structural framing or systems are excluded because they are not presently anticipated.
- Professional engineering fees and drawings are excluded.
- Powered and non-powered tools incidental to the project are included as a cost of the Work and remain subject to the not-to-exceed amount.

7. Permits, Licensing, and Legal Compliance

Contractor shall maintain all licenses required by the City of Deadwood and the State of South Dakota, obtain and pay for permits assigned to Contractor, maintain a valid contractor's excise-tax license, and comply with all applicable laws, codes, safety requirements, historic-preservation requirements, and lawful City directives. Before beginning Work, Contractor shall provide any performance and payment security required by applicable law or by the City. No waiver of security is effective unless approved in writing by the City.

8. Insurance and Indemnification

Before commencing the Work, Contractor shall provide the City with certificates of insurance and, upon request, copies of applicable endorsements demonstrating commercial general liability insurance with limits of not less than **Two Million Dollars (\$2,000,000)** per occurrence and **Two Million Dollars (\$2,000,000)** aggregate.

Contractor shall also maintain workers' compensation insurance as required by law, employer's liability insurance, automobile liability insurance, and any other coverage reasonably required by the City. The required insurance shall remain in effect through final completion of the Work. The City of Deadwood and its officers, employees, and agents shall be named as additional insureds on the commercial general liability policy for ongoing and completed operations, to the extent available and applicable to the Work. Certificates shall require the insurer or Contractor to provide the City written notice of cancellation or material reduction in coverage in accordance with the policy terms. Failure to provide satisfactory proof of coverage is grounds for the City to withhold the notice to proceed, suspend the Work, or withhold payment. To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the City and its officers, employees, and agents from claims, damages, losses, and expenses arising from Contractor's or its subcontractors' negligent acts, omissions, breach of this Agreement, or violation of law, except to the extent caused by the City's negligence or willful misconduct.

9. Safety, Site Protection, and Cleanup

Contractor is solely responsible for construction means, methods, sequences, worker safety, barricades, fall protection, protection of occupants and the public, and prevention of damage to the building and adjacent property. Contractor shall keep the site orderly, remove debris regularly, and leave the site broom-clean at completion. Contractor shall promptly repair damage caused by its operations at no additional cost to the City.

10. Subcontractors, Records, and Inspection

Contractor is responsible for all subcontractors and shall bind them to applicable terms of this Agreement. The City may inspect the Work and related cost records, but inspection does not relieve Contractor of responsibility. Contractor shall retain project cost records and supporting documentation for at least three years after final payment and shall make them available to the City upon reasonable notice.

11. Warranty and Correction of Work

Contractor warrants that the Work will be new unless otherwise specified, of good quality, free from material defects, and performed in a workmanlike manner. For **two years** after final completion, Contractor shall promptly correct defective Work attributable to materials or workmanship at no additional cost to the City. This warranty is in addition to other rights and manufacturer warranties and does not cover ordinary wear, abuse, or defects in excluded existing conditions not disturbed by Contractor.

12. Suspension and Termination

The City may suspend the Work for safety, funding, operational, or compliance reasons. If Contractor materially breaches this Agreement and does not cure within seven days after written notice, the City may terminate for cause and complete the Work by other means, charging resulting reasonable costs against sums due. The City may also terminate for convenience upon seven days' written notice; in that event, Contractor shall be paid for properly performed Work and properly incurred, documented, noncancelable costs through the termination date, subject to the not-to-exceed amount, but not for anticipated profit on unperformed Work.

13. Independent Contractor; No Assignment

Contractor is an independent contractor and not an employee, partner, or agent of the City. Contractor shall not assign this Agreement or the right to payment without the City's prior written consent.

14. Notices

Notices shall be in writing and delivered personally, by nationally recognized overnight carrier, by certified mail, return receipt requested, or by email with confirmation of receipt, to the addresses below or to updated addresses designated in writing.

City City of Deadwood 102 Sherman Street Deadwood, SD 57732 Attn: Lornie Stalder Email: lornie@cityofdeadwood.com	Contractor Rangel Construction Company, LLC 2626 West Main Street, Suite #3 Rapid City, South Dakota 57702 Attn: Mario Rangel Email: mario@rangelconstructioncompany.com
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15. General Terms

This Agreement is governed by South Dakota law, and venue shall lie in Lawrence County, South Dakota. This Agreement and its incorporated proposal constitute the entire agreement and may be amended only in a writing signed by authorized representatives of both Parties. If any provision is unenforceable, the remainder remains effective. A waiver in one instance is not a continuing waiver. Contractor's obligations that by their nature survive completion or termination shall survive. This Agreement may be signed in counterparts and by electronic signature. Contractor shall not begin Work until the Agreement is approved and executed by the City in accordance with applicable law.

16. Signatures

Dated this _____ day of _____, 2026.

CITY OF DEADWOOD

Charlie Struble-Mook, Mayor

ATTEST:

Jessica McKeown, Finance Officer

RANGEL CONSTRUCTION COMPANY,

LLC

By _____

Its _____

Signature