

**MONTANA DEPARTMENT OF COMMERCE  
MONTANA EMERGENCY TOURISM ASSISTANCE PROGRAM  
CONTRACT #MT-METAP-26-006**

This agreement (“Contract”) is entered into by the Montana Department of Commerce (“Department”), and the City of Miles City (“Grantee”), (collectively, the “Parties”).

The Grantee and the Department hereby agree to the following terms:

**Section 1. PURPOSE**

The purpose of the Contract is to provide funding to the Grantee for activities approved by the Department through the Montana Emergency Tourism Assistance Program (“METAP” or “Program”), which the 2025 Montana Legislature authorized by passing Senate Bill 409 (“SB 409”) and which later was signed into law by Governor Greg Gianforte on May 13, 2025 (Chapter 605, Laws 2025).

**Section 2. AUTHORITY**

This Contract is issued under authority of § 90-1-122 and 15-65-121(2)(g), Montana Code Annotated (“MCA”).

**Section 3. APPLICATION INCORPORATED BY REFERENCE**

Grantee's application for Program assistance, including any written modifications or reports resulting from the review of the application by the Department (collectively, the “Project”) is incorporated into this Contract by this reference and the representations made therein are binding upon the Grantee.

**Section 4. ACCEPTANCE OF PROGRAM REQUIREMENTS**

- (a) The Grantee will comply with all applicable local, state, and federal laws as well as all applicable regulations, ordinances, and resolutions now in effect or as may be amended during the term of this Contract. Grantee will comply with all administrative directives and procedures that may be established or amended by the Department for the Program, including the most current version of the *METAP Grant Application and Guidelines* maintained by the Department.
- (b) The Grantee agrees that all contracts and subcontracts it enters into for the completion of the activities described in Section 7 will require such contractors, subcontractors, and subrecipient entities to also comply with all requirements placed on the Grantee in paragraph (a) of this Section.
- (c) The Grantee agrees to repay to the Department any funds advanced under this Contract that the Grantee, its contractors, subcontractors, or subrecipient entities, or any public or private agent or agency to which it delegates authority to carry out

any portion of this Contract expends in violation of: (i) the terms of this Contract; (ii) the statutes, and regulations governing the Program; (iii) or any applicable local, state, or federal requirements.

## **Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE**

- (a) This Contract shall take effect upon execution by the Parties and will terminate on May 31, 2027 or upon approval of Grantee's Project completion report by the Department, whichever is later, unless otherwise terminated in accordance with this Contract.
- (b) All authorized expenses to be reimbursed must be incurred by the Grantee between March 31, 2026 and March 31, 2027. All requests for reimbursement must be submitted to the Department within sixty (60) days before May 31, 2027.
- (c) Project activities to be performed by the Grantee will be completed according to the implementation schedule set forth in Exhibit A. The Grantee may modify the implementation schedule set forth in Exhibit A only with prior written approval of the Department.
- (d) The Department may grant an extension to this Contract upon request by the Grantee if the Department determines, in its sole discretion, that the Grantee has demonstrated progress toward completion of the Project, has engaged in a good faith effort to comply with the duties, terms, and conditions of this Contract, and that the failure to comply with any of those services, duties, terms, or conditions resulted from circumstances beyond the Grantee's control. A written request for an extension must be submitted at least sixty (60) days prior to May 31, 2027.

## **Section 6. SCOPE OF WORK**

The Grantee agrees to engage in Project activities as set forth in the Grantee's application for Program assistance. The Grantee will use Program funds for the following major components of the Project:

- Purchase fire engine and accessories for the City of Miles City Fire and Rescue

## **Section 7. BUDGET**

- (a) The total amount to be awarded to the Grantee under this Contract shall not exceed \$50,000.
- (b) A copy of the Project budget is attached as Exhibit B and specifically incorporated herein by this reference. Any changes to the budget as proposed and incorporated within this Contract require a written request and Department approval.

- (c) Any authorized funds not expended under this Contract or otherwise accounted for in accordance with the provisions of this Section will revert to the Department and may be used to finance other Program projects.

## **Section 8. LIAISONS**

All project management and coordination on behalf of the Department shall be through a single point of contact designated as the Department's liaison. The Grantee shall designate a liaison that will provide the single point of contact for management and coordination of Grantee's work. All work performed pursuant to this Contract shall be coordinated between the Department's liaison and the Grantee's liaison. The liaisons for this Contract are:

### **For the Department:**

Paige Bowsher (or successor)  
Program Specialist, MDOC  
301 S. Park Ave.  
P.O. Box 200523  
Helena, MT 59620-0523  
406-841-2752  
paige.bowsher2@mt.gov

### **For the Grantee:**

Eddy Kanduch (or successor)  
Fire Chief, City of Miles City  
17 S. 8<sup>th</sup> Street  
Miles City, MT 59301  
406-436-2235  
ekanduch@milescity-mt.org

## **Section 9. METHOD OF REIMBURSEMENT**

- (a) The Department will use Program funds to fund Project activities for Grantees that have received a notice of award from the Department. The Grantee acknowledges that its access to Program funds is subject to their availability.
- (b) The Department agrees that, if and when the funds described in paragraph (a) of this Section are available, the Department will authorize the Grantee to request reimbursement of funding awarded for the Project.
- (c) The Department agrees to reimburse the Grantee on an actual cost basis for eligible Project costs incurred on or after the date identified in Section 6(b) upon the successful completion of activities set forth in Section 7. All reimbursements must be supported by adequate documentation requested by the Department and provided by the Grantee and require Department approval of the Grantee's request for reimbursement. In requesting reimbursement, the Grantee will follow the instructions supplied by the Department.
- (d) The Department will not reimburse the Grantee for any expenses not included in Exhibit B or an approved adjustment thereto, any ineligible expenses as set forth in the most current version of the *METAP Grant Application and Guidelines*, or any expenses not adequately supported in writing by the Grantee's records.
- (e) As set forth in Section 18. Termination of Contract, if the Grantee fails to or is unable to comply with any of the terms and conditions of this Contract, any costs incurred will be the Grantee's sole responsibility.

- (f) The Department is allowed thirty (30) business days to process a request for reimbursement once adequate supporting documentation has been received by the Department. The Grantee shall provide banking information before or at the time of Contract execution in order to facilitate electronic funds transfer payments.
- (g) The Department may reduce the Grantee's amount of Project funds provided by this Contract if actual Project expenses are lower than projected by the Grantee in Exhibit B or the Grantee obtains a greater amount of grant funds from other sources than as presented in the Project application.
- (h) If the Department, in its sole discretion, determines that the Grantee has failed to satisfactorily carry out its responsibilities under this Contract or has breached the terms of this Contract, the Department may withhold reimbursement to the Grantee until such time as the Department and the Grantee agree on a plan to remedy the deficiency.
- (i) Requests for reimbursement for contracted or subcontracted services must include appropriate documentation demonstrating compliance with contract requirements.
- (j) The Grantee may not use monies provided through this Contract as payment for Project costs that are reimbursed from other sources.

## **Section 10. ACCESS TO AND RETENTION OF RECORDS**

- (a) The Grantee agrees to create and maintain records supporting the services covered by this Contract, including but not limited to, financial records, supporting documents, and such other records as are required by law or other authority, for a period of five (5) years after either the termination date of the Contract or the conclusion of any claim, litigation, or exception relating to the Contract taken by the State of Montana or third party, whichever is later. These records will be kept in the Grantee's office.
- (b) The Grantee agrees to provide the Department, Montana Legislative Auditor, or their authorized agents, information relevant to this Contract or access to any records related to the Project or otherwise necessary to determine Contract compliance at no cost to the Department, the Montana Legislative Auditor, or their authorized agents.

## **Section 11. REPORTING REQUIREMENTS**

Quarterly Progress Report: During the term of this Contract, Grantee will submit quarterly Project progress reports as described in the *METAP Grant Application and Guidelines* to the Department.

Project Completion Report: Upon completion of the Project, the Grantee will submit a final Project completion report as described in the *METAP Grant Application and Guidelines* for Department approval. Upon approval of the Project completion report the Department will issue a notice of Project close-out to the Grantee.

## **Section 12. PROJECT MONITORING**

The Department or any of its authorized agents may monitor and inspect all phases and aspects of the Grantee's performance to determine compliance with Section 7 of this Contract, including the adequacy of the Grantee's records and accounts. The Department may advise the Grantee of any specific areas of concern and provide the Grantee with an opportunity to propose corrective actions acceptable to the Department.

## **Section 13. NOTICE**

All notices required under the provisions of the Contract must be in writing and delivered to the Parties' liaisons identified herein either by first class mail, electronic mail, or personal service.

## **Section 14. REFERENCE TO CONTRACT**

The Contract number must appear on all invoices, reports, and correspondence pertaining to the Contract. If the number is not provided, the Department is not obligated to pay the invoice.

## **Section 15. ASSIGNMENT, TRANSFER AND SUBCONTRACTING**

The Grantee may not assign, transfer or subcontract any portion of this Contract without the Department's prior written consent. (§ 18-4-141, MCA). The Grantee is responsible to the Department for the acts and omissions of all Grantee's subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Grantee. No contractual relationships exist between any subcontractor and the Department under this Contract.

## **Section 16. CONTRACT AMENDMENT**

The Contract may not be enlarged, modified, amended, or altered without a written agreement signed by all Parties to the Contract.

## **Section 17. TERMINATION OF CONTRACT**

This Contract may only be terminated in whole or in part as follows:

- (a) Termination Due to Loss or Reduction of Funding: The Department, at its sole discretion, may terminate or reduce the scope of this Contract if any funding sources are eliminated or reduced for any reason, including as permitted by § 18-4-313(4), MCA. If a termination or modification is required, the Department may, if sufficient Program funds are available, compensate the Grantee for eligible

services rendered and actual, necessary, and eligible expenses incurred as of the revised termination date. The Department will notify the Grantee of the effective date of the termination or modification of this Contract and, if a reduction in funding is required, provide the Grantee with a modified Project budget.

- (b) Termination for Cause with Notice to Cure Requirement: The Department may terminate this Contract for failure of the Grantee, its contractors, subcontractors, or subrecipient entities to perform or comply with any of the services, duties, terms, or conditions contained in this Contract after giving the Grantee written notice of the stated failure. The written notice will demand performance of the stated failure within a specified period of time not less than thirty (30) calendar days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.
- (c) Effect of Termination: In the event of termination due to the Grantee's, its contractors', subcontractors', or subrecipient entities' failure to perform or comply with any of the services, duties, terms, or conditions of this Contract, any costs incurred will be the sole responsibility of the Grantee. However, at its sole discretion, the Department may approve written requests by the Grantee for reimbursement of eligible expenses incurred. The Department's decision to authorize payment of any costs incurred or to recover expended Program funds will be based on a consideration of the extent to which the expenditure of those funds represented a good faith effort of the Grantee to comply with any of those services, duties, terms, or conditions of this Contract, and on whether the failure to comply with any of those services, duties, terms, or conditions resulted from circumstances beyond the Grantee's control.

## **Section 18. COMPLIANCE WITH APPLICABLE LAWS**

Grantee shall, in performance of work under this Contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, 2 CFR Part 200, the Montana Human Rights Act, the Equal Pay Act of 1963, 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. The Grantee is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subletting or subcontracting by Grantee subjects subcontractors to the same provisions. In accordance with § 49-3-207, MCA, and Executive Order No. 04-2016, Grantee agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, vaccination status, or marital status by the persons performing this Contract.

## **Section 19. ACCOUNTING, COST PRINCIPLES, AND AUDITING**

- (a) The Grantee must maintain for the purposes of this Contract an accounting system of procedures and practices that conforms to Generally Accepted Accounting Principles (GAAP).
- (b) The Department or any other legally authorized governmental entity or their authorized agents may, at any time during or after the term of this Contract, conduct, in accordance with Sections 2-7-503, 5-13-304, and 18-1-118, MCA and other authorities, audits for the purposes of ensuring the appropriate administration, expenditure of the monies, and delivery of services provided through this Contract, at no cost to the Department.

## **Section 20. AVOIDANCE OF CONFLICT OF INTEREST**

- (a) The Grantee will comply with the applicable provisions of §§ 2-2-121, 2-2-201, 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, regarding the avoidance of conflict of interest.
- (b) The Grantee agrees that none of its officers, employees, or agents will solicit or accept gratuities, favors, or anything of monetary value from contractors, subcontractors, or potential contractors and subcontractors, who provide or propose to provide services relating to the Project funded under this Contract.
- (c) The Grantee shall promptly refer to the Department any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted any false claim or has committed any criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Contract.

## **Section 21. COMPLIANCE WITH WORKERS' COMPENSATION ACT**

Grantees shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with §§ 39-71-401, 39-71-405, and 39-71-417, MCA. The Grantee accepts responsibility for supplying, and requiring all subcontractors to supply, the Department proof of compliance with the Montana Workers' Compensation Act while performing work for the State of Montana. The Grantee agrees that neither the Grantee nor its employees are employees of the State. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. This insurance/exemption must be valid for the entire term of the Contract. Proof of compliance and renewal documents must be sent to the Department within thirty (30) days of Contract execution.

## **Section 22. OWNERSHIP AND PUBLICATION OF MATERIALS**

All reports, information, data, and other materials prepared by the Grantee or any of its contractors or subcontractors in furtherance of this Contract are the property of the

Grantee and the Department. Both the Grantee and the Department have the royalty-free, nonexclusive, and irrevocable right to reproduce, publish, authorize others to use, and to otherwise use, in whole or part, such property and any information relating thereto. No material produced in whole or part under this Contract may be copyrighted or patented in the United States or in any other country without the prior written approval of both the Department and the Grantee.

### **Section 23. INSURANCE**

- (a) General Requirements: Grantee must maintain and assure for the duration of this Contract, 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 duties and obligations in the Contract by Grantee, its agents, employees, representatives, assigns, or subcontractors. This insurance must cover such claims as may be caused by any negligent act or omission. The State, its officers, officials, employees, and volunteers must be covered as additional insureds for all claims arising out of the use of grant proceeds provided by the State of Montana.
- (b) General Liability Insurance: At its sole cost and expense, the Grantee 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 Grantee or its officers, agents, representatives, assigns, or subcontractors. The State, the Department, and their officers, officials, employees, and volunteers are to be covered and listed as additional insured's; for liability arising out of activities performed by or on behalf of the Grantee, including the insured's general supervision of the Grantee; products and completed operations; premises owned, leased, occupied, or used.
- (c) Professional Liability Insurance: Grantee shall assure that any representatives, assigns, and subcontractors performing professional services under this Contract purchase occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year. *Note: if "occurrence" coverage is unavailable or cost prohibitive, the contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the Contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three (3) year tail for claims that are filed after the cancellation or expiration date of the policy.*
- (d) General Provisions: All insurance coverage must be with a carrier licensed to do business in the State of Montana and with a Best's rating of no less than A-. The Department, P.O. Box 200523, Helena, MT 59620-0523, must receive all required certificates and endorsements within 10 days prior to the start date of the Project. The Grantee must notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverage, change in status of policy, etc. The Department reserves the right to require complete copies of

insurance policies at all times.

## **Section 24. HOLD HARMLESS AND INDEMNIFICATION**

To the fullest extent permitted by law, the Grantee shall indemnify and hold harmless State, its elected and appointed officials, officers, agents, directors, and employees from and against all claims, damages, losses and expenses, including the cost of defense thereof, to the extent caused by or arising out of the Grantee's negligent acts, errors, or omissions in work or services performed under this Contract, including but not limited to, the negligent acts, errors, or omissions of any subcontractor or anyone directly or indirectly employed by any subcontractor for whose acts subcontractor may be liable.

Claims under this provision also include those arising out of or in any way connected with the Grantee's breach of this contract, including any Claims asserting that any of the Grantee's employees are actually employees or common law employees of the State or any of its agencies, including but not limited to, excise taxes or penalties imposed on the State under Internal Revenue Code ("Code") §§ 4980H, 6055 or 6056.

## **Section 25. DEFAULT**

Failure on the part of either party to perform the provisions of this Contract constitutes default. Default may result in the pursuit of remedies for breach of contract as set forth herein or as otherwise legally available, including but not limited to damages and specific performance.

## **Section 26. DEBARMENT**

The Grantee certifies and agrees to ensure during the term of this Contract that neither it nor its principals, contractors, subcontractors, or subrecipient entities are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Contract by any governmental department or agency. If the Grantee cannot certify this statement, attach a written explanation for review by the Department.

## **Section 27. FORCE MAJEURE**

Neither party will be liable for any failure or delay in performing its duties in this agreement due to Force Majeure Events. "Force Majeure Event" means an event or circumstance beyond a party's reasonable control, such as natural catastrophes and acts of terrorism or war, and the consequences of that event or circumstance. Force Majeure Event does not include a strike or other labor unrest that affects only that party, an increase in prices or other change in general economic conditions, a change in law, or an event or circumstance that results in that Party's not having sufficient funds to comply with an obligation to pay. If a Force Majeure Event continues for thirty (30) days, the other party may terminate this agreement or suspend payments while the event continues.

## **Section 28. SEVERABILITY**

A declaration by any court, or any other binding legal forum, that any provision of the

Contract is illegal, or void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually dependent.

**Section 29. ARBITRATION**

Unless otherwise agreed to in writing or provided for by law, arbitration is not available to the Parties as a method of resolving disputes that would arise under this Contract.

**Section 30. NO WAIVER OF BREACH**

No failure by the Department to enforce any provisions hereof after any event of breach will be deemed a waiver of its rights regarding that event, or any subsequent event. No express failure of any event of breach will be deemed a waiver of any provision hereof. No such failure or waiver will be deemed a waiver of the right of the Department to enforce each and all the provisions hereof upon any further or other breach on the part of the Grantee.

**Section 31. JURISDICTION AND VENUE**

This Contract is governed by the laws of Montana. The Parties agree that any litigation concerning the Contract 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, except as provided in Section 25, Hold Harmless and Indemnification.

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**Section 32. INTEGRATION**

The Contract contains the entire agreement between the Parties. No statements, promises, or inducements of any kind made by either party, or the agents of either party, not contained herein or in a properly executed amendment hereto are valid or binding. This Contract supersedes all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by all Parties.

The Parties through their authorized agents have executed this Contract on the dates set out below.

**GRANTEE:**

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Eddy Kanduch, Fire Chief  
City of Miles City

Date

**ATTEST:**

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Taran Harbaugh, Battalion Chief

Date

**DEPARTMENT:**

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Mandy Rambo, Deputy Director  
Montana Department of Commerce

Date

Exhibit A  
Implementation Schedule

| <b>TASK</b>  | <b>MONTH</b>         |
|--|----------------------|
| <b>PROJECT START UP</b>  |                      |
| Preparation of MDOC Contract   | <b>April 2026</b>    |
| <b>PROCUREMENT OF PROFESSIONAL ASSISTANCE</b>                            |                      |
| Submit Request for Proposals to DOC for approval, if required            | <b>June 2026</b>     |
| Publish RFP  | <b>June 2026</b>     |
| Select professional  | <b>July 2026</b>     |
| Execute agreement with professional                                      | <b>July 2026</b>     |
| <b>PROJECT IMPLEMENTATION</b>  |                      |
| Prepare draft deliverables   | <b>August 2026</b>   |
| Submit interim Request for Funds, Progress Report and draft deliverables | <b>August 2026</b>   |
| Public review and comment  | <b>November 2026</b> |
| Finalize deliverables  | <b>January 2027</b>  |
| <b>PROJECT CLOSE OUT</b>   |                      |
| Submit final deliverables  | <b>April 2027</b>    |
| Submit final Request for Funds and Completion Report                     | <b>May 2027</b>      |

Exhibit B  
Budget

|                                  | <b>SOURCE:<br/><i>METAP</i></b> | <b>SOURCE:<br/><i>Local</i></b> | <b>TOTAL</b>     |
|----------------------------------|---------------------------------|---------------------------------|------------------|
| <b>Professional<br/>Services</b> | <b>\$50,000</b>                 | <b>\$150,000</b>                | <b>\$200,000</b> |