



City of Glendale

5850 West Glendale Avenue
Glendale, AZ 85301

Voting Meeting Agenda City Council

Mayor Jerry Weiers
Vice Mayor Ian Hugh
Councilmember Jamie Aldama
Councilmember Samuel Chavira
Councilmember Gary Sherwood
Councilmember Lauren Tolmachoff
Councilmember Bart Turner

Tuesday, June 9, 2015

6:00 PM

Council Chambers

Voting Meeting

One or more members of the City Council may be unable to attend the Council Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

POSTING OF COLORS

PLEDGE OF ALLEGIANCE

PRAYER/INVOCATION

Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Mayor's Office and interested persons should contact the Mayor's Office for further information.

CITIZEN COMMENTS

If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a Citizen Comments Card located in the back of the Council Chambers and give it to the City Clerk before the meeting starts. The City Council can only act on matters that are on the printed agenda, but may refer the matter to the City Manager for follow up. When your name is called by the Mayor, please proceed to the podium. State your name and the city in which you reside for the record. If you reside in the City of Glendale, please state the Council District you live in (if known) and begin speaking. Please limit your comments to a period of three minutes or less.

APPROVAL OF THE MINUTES OF MAY 26, 2015 VOTING MEETING AND MAY 29, 2015 SPECIAL VOTING MEETING

1. 15-422 APPROVAL OF THE MINUTES OF MAY 26, 2015 VOTING MEETING AND
MAY 29, 2015 SPECIAL VOTING MEETING

Staff Contact: Pamela Hanna, City Clerk

Attachments:

Meeting Minutes of May 26, 2015

Meeting Minutes of May 29, 2015

CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council. Items on the consent agenda are intended to be acted upon in one motion unless the Council wishes to hear any of the items separately.

- 2. 15-284** AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE PURCHASE OF WATER QUALITY MONITORING EQUIPMENT AND LABORATORY SUPPLIES FROM HACH COMPANY
Staff Contact: Craig Johnson, P.E., Director, Water Services
Attachments: Hach sole source documents
- 3. 15-303** AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE ORGANIZATIONAL MEMBERSHIP IN THE ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Staff Contact: Craig Johnson, P.E., Director, Water Services
- 4. 15-315** AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE PURCHASE OF RAW WATER FROM SALT RIVER VALLEY WATER USERS' ASSOCIATION
Staff Contact: Craig Johnson, P.E., Director, Water Services
- 5. 15-316** AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE PURCHASE OF RAW WATER FROM CENTRAL ARIZONA PROJECT
Staff Contact: Craig Johnson, P.E., Director, Water Services
- 6. 15-317** AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE COSTS ASSOCIATED WITH PARTIAL OWNERSHIP IN THE SUB-REGIONAL OPERATING GROUP
Staff Contact: Craig Johnson, P.E., Director, Water Services
- 7. 15-331** AUTHORIZATION TO AWARD CONTRACT TO AVESIS FOR VISION INSURANCE
Staff Contact: Jim Brown, Director, Human Resources and Risk Management
Attachments: Contract
- 8. 15-334** AUTHORIZATION TO AWARD CONTRACT TO SUN LIFE FINANCIAL FOR BASIC, AD&D AND SUPPLEMENTAL LIFE INSURANCE
Staff Contact: Jim Brown, Director, Human Resources and Risk Management
Attachments: Contract
- 9. 15-336** AUTHORIZATION TO AWARD CONTRACT TO UNION SECURITY INSURANCE COMPANY FOR SELF-FUNDED SHORT TERM DISABILITY AND

PUBLIC SAFETY LONG TERM DISABILITY

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Attachments: Contract

10. 15-345 AUTHORIZATION TO RATIFY VERBAL AGREEMENT TO EXTEND THE CONTRACT WITH COUNSELING AND FAMILY RESOURCES, LTD, D.B.A. EAP PREFERRED AND EXERCISE THE OPTION TO RENEW THE CONTRACT
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Attachments: Employee Assistance Program Services Agreement

11. 15-374 AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH GOVERNMENTJOBS.COM, INC., D.B.A NEOGOV, FOR HUMAN RESOURCES SOFTWARE APPLICATIONS, UTILIZING A COOPERATIVE PURCHASING CONTRACT

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Attachments: Linking Agreement and supporting docs (1)
Linking Agreement and supporting docs (2)

12. 15-376 AUTHORIZATION TO AWARD CONTRACT TO SEGAL WATERS FOR A CLASSIFICATION AND COMPENSATION STUDY

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Attachments: Professional Services Agreement

13. 15-295 AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT FOR MEDICAL DIRECTION CONSULTANT SERVICES WITH REDLINE EMERGENCY VOICE, INC.

Staff Contact: Chris DeChant, Interim Fire Chief

Attachments: Professional Services Agreement

14. 15-350 AWARD OF BID TO GONZALEZ ASPHALT, INC., FOR UTILITY CUTS AND CONCRETE WORK

Staff Contact: Jack Friedline, Director, Public Works

Attachments: Construction Agreement
Bid Tabulation

15. 15-352 AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH TALIS CONSTRUCTION CORPORATION FOR TRAFFIC CONTROL IMPROVEMENTS

Staff Contact: Jack Friedline, Director, Public Works

Attachments: Construction Agreement
Bid Tabulation

16. **15-353** AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH J. BANICKI CONSTRUCTION, INC., FOR 2014/2015 BRIDGE MAINTENANCE REPAIR - VARIOUS LOCATIONS PROJECT
Staff Contact: Jack Friedline, Director, Public Works

 Attachments: Construction Agreement
 Bid Tabulation
17. **15-354** AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH VENTURA-PACIFIC DEVELOPMENT, INC., TO REPLACE COMPUTER ROOM AIR CONDITIONER UNITS IN THE MAIN PUBLIC SAFETY BUILDING
Staff Contact: Jack Friedline, Director, Public Works

 Attachments: Construction Agreement
 Bid Tabulation
18. **15-355** AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH VSS INTERNATIONAL, INC., FOR THE PAVEMENT SLURRY SEAL-PHASE TWO
Staff Contact: Jack Friedline, Director, Public Works

 Attachments: Construction Agreement
 Bid Tabulation
19. **15-356** AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH PEARSON ENGINEERING ASSOCIATES, INC., FOR THE CITY HALL COOLING TOWER REPLACEMENT PROJECT
Staff Contact: Jack Friedline, Director, Public Works

 Attachments: Professional Services Agreement
20. **15-359** AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH REHRIG PACIFIC COMPANY, INC., FOR RESIDENTIAL REFUSE AND RECYCLING CONTAINERS
Staff Contact: Jack Friedline, Director, Public Works

 Attachments: Linking Agreement
21. **15-363** AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH ENVIRONMENTAL EARTHSCAPES, INC., DOING BUSINESS AS THE GROUNDSKEEPER, FOR LANDSCAPE MAINTENANCE SERVICES
Staff Contact: Jack Friedline, Director, Public Works

 Attachments: Agreement
 Bid Tabulation
22. **15-382** AWARD OF CONTRACT FOR LANDSCAPE SERVICES FOR COMMUNITY HOUSING
Staff Contact: Erik Strunk, Director, Community Services

 Attachments: Agreement with Lawns by Les, LLC

CONSENT RESOLUTIONS

23. **15-380** AMENDMENT NO. 1 TO INTERGOVERNMENTAL AGREEMENT BETWEEN
THE MARICOPA COUNTY LIBRARY DISTRICT AND THE CITY OF
GLENDALE FOR THE LIBRARY ASSISTANCE PROGRAM
Staff Contact: Erik Strunk, Director, Community Services
- Attachments:** Resolution 4960
 Amendment No. 1
24. **15-395** AUTHORIZATION TO APPLY FOR AND ACCEPT REVENUE SHARING FUNDS
FROM THE TOHONO O'ODHAM NATION
Staff Contact: Tom Duensing, Interim Assistant City Manager
- Attachments:** Resolution 4961
25. **15-396** RESOLUTION OF SUPPORT FOR A GRANT REQUEST BY THE 1st LT. FRANK
LUKE JR. MEMORIAL MUSEUM AND RESEARCH CENTER
Staff Contact: Tom Duensing, Interim Assistant City Manager
- Attachments:** Resolution 4962
 Lt. Frank Luke Jr. Museum and Research Center
26. **15-397** RESOLUTION OF SUPPORT FOR A GRANT REQUEST BY THE GLENDALE
HISTORIC PRESERVATION
SOCIETY
Staff Contact: Tom Duensing, Interim Assistant City Manager
- Attachments:** Resolution 4963
 Glendale AZ Historical Society TO Request

PUBLIC HEARING

27. **15-373** PUBLIC HEARING AND APPROVAL OF FISCAL YEAR 2015-16 PROPERTY
TAX LEVY AND TRUTH IN TAXATION NOTICE (PUBLIC HEARING
REQUIRED)
Staff Contact: Tom Duensing, Interim Assistant City Manager

ORDINANCES

28. **15-385** PUBLIC UTILITY EASEMENT AND ROADWAY ABANDONMENT OF CHERYL
DRIVE
Staff Contact: Jack Friedline, Director, Public Works
- Attachments:** Ordinance 2940 with exhibits
29. **15-375** AUTHORIZATION TO ENTER INTO LEASE AGREEMENT AMENDMENT NO.
1 WITH HOPE FOR HUNGER CORPORATION
Staff Contact: Erik Strunk, Director, Community Services

Attachments: Ordinance 2941
Lease Agreement, Amendment No. 1

PUBLIC HEARING – RESOLUTIONS

- 30. 15-377** AMENDMENT TO FISCAL YEAR 2014-2015 COMMUNITY DEVELOPMENT
BLOCK GRANT ANNUAL ACTION PLAN (PUBLIC HEARING REQUIRED)
Staff Contact: Erik Strunk, Director, Community Services

Attachments: Resolution 4964
Application

- 31. 15-378** PUBLIC HEARING AND ADOPTION OF FISCAL YEAR 2015-2016 FINAL
BUDGET (RESOLUTION) (PUBLIC HEARING REQUIRED)
Staff Contact: Tom Duensing, Interim Assistant City Manager

Attachments: Resolution 4965
Budget Schedules Policies 2015

SPECIAL BUDGET MEETING (TO ADOPT FISCAL YEAR 2015-16 FINAL BUDGET)

ADJOURN SPECIAL BUDGET MEETING AND RECONVENE REGULAR COUNCIL MEETING

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

COUNCIL COMMENTS AND SUGGESTIONS

ADJOURNMENT

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).



Legislation Description

File #: 15-422, **Version:** 1

APPROVAL OF THE MINUTES OF MAY 26, 2015 VOTING MEETING AND MAY 29, 2015 SPECIAL VOTING MEETING

Staff Contact: Pamela Hanna, City Clerk

City of Glendale

*5850 West Glendale Avenue
Glendale, AZ 85301*



Meeting Minutes - Draft

Tuesday, May 26, 2015

6:00 PM

Voting Meeting

Council Chambers

City Council

Mayor Jerry Weiers

Vice Mayor Ian Hugh

Councilmember Jamie Aldama

Councilmember Samuel Chavira

Councilmember Gary Sherwood

Councilmember Lauren Tolmachoff

Councilmember Bart Turner

CALL TO ORDER

Present: 7 - Mayor Jerry Weiers, Vice Mayor Ian Hugh, Councilmember Jamie Aldama, Councilmember Samuel Chavira, Councilmember Gary Sherwood, Councilmember Lauren Tolmachoff, and Councilmember Bart Turner

Also present were Richard Bowers, Acting City Manager; Jennifer Campbell, Assistant City Manager; Tom Duensing, Interim Assistant City Manager; Michael Bailey, City Attorney; Pamela Hanna, City Clerk; and Darcie McCracken, Deputy City Clerk.

PLEDGE OF ALLEGIANCE**PRAYER/INVOCATION**

Pastor Muzero Muhoza from African Free Methodist Church offered the invocation.

CITIZEN COMMENTS

Davita Solter, a Sahuaro resident, spoke about a situation with the water billing department where she was getting phone calls at her number regarding disconnection of water service for another customer. She said the employee she spoke with went above and beyond to correct the problem. She also spoke about a program recognizing employees which recognized Dr. Janet Boberg for her dedication to their wellness program. She also wanted to recognize Office Willie Jackson, the school resource officer. She said everyone loves him and thinks he is a great guy. She wanted the Council to be aware of these employees to thank them for the job they do.

James Deibler, a Phoenix resident, said he would like to see the city repair the sidewalks as they are buckled from the heat. He also said they need a left turn arrow at 61 Avenue and Olive for the students catching a bus. He also asked the city team up with Midwestern University to set up a fun run in October. He said it will bring a lot of people from across the valley interested in running. He said Midwestern University helps provide new jobs for this region.

Councilmember Turner congratulated Mr. Deibler on graduating from Glendale Community College and commented that he is now attending Arizona State University West and will be studying political science.

Mr. Deibler said the city is doing an excellent job providing services to the citizens and the Coyotes deal is a rip off.

Gary Hirsch, a Cactus resident, spoke about Resolution 4958 for the FY15-16 city budget. He said he is committed to public safety, police and fire, but also recognizes that there are policies the Council operates by. He said this council/manager form of government make decisions by consensus and there is no room for a lone wolf. He said bad choices will be made and he said the Coyotes arena management deal is a bad choice. He asked Council to look at the \$15 million a year the city is spending on a privately owned hockey organization. He said he supports a process provided for in the City Charter.

**APPROVAL OF THE MINUTES OF THE SPECIAL VOTING MEETING OF MAY 5, 2015 AND
REGULAR VOTING MEETING OF MAY 12, 2015**

1. [15-361](#) APPROVAL OF THE MINUTES OF THE SPECIAL VOTING MEETING OF MAY 5, 2015 AND THE REGULAR VOTING MEETING OF MAY 12, 2015
Staff Contact: Pamela Hanna, City Clerk

A motion was made by Councilmember Chavira, seconded by Councilmember Aldama, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

BOARDS, COMMISSIONS AND OTHER BODIES

APPROVE RECOMMENDED APPOINTMENTS TO BOARDS, COMMISSIONS AND OTHER BODIES

PRESENTED BY: Vice Mayor Ian Hugh

2. [15-314](#) BOARDS, COMMISSIONS & OTHER BODIES
Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

A motion was made by Vice Mayor Hugh, seconded by Councilmember Chavira, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

PROCLAMATIONS AND AWARDS

3. [15-330](#) PROCLAIM JUNE 1 THROUGH JUNE 7, 2015 AS NATIONAL CPR AND AED AWARENESS WEEK
Staff Contact: Mark Burdick, Fire Chief
Staff Contact: Chris DeChant, Assistant Fire Chief
Presented By: Office of the Mayor
Accepted By: Carol Gibbs, Program Education Coordinator, Save Hearts in Arizona Registry and Education

4. [15-325](#) 2015 RUTH BYRNE HISTORIC PRESERVATION AWARD
Staff Contact: Jon M. Froke, AICP, Planning Director
Accepted By: Ms. Melissa Wittliff

CONSENT AGENDA

Mr. Richard Bowers, Acting City Manager, read agenda item numbers 5 through 18.

Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 19 through 21 by number and title.

5. [15-321](#) APPROVE SPECIAL EVENT LIQUOR LICENSE, ASSYRIAN CHURCH OF THE EAST
Staff Contact: Susan Matousek, Revenue Administrator

This agenda item was approved.

6. [15-299](#) APPROVE LIQUOR LICENSE NO. 5-16691, ROSE LANE MARKET
Staff Contact: Susan Matousek, Revenue Administrator

This agenda item was approved.
7. [15-329](#) POSITION RECLASSIFICATIONS
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

This agenda item was approved.
8. [15-332](#) AUTHORIZATION TO AWARD CONTRACT TO DELTA DENTAL FOR PPO DENTAL INSURANCE
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

This agenda item was approved.
9. [15-335](#) AUTHORIZATION TO AWARD CONTRACT TO THE HARTFORD FOR COMMUTER LIFE INSURANCE
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

This agenda item was approved.
10. [15-338](#) AUTHORIZATION TO RENEW FISCAL YEAR 2015/16 PROPERTY, LIABILITY & WORKERS' COMPENSATION INSURANCE
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

This agenda item was approved.
11. [15-349](#) AUTHORIZATION TO EXTEND LINKING AGREEMENT WITH BANNER OCCUPATIONAL HEALTH SERVICES
Staff Contact: Jim Brown, Director, Human Resources and Risk Management.

This agenda item was approved.
12. [15-333](#) AUTHORIZATION TO AWARD CONTRACT TO EMPLOYERS DENTAL SERVICES FOR HMO DENTAL
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

This agenda item was approved.
13. [15-318](#) AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH MAY MACHINERY INC., FOR LANDFILL HEAVY EQUIPMENT MAINTENANCE

AND REPAIR SERVICE

Staff Contact: Jack Friedline, Director, Public Works

This agenda item was approved.

14. [15-320](#) AUTHORIZATION TO ENTER INTO CONTRACT CHANGE ORDER NO. 1 WITH COMBS CONSTRUCTION COMPANY, INC., FOR APRON REHABILITATION AND LIGHTING IMPROVEMENTS AT GLENDALE MUNICIPAL AIRPORT

Staff Contact: Jack Friedline, Director, Public Works

This agenda item was approved.

15. [15-288](#) AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH MISSION LINEN SUPPLY, INC., FOR UNIFORM AND LINEN RENTAL UTILIZING A STATE OF ARIZONA COOPERATIVE PURCHASING CONTRACT

Staff Contact: Craig Johnson, P.E., Director, Water Services

This agenda item was approved.

16. [15-339](#) AUTHORIZATION TO ENTER INTO A COMMERCIAL VISUAL IMPROVEMENT PROGRAM AGREEMENT WITH CHANG PROPERTIES, L.L.C. TO REIMBURSE UP TO FIFTY PERCENT OF THE COST OF REHABILITATION IMPROVEMENTS FOR PROPERTIES LOCATED WITHIN THE DOWNTOWN REDEVELOPMENT AREA

Staff Contact: Brian Friedman, Director, Office of Economic Development

This agenda item was approved.

17. [15-341](#) AUTHORIZATION TO ENTER INTO A MEMBERSHIP AND SERVICES AGREEMENT WITH THE GLENDALE CHAMBER OF COMMERCE FOR CHAIRMAN'S CIRCLE MEMBERSHIP AND GENERAL SUPPORT SERVICES BENEFITTING THE CITY OF GLENDALE

Staff Contact: Brian Friedman, Director, Office of Economic Development

This agenda item was approved.

18. [15-340](#) AUTHORIZATION TO ENTER INTO A LEASE AGREEMENT WITH THE NEW WESTGATE, LLC FOR THE GALLERY GLENDALE

Staff Contact: Erik Strunk, Director, Community Services

This agenda item was approved.

CONSENT RESOLUTIONS

19. [15-326](#) INTERGOVERNMENTAL AGREEMENT WITH ARIZONA DEPARTMENT OF ECONOMIC SECURITY FOR COMMUNITY ACTION PROGRAM FUNDING

Staff Contact: Erik Strunk, Director, Community Services

RESOLUTION NO. 4955 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE SUBMISSION OF AN APPLICATION AND ENTERING INTO A CONTRACT WITH THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY FOR COMMUNITY ACTION PLAN SERVICES.

This agenda item was approved.

20. [15-246](#)

ADOPT A RESOLUTION AMENDING THE COMMUNITY DEVELOPMENT FEE SCHEDULE

Staff Contact: Sam McAllen, Director, Development Services

RESOLUTION NO. 4956 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, REPEALING THE CURRENT COMMUNITY DEVELOPMENT FEE SCHEDULE (APPENDIX B OF THE CITY CODE); ADOPTING A NEW SCHEDULE OF COMMUNITY DEVELOPMENT FEES (APPENDIX B OF THE CITY CODE); AND ESTABLISHING AN EFFECTIVE DATE.

This agenda item was approved.

21. [15-319](#)

AUTHORIZATION TO ADOPT A RESOLUTION FORMALLY SUPPORTING AND DESIGNATING UNITED STATES BICYCLE ROUTE 90 (USBR-90)

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4957 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, STATING ITS SUPPORT FOR THE DEVELOPMENT OF U.S. BICYCLE ROUTE 90.

This agenda item was approved.

Approval of the Consent Agenda

A motion was made by Sherwood, seconded by Hugh, to approve the recommended actions on Consent Agenda Item Numbers 5 through 21. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

ORDINANCES

22. [15-346](#)

FISCAL YEAR 2014-2015 BUDGET AMENDMENTS

Staff Contact: Tom Duensing, Interim Assistant City Manager

Mr. Duensing said this item was to approve FY14-15 budget amendments. He said the budget appropriation across all funds remains unchanged and all requested transfers are in compliance with the City Code and in compliance with the cash and budget appropriation transfer policy. He said transfers can be cash transfers, appropriation transfers or both. He said tonight's request covers the PeopleSoft upgrade, funding for real estate purchase with City of Phoenix, a request for a cash and appropriation transfer for the newly established Excise Tax Debt Service Fund, consistent with the recent

refunding the city went through, and a request for Council Discretionary Funds transfer for parks capital projects. There is one cash only transfer for unspent RICO funds residing in the vehicle replacement fund back to the RICO fund. He said there are also several budget only, or appropriation, transfers also before Council. He said there is a request for appropriation for refund of sales tax generated at the stadium, appropriation to cover a FY14/15 fire truck purchase, a contingency transfer for the city manager's office for severance payments and the acting city manager contract continuation, and an appropriation to utilize police budgetary savings at the arena for staffing costs relative to police costs at Camelback Ranch.

ORDINANCE NO. 2939 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE TRANSFER OF CASH AND APPROPRIATION AUTHORIZATION BETWEEN BUDGET ITEMS IN THE ADOPTED FISCAL YEAR 2014-2015 BUDGET.

A motion was made by Councilmember Turner, seconded by Councilmember Aldama, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

RESOLUTIONS

23. [15-342](#)

FISCAL YEAR 2015-16 TENTATIVE BUDGET ADOPTION

Staff Contact: Tom Duensing, Interim Assistant City Manager

Mr. Duensing said this item is to authorize the adoption of the FY15/16 tentative budget, which includes FY15/16 funding for the proposed Capital Improvement Program. This is also a request to give notice of the date of public hearings for the final budget public hearing scheduled on June 9th and the property tax levy and Truth in Taxation Notice public hearing currently scheduled for June 9th. It also provides a date for the adoption of the FY2015/16 property tax levy currently scheduled for June 23rd.

Mr. Duensing provided a short history of FY15/16 budget process. He said the focus of this budget was financial stability. Staff feels this budget accomplishes financial stability. The budget totals \$632 million. The Primary General Fund totals \$201.7 million. All other legally restricted or designated funds total \$430.3 million. He said this budget continues service delivery to citizens, honors contractual commitments, including investment in technology and innovation projects, absorbs the impact of the Fire MOU and absorbs non-represented employee pay increases to address employee retention. He said it also addresses personnel, PSPRS, retirement increases. He spoke about the no phased in approach which will cost a little more initially, but is the financially responsible thing to do. He said the city will also make an additional \$1.7 million in contributions to PSPRS and the city will meet with PSPRS to discuss contributing the entire FY15/16 contributions in the month of July to start earning interest on those funds. He said the budget also consolidates the many General Fund Sub-funds for ease in financial reporting, budgeting and Council presentations. This budget also includes \$22 million for pavement management and the addition of four HURF funded full time employees to manage this process. It also increases library hours, appropriates \$10,000 for diversity-related projects, homeless prevention funding from Community Development Block Grant funds and revises the city's financial policies related to the level of fund balance the city needs to get to.

Mr. Duensing also spoke about the city's future needs. He said both Police and Fire have given presentations about the level of service and statistical data. That showed those departments delivered service at a very high level. Staff in all departments recommended Council look at public safety services through a strategic process. He said the City Manager would like to implement those processes within the next two months in order to address these issues. He said they will be going forward with the Tentative Budget adopted by Council and discussing that with Moody's in an upcoming phone call. He said this budget sets the stage for the new city manager. He said a lot of work went into this budget and appropriates over \$3 million of revenues in excess of expenditures in the general fund and the city hasn't seen that for many years.

Councilmember Chavira asked if the Contingency Fund is now going to be 25 percent.

Mr. Duensing said contingency appropriation is currently recommended for \$5 million, which is to be used for unanticipated expenditures. He said it is not at a level that he feels comfortable with at this point if there is a major unanticipated expenditure. He said with this budget, they are estimating the fund balance to be \$30 million. He said the policy states the fund balance should be 25 percent of ongoing revenues. The ongoing revenue is \$200 million, and 25 percent would be \$50 million. He said this budget will not get the city to that \$50 million financial policy target, but adopting this budget will move the city toward that goal. That goal should be met within 5 years and it is staff's intent to meet that goal. He said they will have more information on how long it will take to get there after June 30th.

Councilmember Chavira asked about public safety services and the new city manager.

Mr. Duensing said staff recommended addressing the Council priority for public safety services. He said they are addressing this situation strategically. Discussions have been held with the City Manager and it is his intent to move forward on this right away. He anticipated workshops to obtain Council feedback. He said the overall goal is not to increase the expenditure budget.

Councilmember Chavira said he has been adamant about response times and said it is hard for him to fathom doubling the savings account when public safety is struggling. He said they need more police officers and firefighters. He asked what a timeframe might be to correct public safety issues.

Mr. Duensing said if additional needs are identified in the fall, for example, the necessary budgetary adjustments can be made to add public safety services if cost savings are identified elsewhere. This will help the city remain financial stable. He said the city could be able to weather another economic downturn if there is a sufficient fund balance. Mr. Duensing stated we are not at financial stability yet, but we think we can get there over the next five years.

Councilmember Chavira said they need more firefighters and police officers. He said he is afraid of someone getting hurt before this problem is fixed.

Councilmember Sherwood said public safety has been the subject of a lot of conversations. He said he didn't see where they can come up with that kind of money from other areas within the budget. He said if there are deficiencies in the budget stabilization or in the assigned operating revenue, the new policy states that it must be made up in five years. He said he agreed they have to reach financial stability, but he doesn't see how they can reach the police staffing numbers they need and how to improve fire response times. He doesn't see how they can reach their goal of 25 percent

fund balance in five years. He said staff has done a tremendous job and they need to find a mechanism to reach these goals. He said if the money has to come from somewhere else, he isn't sure where it is going to come from. He also looked at FTE staffing levels back in 2009 and said most departments have had a severe decline in the number of FTEs. The mayor's department is adding one back in to be at 2009 level. He said he wished the public safety discussions could have been held at the beginning of the budget talks. He asked in the next five years, when are they going to be able to add these services without taking away from some other department.

Councilmember Tolmachoff said they need to work out a plan to address public safety needs and said if they can't identify where the money will come from now, they can at least develop a plan moving forward for the next few fiscal years. She asked if that was what they were talking about today.

Mr. Duensing said if they get to that conclusion sooner than FY16/17, they can make the necessary adjustments this fiscal year. He said just because they didn't do it in April, doesn't mean they can't do it in October. He said they have heard the message from Council loud and clear and they have been given direction to move forward on this from Mr. Bowers. He said they just want a thoughtful and thorough process, even though it might require coming back to Council a few times.

Councilmember Tolmachoff said although they might be able to identify all the needs, they might not be able to identify the money at this point, and this will be an ongoing process. She said they will be addressing public safety needs far into the future. She said this is responsible planning and she understands the need to have a reserve fund. She said they have to be responsible and they are the stewards of the taxpayers' money and they need to follow a responsible plan.

Vice Mayor Hugh had questions about revenue streams and spoke about several news articles. He asked how much are they receiving monthly.

Mr. Duensing said they currently receive about \$35,000 a month and this is 20 percent of the payments per the agreement that IceArizona receives from Gila River.

Vice Mayor Hugh asked if he had a copy of the naming rights agreement.

Mr. Duensing said he did not.

Vice Mayor Hugh asked if Mr. Bowers had a copy of the naming rights agreement.

Mr. Bowers said he did not.

Vice Mayor Hugh asked if Mr. Bailey had a copy of the naming rights agreement.

Mr. Bailey said he did not.

Vice Mayor Hugh said he asked Mr. Duensing to check into a contract with Southwest Ambulance and he was shocked to find they were behind about \$700,000. He said he hasn't heard that they have made any payments. He asked if they were close to \$1 million by now.

Mr. Duensing said it is just a little over \$1 million.

Vice Mayor Hugh said he would like staff to look at that and let Council know what all of

the options are.

Councilmember Aldama thanked staff for bringing all the budget information and working with the new Councilmembers to help them understand everything.

He would like to see more participation from the departments next year, including more justification for the FTEs. He is happy with the budget and that there are increases in some services. Public safety remains a priority and he will continue to advocate for that. He said he is also pleased to hear they are going to move forward in the next few months with the public safety improvements, and he would rather start sooner than later on this.

Mr. Duensing said that is the direction they have received.

Councilmember Turner said there are no Councilmembers that aren't dedicated to public safety. He said he doesn't believe service times are eroding and discussed an article he read in the Arizona Republic about response times. He said he was surprised they do not have a five year plan for Police and Fire and he is happy they are moving forward to resolving these problems. He said they need to apply the money to get the best return and he said other cities are studying the best way to spend their money. He said they should look at those other cities to see what they come up with as well. He said one of the first duties of the new City Manager will be to hire a Fire Chief. He said they should not rush to judgment on how they are going to apply the money. He is satisfied with the budget as it is presented, even though it doesn't have everything he was looking for. He knows it is a good budget and it will help the city hold steady on the services it provides and they will have Police and Fire Departments that are second to none. It will also help the city do the long range planning that is going to provide us the long term financial stability necessary.

Councilmember Chavira referenced the response times mentioned by Councilmember Turner and said those response times are still unacceptable. He said there is still a lack of service.

RESOLUTION NO. 4958 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING A TENTATIVE BUDGET OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF GLENDALE FOR THE FISCAL YEAR 2015-2016; SETTING FORTH THE REVENUE, THE AMOUNT TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES; ADOPTING CITY COUNCIL'S FINANCIAL POLICIES; AND GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS AND FOR FIXING TAX LEVIES.

A motion was made by Councilmember Tolmachoff, seconded by Vice Mayor Hugh, that this agenda item be amended. The motion carried by the following vote:

Aye: 5 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Tolmachoff, and Councilmember Turner

Nay: 2 - Councilmember Chavira, and Councilmember Sherwood

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

A motion was made by Vice Mayor Hugh, seconded by Councilmember Turner, to hold the next regularly scheduled Council workshop on Tuesday, June 2, 2015 at 1:30 p.m. in room B-3 of the City Council Chambers, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Chavira thanked Phoenix Deputy Chief Larry Contreras and said it has been an honor to work with him. He said the Deputy Chief has helped identify victims of human or sex trafficking. He said they were able to identify 16 young ladies who were being held captive. He applauded everyone who is involved in this and bringing this serious issue to light.

Councilmember Sherwood wished Chief Burdick a well-deserved retirement and wanted to say goodbye to Julie Watters and thanked her for her service.

Councilmember Tolmachoff thanked the Sierra Verda 4th grade for coming to city hall. She also thanked staff for their assistance with the students.

Councilmember Turner spoke about entering into a new lease agreement at Westgate for the gallery space free of charge. He said over 40 events have been held at that location and said it is great work everyone is doing. He said he went to the City Employee Art Show and said they are great artists. Many departments were represented in this show. He encouraged everyone to stop by and see the art displays.

Vice Mayor Hugh thanked the 4th grade students that stopped by city hall and said it was a nice event.

Mayor Weiers spent a shift with the fire department recently and said he was very busy. He said they were a great group of people that truly loved their jobs. He also met with union representatives and it was a very encouraging meeting. He said they had a lot of ideas to help solve some of the current problems. He encouraged everyone to do a ride along with both the Fire and Police Departments. He said Council will fix the public safety problems to provide the best for the citizens.

ADJOURNMENT

The meeting was adjourned at 7:21 p.m.

City of Glendale

*5850 West Glendale Avenue
Glendale, AZ 85301*



Meeting Minutes - Draft

Friday, May 29, 2015

9:00 AM

Special Voting Meeting

Council Chambers

City Council

Mayor Jerry Weiers

Vice Mayor Ian Hugh

Councilmember Jamie Aldama

Councilmember Samuel Chavira

Councilmember Gary Sherwood

Councilmember Lauren Tolmachoff

Councilmember Bart Turner

CALL TO ORDER

Present: 7 - Mayor Jerry Weiers, Vice Mayor Ian Hugh, Councilmember Jamie Aldama, Councilmember Samuel Chavira, Councilmember Gary Sherwood, Councilmember Lauren Tolmachoff, and Councilmember Bart Turner

[Councilmember Chavira participated telephonically.]

Also present were Richard Bowers, Acting City Manager; Jennifer Campbell, Assistant City Manager; Tom Duensing, Interim Assistant City Manager; Michael Bailey, City Attorney; Pamela Hanna, City Clerk; and Darcie McCracken, Deputy City Clerk.

PLEDGE OF ALLEGIANCE**CITIZEN COMMENTS**

Laura Hirsch, a Cactus resident, said she resigned her position on a city board and commission because she wanted to work on the recall of Councilmember Sherwood, and she spoke about the specific reasons she wanted the recall. She said the main reason she wanted Councilmember Sherwood recalled was because he could not follow the rule of law or the city charter. She said Councilmember Sherwood does not feel he should follow open meeting law. She said residents used the words arrogant and condescending about Councilmember Sherwood. She thanked Anna Lee for chairing the recall committee.

Connie Kiser, a Sahuaro resident, said there have been articles about the casino being the reason for the recall and she wants the recall because of the billboard issue. She said there has been a lack of communication to the Sahuaro residents about the library and the billboard issue. She said they are not being represented and the neighborhood is up in arms. She said they need someone who will represent the district.

Gary Hirsch, a Cactus resident, said he had been an ardent supporter of Councilmember Sherwood and said he is disappointed in Councilmember Sherwood's performance. Mr. Hirsch said he grew up in a political family and knows representatives are just like regular people. He said usually they are grounded and keep a sense of self. He said Councilmember Sherwood is a dismal failure as a Councilmember. He said he has acted in contradiction to the will of the people. He said Councilmember Sherwood presents his own ideas forward with impunity and in opposition to his constituents. He said Councilmember Sherwood's performance in office have caused the recall and the condescending behavior towards those he represents has caused the recall. He spoke about several issues that Councilmember Sherwood has changed his mind about since being elected. He asked Councilmember Sherwood to resign his office and allow the other Councilmembers to bring in someone to who is respectful of the office.

Anna Lee, a Sahuaro resident, said the recall effort has been difficult and the citizens feel Councilmember Sherwood has not represented them in the way they would have liked. She wished Councilmember Sherwood would just resign and the constituents have made it known how they feel by the number of signatures they have collected on the recall petitions.

NEW BUSINESS

1. [15-409](#)

DETERMINE THE MANNER OF THE RECALL ELECTION

Staff Contact: Pamela Hanna, City Clerk

Ms. Hanna said after notifying Maricopa County that Glendale of the anticipated special recall election on November 3, 2015, they advised the Peoria School District wanted to have an all-mail ballot for the same election. The county advised they would not support an all-mail ballot for the school district unless the city election was also all-mail. Estimated costs of the city's share for a polling place election would be \$29,098. For an all-mail ballot, the city's share would be \$23,265. Ms. Hanna said despite the savings, she is concerned the special recall election would be the city's first all-mail ballot election and would add additional voter confusion because of that the new process. She said the last recall the city had was in 1993. The ballot for the recall would be different and it could add to voter confusion without it being an all-mail ballot. Ms. Hanna said she did not recommend an all-mail ballot special election, and the City Manager is in agreement not to recommend an all-mail ballot election. She explained on Item 2, Council will need to add into the resolution, language that speaks to the manner of election, either an all-mail ballot or a polling place election.

A motion was made by Vice Mayor Hugh, seconded by Councilmember Tolmachoff, that the Special Election be conducted as a polling place election. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

2. [15-399](#)

ADOPT A RESOLUTION TO CALL A SPECIAL RECALL ELECTION FOR NOVEMBER 3, 2015

Staff Contact: Pamela Hanna, City Clerk

Ms. Hanna said this item is to adoption Resolution 4959, which includes election dates and deadlines for the November 3rd special recall election. She said an adequate number of valid signatures were received to place this item on a recall ballot. The manner of election has now been determined to be polling place and that needs to be added to the resolution. Council has. She also said the title for section 4 of the resolution had been corrected and a City Councilmember had received a corrected copy of the resolution.

Ms. Hanna read Resolution 4959 New Series in its entirety, with the change to Section 4, that being:

RESOLUTION NO. 4959 NEW SERIES

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, DESIGNATING THE ELECTION DATE AND PURPOSE OF ELECTION (SPECIAL ELECTION: NOVEMBER 3, 2015); DESIGNATING THE DEADLINE FOR VOTER REGISTRATION; DESIGNATING THE MANNER OF ELECTION; DESIGNATING THE PLACE AND THE LAST DATE FOR CANDIDATES TO FILE NOMINATING PAPERS; AND ORDERING THAT THE CITY CLERK PUBLISH THIS CALL OF ELECTION.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE AS FOLLOWS:

SECTION 1. DESIGNATION OF ELECTION DATES; PURPOSE.

That Tuesday, November 3, 2015 has been set as the time for holding the Special Recall Election in the City of Glendale for the purpose of filling the SAHUARO DISTRICT Council seat. Any candidate receiving the largest number of votes shall be declared elected for the remainder of the term, which ends December 2016, and shall begin serving the remainder of the term upon his qualification for the office and upon completion of the canvass.

SECTION 2. DESIGNATION OF DEADLINE FOR VOTER REGISTRATION.

That Maricopa County registration and voting lists will be used for the municipal election. In order to be qualified to vote in the Recall Election, one must be registered by October 5, 2015.

SECTION 3. DESIGNATION OF DEADLINE TO MAIL MILITARY AND OVERSEAS BALLOTS.

That the deadline for Maricopa County to mail military and overseas ballots (UOCAVA) is September 19, 2015.

SECTION 4. DESIGNATION OF DATE AND PLACE TO FILE CANDIDATE NOMINATION FORM.

That candidates seeking municipal office may obtain nomination papers and other materials at the City Clerk's Office, 4th floor of the Municipal Office Complex (City Hall), 5850 West Glendale Avenue, Glendale, Arizona. The first day to file nomination petitions is August 5, 2015; the last day to file nomination petitions is September 4, 2015. Candidates must file nomination papers and other nomination forms by 5:00 p.m. on September 4, 2015, at the City Clerk's Office, 5850 West Glendale Avenue, 4th floor, in order for their names to appear on the Recall Election ballot.

SECTION 5. PUBLICATION OF CALL OF ELECTION.

The City Clerk shall publish this resolution at least twice in the Glendale Star not less than one week apart during the six calendar weeks preceding ninety days before the election.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2015.

A motion was made by Vice Mayor Hugh, seconded by Councilmember Turner, to amend the resolution as to the title of Section number 4 and add a section about the manner of election. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Sherwood, Councilmember Tolmachoff, and Councilmember Turner

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Turner said he is interested in the concept of all mail ballots and suggested they look into this for the future. He said he didn't think it was appropriate in this case, but he would have liked to save the money. He said it was important that the recall election be held in as close a manner as the original election as possible for the voters.

ADJOURNMENT

The meeting was adjourned at 9:23 a.m.



Legislation Description

File #: 15-284, Version: 1

AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE PURCHASE OF WATER QUALITY MONITORING EQUIPMENT AND LABORATORY SUPPLIES FROM HACH COMPANY

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to approve expenditure authority by the Acting City Manager for the purchase of water quality monitoring equipment and laboratory supplies from Hach Company in an amount not to exceed \$180,000 for fiscal year (FY) 2015-16.

Background

The Arizona Department of Environmental Quality issues multiple permits with stringent water quality standards to all municipalities. In order to meet those standards, the city's water treatment plants and reclamation facilities monitor water and wastewater quality through the use of water samplers, monitoring instruments, and laboratory equipment. All the treatment plants utilize Hach water quality monitoring equipment. These supplies are necessary to conduct the required testing.

Laboratory supplies from other sources do not have the flexibility required for matching equipment currently in use. HACH Company is the sole manufacturer of reagents and parts for HACH instrumentation, and therefore, the sole-source provider.

Analysis

Materials Management has reviewed and approved the sole source procurement request for Hach Company. The approval is based on conformity to the existing equipment and service.

This action will authorize the City Manager to expend funds for the purchase of water quality monitoring equipment and laboratory supplies from Hach Company for FY 2015-16.

Previous Related Council Action

On January 14, 2014, Council authorized the expenditure of funds in an annual amount not to exceed \$180,000 from Hach Company for the purchase of equipment and supplies.

On August 26, 2008, Council approved the purchases from Hach Company for the purchase of equipment and supplies for five years.

Community Benefit/Public Involvement

Continuous testing allows continued compliance with federal and state regulatory requirements.

Budget and Financial Impacts

Funding is available in the FY 2015-16 Water Services operating budget contingent upon Council approval of the final budget.

Cost	Fund-Department-Account
\$180,000	2360-17160-524400, Arrowhead Reclamation Facility
	2360-17170-524400, West Area Reclamation Facility
	2400-17250-524400, Pyramid Peak Water Treatment Plant
	2400-17260-524400, Cholla Water Treatment Plant
	2400-17310-524400, Oasis Water Treatment Plant

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?



Materials Management Sole Source Request

Revised 4/9/12

Submit the completed form to your director. Once your director has reviewed and signed this form, he/she will forward it to the Materials Manager as approval to proceed.

SOLE SOURCE REQUESTOR INFORMATION:

Requestor: Anthony Weathersby	Date: 11/6/14	Department: Water Services
Phone Number: 930-4108	Email Address: awathersby@glendaleaz.com	

PROPOSED VENDOR INFORMATION:

Proposed Vendor: HACH Company	Proposed Vendor Contact: Diana Dean
Proposed Vendor Address: P.O. Box 389	
City, State and Zip Code: Loveland, CO, 80539-0389	
Vendor Phone: 800-227-4224 EXT. 6288	Vendor Fax: 970-669-2932

SOLE SOURCE PURCHASE INFORMATION:

Total Cost of this Order: \$180,000.00	One time purchase: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Federal Money: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, explain funding source:
Various Water Departments	
Description of the product or service requested: Purchase of reagents, equipment and parts used in the testing of water quality.	

Check the reason(s) below to identify why you have determined the purchase is a sole source and attach supporting documentation.

	REASON	GUIDELINES FOR JUSTIFICATION
<input checked="" type="checkbox"/>	Compatibility	Indicate system, make, model and function
<input type="checkbox"/>	Unique repair/replacement item	Identify item to be used with previous PO number item purchased, and warranty period
<input checked="" type="checkbox"/>	Supplementary or necessary part required from same manufacturer	Identify in-house equipment and use with existing system
<input checked="" type="checkbox"/>	Unique Item	Identify project/program, equipment or unique design (make/model), and include reason required. What other makes/sources were considered.
<input type="checkbox"/>	Unique Service	In what area is facility, equipment, or expertise unique? Include reason required.
<input checked="" type="checkbox"/>	Proprietary Specifications (Copyright, patented, etc.)	Identify the manufacturer and model of equipment and how it is exclusive of other manufacturer/model of similar products.
<input type="checkbox"/>	Other reasons, if not above	Explain in detail

Approved UR
 12-4-14



Materials Management Sole Source Request

Revised 4/9/12

JUSTIFICATION:

Use the guidelines for the justification of the selected reason(s), and provide a full, explanation of your reason that the product/service is a sole source. Water Services relies on the use of HACH reagents and instrumentation to meet all federal and state regulatory requirements. HACH Company is the sole manufacturer of these reagents and parts for HACH instrumentation and therefore the sole source provider.

MANDATORY RESEARCH DOCUMENTATION REQUIREMENT:

Provide a detailed explanation of efforts made to determine the availability of the product or service from any other vendor, including other distributors: A sole source letter along with a list of reagents and parts is attached to this request.

REQUESTOR CERTIFICATION:

I hereby certify that in accordance with Financial Administrative Policy #12 which states: <http://gmn.glendaleaz.com/CityManager/documents/031901-CMD30SoleSourcePurchases.pdf>, I have conducted a good faith review of available sources and have determined that there is only one practicable source for the required items in accordance with the Justification Outline.

Requestor Anthony Weathersby

Division Water Services Department

Date 11/6/14

Don
12-1-14

DEPARTMENT DIRECTOR APPROVAL:

I hereby certify that in accordance with Financial Administrative Policy #12 which states: <http://gmn.glendaleaz.com/CityManager/documents/031901-CMD30SoleSourcePurchases.pdf>, I have conducted a good faith review of attached documentation and have determined that there is only one practicable source for the required item(s) in accordance with the Justification Outline.

Director  Division

Date 12-3-14

SUBMITTAL INSTRUCTIONS: Please complete this document and email the request to the Materials Manager, requesting approval. Attach additional documents, if needed, to support your request.

The subject line of the email is to read:

"Request for approval of a sole source purchase"

The text of the email is to read:

"Your authorization to proceed with a sole source purchase is requested. The completed form is attached for your review."

PREPARER NOTE: When submitting the purchase requisition, please attach the following:

- this completed form and
- the email from the Materials Manager approving the purchase and
- the form required if it's a vehicle or technology purchase



Legislation Description

File #: 15-303, Version: 1

AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE ORGANIZATIONAL MEMBERSHIP IN THE ARIZONA MUNICIPAL WATER USERS ASSOCIATION

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to approve expenditure authority by the Acting City Manager for the organizational membership in the Arizona Municipal Water Users Association (AMWUA) in an amount not to exceed \$95,000 for fiscal year (FY) 2015-16.

Background

The mission of the Water Services Department is to provide safe and reliable water and wastewater services for City of Glendale residents and businesses. The water and wastewater treatment industry is heavily monitored by county, state, and federal agencies which have stringent regulations in place to ensure that safe and efficient water services are provided to the public. Rules and regulations are continually changing and being updated as environmental standards are revised. Organizational membership in the Arizona Municipal Water Users Association (AMWUA) allows the city a proactive approach to upcoming issues for the water industry and the region, and develops policies to safeguard water supplies for the future.

AMWUA advocates for its members at the Arizona Legislature, the Governor's Office, the U.S. Bureau of Reclamation, the Arizona Department of Water Resources, the Central Arizona Project and the Greater Phoenix Chamber of Commerce. AMWUA also works collaboratively with other water stakeholders to devise practical solutions to water and wastewater problems to ensure sustainable growth for Arizona. Membership in AMWUA allows staff as well as Council to participate in and benefit from these joint efforts to enhance and conserve the Valley's water supply. The city is represented on the AMWUA Board of Directors by Councilman Turner.

Analysis

Fees are allocated to the members based on population. The members set the annual operating budget and fund reserve for AMWUA's operations. The membership period is the fiscal year. The city pays half the annual membership fee in July and the other in December.

This action will authorize the City Manager to expend funds for the organizational membership in AMWUA for FY 2015-16.

Previous Related Council Action

On June 10, 2014, Council approved expenditure of funds for organization membership in AMWUA in an amount not to exceed \$95,000 for FY 2014-15.

Community Benefit/Public Involvement

Membership in AMWUA provides the city a proactive approach to upcoming issues for the water industry and the region, and develops policies to safeguard water supplies for the future.

Budget and Financial Impacts

Funding is available in the FY 2015-16 Water Services operating budget contingent upon Council approval of the final budget.

Cost	Fund-Department-Account
\$95,000	2360-17110-529000, Utilities Administration Membership

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?



Legislation Description

File #: 15-315, Version: 1

AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE PURCHASE OF RAW WATER FROM SALT RIVER VALLEY WATER USERS' ASSOCIATION

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to approve expenditure authority by the Acting City Manager for the purchase of raw water from Salt River Valley Water Users' Association (SRP) in an amount not to exceed \$600,000 for fiscal year (FY) 2015-16.

Background

The Water Services Department functions to provide safe and reliable water and wastewater services for City of Glendale residents and businesses. The water production process begins by procuring raw, untreated water to produce safe, clean drinking water for public use.

The City of Glendale's water supply portfolio includes the surface water from Central Arizona Project (CAP) from water received via the Colorado River, and the SRP water originating in the Salt and Verde Rivers' basin. Raw, or untreated, water is purchased under Council-approved contracts with CAP and SRP and is treated to produce safe high-quality drinking water.

Analysis

The city has entered into long-term inter-governmental agreements to supply raw water for treatment at Cholla and Oasis Water Treatment Plants and distribution to the city water retail customers. Rates and fees are determined by the Salt River Project board of directors. Overall costs have increased minimally.

This action will authorize the City Manager to expend funds for the purchase of raw water from SRP for FY2015-16.

Previous Related Council Action

On June 10, 2014, Council approved expenditure of funds for the purchase of raw water from SRP in an amount not to exceed \$600,000 for FY 2014-15.

On September 24, 2013, Council approved expenditure of funds for the purchase of raw water from SRP for FY 2013-14.

Budget and Financial Impacts

Funding is available in the FY 2015-16 Water Services operating budget contingent upon council approval of final budget.

Cost	Fund-Department-Account
\$600,000	2400-17230-518200, Raw Water Salt River Project

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?



Legislation Description

File #: 15-316, Version: 1

AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE PURCHASE OF RAW WATER FROM CENTRAL ARIZONA PROJECT

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to approve expenditure authority by the Acting City Manager for the purchase of raw water from Central Arizona Project (CAP) in an amount not to exceed \$3,735,000 for fiscal year (FY) 2015-16.

Background

The Water Services Department functions to provide safe and reliable water and wastewater services for City of Glendale residents and businesses. The water production process begins by procuring raw, untreated water to produce safe, clean drinking water for public use.

The City of Glendale's water supply portfolio includes the surface water from CAP from water received via the Colorado River, and the Salt River Valley Water Users' Association (SRP) water originating in the Salt and Verde Rivers' basin. Raw, or untreated, water is purchased under Council-approved contracts with CAP and SRP and is treated to produce safe high-quality drinking water.

Analysis

The city has entered into long-term inter-governmental agreements to supply raw water for treatment at Pyramid Peak Water Treatment Plant and distribution to the city water retail customers. Rates and fees are determined by the Central Arizona Project board of directors. Overall costs have been increasing due to higher pumping costs.

This action will authorize the City Manager to expend funds for the purchase of raw water from CAP for FY 2015-16.

Previous Related Council Action

On June 10, 2014, Council approved expenditure of funds for the purchase of raw water from CAP in an amount not to exceed \$3,534,838 for FY 2014-15.

On September 24, 2013, Council approved expenditure of funds for the purchase of raw water from CAP for FY 2013-14.

Budget and Financial Impacts

Funding is available in the FY 2015-16 Water Services operating budget contingent upon Council approval of final budget.

Cost	Fund-Department-Account
\$3,735,000	2400-17230-518200, Raw Water Central Arizona Project

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?



Legislation Description

File #: 15-317, Version: 1

AUTHORIZATION TO APPROVE EXPENDITURE OF FUNDS FOR THE COSTS ASSOCIATED WITH PARTIAL OWNERSHIP IN THE SUB-REGIONAL OPERATING GROUP

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to approve expenditure authority by the Acting City Manager for the costs associated with partial ownership in the Sub-regional Operating Group (SROG) in an amount not to exceed \$6,616,000 for fiscal year (FY) 2015-16.

Background

One of Water Services primary functions is to safely transport and treat wastewater from sewer customers. The city does that with 707 miles of sewer lines, two Wastewater Reclamation Facilities and the 91st Avenue Wastewater Treatment Plant (WWTP) operated by the City of Phoenix.

On September 25, 1979, Council authorized Glendale to enter into a partnership of cities to form the Sub-Regional Operating Group (SROG) to safely transport and treat wastewater at a regional level. Five cities (Glendale, Tempe, Phoenix, Mesa, and Scottsdale) have share ownership in the 91st Avenue Wastewater Treatment Plant and the 99th Avenue Interceptor, Salt River Outflow and Southern Avenue Interceptor transmission systems. Glendale owns a 6.5 percent share in WWTP and 59.8 percent in the 99th Avenue Interceptor. Annual operating and capital improvement costs are allocated based on the city's capacity and usage requirements.

Analysis

The city has entered into long-term inter-governmental agreements for the transport and treatment of the city wastewater. Rates and fees are approved by the SROG Committee. Actual costs are settled against monthly payments after the end of the fiscal year. The financial statements are audited by independent auditors.

This action will authorize the City Manager to expend funds for the treatment and capital costs associated with partial ownership in the SROG for FY2015-16

Previous Related Council Action

On June 10, 2014, Council approved expenditure of funds for the treatment cost from SROG in an amount not to exceed \$6,991,977 for FY 2014-15.

On September 24, 2013, Council approved expenditure of funds for the treatment cost from SROG for FY 2013 -14.

Budget and Financial Impacts

Funding is available in the FY 2015-16 Water Services operating budget contingent upon Council approval of final budget.

Cost	Fund-Department-Account
\$3,472,000	2420-17620-518200, SROG (91 st Ave) Plant
\$100,000	2420-17625-518200, 99 th Avenue Interceptor
\$644,000	2420-63010-518200, 91 st Avenue Construction
\$2,400,000	2420-63003-518200, 99 th Ave Interceptor Line

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?



Legislation Description

File #: 15-331, Version: 1

AUTHORIZATION TO AWARD CONTRACT TO AVESIS FOR VISION INSURANCE

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Purpose and Recommended Action

This is a request for City Council to approve and authorize the Acting City Manager to enter into a contract with Avesis for employee vision insurance covering City of Glendale Active employees, Retiree's and COBRA participants for the Fiscal Year 2015-2016 and authorizing the City Manager the option to extend the term of this contract four additional years in one year increments.

Background

The City has traditionally offered a vision plan to employees. Currently there are 1,528 employees enrolled in the vision plan through our current vendor, VSP. The City entered into the existing contract with VSP on July 1, 2011 which was subsequently ratified by City Council on December 10, 2013. During that time, there have been no increases in premiums incurred by the plan participants.

Analysis

In October 2014, Human Resources began the RFP process in conjunction with Segal Consulting, for Dental, Vision, and Life Insurance and administrative services for Disability benefits. An evaluation committee comprised of Segal Consulting and employees from Human Resources, Police, Fire, Community Services, and Public Works reviewed the proposals for vision insurance. Avesis was ultimately selected as the vendor that best matched both the needs of the employees and the city.

Through the RFP process, the pricing for vision insurance has decreased 6.7% saving the city approximately \$13,805.00/year. In addition, Human Resources recommends changing from a 2-tier to a 3-tier premium structure which coincides with our medical plan rate structure. This change will also result in a lower premium for those employees with only one dependent and a slightly higher premium for those employees with more than one dependent. The City and the employees will continue to share the cost and the percentage of contribution the City makes will remain the same. Additionally, Avesis provides an extended network of providers such as Wal-Mart, Target, and Costco.

Previous Related Council Action

On December 10, 2013, Council ratified the original contract with VSP which was effective July 1, 2011.

At the March 24, 2015 City Council Budget Workshop, staff presented FY15-16 vision insurance rate information for employees and retirees.

Budget and Financial Impacts

Cost	Fund-Department-Account
\$190,947	2580-18210-540800, Vision - Employees 2580-18210-542000, Vision - Retirees

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?



A National Vision and Dental Company

Application for Vision Care Benefits

Underwritten by Avesis Insurance Incorporated
Phoenix, Arizona

I EMPLOYER INFORMATION

Employer Name: City of Glendale Tax ID#: 86-6000247

DBA Name (if other than above) _____

Business Address: 5850 W Glendale Ave City: Glendale State: AZ Zip: 85301

Mailing Address: _____ City: _____ State: _____ Zip: _____

Key Contact: Vicki Moss (if other than above) Title: HR Administrator-Benefits

Phone Number: 623-930-2297 Fax Number: 623-930-2107 E-mail: vmoss@glendaleaz.com

Executive Contact: Jim Brown

Phone Number: 623-930-2277 Fax Number: _____ E-mail: JWBrown@glendaleaz.com

Type of Business: ☐ Proprietorship ☐ Corporation ☐ Partnership ☒ Other (Specify) Municipality

If any subsidiary or affiliated companies are to be insured or any Employees are working at a location other than the address above please explain:

Will this plan replace any existing coverage: ☒ Yes ☐ No (if yes, indicate name and address of existing insurer)

Name: Vision Service Plan

Business Address: 3333 Quality Drive City: Rancho Cordova State: CA Zip: 95670

(If "yes," are any employees on COBRA)? ☒ Yes ☐ No How many? 3

Effective date of existing coverage: 07/01/2011

Termination date of existing coverage (if applicable): 06/30/2015

Number of full-time employees: 1599 Number applying: 1638

II PLAN SELECTION

☐ Employer Paid

☒ Voluntary

☐ AVESIS Advantage Vision Simple Savings Plan

☐ AVESIS Advantage Vision Basic Plan

☐ AVESIS Advantage Vision Enhanced Plan

☐ AVESIS Advantage Vision Plus Plan

☐ AVESIS Advantage Vision Preferred Plus Plan

Exam	Lenses	Frame	Contact Lenses
<input type="checkbox"/> 12 months,	12 months,	12 months,	12 months
<input checked="" type="checkbox"/> 12 months,	12 months,	24 months,	12 months
<input type="checkbox"/> 12 months,	12 months,	24 months,	24 months
<input type="checkbox"/> 12 months,	24 months,	24 months,	24 months
<input type="checkbox"/> 24 months,	24 months,	24 months,	24 months
<input type="checkbox"/> __ months,	__ months,	__ months,	__ months

Co-payment: \$ 5.00 Examination \$ _____ Other
\$ 10.00 Frames/Lenses \$ _____ Other

	No of employees	Rate	Total Remittance
Employee Only		X \$ 5.78	= \$ _____
Employee + Spouse	<u>EE + One</u>	X \$ 10.00	= \$ _____
Employee + Child(ren)	<u>EE + one</u>	X \$ 10.00	= \$ _____
Employee + Family		X \$ 14.99	= \$ _____
		TOTAL	= \$ _____

III. PREMIUMS

Employee contribution towards premium? ☒ Yes ☐ No
Employer's Premium Contribution for: Employees: % 31% Dependents: % 14%
Are Employee and Dependent premiums being paid through a Section 125 Plan? ☒ Yes ☐ No
Are Employee and Dependent premiums being collected by payroll deduction? ☒ Yes ☐ No
Premium received with application: 0.00

(Note: Please attach a list of all participants to this application. This list may be a hard copy, diskette or computer tape.)
Premiums shall be payable in advance at the rates set forth in the following Schedule of Premiums

IV. ELIGIBILITY (Choose one)

PROBATIONARY PERIOD FOR NEW EMPLOYEES ☐ 30 Days ☐ 60 Days ☐ 90 Days ☐ 180 Days
☒ Other 1st of the month following 30 days

Probationary Period is Waived for Present Employees: ☒ Yes ☐ No

ELIGIBLE CLASS (Choose One)

☐ The Employees eligible for insurance under the Policy shall be **all the full-time Employees** of the above-named Employer and each Employee's Dependents. If both husband and wife are Employees, either the husband or wife, but not both, may elect coverage for their Dependents. Eligible Dependents may be added to the Policy on any premium due date.

As used herein, full-time Employee means an Employee who is performing all the usual duties of his or her position at the Employer's usual place of business at least _____ or more hours per week. A part-time Employee is an Employee who does not meet this definition.

Dependents may not be included as Eligible Persons unless the Dependent's parent or spouse is covered under the Policy.

☐ The Employees eligible for insurance under the Policy shall be **all the Employees** of the above named Employer, and each Employee's Dependents. If both husband and wife are Employees, either the husband or wife, but not both, may elect coverage for their Dependents. Eligible Dependents may be added to the Policy on any premium due date.

☒ The Employees eligible for insurance under the Policy shall be FT & PT who work 20 hours or more per week

DATE ELIGIBLE

- 1 Each Employee included in an Eligible Class on the Policyholder's Effective Date will be eligible on that date, provided the Employee has completed any required probationary period shown above.
- 2 Each Employee included in an Eligible Class on the Policyholder's Effective Date, and who had partially satisfied the required probationary period prior to the Policyholder's Effective Date, will be eligible on the first day of the calendar month coinciding with or next following the date of completion of the probationary period.
- 3 Each Employee who enters an Eligible Class AFTER the Policyholder's Effective Date will be eligible on the first day of the calendar month coinciding with or next following:
 - a completion of any required probationary period; or
 - b the Employee's date of employment, if a probationary period is not required.

EMPLOYEE ENROLLMENT

- 1 Each Employee may request coverage for his or herself and eligible Dependents.
- 2 The Company reserves the right, based upon Our underwriting procedures, to require that the eligible Employee and/or eligible Dependent of a Policyholder submit an enrollment form and agree to pay any premium contribution, if required, before coverage will become effective for the Employee and/or Dependent.

DELAYED ENROLLMENT

Each Employee who waives or declines insurance when he or she becomes eligible will not be eligible again until the next open enrollment period or QE, if earlier. If insurance is waived or declined for eligible Dependents then those Dependents will not become eligible again until the next open enrollment period or QE, if earlier.

PARTICIPATION REQUIREMENT

The Policyholder is required to maintain the minimum participation requirements of the Company as follows:

If part of the premium is derived from funds contributed by the insured Employees, at least 10 Employees must be covered on the policy's Effective Date

When a contribution is not required by the Employee, then 100% of the eligible Employees must be covered at all times

V. EFFECTIVE DATE

It is desired that the policy shall become effective at 12:01 A M Standard Time at the Employer's address herein on the day of July 1, 20 15, provided this application shall have been accepted by the Company

The Policy, if issued, shall be effective for a term of 5 year(s)

The Employer hereby makes application to Avesis Insurance Incorporated for Vision Benefits. The Employer agrees to maintain and furnish any records necessary to administer the plan, and to pay premiums monthly in advance

The Employer certifies that all the information shown on this application and any attachments are correct and complete and understands that the Insurance Company intends to rely on this information in determining whether or not the enrolling Employees may become insured. It is further understood and agreed that NO INSURANCE WILL BECOME EFFECTIVE UNTIL APPROVED BY THE INSURANCE COMPANY; and that no field representative of the Insurance Company has the authority to modify any conditions of application or policies by making any promise or representation. It is understood that the insurance as to any Employee will NOT become effective on the date insurance should otherwise become effective if he is not at work on such date performing all duties of his occupation and otherwise meets the requirements of the Insurance Company

Dated at: 1:22 p.m. this 12th day of March, 20 15

Signed for the Employer: [Signature] Title: HR & Risk Management Director

Separate Billing Required: ☐ Yes ☐ No (if yes, please attach names of classifications, location addresses and contact)

We wish to be included in the Avesis e-billing system: ☒ Yes ☐ No

WRITING BROKER'S CERTIFYING STATEMENT

I certify that I have accurately recorded on this application the information supplied by the proposed policyholder(s)

Firm Name: _____

Broker Name: (print) _____ Broker No: _____

Address: _____ City: _____ State: _____ Zip: _____

Commission Check Payable to: ☐ Firm Name: _____ Tax ID#: _____

Commission Check Payable to: ☐ Broker Name: _____ SS#: _____

Broker Signature: _____ Phone: _____

This application signed this _____ day of _____, 20 _____

APPLICATION INSTRUCTIONS

Complete this application form. Be sure to sign where indicated above

Return the completed application form along with the first month's premium payable to AVESIS INSURANCE INCORPORATED to:

Avesis Insurance Incorporated
P O Box 53548
Phoenix, AZ 85072-3548

Subsequent payments to be payable to AVESIS INSURANCE INCORPORATED and sent to the address above

Monthly Rate	Enrollment	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Employee Only	556	\$5.78	\$5.78	\$5.78	\$5.78	\$5.78
Employee & Family	947	\$13.40	\$13.40	\$13.40	\$13.40	\$13.40
Total Annual Premium		\$190,842	\$190,842	\$190,842	\$190,842	\$190,842

FULLY INSURED VISION						
Monthly Rate	Enrollment	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Employee Only	556	\$5.78	\$5.78	\$5.78	\$5.78	\$5.78
Employee + One	300	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Employee & Family	647	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99
Total Annual Premium		\$190,947	\$190,947	\$190,947	\$190,947	\$190,947

Other Services	Benefit Included In Cost Above	Additional Premium to Add to the Benefit Plan Design If Not Included In the Proposed Plan		
1. Tins	Yes/No	Single	EE +1	Family
2. Photochromic	Yes	\$0.96	\$1.68	\$2.49
3. Scratch coating	Yes	\$	\$	\$

Comments

UV Coating is an additional benefit included in the stated monthly premiums

Authorized Signature	<i>Michael Ream</i>
Vendor Name	Avesis Third Party Administrators, Inc.
Date	February 9th, 2015
Contact Phone Number	800-643-1132 x 12304

Employer Section

Underwriter Documents

FIDELITY SECURITY LIFE INSURANCE COMPANY
Kansas City, Missouri

POLICYHOLDER: City of Glendale

POLICY EFFECTIVE DATE: 07/01/2015

POLICY NUMBER: VC-16

STATE OF DELIVERY: Arizona

READ YOUR POLICY CAREFULLY

This Policy is a legal contract between the Policyholder and Fidelity Security Life Insurance Company. The consideration for this contract is the application and the payment of premiums as set forth herein.

AGREEMENT

This Policy and the attached application form the entire contract between the Policyholder and Us. Oral statements made by the Policyholder, by a Covered Person, by Our agent, or by any other person are not part of this Policy. Only Our President or a Vice President may make changes for Us. Such changes must be in writing and attached to this Policy. We reserve the right to amend the Policy from time to time.

We will pay, with respect to each Covered Person, the insurance benefits provided in this Policy. Payment is subject to the conditions, limitations and exceptions of this Policy. Eligibility requirements to be insured under this Policy are stated in the attached application. This Policy is governed by the laws of the state shown above. The sections set forth on the following pages are a part of this Policy and take effect on the Policy Effective Date.

PREMIUMS

Premiums are payable in advance by the Policyholder.

The first premium is due on the effective date of this Policy. Subsequent premiums are due on the first day of each calendar month thereafter. The required premium due on each premium due date is the sum of the premiums for all employees, and their dependents, covered under this Policy. The premiums due will be determined by applying the premium rates then in effect for each type of insurance provided by this Policy to the number of Covered Persons. All premiums are payable to Us at Our Office or to Our authorized agent.

While this Policy is in force, changes may be required in the premium payable due to a change in insurance as follows:

- a. If an amount of insurance is added or increased during a calendar month and the change is not due to a change in the terms of this Policy, premiums will be changed as of the date the change becomes effective.
- b. If an amount of insurance is deleted or decreased during a calendar month and the change is not due to a change in the terms of this Policy, premium will cease at the end of the calendar month in which the deletion or decrease occurred.
- c. If amounts of insurance are changed during a calendar month due to a change in the terms of this Policy, the premium charge or credit will be computed as of the effective date of the change.

**Group Insurance Policy Providing
Limited Benefits for Vision Care
Non-Participating**

If premiums are due Us or premium refunds are due the Policyholder as a result of clerical error in the reporting of dates to Us, all premiums or refunds will be calculated at the current rate of premium payment and limited to a maximum period of six months.

Premium Rate Change. We may change the premium rate on any Policy anniversary date. We will give the Policyholder written notice of any premium rate change at least 31 days prior to the change.

Grace Period. A grace period of 31 days will be allowed to the Policyholder for the payment of each premium due after the first premium. This Policy will remain in force during the grace period. If the required premium is not paid by the end of the 31-day period, this Policy will terminate. The Policyholder will be required to pay premium for the grace period.

Return of Premium. We reserve the right to rescind coverage on one or all employees due to misrepresentation or fraud on the Application for this Policy or an employee's Enrollment Form if such misrepresentation materially affected the acceptance of the risk.

1. If, on the date coverage is rescinded, no claims have been paid under this Policy, We will return to the Policyholder all premiums paid for such coverage.
2. If, on the date coverage is rescinded, claims have been paid under this Policy, We reserve the right to deduct an amount equal to the amount of such claims paid from the premiums returned to the Policyholder.

TERMINATION OF POLICY

The Policyholder or We may terminate or cancel this Policy on any date on or after the first Anniversary date of the Policy's Effective Date. Written notice must be provided to the other party at least 31 days prior to termination.

CERTIFICATES

Fidelity Security Life Insurance Company will furnish to the Policyholder a Certificate which will set forth the essential features of the insurance coverage.

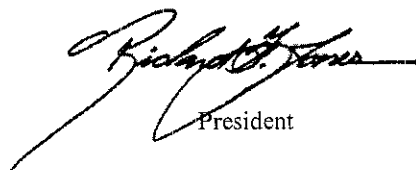
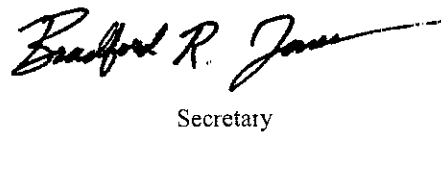
ADDITIONAL INSURED

Covered Persons may be added at any time if they meet the eligibility requirements stated in the Policyholder's application, complete an enrollment form, if required, and pay any required premium contributions.

INCORPORATION PROVISION

The provisions of the attached Certificate and all Rider(s) issued to amend this Policy after its effective date are made a part of this Policy. This Policy was signed by the Policyholder on the application. We sign here on behalf of Fidelity Security Life Insurance Company at Kansas City, Missouri.

FIDELITY SECURITY LIFE INSURANCE COMPANY

 
President Secretary

FIDELITY SECURITY LIFE INSURANCE COMPANY
3130 Broadway • Kansas City, Missouri 64111-2406 • (800) 648-8624

**Group Insurance Certificate Providing
Limited Benefits for Vision Care
Non-Participating**

This Certificate will take the place of any and all Certificates and Riders which may have been issued to You at a prior time under the Policy

GENERAL INFORMATION

About Your Insurance - This Certificate explains the plan of insurance which is underwritten by Fidelity Security Life Insurance Company. Read it closely to become familiar with Your plan. An individual identification card will be issued to You containing Your Group Number and Your Effective Date.

Important Notice - Benefits are payable only for expenses incurred while this insurance is in force. No agent has the right to change the Policy or to waive any part of it. The Policy under which this Certificate is issued may at any time be amended or canceled, as stated in its provisions. Such an action may be taken without the consent of or notice to any person who claims rights or benefits under the Policy. The insurance under the Policy does not take the place of nor does it affect any requirements for coverage by Workers' Compensation or a similar type of insurance. The benefits for Dependents which are described in this Certificate will be applicable to Your Dependents only if You make application to have Your Dependents insured.

DEFINITIONS

The following terms have specific meaning as used in the Policy:

Covered Person means an employee meeting the eligibility requirements of the Policy who is covered for benefits. Covered Person will also include Your Dependents, if enrolled.

Dependent means any of the following persons: 1) Your lawful spouse; 2) Each unmarried child from birth to age 19 who is primarily dependent upon You for support and maintenance; 3) Each unmarried child at least 19 years of age to age 25 who is primarily dependent upon You for support and maintenance and who is a full-time student; or 4) Each unmarried child at least 19 years of age: who is primarily dependent upon You for support and maintenance because the child is incapable of self-sustaining employment by reason of mental incapacity or physical handicap; who was so incapacitated and is a Covered Person under this Policy on his or her 19th birthday; and who has been continuously so incapacitated since his or her 19th birthday. Child includes stepchild, foster child, legally adopted child, child legally placed in Your home for adoption, and child under Your legal guardianship. A full-time student is one who is enrolled at least 12 semester hours for credit in the case of an accredited junior college, college or university; and, in the case of a trade school, is enrolled in a course requiring attendance of 15 or more hours weekly for six or more months.

Policy means the Policy issued to the Policyholder.

Policyholder means the Employer named as the Policyholder on the face of the Policy.

Provider means a licensed physician or optometrist who is operating within the scope of his or her license or a dispensing Optician.

Vision Examination means a comprehensive ophthalmological service as defined in the Current Procedural Technology (CPT) and the Documentation Guidelines listed under "Eyes-examination items". Comprehensive ophthalmological service describes a general evaluation of the complete visual system. The comprehensive services constitute a single service entity but need not be performed at one session. The service includes history, general medical observation, external and ophthalmoscopic examinations, gross visual fields and basic sensorimotor examination. It often includes, as indicated by examination: biomicroscopy, examination with cycloplegia or mydriasis and tonometry. It always includes initiation of diagnostic and treatment programs.

Vision Materials means corrective lenses and/or frames or contact lenses.

We, Our, Us means Fidelity Security Life Insurance Company.

You, Your, Yours means the employee covered under the Policy.

THIS PLAN IS NOT MEDICARE SUPPLEMENT. If you are eligible for Medicare, please review "Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," available from the Company.

DEFINITIONS (PPO and Non-PPO)

Preferred Agreement means an agreement between the PPO and a Provider concerning the rates and reimbursement methods for services and supplies provided by such Provider

Non-Preferred Provider means a Provider, located within the PPO Service Area, who has not signed a Preferred Agreement with the PPO

Preferred Provider means a Provider who has signed a Preferred Agreement with the PPO

Preferred Provider Organization ("PPO") means a network of Providers and retail chain stores within the PPO Service Area who have signed Preferred Agreements with the Company

PPO Service Area means the geographical area where the PPO is located

EFFECTIVE DATES

Effective Date of Employee's Insurance - Your insurance will be effective as follows: 1) If the Policyholder does not require You to contribute towards the premium for this coverage, Your insurance will be effective on the date You became eligible; 2) If the Policyholder requires You to contribute towards the premium for this coverage, Your insurance will be effective on the date You became eligible, provided; a) You have given Us Your enrollment form (if required) on, prior to, or within 30 days of the date You became eligible; and b) You have agreed, in writing, to pay the required contributions; 3) If You fail to meet the requirements (a) and (b) within 30 days after becoming eligible, Your coverage will not become effective until We have verified that You have met these requirements. You will then be advised of Your effective date

Effective Date of Dependent's Insurance - Coverage for Dependents becomes effective on the later of: 1) the date Dependent Coverage is first included in Your coverage; or 2) the premium due date on or after the date the person first qualifies as Your Dependent. If an enrollment form is required, You must provide such form and agree to pay any premium contribution that may be required prior to coverage becoming effective.

Newborn Children - If a Dependent is covered under Your Certificate, a Dependent child born while this Certificate is in force shall be covered from the moment of birth for 31 days. In order to continue coverage beyond this 31-day period, You must send Us notice and agree to pay any premium contributions that may be required by the Policyholder within this 31-day period.

Adopted Children - If a Dependent child is placed with You for adoption while the Certificate is in force, such child will be covered from the date of placement for 31 days. In order to continue coverage beyond this 31-day period, You must send in notice and agree to pay any premium contributions that may be required by the Policyholder within this 31-day period. If proper notice has been given, coverage will continue unless the placement is disrupted prior to legal adoption and the child is removed from placement.

SCHEDULE OF BENEFITS

Covered Persons have the right to obtain vision care from the Provider of their choice. However, payment of the Benefit varies depending on the type of Provider chosen. Benefits are payable as shown in the following Schedule:

<u>Benefit</u>	<u>Preferred Provider</u>	<u>Non-Preferred Provider</u>	<u>Benefit Period</u>
Vision Examination:	\$5.00 copayment	\$45.00	12 Months
Vision Materials:	\$10.00 copayment	N/A	
<i>Standard Lenses</i>			12 Months
Single	Paid in full after copayment	\$30.00	
Bifocal	Paid in full after copayment	\$50.00	
Trifocal	Paid in full after copayment	\$65.00	
Lenticular	Paid in full after copayment	\$100.00	
Progressives	\$50.00	\$50.00	
<i>Frames</i>	\$50.00	\$70.00	24 Months
<i>Contact Lenses*</i>			12 Months
Elective	\$130.00	\$130.00	
Medically Necessary	Paid in full	\$250.00	

*Contact Lenses includes fit, follow-up and Materials.

Any services which cannot be obtained by a Preferred Provider within the PPO Service Area because: 1) due to their specialized nature, there is no Preferred Provider located within the PPO Service Area; 2) are provided by a Provider not in the PPO Service Area; and 3) are specifically authorized in advance by the Covered Person's Provider and approved by the Company, shall be paid in accordance with the Schedule of Benefits, without further deductions, subject to all Policy maximums, limitations, conditions and exclusions

Benefit Period for Vision Examination is shown in the Schedule of Benefits and begins on the Policy Effective Date.

Benefit Period for Vision Materials is shown in the Schedule of Benefits and begins on the Policy Effective Date

Vision Examination Benefit - A Covered Person is eligible for one Vision Examination in each successive Benefit Period.

Vision Materials Benefit - If a Vision Examination results in a Covered Person needing corrective Vision Materials for their visual health and welfare, those Vision Materials prescribed by Providers will be supplied, subject to certain limitations and exclusions of the Policy, as follows:

- Lenses - Up to two lenses provided one time in each successive Benefit Period.
- Frame - One frame provided one time in each successive Benefit Period
- Contact Lenses - Contact lenses benefit provided in lieu of lenses and/or frame

LIMITATION

Vision Examination and Vision Materials - Fees charged by a Provider for services other than Vision Examination or covered Vision Materials must be paid in full by the Covered Person to the Provider. Such fees or materials are not covered under this Policy.

Benefit allowances provide no remaining balance for future use within the same Benefit Period, except for Contact Lenses benefit.

EXCLUSIONS

No benefits will be paid for services or materials connected with or charges arising from: 1) Orthoptic or vision training, subnormal vision aids, and any associated supplemental testing; Aniseikonic lenses; 2) Medical and/or surgical treatment of the eye, eyes, or supporting structures; 3) Any eye or Vision Examination, or any corrective eyewear, required by an Employer as a condition of employment and safety eyewear, unless specifically covered under the Policy; 4) Services provided as a result of any Workers' Compensation law, or similar legislation, or required by any governmental agency or program whether Federal, state, or subdivisions thereof; 5) Plano (non-prescription) lenses; 6) Non-prescription sunglasses; 7) Two pair of glasses in lieu of bifocals; or 8) Services or materials provided by any other group benefit plan providing vision care.

Lost or broken lenses, frames, glasses, or contact lenses will not be replaced except in the next Benefit Period when Vision Materials would next become available.

TERMINATION OF INSURANCE

For all Covered Persons - All Covered Persons' insurance will end automatically on the earliest of the following dates: a) The date the Policy ends; b) The end of the last period for which any required contribution agreed to in writing has been made; c) The date You are no longer eligible for insurance; d) The date Your employment with the Employer ends. Your coverage will end on the last day of the month in which employment ends. The Employer may, at its option, continue insurance for individuals whose employment has ended, if it: (i) does so without individual selection between employees; and (ii) if it continues making premium payments for those individuals.

For Dependents - A Dependent's insurance will automatically stop on the earlier of: a) the date Your coverage ends; b) the end of the month in which the Dependent ceases to be Your Dependent; c) the end of the last period for which any required contribution has been made.

A Dependent Child will not cease to be a Dependent solely because of age if the child is: a) not capable of self-sustaining employment due to mental incapacity or physical handicap that began before the age limit was reached; and b) mainly dependent on You for support.

We may ask for proof of the eligible child's incapacity and dependency two (2) months before the date the Dependent would otherwise cease to be covered.

We may require the same proof again, but We will not ask for it more than once a year after this coverage has been continued for two (2) years. This continued coverage will end: a) on the date the Policy ends; b) the date the incapacity or dependency ends; c) the last day of the month for which required premium for the child is paid; or d) 60 days after the date We request proof which is not given to Us.

CLAIMS

Notice Of Claim. Written notice of claim must be given: (a) within 30 days after a covered loss begins; or (b) as soon as reasonably possible after that. This notice may be given to Us at Our Home Office or to Our Administrator. Notice should include the Covered Person's name and the Policy and Certificate numbers.

Claim Forms. When We receive notice of claim, We will send the claimant forms for filing proof of loss within 15 days. If claim forms are not supplied within this 15-day period, a claimant may submit proof in writing, setting forth the nature and extent of the loss.

Proof Of Loss. Proof of loss must be furnished to Us within 90 days after the date of loss. We will not deny or reduce a claim if it was not reasonably possible to give Us proof within the time allowed. In any event, the Covered Person must give Us proof within one (1) year after it is due unless he is legally incapacitated.

Time Of Payment Of Claims. Immediately after receiving written proof of loss, the Company will pay all benefits then due a Covered Person. If the claim is not paid within 30 days after the receipt of due written proof of loss, interest is paid from the date the claim is received by the Company.

Payment Of Claims. All claims will be paid to You, unless We have the obligation to pay the facility or Provider directly. However, in the event a benefit becomes payable to Your estate, We may pay such benefit, up to an amount equal to \$1,000, to any relative by blood or connection by marriage whom We deem to be equitably entitled thereto. Payment made in good faith fully discharges Us to the extent of any payments made.

Legal Actions. No legal actions may be brought to recover under the Policy: (1) within 60 days after written proof of loss has been furnished as required; or (2) after three years (five years in Kansas and six years in South Carolina) from when written proof of loss is required.

Claim Appeal Procedure. If We partially or fully deny a claim for benefits submitted by a Covered Person and he or she disagrees or does not understand the reasons for this denial, the Covered Person may appeal this decision, and they have the right to: 1) Request a review of the denial; 2) Review pertinent plan documents; and 3) Submit in writing, any data, documents or comments which are relevant to Our review of this denial.

The Covered Person's appeal must be submitted in writing within 180 days of receiving written notice of denial. We will review all information and send written notification within 60 days of the Covered Person's request.

GENERAL PROVISIONS

Entire Contract. The Policy is a legal contract. It is between the Policyholder and Us. The entire contract consists of: (1) the Policy, the Certificate, endorsements and attachments, if any; (2) the Policyholder's Application; and (3) the employees' enrollment forms, if any. Any statement made by the Policyholder or by a Covered Person in an application will, in the absence of fraud, be deemed a representation and not a warranty. No such statement will void the coverage or reduce the benefits or be used in defense to a claim unless it is in writing and a copy of the application is furnished to the Covered Person.

Modification Of Policy. The Policy may be modified at any time by agreement between the Policyholder and Us without consent of any employee. No modification will be valid unless approved by one of Our officers: (1) the President; (2) a Vice President; or (3) the Secretary. The approval must be endorsed on or attached to the Policy. No agent has authority to modify the Policy or waive any of the Policy's provisions to extend the time for premium payment by making any promise or representation.

Incontestability. The validity of the Policy shall not be contested except for non-payment of premiums, fraudulent misstatements or material misrepresentations after it has been in force for two (2) years. Coverage under this Certificate shall not be contested except for non-payment of premiums or material misrepresentation after it has been in force for two (2) years. No statement, except fraudulent misstatements, made by You relating to: 1) Your insurability; or 2) The insurability of Your Dependents; shall be used in contesting the validity of the coverage of the person about whom the statement was made after coverage has been in force for a period of two (2) years. Any such statement must be contained in a written instrument signed by You, a copy of which has been furnished to You.

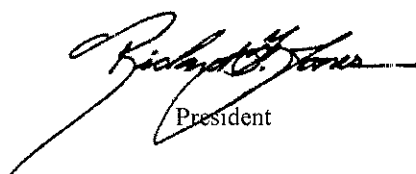
Fraud. If You or the Policyholder commits fraud pertaining to an employee against Us, as determined by a court of competent jurisdiction, Your coverage will end automatically without notice.

Misstatement Of Age. If a Covered Person's age has been misstated, the benefits will be those which the premium paid would have bought for the correct age. If a Covered Person's correct age was over the maximum issue age, coverage will be voided and the premiums paid for such Covered Person will be refunded.

Assignment Of Benefits. You may assign Your benefits. However, an assignment is not binding until We have received and acknowledged in writing the original or copy of the assignment before payment of the benefit. We do not guarantee the legal validity or effect of such assignment.

Grace Period. A grace period of 31 days will be allowed for the payment of each premium due after the first premium. Coverage will continue in force during the grace period. If the premium is not paid within the grace period, coverage will terminate as of the premium due date. The grace period will not apply if the Covered Person gives written notice to Us of his or her intent not to continue this coverage.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary

Avesis Third Party Administrators
3030 North Central Avenue, Suite 300
Phoenix, AZ 85012

**City of Glendale / Avesis
Vision Benefit Plan Addendum**

Avesis Third Party Administrators, Inc. agrees to the following provisions:

- A Conflict of Interest. This Contract is subject to A.R.S. § 38-511.
- B Immigration Law Compliance Consultant warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to its employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program
- C Non-Discrimination Policies. Contractors must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristic, familial status, U.S. military veteran status or any disability. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

Avesis Third Party Administrators, Inc

Date

City of Glendale

Date

CITY OF GLENDALE, an Arizona
municipal corporation

Richard A. Bowers, Acting City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael D. Bailey, City Attorney



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

AMENDATORY RIDER REGARDING REPLACEMENT COVERAGE

The Policy/Certificate to which this Amendment Rider is attached is amended as follows:

The following applies when the Policy serves to replace coverage an Employer previously obtained through another plan or policy. In this provision, that other plan or policy is referred to as the prior plan. An Employer's coverage under the Policy will not be considered as replacement coverage unless the Employer's coverage under the Policy takes effect within 60 days after coverage under the prior plan ends.

In the absence of this provision, a Covered Person who was covered by the prior plan at the date of discontinuance might not qualify for coverage under the Policy because the person is not actively at work or is confined in a Hospital.

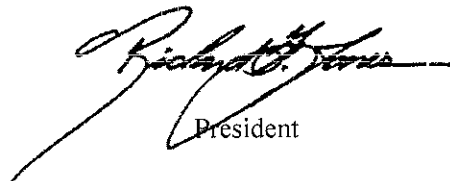
Each such person will be insured under the Policy if:

- (a) the person was insured under the prior plan, including coverage under the prior plan's extension of benefits provision, on the date the Employer's coverage with the prior plan ended;
- (b) the prior plan covered more than fifteen (15) people; and
- (c) the person is in a class of persons eligible for coverage under the Policy

The benefits payable for the persons described above will be the benefits of the Policy less any amount payable under the prior plan pursuant to any extension of benefits provision.

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the terms and conditions of the Policy/Certificate except as stated herein.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

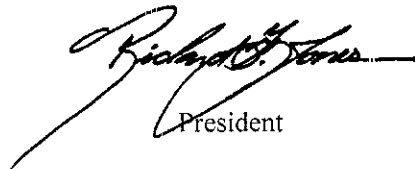
AMENDMENT RIDER

By attachment of this Rider, the third paragraph of the **PREMIUMS** section in the Policy is amended to add the following:

- d if a government action, including fees, taxes and assessments, or change in law or regulation materially affects the Company's risk, premium may be adjusted and will be effective upon written notification from the Company at least 31 days before the date of change.

This Rider takes effect on the effective date of the Policy to which it is attached. This Rider terminates concurrently with the Policy to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Policy except as stated.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

REFRACTIVE SURGERY BENEFIT RIDER

This Rider amends the Policy/Certificate to which it is attached. The following refractive surgical benefits are added:

DEFINITIONS

Injury means a bodily Injury sustained directly and independently of all other causes resulting in a covered loss under this Rider.

LASEK (Laser Assisted Epithelium Keratomileusis) means a slight variation of the traditional LASIK procedure as described below. This surgical procedure utilizes a trephine to create an epithelial flap (as opposed to the deeper stromal flap with LASIK) and an alcohol solution to preserve the epithelial cells. Once the epithelial flap is created and lifted, the treatment proceeds as for traditional PRK, with light smoothing at its conclusion. The epithelial flap is then repositioned with a small spatula.

LASIK (Laser Assisted In-Situ Keratomileusis) means a surgical procedure involving the use of a computer-controlled excimer laser to reshape the cornea (epithelium) without invading the adjacent cell layers. An automated microkeratome is used to shave off a thin, hinged layer of the cornea that is lifted, and the exposed surface is reshaped using the laser. After altering the cornea curvature, the flap is replaced and is adhered without stitches. In **IntraLase Initiated LASIK**, a special laser is used instead of a blade to create the flap. In **Custom Wavefront** or **Wavefront-Guided LASIK** procedures, a 3-dimensional measurement of how the eye processes images is used to guide the laser in re-shaping the front part of the eye (cornea).

PRK (Photorefractive Keratectomy) means a surgical procedure involving removal of the surface layer of the cornea by gentle scraping and use of a computer-controlled excimer laser to reshape the stroma.

Physician means an Ophthalmologist or Optometrist licensed under applicable state law to perform the surgical procedures for which benefits are payable under this Rider, and who is acting within the lawful scope of his or her license to render such service. A Physician cannot be the Covered Person or a member of the Covered Person's Immediate Family. "Immediate Family" means the Covered Person or the Covered Person's spouse, parent, child, grandparent, brother, sister, in-law or any person residing with the Covered Person.

Refractive Surgery means a surgical procedure which permanently alters the focusing power of the eye(s) in order to change refractive errors.

BENEFITS

Refractive Surgery Benefit. We will pay a one-time surgical indemnity benefit of \$150 (per Covered Person) for one of the following refractive surgical procedures to one or both eyes: LASIK (including Custom Wavefront, Wavefront-Guided or IntraLase initiated LASIK), LASEK or PRK, if performed by a Physician on a Covered Person while covered under this Rider, subject to the Exclusions provision.

EXCLUSIONS


Refractive Surgery Vision Benefit Exclusions

Benefits are not payable for any of the following:

- 1 Routine vision examinations or corrective vision materials, including corrective eyeglasses, fittings, lenses, frames or contact lenses; or
- 2 Medical or surgical procedures, services or treatments:
 - a. not specifically covered under this Rider;
 - b. provided free of charge in the absence of insurance;
 - c. payable under any Workers' Compensation law, or similar statutory authority;
 - d. payable under any governmental plan or program whether Federal, state or subdivisions thereof.

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Policy/Certificate except as stated.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

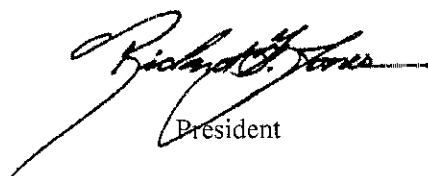
AMENDMENT RIDER

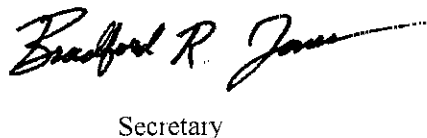
By attachment of this Rider, the Policy/Certificate is amended by the following:

Any provision of the Policy/Certificate that provides coverage for a Dependent child up to a certain age is amended to cover such child to age 26, regardless of financial dependency, residency, student status, or marital status.

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Policy/Certificate except as stated.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary

FACTS

WHAT DOES Fidelity Security Life Insurance Company, Fidelity Security Life Insurance Company of New York (NY Only) and Affiliates DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and transaction history
- medical information and insurance claim information
- assets and checking account information

When you are no longer our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Fidelity Security Life Insurance Company and Affiliates choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Fidelity Security Life share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call 800-648-8624 or go to www.fslins.com or www.ftj.com

Who we are	
Who is providing this notice?	Fidelity Security Life Insurance Company and Affiliates including our Administrative, Insurance and Financial Service Providers
What we do	
How does Fidelity Security Life Insurance Company and Affiliates protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>These physical, electronic and procedural safeguards were created to protect your information. We also limit employee access as appropriate.</p>
How does Fidelity Security Life Insurance Company and Affiliates collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ apply for insurance or pay insurance premiums ■ file an insurance claim or give us your contact information ■ show your driver's license <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes – information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include Fidelity Security Life Insurance Company of New York, Forrest T. Jones & Company, Inc., Forrest T. Jones Consulting Company and National Pension & Group Consultants, Inc.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Fidelity Security Life Insurance Company does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partners include insurance agencies, broker dealers and investment advisor firms.</i>
Other important information	

Employee Section

Underwriter Documents



City of Glendale
75003-1000

AVESIS ADVANTAGE VISION CARE EMPLOYEE ENROLLMENT FORM

PLEASE PRINT LEGIBLY

Underwritten by Fidelity Security Life Insurance Company Kansas City, Missouri

Policy No VC-18/VC-23

TO BE COMPLETED BY THE EMPLOYEE

Employee Last Name		Employee First Name		MI
Date of Birth	Social Security Number		Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	
Street Address			Apartment No	
City		State	Zip Code	

Do you wish to cover your eligible dependents?

☐ Yes

☐ No

If yes, complete the following:

	Dependent Name	Date of Birth
	FIRST	LAST
Spouse / Domestic Partner		
Child		
Child		
Child		
Child		
Child		
Child		

☐ I would like to cover additional eligible dependents (PLEASE LIST ON A SECOND ENROLLMENT FORM)

I authorize deductions from my earnings at the required contributions towards the cost of the coverage.

Signature	Date
-----------	------

A-00713

M-9059/M-9069/M-9086

TO BE COMPLETED BY THE EMPLOYER

If you are married to or in a domestic partnership with another Keller Foundation's employee, you may enroll as an employee or a dependent under the Plan, but you cannot enroll as both a dependent and an employee. Eligible dependents may be enrolled under one employee's coverage only under the Plan.

<input type="checkbox"/> New Enrollment	<input type="checkbox"/> Add <input type="checkbox"/> Dependent(s)	<input type="checkbox"/> Change <input type="checkbox"/> Address <input type="checkbox"/> Phone <input type="checkbox"/> Name <input type="checkbox"/> COBRA	<input type="checkbox"/> Cancel Coverage <input type="checkbox"/> Policy Holder <input type="checkbox"/> Dependent(s)
Reason for Change		<input type="checkbox"/> Employment Status <input type="checkbox"/> Qualifying Event: (PLEASE STATE) _____	
Requested Effective Date		Date of Employment	

FIDELITY SECURITY LIFE INSURANCE COMPANY
3130 Broadway • Kansas City, Missouri 64111-2406 • (800) 648-8624

**Group Insurance Certificate Providing
Limited Benefits for Vision Care
Non-Participating**

This Certificate will take the place of any and all Certificates and Riders which may have been issued to You at a prior time under the Policy.

GENERAL INFORMATION

About Your Insurance - This Certificate explains the plan of insurance which is underwritten by Fidelity Security Life Insurance Company. Read it closely to become familiar with Your plan. An individual identification card will be issued to You containing Your Group Number and Your Effective Date.

Important Notice - Benefits are payable only for expenses incurred while this insurance is in force. No agent has the right to change the Policy or to waive any part of it. The Policy under which this Certificate is issued may at any time be amended or canceled, as stated in its provisions. Such an action may be taken without the consent of or notice to any person who claims rights or benefits under the Policy. The insurance under the Policy does not take the place of nor does it affect any requirements for coverage by Workers' Compensation or a similar type of insurance. The benefits for Dependents which are described in this Certificate will be applicable to Your Dependents only if You make application to have Your Dependents insured.

DEFINITIONS

The following terms have specific meaning as used in the Policy.

Covered Person means an employee meeting the eligibility requirements of the Policy who is covered for benefits. Covered Person will also include Your Dependents, if enrolled.

Dependent means any of the following persons: 1) Your lawful spouse; 2) Each unmarried child from birth to age 19 who is primarily dependent upon You for support and maintenance; 3) Each unmarried child at least 19 years of age to age 25 who is primarily dependent upon You for support and maintenance and who is a full-time student; or 4) Each unmarried child at least 19 years of age: who is primarily dependent upon You for support and maintenance because the child is incapable of self-sustaining employment by reason of mental incapacity or physical handicap; who was so incapacitated and is a Covered Person under this Policy on his or her 19th birthday; and who has been continuously so incapacitated since his or her 19th birthday. Child includes stepchild, foster child, legally adopted child, child legally placed in Your home for adoption, and child under Your legal guardianship. A full-time student is one who is enrolled at least 12 semester hours for credit in the case of an accredited junior college, college or university; and, in the case of a trade school, is enrolled in a course requiring attendance of 15 or more hours weekly for six or more months.

Policy means the Policy issued to the Policyholder.

Policyholder means the Employer named as the Policyholder on the face of the Policy.

Provider means a licensed physician or optometrist who is operating within the scope of his or her license or a dispensing Optician.

Vision Examination means a comprehensive ophthalmological service as defined in the Current Procedural Technology (CPT) and the Documentation Guidelines listed under "Eyes-examination items". Comprehensive ophthalmological service describes a general evaluation of the complete visual system. The comprehensive services constitute a single service entity but need not be performed at one session. The service includes history, general medical observation, external and ophthalmoscopic examinations, gross visual fields and basic sensorimotor examination. It often includes, as indicated by examination: biomicroscopy, examination with cycloplegia or mydriasis and tonometry. It always includes initiation of diagnostic and treatment programs.

Vision Materials means corrective lenses and/or frames or contact lenses.

We, Our, Us means Fidelity Security Life Insurance Company.

You, Your, Yours means the employee covered under the Policy.

THIS PLAN IS NOT MEDICARE SUPPLEMENT. If you are eligible for Medicare, please review "Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," available from the Company.

DEFINITIONS (PPO and Non-PPO)

Preferred Agreement means an agreement between the PPO and a Provider concerning the rates and reimbursement methods for services and supplies provided by such Provider.

Non-Preferred Provider means a Provider, located within the PPO Service Area, who has not signed a Preferred Agreement with the PPO

Preferred Provider means a Provider who has signed a Preferred Agreement with the PPO.

Preferred Provider Organization ("PPO") means a network of Providers and retail chain stores within the PPO Service Area who have signed Preferred Agreements with the Company

PPO Service Area means the geographical area where the PPO is located.

EFFECTIVE DATES

Effective Date of Employee's Insurance - Your insurance will be effective as follows: 1) If the Policyholder does not require You to contribute towards the premium for this coverage, Your insurance will be effective on the date You became eligible; 2) If the Policyholder requires You to contribute towards the premium for this coverage, Your insurance will be effective on the date You became eligible, provided; a) You have given Us Your enrollment form (if required) on, prior to, or within 30 days of the date You became eligible; and b) You have agreed, in writing, to pay the required contributions; 3) If You fail to meet the requirements (a) and (b) within 30 days after becoming eligible, Your coverage will not become effective until We have verified that You have met these requirements. You will then be advised of Your effective date.

Effective Date of Dependent's Insurance - Coverage for Dependents becomes effective on the later of: 1) the date Dependent Coverage is first included in Your coverage; or 2) the premium due date on or after the date the person first qualifies as Your Dependent. If an enrollment form is required, You must provide such form and agree to pay any premium contribution that may be required prior to coverage becoming effective.

Newborn Children - If a Dependent is covered under Your Certificate, a Dependent child born while this Certificate is in force shall be covered from the moment of birth for 31 days. In order to continue coverage beyond this 31-day period, You must send Us notice and agree to pay any premium contributions that may be required by the Policyholder within this 31-day period.

Adopted Children - If a Dependent child is placed with You for adoption while the Certificate is in force, such child will be covered from the date of placement for 31 days. In order to continue coverage beyond this 31-day period, You must send in notice and agree to pay any premium contributions that may be required by the Policyholder within this 31-day period. If proper notice has been given, coverage will continue unless the placement is disrupted prior to legal adoption and the child is removed from placement.

SCHEDULE OF BENEFITS

Covered Persons have the right to obtain vision care from the Provider of their choice. However, payment of the Benefit varies depending on the type of Provider chosen. Benefits are payable as shown in the following Schedule:

<u>Benefit</u>	<u>Preferred Provider</u>	<u>Non-Preferred Provider</u>	<u>Benefit Period</u>
Vision Examination:	\$5.00 copayment	\$45.00	12 Months
Vision Materials:	\$10.00 copayment	N/A	
<i>Standard Lenses</i>			12 Months
Single	Paid in full after copayment	\$30.00	
Bifocal	Paid in full after copayment	\$50.00	
Trifocal	Paid in full after copayment	\$65.00	
Lenticular	Paid in full after copayment	\$100.00	
Progressives	\$50.00	\$50.00	
<i>Frames</i>	\$50.00	\$70.00	24 Months
<i>Contact Lenses*</i>			12 Months
Elective	\$130.00	\$130.00	
Medically Necessary	Paid in full	\$250.00	

*Contact Lenses includes fit, follow-up and Materials

Any services which cannot be obtained by a Preferred Provider within the PPO Service Area because: 1) due to their specialized nature, there is no Preferred Provider located within the PPO Service Area; 2) are provided by a Provider not in the PPO Service Area; and 3) are specifically authorized in advance by the Covered Person's Provider and approved by the Company, shall be paid in accordance with the Schedule of Benefits, without further deductions, subject to all Policy maximums, limitations, conditions and exclusions

Benefit Period for Vision Examination is shown in the Schedule of Benefits and begins on the Policy Effective Date

Benefit Period for Vision Materials is shown in the Schedule of Benefits and begins on the Policy Effective Date

Vision Examination Benefit - A Covered Person is eligible for one Vision Examination in each successive Benefit Period.

Vision Materials Benefit - If a Vision Examination results in a Covered Person needing corrective Vision Materials for their visual health and welfare, those Vision Materials prescribed by Providers will be supplied, subject to certain limitations and exclusions of the Policy, as follows:

- Lenses - Up to two lenses provided one time in each successive Benefit Period.
- Frame - One frame provided one time in each successive Benefit Period.
- Contact Lenses - Contact lenses benefit provided in lieu of lenses and/or frame.

LIMITATION

Vision Examination and Vision Materials - Fees charged by a Provider for services other than Vision Examination or covered Vision Materials must be paid in full by the Covered Person to the Provider. Such fees or materials are not covered under this Policy.

Benefit allowances provide no remaining balance for future use within the same Benefit Period, except for Contact Lenses benefit.

EXCLUSIONS

No benefits will be paid for services or materials connected with or charges arising from: 1) Orthoptic or vision training, subnormal vision aids, and any associated supplemental testing; Aniseikonic lenses; 2) Medical and/or surgical treatment of the eye, eyes, or supporting structures; 3) Any eye or Vision Examination, or any corrective eyewear, required by an Employer as a condition of employment and safety eyewear, unless specifically covered under the Policy; 4) Services provided as a result of any Workers' Compensation law, or similar legislation, or required by any governmental agency or program whether Federal, state, or subdivisions thereof; 5) Plano (non-prescription) lenses; 6) Non-prescription sunglasses; 7) Two pair of glasses in lieu of bifocals; or 8) Services or materials provided by any other group benefit plan providing vision care.

Lost or broken lenses, frames, glasses, or contact lenses will not be replaced except in the next Benefit Period when Vision Materials would next become available.

TERMINATION OF INSURANCE

For all Covered Persons - All Covered Persons' insurance will end automatically on the earliest of the following dates: a) The date the Policy ends; b) The end of the last period for which any required contribution agreed to in writing has been made; c) The date You are no longer eligible for insurance; d) The date Your employment with the Employer ends. Your coverage will end on the last day of the month in which employment ends. The Employer may, at its option, continue insurance for individuals whose employment has ended, if it: (i) does so without individual selection between employees; and (ii) if it continues making premium payments for those individuals.

For Dependents - A Dependent's insurance will automatically stop on the earlier of: a) the date Your coverage ends; b) the end of the month in which the Dependent ceases to be Your Dependent; c) the end of the last period for which any required contribution has been made.

A Dependent Child will not cease to be a Dependent solely because of age if the child is: a) not capable of self-sustaining employment due to mental incapacity or physical handicap that began before the age limit was reached; and b) mainly dependent on You for support.

We may ask for proof of the eligible child's incapacity and dependency two (2) months before the date the Dependent would otherwise cease to be covered.

We may require the same proof again, but We will not ask for it more than once a year after this coverage has been continued for two (2) years. This continued coverage will end: a) on the date the Policy ends; b) the date the incapacity or dependency ends; c) the last day of the month for which required premium for the child is paid; or d) 60 days after the date We request proof which is not given to Us.

CLAIMS

Notice Of Claim. Written notice of claim must be given: (a) within 30 days after a covered loss begins; or (b) as soon as reasonably possible after that. This notice may be given to Us at Our Home Office or to Our Administrator. Notice should include the Covered Person's name and the Policy and Certificate numbers.

Claim Forms. When We receive notice of claim, We will send the claimant forms for filing proof of loss within 15 days. If claim forms are not supplied within this 15-day period, a claimant may submit proof in writing, setting forth the nature and extent of the loss.

Proof Of Loss. Proof of loss must be furnished to Us within 90 days after the date of loss. We will not deny or reduce a claim if it was not reasonably possible to give Us proof within the time allowed. In any event, the Covered Person must give Us proof within one (1) year after it is due unless he is legally incapacitated.

Time Of Payment Of Claims. Immediately after receiving written proof of loss, the Company will pay all benefits then due a Covered Person. If the claim is not paid within 30 days after the receipt of due written proof of loss, interest is paid from the date the claim is received by the Company.

Payment Of Claims. All claims will be paid to You, unless We have the obligation to pay the facility or Provider directly. However, in the event a benefit becomes payable to Your estate, We may pay such benefit, up to an amount equal to \$1,000, to any relative by blood or connection by marriage whom We deem to be equitably entitled thereto. Payment made in good faith fully discharges Us to the extent of any payments made.

Legal Actions. No legal actions may be brought to recover under the Policy: (1) within 60 days after written proof of loss has been furnished as required; or (2) after three years (five years in Kansas and six years in South Carolina) from when written proof of loss is required.

Claim Appeal Procedure. If We partially or fully deny a claim for benefits submitted by a Covered Person and he or she disagrees or does not understand the reasons for this denial, the Covered Person may appeal this decision, and they have the right to: 1) Request a review of the denial; 2) Review pertinent plan documents; and 3) Submit in writing, any data, documents or comments which are relevant to Our review of this denial.

The Covered Person's appeal must be submitted in writing within 180 days of receiving written notice of denial. We will review all information and send written notification within 60 days of the Covered Person's request.

GENERAL PROVISIONS

Entire Contract. The Policy is a legal contract. It is between the Policyholder and Us. The entire contract consists of: (1) the Policy, the Certificate, endorsements and attachments, if any; (2) the Policyholder's Application; and (3) the employees' enrollment forms, if any. Any statement made by the Policyholder or by a Covered Person in an application will, in the absence of fraud, be deemed a representation and not a warranty. No such statement will void the coverage or reduce the benefits or be used in defense to a claim unless it is in writing and a copy of the application is furnished to the Covered Person.

Modification Of Policy. The Policy may be modified at any time by agreement between the Policyholder and Us without consent of any employee. No modification will be valid unless approved by one of Our officers: (1) the President; (2) a Vice President; or (3) the Secretary. The approval must be endorsed on or attached to the Policy. No agent has authority to modify the Policy or waive any of the Policy's provisions to extend the time for premium payment by making any promise or representation.

Incontestability. The validity of the Policy shall not be contested except for non-payment of premiums, fraudulent misstatements or material misrepresentations after it has been in force for two (2) years. Coverage under this Certificate shall not be contested except for non-payment of premiums or material misrepresentation after it has been in force for two (2) years. No statement, except fraudulent misstatements, made by You relating to: 1) Your insurability; or 2) The insurability of Your Dependents; shall be used in contesting the validity of the coverage of the person about whom the statement was made after coverage has been in force for a period of two (2) years. Any such statement must be contained in a written instrument signed by You, a copy of which has been furnished to You.

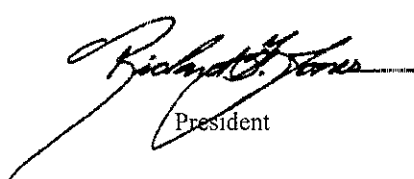

Fraud. If You or the Policyholder commits fraud pertaining to an employee against Us, as determined by a court of competent jurisdiction, Your coverage will end automatically without notice.

Misstatement Of Age. If a Covered Person's age has been misstated, the benefits will be those which the premium paid would have bought for the correct age. If a Covered Person's correct age was over the maximum issue age, coverage will be voided and the premiums paid for such Covered Person will be refunded.

Assignment Of Benefits. You may assign Your benefits. However, an assignment is not binding until We have received and acknowledged in writing the original or copy of the assignment before payment of the benefit. We do not guarantee the legal validity or effect of such assignment.

Grace Period A grace period of 31 days will be allowed for the payment of each premium due after the first premium. Coverage will continue in force during the grace period. If the premium is not paid within the grace period, coverage will terminate as of the premium due date. The grace period will not apply if the Covered Person gives written notice to Us of his or her intent not to continue this coverage.

FIDELITY SECURITY LIFE INSURANCE COMPANY

 
President Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

AMENDATORY RIDER REGARDING REPLACEMENT COVERAGE

The Policy/Certificate to which this Amendment Rider is attached is amended as follows:

The following applies when the Policy serves to replace coverage an Employer previously obtained through another plan or policy. In this provision, that other plan or policy is referred to as the prior plan. An Employer's coverage under the Policy will not be considered as replacement coverage unless the Employer's coverage under the Policy takes effect within 60 days after coverage under the prior plan ends.

In the absence of this provision, a Covered Person who was covered by the prior plan at the date of discontinuance might not qualify for coverage under the Policy because the person is not actively at work or is confined in a Hospital

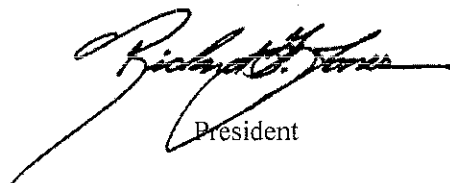
Each such person will be insured under the Policy if:

- (a) the person was insured under the prior plan, including coverage under the prior plan's extension of benefits provision, on the date the Employer's coverage with the prior plan ended;
- (b) the prior plan covered more than fifteen (15) people; and
- (c) the person is in a class of persons eligible for coverage under the Policy.

The benefits payable for the persons described above will be the benefits of the Policy less any amount payable under the prior plan pursuant to any extension of benefits provision

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the terms and conditions of the Policy/Certificate except as stated herein.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

REFRACTIVE SURGERY BENEFIT RIDER

This Rider amends the Policy/Certificate to which it is attached. The following refractive surgical benefits are added:

DEFINITIONS

Injury means a bodily Injury sustained directly and independently of all other causes resulting in a covered loss under this Rider.

LASEK (Laser Assisted Epithelium Keratomileusis) means a slight variation of the traditional LASIK procedure as described below. This surgical procedure utilizes a trephine to create an epithelial flap (as opposed to the deeper stromal flap with LASIK) and an alcohol solution to preserve the epithelial cells. Once the epithelial flap is created and lifted, the treatment proceeds as for traditional PRK, with light smoothing at its conclusion. The epithelial flap is then repositioned with a small spatula.

LASIK (Laser Assisted In-Situ Keratomileusis) means a surgical procedure involving the use of a computer-controlled excimer laser to reshape the cornea (epithelium) without invading the adjacent cell layers. An automated microkeratome is used to shave off a thin, hinged layer of the cornea that is lifted, and the exposed surface is reshaped using the laser. After altering the cornea curvature, the flap is replaced and is adhered without stitches. In **IntraLase Initiated LASIK**, a special laser is used instead of a blade to create the flap. In **Custom Wavefront** or **Wavefront-Guided LASIK** procedures, a 3-dimensional measurement of how the eye processes images is used to guide the laser in re-shaping the front part of the eye (cornea).

PRK (Photorefractive Keratectomy) means a surgical procedure involving removal of the surface layer of the cornea by gentle scraping and use of a computer-controlled excimer laser to reshape the stroma.

Physician means an Ophthalmologist or Optometrist licensed under applicable state law to perform the surgical procedures for which benefits are payable under this Rider, and who is acting within the lawful scope of his or her license to render such service. A Physician cannot be the Covered Person or a member of the Covered Person's Immediate Family. "Immediate Family" means the Covered Person or the Covered Person's spouse, parent, child, grandparent, brother, sister, in-law or any person residing with the Covered Person.

Refractive Surgery means a surgical procedure which permanently alters the focusing power of the eye(s) in order to change refractive errors.

BENEFITS

Refractive Surgery Benefit. We will pay a one-time surgical indemnity benefit of \$150 (per Covered Person) for one of the following refractive surgical procedures to one or both eyes: LASIK (including Custom Wavefront, Wavefront-Guided or IntraLase initiated LASIK), LASEK or PRK, if performed by a Physician on a Covered Person while covered under this Rider, subject to the Exclusions provision.

EXCLUSIONS

Refractive Surgery Vision Benefit Exclusions

Benefits are not payable for any of the following:

1. Routine vision examinations or corrective vision materials, including corrective eyeglasses, fittings, lenses, frames or contact lenses; or
2. Medical or surgical procedures, services or treatments:
 - a. not specifically covered under this Rider;
 - b. provided free of charge in the absence of insurance;
 - c. payable under any Workers' Compensation law, or similar statutory authority;
 - d. payable under any governmental plan or program whether Federal, state or subdivisions thereof.

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Policy/Certificate except as stated.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

Health Care Insurer Appeals Process Information Packet Fidelity Security Life Insurance Company

**CAREFULLY READ THE INFORMATION IN THIS PACKET AND KEEP IT
FOR FUTURE REFERENCE. IT HAS IMPORTANT INFORMATION ABOUT
HOW TO APPEAL DECISIONS WE MAKE ABOUT YOUR HEALTH CARE.**

Getting Information About the Health Care Appeals Process Help in Filing an Appeal: Standardized Forms and Consumer Assistance From the Department of Insurance

We must send you a copy of this information packet when you first receive your policy, and within 5 business days after we receive your request for an appeal. When your insurance coverage is renewed, we must also send you a separate statement to remind you that you can request another copy of this packet. We will also send a copy of this packet to you or your treating provider at any time upon request. Just call 1-800-648-8624 to ask.

At the back of this packet, you will find forms you can use for your appeal. The Arizona Insurance Department ("the Department") developed these forms to help people who want to file a health care appeal. You are not required to use them. We cannot reject your appeal if you do not use them. If you need help in filing an appeal, or you have questions about the appeals process, you may call the Department's Consumer Assistance Office at 602-364-2499 or 1-800-325-2548 or call us at 1-800-648-8624.

How to Know When You Can Appeal

When we do not authorize or approve a service or pay for a claim, we must notify you of your right to appeal that decision. Your notice may come directly from us, or through your treating provider.

Decisions You Can Appeal

You can appeal the following decisions:

- 1 We do not approve a service that you or your treating provider has requested.
- 2 We do not pay for a service that you have already received.
- 3 We do not authorize a service or pay for a claim because we say that it is not "medically necessary."
- 4 We do not authorize a service or pay for a claim because we say that it is not covered under your insurance policy, and you believe it is covered.
- 5 We do not notify you, within 10 business days of receiving your request, whether or not we will authorize a requested service.
- 6 We do not authorize a referral to a specialist.

Decisions You Cannot Appeal

You cannot appeal the following decisions:

- 1 You disagree with our decision as to the amount of “usual and customary charges ”
- 2 You disagree with how we are coordinating benefits when you have health insurance with more than one insurer.
- 3 You disagree with how we have applied your claims or services to your plan deductible
- 4 You disagree with the amount of coinsurance or copayments that you paid.
- 5 You disagree with our decision to issue or not issue a policy to you.
- 6 You are dissatisfied with any rate increases you may receive under your insurance policy
7. You believe we have violated any other parts of the Arizona Insurance Code.

If you disagree with a decision that is not appealable according to this list, you may still file a complaint with the Arizona Department of Insurance, Consumer Affairs Division, 2910 N. 44th, Second Floor, Phoenix, AZ 85018.

Who Can File An Appeal?

Either you or your treating provider can file an appeal on your behalf. At the end of this packet is a form that you may use for filing your appeal. You are not required to use this form, and can send us a letter with the same information. If you decide to appeal our decision to deny authorization for a service, you should tell your treating provider so the provider can help you with the information you need to present your case.

Description of the Appeals Process

There are two types of appeals: an expedited appeal for urgent matters, and a standard appeal. Each type of appeal has 3 levels. The appeals operate in a similar fashion, except that expedited appeals are processed much faster because of the patient's condition.

	Expedited Appeals	Standard Appeals
	<u>(for urgently needed services you have not yet received)</u>	<u>(for non-urgent services or denied claims)</u>
Level 1	Expedited Medical Review	Informal Reconsideration
Level 2	Expedited Appeal	Form Appeal
Level 3	Expedited External Independent Medical Review	External Independent Medical Review

We make the decisions at Level 1 and Level 2. An outside reviewer, who is completely independent from our company, makes Level 3 decisions. You are not responsible to pay the costs of the external review if you choose to appeal to Level 3.

<p style="text-align: center;">EXPEDITED APPEAL PROCESS FOR URGENTLY NEEDED SERVICES NOT YET PROVIDED</p>
--

Expedited Medical Review (Level 1)

Your request: You may obtain Expedited Medical Review of your denied request for a service that has not already been provided if:

- You have coverage with us,
- We denied your request for a covered service, and
- Your treating provider certifies in writing and provides supporting documentation that the time required to process your request through the Informal Reconsideration and Formal Appeal process (about 60 days) is likely to cause a significant negative change in your medical condition. (At the end of this packet is a form that your provider may use for this purpose. Your provider could also send a letter or make up a form with similar information.) Your treating provider must send the certification and documentation to:

Name: Lori Henry
Title: Claims Manager
Address: Avesis Third Party Administrators, Inc
3030 North Central Avenue, Suite 300
Phoenix, AZ 85012
Phone: 800-522-0258
FAX: 602-240-9100

Our decision: We have 1 business day after we receive the information from the treating provider to decide whether we should change our decision and authorize your requested service. Within that same business day, we must call and tell you and your treating provider, and mail you our decision in writing. The written decision must explain the reasons for our decision and tell you the documents on which we based our decision.

If we deny your request: You may immediately appeal to Level 2, Expedited Appeal.

If we grant your request: We will authorize the service and the appeal is over.

If we refer your case to Level 3, Expedited External, Independent Review: We may decide to skip Level 1 and Level 2 and send your case straight to an independent reviewer at Level 3.

Expedited Appeal (Level 2)

Your request: If we deny your request at Level 1, you may request an Expedited Appeal. After you receive our Level 1 denial, your treating provider *must immediately* send us a written request (to the same person and address listed above under Level 1) to tell us you are appealing to Level 2. To help your appeal, your provider should also send us any more information (that the provider hasn't already sent us) to show why you need the requested service.

Our decision: We have 3 business days after we receive the request to make our decision.

If we deny your request: You may immediately appeal to Level 3.

If we grant your request: We will authorize the service and the appeal is over.

If we refer your case to Level 3, Expedited External, Independent Review: We may decide to skip Level 2 and send your case straight to an independent reviewer at Level 3.

Expedited External, Independent Review (Level 3)

Your request: You may appeal to Level 3 only after you have appealed through Levels 1 and 2. You have only 5 business days after you receive our Level 2 decision to send us your written request for Expedited External, Independent Review. Send your request and any more supporting information to:

Name: Lori Henry
Title: Claims Manager
Address: Avesis Third Party Administrators, Inc.
3030 North Central Avenue, Suite 300
Phoenix, AZ 85012
Phone: 800-522-0258
FAX: 602-240-9100

Neither you nor your treating provider is responsible for the cost of any external independent review.

The process: There are two types of Level 3 appeals, depending on the issues in your case:

(1) Medical Necessity

These are cases where we have decided not to authorize a service because we think the services you (or your treating provider) are asking for are not medically necessary to treat your problem. For medical necessity cases, the independent reviewer is a provider retained by an outside independent review organization ("IRO"), that is procured by the Arizona Insurance Department, and not connected with our company. The IRO provider must be a provider who typically manages the condition under review.

(2) Contract Coverage

These are cases where we have denied coverage because we believe the requested service is not covered under your insurance policy. For contract coverage cases, the Arizona Insurance Department is the independent reviewer.

Medical Necessity Cases

Within 1 business day of receiving your request, we must:

1. Mail a written acknowledgment of the request to the Director of Insurance, you, and your treating provider
2. Send the Director of Insurance: the request for review; a copy of your policy, evidence of coverage or similar document; all medical records and supporting documentation used to render our decision; a summary of the applicable issues including a statement of our decision; the criteria used and clinical reasons for our decision; and the relevant portions of our utilization review guidelines. We must also include the name and credentials of the health care provider who reviewed and upheld the denial at the earlier appeal levels

Within 2 business days of receiving our information, the Insurance Director must send all the submitted information to an external IRO.

Within 72 hours of receiving the information the IRO must make a decision and send the decision to the Insurance Director.

Within 1 business day of receiving the IRO's decision, the Insurance Director must mail a notice of the decision to us, you, and your treating provider.

The decision (medical necessity): If the IRO decides that we should provide the service, we must authorize the service. If the IRO agrees with our decision to deny the service, the appeal is over. ~~Your only further option is to pursue your claim in Superior Court.~~

Contract Coverage Cases

Within 1 business day of receiving your request, we must:

1. Mail a written acknowledgment of your request to the Insurance Director, you, and your treating provider.
2. Send the Director of Insurance: the request for review; a copy of your policy, evidence of coverage or similar document; all medical records and supporting documentation used to render our decision; a summary of the applicable issues including a statement of our decision; the criteria used and any clinical reasons for our decision; and the relevant portions of our utilization review guidelines

Within 2 business days of receiving this information, the Insurance Director must determine if the service or claim is covered, issue a decision, and send a notice to us, you, and your treating provider

Referral to the IRO for contract coverage cases: The Insurance Director is sometimes unable to determine issues of coverage. If this occurs, the Insurance Director will forward your case to an IRO. The IRO will have 5 business days to make a decision and send it to the Insurance Director. The Insurance Director will have 1 business day after receiving the IRO's decision to send the decision to us, you, and your treating provider

The decision (contract coverage): If you disagree with the Insurance Director's final decision on a contract coverage issue, you may request a hearing with the Office of Administrative Hearings ("OAH"). If we disagree with the Director's final decision, we may also request a hearing before OAH. A hearing must be requested within 30 days of receiving the Director's decision. The OAH must promptly schedule and complete a hearing for appeals from expedited Level 3 decisions.

STANDARD APPEAL PROCESS FOR NON-URGENT SERVICES AND DENIED CLAIMS

Informal Reconsideration (Level 1)

Your request: You may obtain Informal Reconsideration of your denied request for a service or claim if:

- You have coverage with us,
- We denied your request for a covered service or claim,
- You do not qualify for an expedited appeal, and
- You or your treating provider asks for Informal Reconsideration within 2 years of the date we first deny the requested service or claim by calling, writing, or faxing your request to:

Name: Lori Henry
Title: Claims Manager
Address: Avesis Third Party Administrators, Inc
3030 North Central Avenue, Suite 300
Phoenix, AZ 85012
Phone: 800-522-0258
FAX: 602-240-9100

Claim for a covered service already provided but not paid for: You may not obtain Informal Reconsideration of your denied request for the payment of a covered service. Instead, you may start the review process by seeking Formal Appeal, Level 2.

Our acknowledgment: We have 5 business days after we receive your request for Informal Reconsideration ("the receipt date") to send you and your treating provider a notice that we got your request

Our decision: We have 30 days after the receipt date to decide whether we should change our decision and authorize your requested service or pay your claim. Within that same 30 days, we must send you and your treating provider our written decision. The written decision must explain the reasons for our decision and tell you the documents on which we based our decision.

If we deny your request: You have four months to appeal to Level 2.

If we grant your request: The decision will authorize the service or pay the claim and the appeal is over.

If we refer your case to Level 3: We may decide to skip Level 1 and Level 2 and send your case straight to an independent reviewer at Level 3.

Formal Appeal (Level 2)

Your request: You may request Formal Appeal if: (1) we deny your request at Level 1, or (2) you have an unpaid claim and we did not provide a Level 1 review. After you receive our Level 1 denial, you or your treating provider must send us a written request within 60 days to tell us you are appealing to Level 2. If we did not provide a Level 1 review of your denied claim, you have 2 years from our first denial notice to request Formal Appeal. To help us make a decision on your appeal, you or your provider should also send us any more information (that you haven't already sent us) to show why we should authorize the requested service or pay the claim. Send your appeal request and information to:

Name: Lori Henry
Title: Claims Manager
Address: Avesis Third Party Administrators, Inc.
3030 North Central Avenue, Suite 300
Phoenix, AZ 85012
Phone: 800-522-0258
FAX: 602-240-9100

Our acknowledgment: We have 5 business days after we receive your request for Formal Appeal ("the receipt date") to send you and your treating provider a notice that we got your request.

Our decision: For a denied service that you have not yet received, we have 30 days after the receipt date to decide whether we should change our decision and authorize your requested service. For denied claims, we have four months to decide whether we should change our decision and pay your claim. We will send you and your treating provider our decision in writing. The written decision must explain the reasons for our decision and tell you the documents on which we based our decision.

If we deny your request or claim: You have four months to appeal to Level 3, External, Independent Review.

If we grant your request: We will authorize the service or pay the claim and the appeal is over.

If we refer your case to Level 3: We may decide to skip Level 2 and send your case straight to an independent reviewer at Level 3.

External, Independent Review (Level 3)

Your request: You may appeal to Level 3 only after you have appealed through Levels 1 and 2. You have four months after you receive our Level 2 or expedited medical review decision to send us your written request for External, Independent Review. Send your request and any more supporting information to:

Name: Lori Henry
Title: Claims Manager
Address: Avesis Third Party Administrators, Inc.
3030 North Central Avenue, Suite 300
Phoenix, AZ 85012
Phone: 800-522-0258
FAX: 602-240-9100

Neither you nor your treating provider is responsible for the cost of any External, Independent Review.

The process: There are two types of Level 3 appeals, depending on the issues in your case:

(1) Medical Necessity

These are cases where we have decided not to authorize a service because we think the services you (or your treating provider) are asking for, are not medically necessary to treat your problem. For medical necessity cases, the independent reviewer is a provider retained by an outside IRO, procured by the Arizona Insurance Department, and not connected with our company. For medical necessity cases, the provider must be a provider who typically manages the condition under review.

(2) Contract Coverage

These are cases where we have denied coverage because we believe the requested service is not covered under your insurance policy. For contract coverage cases, the Arizona Insurance Department is the independent reviewer.

Medical Necessity Cases

Within 5 business days of receiving your request, we must:

1. Mail a written acknowledgment of the request to the Director of Insurance, you, and your treating provider.
2. Send the Director of Insurance: the request for review; a copy of your policy, evidence of coverage or similar document; all medical records and supporting documentation used to render our decision; a summary of the applicable issues including a statement of our decision; the criteria used and clinical reasons for our decision; and the relevant portions of our utilization review guidelines. We must also include the name and credentials of the health care provider who reviewed and upheld the denial at the earlier appeals levels.

Within 5 days of receiving our information, the Insurance Director must send all the submitted information to an external IRO.

Within 21 days of receiving the information the IRO must make a decision and send the decision to the Insurance Director.

Within 5 business days of receiving the IRO's decision, the Insurance Director must mail a notice of the decision to us, you, and your treating provider.

The decision (medical necessity): If the IRO decides that we should provide the service or pay the claim, we must authorize the service or pay the claim. If the IRO agrees with our decision to deny the service or payment, the appeal is over. Your only further option is to pursue your claim in Superior Court.

Contract Coverage Cases

Within 5 business days of receiving your request, we must:

1. Mail a written acknowledgment of your request to the Insurance Director, you, and your treating provider.
2. Send the Director of Insurance: the request for review; a copy of your policy, evidence of coverage or similar document; all medical records and supporting documentation used to render our decision; a summary of the applicable issues including a statement of our decision; the criteria used and any clinical reasons for our decision; and the relevant portions of our utilization review guidelines.

Within 15 business days of receiving this information, the Insurance Director must determine if the service or claim is covered, issue a decision, and send a notice to us, you, and your treating provider. If the Director decides that we should provide the service or pay the claim, we must do so.

Referral to the IRO for contract coverage cases: The Insurance Director is sometimes unable to determine issues of coverage. If this occurs, the Insurance Director will forward your case to an IRO. The IRO will have 21 days to make a decision and send it to the Insurance Director. The Insurance Director will have 5 business days after receiving the IRO's decision to send the decision to us, you, and your treating provider.

The decision (contract coverage): If you disagree with the Insurance Director's final decision on a coverage issue, you may request a hearing with the OAH. If we disagree with the Director's determination of coverage issues, we may also request a hearing at OAH. Hearings must be requested within 30 days of receiving the coverage issue determination. OAH has rules that govern the conduct of their hearing proceedings.

Obtaining Medical Records

Arizona law (A.R.S. §12-2293) permits you to ask for a copy of your medical records. Your request must be in writing and must specify who you want to receive the records. The health care provider who has your records will provide you or the person you specified with a copy of your records.

Designated Decision-Maker: If you have a designated health care decision-maker, that person must send a written request for access to or copies of your medical records. The medical records must be provided to your health care decision-maker or a person designated in writing by your health care decision-maker unless you limit access to your medical records only to yourself or your health care decision-maker.

Confidentiality: Medical records disclosed under A.R.S. §12-2293 remain confidential. If you participate in the appeal process, the relevant portions of your medical records may be disclosed only to people authorized to participate in the review process for the medical condition under review. These people may not disclose your medical information to any other people.

Documentation for an Appeal

If you decide to file an appeal, you must give us any material justification or documentation for the appeal at the time the appeal is filed. If you gather new information during the course of your appeal, you should give it to us as soon as you get it. You must also give us the address and phone number where you can be contacted. If the appeal is already at Level 3, you should also send the information to the Department.

The Role of the Director of Insurance

Arizona law (A.R.S. §20-2533(F)) requires "any member who files a complaint with the Department relating to an adverse decision to pursue the review process prescribed" by law. This means, that for appealable decisions, you must pursue the health care appeals process before the Insurance Director can investigate a complaint you may have against our company based on the decision at issue in the appeal.

The appeal process requires the Director to:

1. Oversee the appeals process.
2. Maintain copies of each utilization review plan submitted by insurers.
3. Receive, process, and act on requests from an insurer for External, Independent Review.
4. Enforce the decisions of insurers.
5. Review decisions of the insurers.
6. Report to the Legislature.
7. Send, when necessary, a record of the proceedings of an appeal to Superior Court or to the OAH.
8. Issue a final administrative decision on coverage issues, including the notice of the right to request a hearing at OAH.

Receipt of Documents

Any written notice, acknowledgment, request, decision or other written document required to be mailed is deemed received by the person to whom the document is properly addressed on the fifth business day after being mailed. "Properly addressed" means your last known address.

HEALTH CARE APPEAL REQUEST FORM

You may use this form to tell your insurer you want to appeal a denial decision.

Send to:	Name: Lori Henry Title: Claims Manager Address: Avesis Third Party Administrators, Inc 3030 North Central Ave, Suite 300, Phoenix, AZ 85012	Phone: 800-522-0258 Fax: 602-240-9100
Insured Member's Name		Member I D #
Name of Representative Pursuing Appeal (if different from above)		
Mailing Address		Phone #
City	State	Zip Code
Type of Denial: <input type="checkbox"/> Denied Claim <input type="checkbox"/> Denied Service Not Yet Received		Name of Insurer that denied the claim/service:

If you are appealing your insurer's decision to deny a service you have not yet received, will a 30 to 60 day delay in receiving the service likely cause a significant negative change in your health? If your answer is "Yes," you may be entitled to an expedited appeal. Your treating provider must sign and send a certification and documentation supporting the need for an expedited appeal.

What decision are you appealing? _____

(Explain what you want your insurer to authorize or pay for.)

Explain why you believe the claim or service should be covered:

(Attach additional sheets of paper, if needed.)

If you have questions about the appeals process or need help to prepare your appeal, you may call the Department of Insurance Consumer Assistance number (602) 364-2499 or 1-(800) 325-2548, or Avesis Third Party Administrators, Inc. at 800-522-0258.

Make sure to attach everything that shows why you believe your insurer should cover your claim or authorize a service, including: ☐ Medical records ☐ Supporting documentation (letter from your doctor, brochures, notes, receipts, etc.)
** Also attach the certification from your treating provider if you are seeking an expedited review.



Signature of insured or authorized representative

Date

PROVIDER CERTIFICATION FORM FOR EXPEDITED MEDICAL REVIEWS
(You and your provider may use this form when requesting an expedited appeal.)

Send to:	Name:	Lori Henry	Phone:	800-522-0258
	Title:	Claims Manager	Fax:	602-240-9100
	Address:	Avesis Third Party Administrators, Inc		
	3030 North Central Ave, Suite 300, Phoenix, AZ 85012			

A patient who is denied authorization for a covered service is entitled to an expedited appeal if the treating provider certifies and provides supporting documentation that the time period for the standard appeal process (about 60 days) "is likely to cause a significant negative change in the patient's medical condition at issue."

PROVIDER INFORMATION

Treating Physician/Provider		
Phone #	Fax #	
Address		
City	State	Zip Code

PATIENT INFORMATION

Patient's Name	Member ID #	
Phone #		
Address		
City	State	Zip Code

INSURER INFORMATION

Insurer Name		
Phone #	FAX #	
Address		
City	State	Zip Code

- Is the appeal for a service that the patient has already received? ☐ Yes ☐ No
If "Yes," the patient must pursue the standard appeals process and cannot use the expedited appeals process.
If "No," continue with this form
- What service denial is the patient appealing? _____
- Explain why you believe the patient needs the requested service and why the time for the standard appeal process will harm the patient _____

Attach additional sheets if needed, and include: ☐ Medical records ☐ Supporting documentation

If you have questions about the appeals process or need help regarding this certification, you may call the Department of Insurance Consumer Assistance number (602) 364-2499 or 1-(800) 325-2548. You may also call Avesis Third Party Administrators, Inc. at 800-522-0258.

I certify, as the patient's treating provider, that delaying the patient's care for the time period needed for the informal reconsideration and formal appeal processes (about 60 days) is likely to cause a significant negative change in the patient's medical condition at issue

► _____
Provider's Signature

Date



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

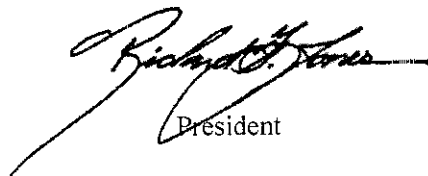
AMENDMENT RIDER

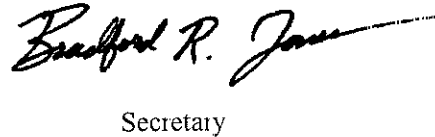
By attachment of this Rider, the Policy/Certificate is amended by the following:

Any provision of the Policy/Certificate that provides coverage for a Dependent child up to a certain age is amended to cover such child to age 26, regardless of financial dependency, residency, student status, or marital status.

This Rider takes effect on the effective date of the Policy/Certificate to which it is attached. This Rider terminates concurrently with the Policy/Certificate to which it is attached. It is subject to all the definitions, limitations, exclusions and conditions of the Policy/Certificate except as stated.

FIDELITY SECURITY LIFE INSURANCE COMPANY


President


Secretary



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

NOTICE OF ADMINISTRATOR'S CAPACITY

PLEASE READ: This notice advises insured persons of the identity and relationship among the administrator, the policyholder and the insurer:

- 1 Fidelity Security Life Insurance Company (FSL) has, by agreement, arranged for Avesis Third Party Administrators, Inc to provide administrative services for your insurance plan. As administrator, Avesis Third Party Administrators, Inc may be authorized to market, underwrite, bill and collect premiums, process claims payment, and perform other services, according to the terms of its agreement with the insurance company. Avesis Third Party Administrators, Inc is not the insurance company or the policyholder.
- 2 The policyholder is the entity to whom the insurance policy has been issued. The policyholder is identified on either the face page or schedule page of the policy or certificate.
- 3 Fidelity Security Life Insurance Company is liable for the funds to pay your insurance claims.

If Avesis Third Party Administrators, Inc. is authorized to process claims for the insurance company, they will do so promptly. In the event there are delays in claims processing, you will have no greater rights to interest or other remedies against Avesis Third Party Administrators, Inc. than would otherwise be afforded to you by law.



FIDELITY SECURITY LIFE INSURANCE COMPANY

3130 Broadway
Kansas City, Missouri 64111-2406
Phone 800-648-8624
A STOCK COMPANY
(Herein Called "the Company")

HIPAA Notice of Privacy Practices

**THIS NOTICE DESCRIBES HOW PROTECTED HEALTH INFORMATION ABOUT YOU MAY
BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.
PLEASE REVIEW IT CAREFULLY.**

This notice describes how we protect personal health information we have about you which relates to our medical, dental, vision and prescription drug coverage. Protected Health Information ("PHI") is individually identifiable information about you. All of the following are examples of PHI: demographic information like your name, address and social security number; medical information that relates to your past, present or future physical or mental health that is collected, created or received from you, a health care provider, a health plan, employer or a health care clearinghouse; the providing of health care; or the past, present or future payment for providing health care to you.

Our Legal Duty

We are required by applicable federal and state laws to maintain the privacy of your PHI. We are also required to give you this notice about our privacy practices, our legal duties, and your rights concerning your PHI. We must follow the privacy practices that are described in this notice while it is in effect. This notice takes effect June 1, 2013 or the date coverage became effective for you, whichever is later, and will remain in effect until we replace it.

We reserve the right to change our privacy practices and the terms of this notice at any time, provided such changes are permitted by applicable law. We reserve the right to make the changes in our privacy practices and the new terms of our notice effective for all PHI that we maintain, including PHI we created or received before we made the changes. Before we make a significant change in our privacy practices, we will change this notice and send the new notice to our Insureds at the time of change.

You may request a copy of our notice at any time. For more information about our privacy practices, or for additional copies of this notice, please contact us using the information listed at the end of this notice.

Uses and Disclosures of Your PHI

In conducting our business we will create records regarding you and the insurance services we provide you. The main reasons for which we may use and may disclose your PHI are to evaluate and process any requests for medical coverage and claims for benefits you may make. The following describe these and other uses and disclosures, together with some examples:

Treatment: We may use or disclose your PHI to facilitate medical treatment by providers. For example, your PHI may be provided to a physician to whom you have been referred to ensure that the physician has the necessary information to treat you. We may request the services of a business associate to assist us in these activities.

Payment: We may use and disclose your PHI to facilitate payment of benefits under your insurance coverage. For example, we might disclose your PHI to determine your eligibility for benefits, to coordinate benefits, to examine medical necessity, to obtain payments and to issue explanations of benefits. We also may use your PHI to obtain payment from third parties that may be responsible for your premium payments, such as family members.

Health Care Operations: We may use and disclose your PHI as necessary, and as permitted by law, to operate our business. Health care operations include: (i) rating our risk and determining our premiums for your insurance; (ii) conducting quality assessment and improvement activities; (iii) conducting or arranging for medical review, legal services, audit services, fraud and abuse detection and compliance programs; and (iv) business planning and development.

On Your Authorization: You may give us written authorization to use your PHI or to disclose it to anyone for any purpose. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect. Unless you give us a written authorization, we cannot use or disclose your PHI for any reason except those described in this notice. We would also need to obtain your prior written authorization if your PHI were to be used for marketing or sales purposes.

To Your Family and Friends: We may disclose your PHI to a family member, friend, or other person to the extent necessary to help with your health care or for payment of your health care. We may use or disclose your name, location and general condition or death to notify, or assist in the notification, of (including identifying or locating) a person involved in your care.

Before we disclose your PHI to a person involved with your health care or payment for your health care, we will provide you with an opportunity to object to such uses or disclosures. If you are not present, or in the event of your incapacity or an emergency, we will disclose your PHI based on our professional judgment of whether the disclosure would be in your best interest.

Your Employer or Organization Sponsoring Your Health Plan: We may disclose your PHI and the PHI of others enrolled in your group insurance plan to the employer or other organization that sponsors your group insurance plan to permit the plan administrator to perform plan administration functions. We may also disclose summary information about the enrollees in your group insurance plan to the plan administrator to use to obtain premium bids for the health insurance coverage offered through your group insurance plan or to decide whether to modify, amend or terminate your group insurance plan. The summary information we may disclose will summarize claims history, claims expenses, or types of claims experienced by the enrollees in your group insurance plan. The summary information will be stripped of demographic information about the enrollees in the group insurance plan, but the plan administrator may still be able to identify you or other participants in your group health plan from the summary information. We may also disclose enrollment and disenrollment information to either the plan administrator or plan sponsor of your group insurance plan.

Underwriting: We may receive your PHI for underwriting, premium rating or other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits. We will not use or further disclose your PHI for any other purpose, except as required by law, unless the contract of health insurance or health benefits is placed with us, or where we disclose such information to MIB, Inc., a non-profit membership organization of life and health insurance companies, which operates an information exchange on behalf of its members. In those cases, our use and disclosure of your PHI will only be as described in this notice. We are also prohibited from using genetic information for underwriting.

Public Benefit: We may use or disclose your PHI without your authorization when required or permitted by law for the following purposes deemed in the public interest or benefit:

- for public health activities, including disease and vital statistic reporting, child abuse reporting, FDA oversight, and to employers regarding work-related illness or injury;
- to report adult abuse, neglect, or domestic violence;
- to health oversight agencies;
- in response to court and administrative orders and other lawful processes;
- to law enforcement officials pursuant to subpoenas and other lawful processes, concerning crime victims, suspicious deaths, crimes on our premises, reporting crimes in emergencies, and for purposes of identifying or locating a suspect or other person;
- to coroners, medical examiners, and funeral directors;
- to organ procurement organizations;
- to avert a serious threat to health and safety;
- to the military and to federal officials for lawful intelligence, counterintelligence, and national security activities;
- to correctional institutions regarding inmates; and
- as authorized by state worker's compensation laws.

Business Associates: Certain aspects and components of our business are preformed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our duly appointed insurance agents, third party administrators, financial auditors, actuarial and underwriting services, reinsurers, legal services, enrollment and billing services, claim payment and medical management services and collection agencies. At times it may be necessary for us to provide your PHI to one or more of these outside persons or organizations who assist us with our payment or health care operations. In all cases, we disclose only the minimum information necessary for these business associates to perform their responsibilities, and we require them to appropriately safeguard the privacy of your information.

Individual Rights

Access: In most cases, you have the right to inspect and/or obtain an electronic or hard copy of the PHI that we maintain about you. You may also send a written request designating another individual to receive your PHI on your behalf. Written requests must be signed and dated by you or your personal representative using the "Contact Information" provided at the end of this Notice. The request must clearly identify the individual to receive your PHI. We may charge a fee for the costs of copying, mailing, labor and supplies associated with your request. However, certain types of PHI will not be made available for inspection and copying. This includes psychotherapy notes and PHI collected by us in connection with, or in reasonable anticipation of any claim or legal proceeding. In very limited circumstances we may deny your request to inspect and obtain a copy of your PHI. If we do, you may request that the denial be reviewed. The review will be conducted by an individual chosen by us who was not involved in the original decision to deny your request. We will comply with the outcome of that review.

Disclosure Accounting: You have the right to receive a list of instances in which we or our business associates disclosed your PHI for purposes other than for treatment, payment, health care operations or as otherwise authorized by you during the six years prior to the date the accounting is requested. For example, we would account for your PHI or demographic information we disclose during an audit by an insurance department or pursuant to a court order. You must make your request in writing using the "Contact Information" provided at the end of this Notice. If you request this accounting more than once in a 12-month period, we may charge you a reasonable, cost-based fee for responding to these additional requests. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

Restriction: You have the right to request a restriction or limitation on PHI we use or disclose about you for treatment, payment or health care operations, or that we disclose to someone who may be involved in your care or payment for your care, like a family member or friend. While we will consider your request, we are not required to agree to it. If we do agree to it, we will comply with your request. To request a restriction, you must make your request in writing using the "Contact Information" provided at the end of this Notice. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure or both; and (3) to whom you want the limits to apply (for example, disclosures to your spouse or parent). We will not agree to restrictions on PHI uses or disclosures that are legally required, or which are necessary to administer our business.

Unauthorized Access: You are entitled to receive notification of unauthorized access to your PHI. We maintain physical, electronic and procedural safeguards that are compliant with applicable federal and state privacy laws. However, if your PHI is ever compromised, we will notify you of the incident.

Confidential Communications: You have the right to request that we communicate with you about PHI in a certain way or at a certain location if you tell us that communication in another manner may endanger you. For example, you can ask that we only contact you at work or by mail. To request confidential communications, you must make your request in writing using the "Contact Information" provided at the end of this Notice and specify how or where you wish to be contacted. We will accommodate all reasonable requests.

Amendment: If you believe that your PHI is incorrect or that an important part of it is missing, you have the right to ask us to amend your PHI while it is kept by or for us. You must provide your request and your reason for the request in writing using the "Contact Information" provided at the end of this Notice. We may deny your request if it is not in writing or does not include a reason that supports the request. In addition, we may deny your request if you ask us to amend PHI that: (i) is accurate and complete; (ii) was not created by us, unless the person or entity that created the PHI is no longer available to make the amendment; (iii) is not part of the PHI kept by or for us; or (iv) is not part of the PHI which you would be permitted to inspect and copy.

Right to File a Complaint: If you believe your privacy rights have been violated, you may file a complaint with us or with the Secretary of the Department of Health and Human Services. To file a complaint with us, submit your complaint using the "Contact Information" provided at the end of this Notice. All complaints must be submitted in writing. You will not be retaliated against for filing a complaint.

Contact Information: If you have questions regarding this Notice or need further assistance regarding this Notice, please contact us at:

Contact Office: Fidelity Security Life Insurance Company, HIPAA Customer Service

Telephone: 800-648-8624 Fax: 816-968-0660

Address: 3130 Broadway, Kansas City, MO 64111-2406



Legislation Description

File #: 15-334, Version: 1

AUTHORIZATION TO AWARD CONTRACT TO SUN LIFE FINANCIAL FOR BASIC, AD&D AND SUPPLEMENTAL LIFE INSURANCE

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Purpose and Recommended Action

This is a request for City Council to approve and direct the Acting City Manager to enter into a contract with Sun Life Financial for employee basic life, accidental death and dismemberment and supplemental life insurance covering City of Glendale Active employees and Retiree's for the Fiscal Year 2015-2016 and authorizing the City Manager the option to extend the term of this contract four additional years in one year increments.

Background

The City has traditionally offered basic life, accidental death and dismemberment and supplemental life insurance to employees. All benefit eligible employees are covered for basic life and accidental death and dismemberment insurance through our current vendor, The Hartford at no cost to the plan participants. In addition, we have 732 supplemental life insurance plan participants. The City entered into the existing contract with The Hartford on July 8, 2008 which was subsequently approved for an extension by City Council through June 30, 2015.

Analysis

In October 2014, Human Resources began the RFP process in conjunction with Segal Consulting, for Dental, Vision, and Life Insurance and administrative services for Disability benefits. An evaluation committee comprised of Segal Consulting and employees from Human Resources, Police, Fire, Community Services, and Public Works reviewed the proposals for basic life, accidental death and dismemberment and supplemental life insurance. Sun Life Financial was ultimately selected as the vendor that best matched both the needs of the employees and the city.

Through the RFP process, the pricing for basic life and accidental death and dismemberment insurance has decreased 8.6% saving the city approximately \$59,086/year. The City will continue to pay the cost for basic life and accidental death and dismemberment insurance for all plan participants. Rates for supplemental life have decreased as well.

Previous Related Council Action

On December 10, 2013, Council ratified the original contract with The Hartford which was effective July 1, 2008.

On May 13, 2014, Council approved the extension of existing contract with The Hartford through June 30, 2015.

Budget and Financial Impacts

Cost	Fund-Department-Account
\$630,545	2580-18210-541000 Basic Life Insurance - Employees
	2580-18210-5422000 Basic Life Insurance - Retirees

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

Sun Life Assurance Company of Canada

Employer Information form



Sun Life Assurance Company of Canada is referred to as "Sun Life" throughout this form

We appreciate your assistance in providing complete information for your account. Please complete all sections of this form and return it to the Sun Life Group Sales office along with all required documentation

Employer Information

Full legal name of employer (to appear on contract/policy documents) City of Glendale		Tax ID number 86-6000247	
Address 5850 W Glendale Ave Attn: Benefits Division			
City Glendale		State AZ	Zip code 85301

Is the employer in the process of filing or contemplating the filing of bankruptcy (Chapter 7), reorganization (Chapter 11), or similar insolvency proceedings? ☐ Yes ☒ No

If yes, explain: _____

Previous coverage Information

1. Is this employer currently insured with Sun Life or has the employer previously applied for, or had, Sun Life Group insurance coverage? ☐ Yes ☒ No

2. Information contained in the prior carrier contract is essential to help protect your employees' benefit levels during a change of insurers. The prior carrier contract also helps determine coverage intent when transitioning to your new group policy.

Did you have prior coverage? ☒ Yes ☐ No

If yes, please provide a copy of the prior carrier contract and prior carrier bill to your Sun Life representative as soon as possible.

Eligibility and billing

Select one:

☐ Online eligibility & billing (standard)

All online eligibility and billing. Enables the customer to administer benefits online.

☒ Self-administration bill

All eligibility information and reporting summary of volumes and premium are maintained by the customer. Self-administration billing is not available for dental benefits.

☐ List bill

All eligibility and billing are maintained by Sun Life Financial and a paper bill is sent to the customer. Available only upon request for cases fewer than 50 lives. Approval is required when the dental benefit is sold

Select benefits purchased:

☒ Life

☐ STD

☐ LTD

☐ Custom Disability

☐ Critical Illness

☐ Accident

☐ Dental

Print Form

Benefits administrators and Internet access for the employer web portal

The head administrator automatically has access to all locations (if multiple) and all areas of the site:

- Membership and billing—for online billing customers only
- Premium Payment—available to self-administered customers only as a substitute for online billing
- Claims—available to customers with LTD, STD, or SunAdvisor®
- Evidence of Insurability
- Policy documents (contracts, booklets, general forms, and benefits administration guides)

Restricted access – the benefits administrator can restrict access by location for claims, EOI, membership, and billing.

Note – restrictions may apply based on your policy.

Notice Regarding Electronic Transactions:

- Subject to the Employer's consent, transactions involving membership and billing, premium payment, Evidence of Insurability, claims where applicable, and delivery of policy documents will be conducted electronically;
- The Employer may obtain, at no additional charge, a paper copy of any document or notice that has been delivered electronically by request to the Sun Life service representative;
- The Employer may withdraw its consent for electronic transactions by submitting a written request to the Sun Life service representative.

Primary benefits administrator

Name of primary benefits administrator Vicki Moss			Title Benefit Administrator	
Street address 5850 W Glendale Ave Attn: Benefits Division		City Glendale	State AZ	Zip code 85301
Phone number 623-930-2297	Fax number 623-930-2107	E-mail address vmoss@glendaleaz.com	<input checked="" type="checkbox"/> Head web administrator (Access to ALL capabilities)	

Additional web administrators

Name of administrator Charlotte Beadles	E-mail address cbeadles@glendaleaz.com	<input checked="" type="checkbox"/> Full access (standard) <input type="checkbox"/> Restricted access
Name of administrator	E-mail address	<input type="checkbox"/> Full access (standard) <input type="checkbox"/> Restricted access

After registering online, head administrators may add additional users to the employer web portal. The employer web portal offers additional configuration options that you can set for each of your users (turn on/off access to areas of the site, provide e-mail alerts, etc.). Please see the Manage Users section of the site for more information.

Which party will submit claims to Sun Life?

- ☐ Primary benefits administrator only ☒ Primary benefits administrator and additional administrators
☐ TPA (please make sure you complete the TPA Contact Information section)

Will your plan have multiple billing groups/locations? ☒ Yes ☐ No

If yes, please provide contact information for additional billing groups/locations below.

Billing group / location

Name of location (if applicable) See Attached	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Division	Billing group 001	SIC code	No. of employees at location 1
Name of benefits administrator at this location Vicki Moss		Title HR Administrator-Benefits	Phone number 623-930-2297	
Street address 5850 W Glendale Ave		City Glendale	State AZ	Zip code 85301

Billing group / location

Name of location (if applicable) See Attached	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Division	Billing group 002	SIC code	No. of employees at location
Name of benefits administrator at this location		Title	Phone number	
Street address		City	State	Zip code

☒ Check here if including additional billing groups and fill out information.

Benefits administrators and Internet access for the employer web portal, continued

Billing group / location

Name of location (if applicable) See Attached	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Division	Billing group 003	SIC code	No. of employees at location
Name of benefits administrator at this location		Title		Phone number
Street address		City		State Zip code

Billing group / location

Name of location (if applicable) See Attached	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Division	Billing group 004	SIC code	No. of employees at location
Name of benefits administrator at this location		Title		Phone number
Street address		City		State Zip code

Billing group / location

Name of location (if applicable) See Attached	<input type="checkbox"/> Subsidiary <input type="checkbox"/> Division	Billing group 005	SIC code	No. of employees at location
Name of benefits administrator at this location		Title		Phone number
Street address		City		State Zip code

Third party administrator (TPA) contact information (complete only if using a TPA)

Complete this section only if you are using a TPA for premium, claims, etc. Not applicable for Sun Life Connect.

Name of TPA firm		E-mail address	
Name of contact person at TPA firm	Title	Phone number	
Street address of firm	City	State	Zip code

What is the role of the TPA?: ☐ Premium ☐ Claims

If processing claims, do you want to receive an Explanation of Benefits (EOB)? ☐ Yes ☐ No

Employee eBooklet documents

Your legal name will be listed on every booklet. Your employee eBooklet document(s) will be delivered on your employer web portal. You will receive notification when they are ready for delivery.

Please specify the title(s) that should appear on your eBooklet(s).

Applicable to all benefits, excluding dental coverage:

Do you want eBooklets split by class/location/product? ☒ Yes ☐ No

If yes, complete the boxes below (or use a separate sheet).

If no, only your legal name will be listed.

Title of eBooklet 1:
(standard)

By Class

Title of eBooklet 2:

Title of eBooklet 3:

Work locations by state

Please provide work locations by state for employees eligible for coverage under this policy. Use additional sheets if more space is required.

State	Number of employees
Arizona	1599

State	Number of employees

Census data verification

Sun Life is committed to ensuring accurate employee information is used when administering your account. During the implementation process, Sun Life will verify the accuracy of this critical census data. Below please indicate the contact Sun Life should work with to verify the information. If neither box is selected we will proceed working with the Benefit Administrator.

☒ Benefits administrator will validate all census information

☐ Benefits administrator assigned the census validation authority to the broker

General administrative options

- A. Eligibility: Eligible employees must be working at the employer's usual place of business. Employees not regularly working at least 30 hours per week are considered part-time.

Please note that employees not actively at work are not covered until they return to work, unless required by applicable state law or approved in writing by the Sun Life Underwriting department.

Eligible employees:

- ☒ All full-time U.S. employees working in the U.S. and scheduled to work 30 hours (standard)

How many hours per week are required to be eligible?: 30

- ☐ Other: _____
(May require Home Office approval.)

Are union members being covered? ☒ Yes ☐ No

Eligible dependents:

- ☒ Spouse ☒ Child(ren)
☐ Domestic partner (coverage may not be available in all states)

- B. Eligibility waiting period:

- ☐ None / immediate
☐ _____ days (30 days is standard) or ☐ _____ months
☐ First of the month coinciding with or following ☐ days _____ or ☐ months _____ or ☐ date of hire
☐ Other (specify or attach): _____
☒ Separate waiting period for product or additional classes (please explain): _____

Example: If "first of the month coinciding with or following 30 days" is checked, an employee hired on March 14 is not eligible until May 1 even if the plan's effective date with Sun Life Financial is April 1.

Rehire provision:

- C. An employee rehired during this time does not have to complete a new waiting period in order to be eligible for benefits. The rehire provision must be the same for all benefits.

- ☐ 3 months ☐ 6 months (standard) ☐ 9 months ☐ 12 months
☒ Other (cannot be used when dental is sold): None

Continuation of insurance:

- D. One month continuation due to layoff / leave of absence and for life insurance, 12 months of continuation due to injury or sickness. (standard)

If your continuation differs, please specify. See Attached (page 16 current SPD)

Note: Any differences from Sun Life's standard, will require underwriting approval

General administrative options, continued

Note: Changes will affect your billing administration.

E Changes in insurance take effect as follows: (select one within each category)

Age reduction changes (for life insurance): ☐ Immediately (standard) ☒ First of the month following
☐ First of the month coincident with or next following ☐ Annually on policy anniversary
☐ Annually on January 1st

Age banded premium (step-rate) changes: ☐ Immediately (standard) ☒ First of the month following
☐ First of the month coincident with or next following ☐ Annually on policy anniversary
☐ Annually on January 1st

Benefit amount changes (if you have changes only during annual enrollment, see annual enrollment section I below):

☐ Immediately (standard) ☒ First of the month following
☐ First of the month coincident with or next following
☐ Annually on _____ ☐ Other: _____

Salary changes: (if your earnings definition is based on W-2, K-1, or prior calendar year, salary changes will be made annually as of January 1st; in all cases the same salary basis must be used for premium and benefit calculations)

☒ Immediately (standard) ☐ First of the month following
☐ First of the month coincident with or next following
☐ Annually on _____ ☐ Other: _____

F Spouse age changes are: (applicable to dependent life insurance only)

☒ Measured based on age of spouse (standard) ☐ Measured based on age of employee

G Termination of insurance:

☐ The date of termination (standard) ☒ End of the month

H Annual enrollment:

Do you have an annual enrollment period? ☒ Yes ☐ No

Do you allow changes only during your annual enrollment (excluding qualifying event)? ☐ Yes ☒ No

When do annual enrollment changes take effect? July 1

Please specify when you administer your annual enrollment, if applicable:

☐ 1st Quarter ☐ 2nd Quarter ☐ 3rd Quarter ☐ 4th Quarter ☒ Month April/May ☐ Date Range: _____

I Did you purchase an Employee Assistance Program (EAP) with your benefit(s)? ☐ Yes ☒ No

J Payroll deduction frequency

☐ Weekly ☒ Biweekly ☐ Monthly ☐ Semi-monthly Start date: _____

The above selection will apply for all billing groups unless specified.

Do you want a voluntary benefit payroll deduction report generated? ☐ Yes ☒ No

Definition of earnings

Earnings: The amount of an employee's earnings upon which claims will be paid, and how premiums are being paid

Choose the applicable definition from the following list.

- ☒ **Current gross earnings (standard)** – These exclude commissions, bonuses, overtime pay, and extra compensation. This includes employee pre-tax contributions to a qualified deferred compensation plan, 401(k) plan, Section 125 plan, or flexible spending account. (Standard)

If the definition is not for all coverages / classes, this definition applies to: _____

- ☐ **Other gross earnings** -- These include employee pre-tax contributions to a qualified deferred compensation plan, 401(k) plan, Section 125 plan, or a flexible spending account

Make the appropriate selection below.

Based on:	Prior calendar year	Prior 2 calendar years	Prior 3 calendar years	Current Frozen as of _____ (example: June 1)
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Include:

Averaged over:	12 months	24 months	36 months	Prior calendar year	Prior 2 calendar years	Prior 3 calendar years
<input type="checkbox"/> Commissions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Bonuses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Commissions and/or bonuses selected above are averaged together with earnings. If this should be otherwise, please specify.

If the definition is not for all coverages / classes, this definition applies to: _____

- ☐ **W-2 earnings** – These exclude employee pre-tax contributions to a qualified deferred compensation plan, 401(k) plan, Section 125 plan, or flexible spending account, but will include overtime, commissions, bonuses and any other income that is reported on the employee's W-2 as "salary, wages and tips."

Averaged over:	Prior calendar year	Prior 2 calendar years	Prior 3 calendar years
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the definition is not for all coverages/classes, this definition applies to: _____

- ☐ **Partners, owners, and/or shareholders** -- If the earnings above will not apply to a partner, owner, or shareholder, please complete the following.

Tax form (select one):				Income included:	
<input type="checkbox"/> Schedule K	<input type="checkbox"/> 1065	<input type="checkbox"/> 1120S		<input type="checkbox"/> Ordinary business income (most common)	
<input type="checkbox"/> Schedule C	<input type="checkbox"/> 1040			<input type="checkbox"/> Guaranteed payments	
				<input type="checkbox"/> Net income	
				<input type="checkbox"/> Net earnings from self-employment	

- ☐ **Other (specify or attach)** - _____

Averaged over:	Prior calendar year	Prior fiscal / tax year (example April 1 st – March 31 st)
	<input type="checkbox"/>	<input type="checkbox"/>

If the definition is not for all coverages / classes, this definition applies to: _____

If none of the above applies, please contact your sales representative.

ERISA Information

Not required for public entities

Does ERISA plan information need to be included with your certificate and/or eBooklet? ☐ Yes ☐ No

If yes, please provide all of the following required information:

Agent for legal process		Name of plan administrator		
Street address		City	State	Zip code
Employer Identification Number (EIN)	ERISA plan number		Plan year end	

Agent for legal process – This is not the person who receives commission but the person who is designated by the plan administrator to accept legal notices. This individual does not “produce” anything.

Example: The plan number is PN501 unless another number is assigned by the employer or the plan administrator.

Life Insurance

Employee contributions:

<input checked="" type="checkbox"/> Employee basic life	0	%	or	\$0
<input checked="" type="checkbox"/> Employee basic AD&D	0	%	or	\$0
<input type="checkbox"/> Dependent basic life	N/A	%	or	\$N/A

If the optional / voluntary life and AD&D is anything but 100% employee paid, please indicate the percentage(s) here: _____

Value-added services:

If you purchased employee life, you are eligible to receive one of two value-added services packages offered by Sun Life. Please make your selection below. If no selection is made, you will automatically be enrolled in choice #2.

☒ Choice #1 – emergency travel assistance

For employees and dependents traveling 100+ miles from home and identity theft protection for employees. These services are provided by Assist America ® and are not insurance

☒ Choice #2 – online will preparation (standard)

Note: Not available for policies with less than 25 lives.

For employees and spouses. Also, claimant support services for claimants and their families needing professional, telephone-based grief, legal, or financial counseling. These services are provided by ComPsych ® and are not insurance.

*WE CURRENTLY HAVE BOTH PRODUCTS
WITH THE HARTFORD. WOULD LIKE TO
CONTINUE BOTH @ NO EXTRA COST.*

Life Insurance, continued

Actively at Work:

Identifying employees who are not at work on the eligibility date helps us prevent any coverage issues before they occur. An employee who is not actively at work means that he or she cannot perform all of the regular duties of his or her job for a full work day due to a disabling illness or injury.

Please let your Sun Life representative know if there are any special agreements or amendments to the prior carrier contract and if any employees are:

- On workers' compensation
- Eligible to convert
- Partially disabled
- Grandfathered or retired

Please use the space provided to list those employees who are not at work on the eligibility date.

Note: Group life benefit in-force amount includes basic and optional/voluntary life coverage amounts.

For life insurance only:

Employee name	Date of birth	Last day worked	Group life benefit in force	Expected Return-to-work date	Continuation with Premium	Waiver claim filed?
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

☐ Check here if you require more space. We will accept a spreadsheet listing the information requested below for each employee.

If you selected yes to any of the above, please complete the questions below for each employee affected.

If a waiver claim was filed, please indicate the name of the employee and the prior carrier's decision
If no waiver claim was filed, please indicate the name of the employee and what the Waiting Period is for filing a Waiver of Premium claim.

Please note: Employees who are not Actively at Work on the effective date can be covered only under the Continuity of Coverage provision. Continuity of Coverage is not available to employees who are eligible for or receiving benefits (including Waiver of Premium) under another group insurance provision in the policy. The prior carrier contract also helps determine coverage intent when transitioning to your new group policy. **FAILURE TO IDENTIFY THESE EMPLOYEES AND TO FILE FOR WAIVER OF PREMIUM WITH THE PRIOR CARRIER MAY RESULT IN A LOSS OF COVERAGE FOR THEM.**

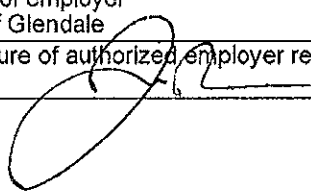
Authorization and signature

The undersigned employer has read, understands, and agrees that:

1. The requested group insurance will:
 - be issued only if the requested insurance is accepted by Sun Life and is legally permissible (cashing of the initial deposit check or processing initial deposit payments does not constitute approval of the requested insurance);
 - be issued in the language customarily used by Sun Life;
 - be subject to Sun Life's standard underwriting requirements; and
 - take effect on the date determined by Sun Life.
2. All information given in connection with this Employer Information form is true and complete to the best of the employer's knowledge, information, and belief. If any information given on this form differs from what is given on the Application for Group Insurance, the terms of the Application for Group Insurance will control.
3. Employees not Actively at Work on the effective date agreed to by Sun Life will be identified to Sun Life and will be insured only as required by law or as approved in writing by Sun Life.
4. No producer, agent, or broker can make or modify a contract for Sun Life, and all coverage will be as stated in Sun Life policies. No agent or broker has the authority to guarantee the acceptability of the requested insurance.
5. When you purchase insurance from us, we pay compensation to the producer and/or to any agency through which the producer works. If the producer works through an agency, the agency may pay compensation directly to the producer. Compensation may include commissions when a policy is purchased or renewed, and fees for other services. The compensation may vary by the type of insurance purchased. Additionally, bonuses and incentive trips or awards associated with sales may be paid based on the overall sales volume or persistency of business. The compensation that we pay to producers may differ from that paid by other insurance companies. If you have questions, contact your producer directly.
6. Employer agrees to not alter any NAIC publication provided by Sun Life, to limit distribution to its employees, to only distribute the most current version as supplied by Sun Life and to not receive any compensation for its use. Employer acknowledges any NAIC publication is the exclusive property of the NAIC and will take no action adverse to those rights. Employer will dispose of any copies of NAIC publications supplied by Sun Life when its group insurance with Sun Life terminates.
7. **Employer web portal authorization:** Pursuant to the "Notice Regarding Electronic Transactions" under "Benefits Administrators and Internet access for the employer web portal" section, the employer consents to electronic delivery of notices, policy documents and to other transactions as described in this section. The employer authorizes the administrators named in that section to have access to the employer web portal and requests that a user name and password be assigned to allow for such access.
8. **Kentucky only:** The employer authorizes Sun Life Financial at its discretion to communicate cancellations, renewals, premium increase and to deliver policy documents electronically by the web portal. The employer is aware that this election operates as consent for all notices to be sent electronically; therefore, the employer should be diligent in updating the electronic mail address provided to the insurer.

The policyholder may, at its option, request Sun Life to provide paper copies of the policy and all notices; or to receive the policy electronically and all notices in paper copy; or to receive the policy and all notices electronically.

I certify that the above statements in this document are true and complete.

Name of employer City of Glendale	Date 3/12/15
Signature of authorized employer representative X 	Title HR & Risk Management Director

Sun Life Assurance Company of Canada is a member of the Sun Life Financial group of companies.
© 2014 Sun Life Assurance Company of Canada, Wellesley Hills, MA 02481. All rights reserved.
Sun Life Financial and the globe symbol are registered trademarks of Sun Life Assurance Company of Canada.



ATTACHMENT CURRENT CLASS DEFINITIONS

Benefit Details

Case Name: CITY OF GLENDALE
Policy Number: OGL677408
Case Effective Date: 07/01/2008
Status: ACTIVE
As of Date: 03/03/2015
Bill Group: CITY OF GLENDALE
Experience Group: CITY OF GLENDALE
Coverage: LIFE
Plan Description: BASIC LIFE

Class Definition(s):

- 1-All Full-Time Active City Managers Hired On The 1st, 2nd Or 3rd Of The Month
- 2-All Full-Time Active City Managers Hired After The 3rd Of The Month
- 3-All Full-Time Active Employees Excluding City Managers Hired On The 1st, 2nd
- 4-All Full-Time Active Employees Excluding City Managers Hired After The 3rd
- 5-Retirees

Provision	Class	Description
-----------	-------	-------------

[Return to Plans/Rates](#)

City of Glendale Current SPD

Your coverage will end on the earliest of the following:

- 1) the last day of the month following the date The Policy terminates;
- 2) the last day of the month following the date You are no longer in a class eligible for coverage, or The Policy no longer insures Your class;
- 3) the last day of the month following the date the premium payment is due but not paid;
- 4) the last day of the month following the date Your Employer terminates Your employment; or
- 5) the last day of the month following the date You are no longer Actively at Work;

unless continued in accordance with any one of the Continuation Provisions.

Retiree Coverage Termination: When will my Retiree Coverage End?

Your coverage will end on the earliest of the following for Retirees, the last day of the month following the date you reach age 70.

Dependent Termination: When does coverage for my Dependent end?

Coverage for Your Dependent will end on the earliest to occur of:

- 1) the last day of the month following the date Your coverage ends;
- 2) the last day of the month following the date the required premium is due but not paid;
- 3) the last day of the month following the date You are no longer eligible for Dependent coverage;
- 4) the last day of the month following the date We or the Employer terminate Dependent coverage; or
- 5) the last day of the month following the date the Dependent no longer meets the definition of Dependent;

unless continued in accordance with the Continuation Provisions.

Continuation Provisions: Can my coverage and coverage for my Dependents be continued beyond the date it would otherwise terminate?

Coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way

The amount of continued coverage applicable to You or Your Dependents will be the amount of coverage in effect on the date immediately before coverage would otherwise have ended. Continued coverage:

- 1) is subject to any reductions in The Policy;
- 2) is subject to payment of premium;
- 3) may be continued up to the maximum time shown in the provisions; and
- 4) terminates if The Policy terminates.

In no event will the amount of insurance increase while coverage is continued in accordance with the following provisions. The Continuation Provisions shown below may not be applied consecutively.

In all other respects, the terms of Your coverage and coverage for Your Dependents remain unchanged.

Leave of Absence: If You are on a documented leave of absence, other than Family and Medical Leave or Military Leave of Absence, Your coverage (including Dependent Life coverage) may be continued until the last day of the month following the month in which the leave of absence commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately

Military Leave of Absence: If You enter active full-time military service and are granted a military leave of absence in writing, Your coverage (including Dependent Life coverage) may be continued for up to 12 weeks. If the leave ends prior to the agreed upon date, this continuation will cease immediately

Lay Off: If You are temporarily laid off by the Employer due to lack of work, all of Your coverage (including Dependent Life coverage) may be continued until the last day of the month following the month in which the lay off commenced. If the lay off becomes permanent, this continuation will cease immediately.

Sickness or Injury: If You are not Actively at Work due to sickness or injury, all of Your coverages (including Dependent Life coverage) may be continued:

- 1) for a period of 12 consecutive month(s) from the date You were last Actively at Work; or
- 2) If such absence results in a leave of absence in accordance with state or federal family and medical leave laws, then the combined continuation period will not exceed 12 consecutive month(s).

Family and Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage(s) (including Dependent Life coverage) may be continued for up to 12 weeks, or 26 weeks if You qualify for Family Military Leave, or longer if required by other applicable

Sun Life Assurance Company of Canada

Application for Group Insurance



1. Applicant Organization

Please PRINT clearly.

Full legal name (As it is to be shown in the Group Policy)		
City of Glendale		
Main office address		
5850 W Glendale Ave Ste 317		
City	State	Zip code
Glendale	AZ	85301

Type of Organization: ☐ Corporation ☐ S Corporation ☐ Partnership
☐ Sole Proprietor ☐ LLC/LLP

Subsidiaries or Affiliates to be Included

1.	Legal name
	Full address (street, city, state and zip code)
2.	Legal name
	Full address (street, city, state and zip code)

☐ If you need more space, check here and attach a separate page

2. Insurance Coverage Requested

If any requested coverage is to have a different effective date than the date indicated at right, please note the effective date next to the coverage.

Requested effective date (mm/dd/yy)
7/1/2015

- ☒ Life
- ☒ Accidental Death & Dismemberment
- ☐ Long Term Disability
- ☐ Short Term Disability
- ☐ Customized Disability
- ☐ Dental
- ☐ Critical Illness
- ☐ Cancer
- ☐ Accident
- ☐ Other _____

Domiciliary State - Michigan

2. Insurance Coverage Requested continued

Premium Information

If Sun Life Assurance Company of Canada does not agree to provide the coverage requested in this Application, it will return the amount paid with the application to the Applicant. No insurance shall take effect until Sun Life Assurance Company of Canada approves this Application and issues an insurance policy to the Applicant.

Amount Paid with this Application N/A
--

3. Fraud Warnings

Please read the fraud warning below before signing this form. Where noted, state law requires that we notify you of the following:

Fraud Warning (except as specified below): Any person who knowingly and with intent to defraud any insurance company or any other person files an application for insurance, containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

For AR, LA, MA, NM, RI, and WV, the following fraud warning applies: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Fraud Warning – CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Fraud Warning – District of Columbia: Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Fraud Warning – FL: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Fraud Warning – KS: Any person who knowingly and with intent to defraud any insurance company or other person files an Application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of insurance fraud as determined by a court of law.

Fraud Warning – KY: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance, containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and subjects such person to criminal and civil penalties.

Fraud Warning – MD: Any person who knowingly OR willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly OR willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Fraud Warning – ME, TN, VA, and WA: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

For NJ the following notice applies: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

For OH the following notice applies: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

For OK the following notice applies: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

For OR the following notice applies: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated state law.

For PR the following notice applies: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

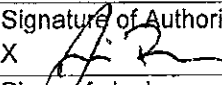
4. Terms of Agreement

The Applicant hereby applies for Group Insurance as specified in the Sun Life Assurance Company of Canada (Sun Life) proposal. The undersigned Applicant has read, understands and agrees that:

1. The insurance requested in this Application for Group Insurance will not become effective until you have been notified in writing by Sun Life that it has been approved. As such, you should carefully consider whether you should terminate your existing group insurance coverage prior to Sun Life notifying you that it has made a determination with respect to the insurance requested in your Application for Group Insurance.
2. The requested group insurance will:
 - be issued only if the requested insurance is accepted by Sun Life and is legally permissible;
 - be issued under a Group Policy or Policies in the language customarily used by Sun Life;
 - be subject to Sun Life's standard underwriting requirements; and
 - take effect on the date determined by Sun Life.
3. All information given in connection with this Application for Group Insurance is true and complete to the best of the Applicant's knowledge, information and belief.
4. Premium rate quotes are based on the data previously submitted to Sun Life. Final premium rates will be determined based on the final census submitted. Sun Life reserves the right to re-rate any coverage retroactively to the effective date or take other appropriate actions if any information provided to us is not true or is incomplete.
5. If Sun Life approves an Applicant's request for group insurance coverage, employees who are not actively at work on the group insurance policy's effective date will only be insured if they satisfy the policy's "Continuity of Coverage" provision or are required to be covered by law.
6. No producer, agent or broker can make or modify a contract for Sun Life and all coverage will be as stated in Sun Life policies. No agent or broker has the authority to guarantee the acceptability of the requested insurance.
7. When you purchase insurance from us, we pay compensation to the producer and/or to the agency through which the producer works. If the producer works through an agency, the agency may pay compensation directly to the producer. Compensation may include commissions when a policy is purchased or renewed, and fees for other services. The compensation may vary by the type of insurance purchased. Additionally, bonuses and incentive trips or awards associated with sales may be paid based on the overall sales volume or persistency of business. The compensation that we pay to producers may differ from that paid by other insurance companies. If you have questions, contact your producer directly.
8. This Application is made a part of the Group Policy.

5. Authorization

I acknowledge that I have read and understood the Terms of Agreement and the Fraud Notices above.

Name and title of Applicant organization's Authorized Representative Jim Brown HR & Risk Management Director			
Signature of Authorized Representative X 			
Place of signing Glendale, Arizona		Date 3/12/15	
Name of Agent/Broker		Agent/Broker license no	
Street address	City	State	Zip code
Signature of Agent/Broker X		Date	
Countersigned by licensed resident agent (where required by law) X		Agent license no.	

SUN LIFE ASSURANCE COMPANY OF CANADA

Policyholder: City of Glendale

Policy Number: 240367-001

Policy Effective Date: July 1, 2015

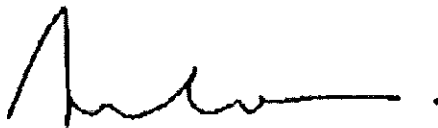
Policy Anniversary: July 1, 2016

This Policy is delivered in Arizona and is subject to the laws of that jurisdiction. Premiums are due and payable monthly on the first day of each month. Policy anniversaries will be annual beginning on July 1, 2016.

Sun Life Assurance Company of Canada (Sun Life) agrees to pay the benefits in accordance with all provisions provided by this Policy for Employee Basic Life, Employee Basic Accidental Death and Dismemberment, Dependent Basic Life, Employee Optional Life, Employee Optional Accidental Death and Dismemberment and Dependent Optional Life Insurance. This Policy is issued in consideration of the Application of the Policyholder, a copy of which is attached, and continued payment of premiums by the Policyholder. The following pages including any Riders, Endorsements or Amendments are a part of this Policy.

For the purpose of effective dates and termination dates under this Policy, all days begin at 12:00 midnight and end at 11:59:59pm.

Signed at Sun Life's U.S. Headquarters, One Sun Life Executive Park, Wellesley Hills, MA 02481.



Dean A. Connor
President and Chief Executive Officer

READ YOUR POLICY CAREFULLY

Group Term Insurance Policy

Non-Participating



Table of Contents

	Page Numbers
Section I Schedule of Benefits	3
Section II Definitions	9
Section III Eligibility and Effective Dates	14
Section IV Benefit Provisions	16
Employee Life Insurance	16
Dependent Life Insurance.....	22
Employee Accidental Death and Dismemberment Insurance	25
Section V Termination Provisions	30
Section VI General Policy Provisions	34
Section VII Claim Provisions	36
Section VIII Premiums	39

Section I
Schedule of Benefits

ELIGIBLE CLASSES

Employee Basic Life and Employee Basic Accidental Death and Dismemberment Insurance

All Full-Time United States Employees working in the United States scheduled to work at least 30 hours per week.

Dependent Basic Life, Employee Optional Life and Employee Optional Accidental Death and Dismemberment Insurance

All Full-Time United States Employees working in the United States enrolled in Employee Basic Life Insurance scheduled to work at least 30 hours per week.

Dependent Optional Life Insurance

All Full-Time United States Employees working in the United States enrolled in Employee Optional Life Insurance scheduled to work at least 30 hours per week.

WAITING PERIOD

All Eligible Employees hired on the 1st, 2nd or 3rd day of the month

Until the first of the month following date of employment

All Other Eligible Employees

Until the first of the month following 30 days of employment

Section I
Schedule of Benefits

EMPLOYEE LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

BASIC INSURANCE

CLASSIFICATION

- 1 All Eligible City Managers hired on the 1st, 2nd or 3rd day of the month
- 2 All Other Eligible City Managers
- 3 All Other Eligible Employees hired on the 1st, 2nd or 3rd day of the month
- 4 All Other Eligible Employees

CLASS	LIFE	AD&D
1 and 2	2 times the Employee's Basic Annual Earnings* plus \$1,000	An amount equal to the Employee's amount of Basic Life Insurance in force
3 and 4	1 times the Employee's Basic Annual Earnings* plus \$1,000	An amount equal to the Employee's amount of Basic Life Insurance in force

Section I
Schedule of Benefits

OPTIONAL INSURANCE

CLASSIFICATION

- 1 All Eligible Employees hired on the 1st, 2nd or 3rd day of the month
- 2 All Other Eligible Employees

CLASS	LIFE	AD&D
1 and 2	An Employee may elect an amount of Optional Life Insurance in \$50,000 increments	An amount equal to the Employee's amount of Optional Life Insurance in force

* rounded to the next higher \$1,000, if not already a multiple of \$1,000.

The **Basic Maximum Benefit** for Classes 1 and 2 is \$500,000.

The **Basic Maximum Benefit** for Classes 3 and 4 is \$300,000.

The **Optional Maximum Benefit** is \$500,000.

(Applicable to Employees insured on June 30, 2015)

The **Guaranteed Issue Amount** for Optional Life Insurance is the amount of Optional Life Insurance the Employee had in force on June 30, 2015.

(Applicable to Employees hired on or after July 1, 2015)

The **Guaranteed Issue Amount** for Optional Life Insurance is \$200,000.

An Employee's amount of Basic and Optional Life and Accidental Death and Dismemberment Insurance shown in the Schedule will reduce to 65% when he attains age 70, to 45% when he attains age 75 and to 30% when he attains age 80.

An Employee's Basic Life Insurance terminates at the Employee's retirement, unless the Employee is eligible for Retiree Basic Life Insurance. An Employee's Optional Life and Basic and Optional Accidental Death and Dismemberment Insurance terminates at the Employee's retirement.

Evidence of Insurability, satisfactory to Sun Life, will be required for any of the following reasons:

- an Employee who elects no coverage and subsequently elects Basic Life Insurance; or
- an Employee who elects Basic Life Insurance only and subsequently elects Optional Life Insurance; or
- an Employee who elects an increase in his amount of Optional Life Insurance; or
- an Employee whose amount of Life Insurance is in excess of the Guaranteed Issue Amount.

Section I
Schedule of Benefits

RETIRED EMPLOYEES (Basic Life Insurance only)

BASIC LIFE INSURANCE

CLASSIFICATION

- 1 - All Eligible Sworn Public Safety Employees with at least 20 years of service with the City of Glendale
- 2 – All Other Eligible Employees who were;
- hired prior to July 1, 2005 with at least 5 years of service with the City of Glendale; or
 - hired on or after July 1, 2005 with at least 10 years of service with the City of Glendale.

CLASS

LIFE

1 and 2

1 times the Employee's Basic Annual Earnings* on the day prior to retirement, plus \$1,000, subject to a Maximum Benefit Amount of \$100,000

* rounded to the nearest \$1,000, if not already a multiple of \$1,000.

A Retired Employee's amount of Basic Life Insurance terminates at age 70.

An Employee must elect Retiree Life Insurance within 31 days following retirement. An Employee may not elect Retiree Life Insurance later than 31 days following retirement, nor reinstate terminated coverage.

Section I
Schedule of Benefits

DEPENDENT LIFE INSURANCE

BASIC LIFE INSURANCE

CLASSIFICATION

- 1 All Eligible Employees hired on the 1st, 2nd or 3rd day of the month
- 2 All Other Eligible Employees

Class	Spouse	Child under age 26
1 and 2	\$1,000	\$1,000*

* the amount of Dependent Basic Life Insurance for a child under 15 days is None.

* the amount of Dependent Basic Life Insurance for a child age 15 days but under 6 months is \$100.

(The amount of Dependent Basic Life Insurance cannot exceed 50% of the Employee's amount of Basic Life Insurance.)

OPTIONAL LIFE INSURANCE

CLASSIFICATION

- 1 All Eligible Employees hired on the 1st, 2nd or 3rd day of the month
- 2 All Other Eligible Employees

CLASS	Spouse	Child under age 26
1 and 2	An Employee may elect an amount of Dependent Spouse Optional Life Insurance in \$25,000 increments	\$5,000*

The Dependent Spouse **Optional Maximum Benefit** is \$100,000.

* the amount of Dependent Optional Life Insurance for a child under 15 days is None.

* the amount of Dependent Optional Life Insurance for a child age 15 days but under 6 months is \$100.

(The amount of Dependent Optional Life Insurance cannot exceed 50% of the Employee's amount of Optional Life Insurance)

An Employee's amount of Dependent Spouse Optional Life Insurance shown in the Schedule will reduce to 65% when the Dependent Spouse attains age 70, 45% when the Dependent Spouse attains age 75 and 30% when the Dependent Spouse attains age 80.

Evidence of Insurability, satisfactory to Sun Life, will be required for an Employee's Dependent Spouse for any of the following reasons:

- an Employee who elects Dependent Basic Life Insurance only and subsequently elects Dependent Spouse Optional Life Insurance; or
- an Employee who elects Employee Basic Life Insurance only and subsequently elects Employee Optional Life and Dependent Spouse Optional Life Insurance; or
- an Employee who elects an increase in his amount of Dependent Spouse Optional Life Insurance.

Section I
Schedule of Benefits

CONTRIBUTIONS

Employees will not contribute to the cost of their Employee Basic Life, Employee Basic Accidental Death and Dismemberment and Dependent Basic Life Insurance.

Employees will contribute to the cost of their Employee Optional Life, Employee Optional Accidental Death and Dismemberment and Dependent Optional Life Insurance.

Retirees will contribute to the cost of their Retiree Basic Life Insurance

INITIAL MONTHLY PREMIUM RATES

Employee Basic Life Insurance	Refer to Attachment A
-------------------------------	-----------------------

Employee Optional Life Insurance	Refer to Attachment A
----------------------------------	-----------------------

Employee Basic Accidental Death and Dismemberment Insurance	Refer to Attachment A
--	-----------------------

Employee Optional Accidental Death and Dismemberment Insurance	Refer to Attachment A
---	-----------------------

Dependent Basic Life Insurance	Refer to Attachment A
--------------------------------	-----------------------

Dependent Optional Life Insurance	Refer to Attachment A
-----------------------------------	-----------------------

The initial monthly premium rates are guaranteed until June 30, 2018, unless otherwise specified in Section VIII, Premiums. See Section VIII, Premiums for more information.

Section II Definitions

In this section Sun Life defines some basic terms needed to understand this Policy. All male terms include the female term, unless stated otherwise.

For purposes of this Policy:

Actively at Work means that an Employee performs all the regular duties of his job for a full work day scheduled by the Employer at the Employer's normal place of business or a site where the Employer's business requires the Employee to travel.

An Employee is considered Actively at Work on any day that is not his regular scheduled work day (e.g. vacation or holiday), provided the Employee was Actively at Work on his immediately preceding scheduled work day and the Employee:

- is not hospital confined; or
- is not disabled due to an injury or sickness.

An Employee is considered Actively at Work if he usually performs the regular duties of his job at his home, provided the Employee can perform all the regular duties of his job for a full work day and could do so at the Employer's normal place of business if required to do so, and the Employee:

- is not hospital confined; or
- is not disabled due to an injury or sickness.

Application means the document pertaining to the plan of insurance applied for by the Policyholder. This document is attached to this Policy.

Certificate means a written booklet prepared by Sun Life which includes any Riders, Endorsements or Amendments, containing a summary of:

1. the insurance benefits an Employee is entitled to;
2. to whom the benefits are payable; and
3. any limitations, exclusions or requirements that may apply.

Contributory Insurance means insurance for which the Employee is required to pay all or part of the premium.

Eligibility Date means the date or dates an Employee in an Eligible Class becomes eligible for insurance under this Policy. Classes eligible for insurance are shown in Section I, Schedule of Benefits.

Employee means a person who is employed by the Employer within the United States, scheduled to work at least the number of hours shown in Section I, Schedule of Benefits, and paid regular earnings. If the Employee is working on a temporary assignment outside of the United States for a period of 12 months or less, the Employee will be deemed to be working within the United States. If the Employee is working outside of the United States for more than 12 months or other than on a temporary assignment, the Employee will not be considered an Employee under this Policy unless Sun Life approves the Employee in writing.

Employer means City of Glendale and includes any Subsidiary or Affiliated company named in the Application.

Evidence of Insurability means a statement or proof of an Employee's or Dependent's medical history upon which acceptance for insurance will be determined by Sun Life. The Employee or Dependent must agree to submit to a paramedical examination and/or provide copies of medical records, if requested by Sun Life. Sun Life will pay the cost of any paramedical examination ordered by Sun Life for the purpose of providing Evidence of Insurability.

Grace Period means the 31 days following a premium due date.

Guaranteed Issue Amount means the maximum amount of insurance available under this Policy without Evidence of Insurability. If the Employee's amount of insurance exceeds the Guaranteed Issue Amount available under this Policy,

Section II Definitions

any amount in excess of the Guaranteed Issue Amount is available to the Employee only if he has furnished Evidence of Insurability to Sun Life and has been approved for any excess amount above the Guaranteed Issue Amount.

Hospital or Institution means a facility licensed to provide full-time medical care and treatment under the direction of a full-time staff of licensed physicians.

Injury means bodily impairment resulting directly from an accident and independently of all other causes. Any Injury must occur and any disability must begin while the Employee is insured under this Policy.

Non-Contributory Insurance means insurance for which the premium is paid entirely by the Employer.

Physician means an individual who is operating within the scope of his license and is either:

1. licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
2. legally qualified as a medical practitioner and required to be recognized, under this Policy for insurance purposes, according to the insurance regulations of the governing jurisdiction.

The Physician cannot be the Employee, his spouse or the parents, brothers, sisters or children of the Employee or his spouse.

Policyholder means the entity to whom the Policy is issued.

Pregnancy means childbirth, miscarriage, abortion or any disease resulting from or aggravated by the pregnancy.

Retirement Plan means a program which provides retirement benefits to Employees and is not funded wholly by Employee contributions. The term will not include a 401(k) plan, a 403(b) plan, a profit sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a nonqualified plan of deferred compensation.

Employer's Retirement Plan will include any Retirement Plan:

1. which is part of any federal, state, county, municipal or association retirement system; and
2. the Employee is eligible for as a result of employment with the Employer.

Sickness means illness, disease or pregnancy. Any disability, because of Sickness, must begin while the Employee is insured under this Policy.

U.S. Headquarters means Sun Life Assurance Company of Canada, Wellesley Hills, MA 02481.

Waiting Period means the length of time immediately before an Employee's Eligibility Date during which he must be employed in an Eligible Class. Any period of time prior to the Policy Effective Date the Employee was Actively at Work for the Employer as a full-time Employee will count towards completion of the Waiting Period. The Waiting Period is shown in Section I, Schedule of Benefits.

Section II Definitions

The following Definitions are applicable to Life Insurance

Basic Annual Earnings means the Employee's current salary or wage from the Employer. Basic Annual Earnings includes deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account, but does not include income received due to commissions, bonuses, overtime pay or any other extra compensation.

Basic Maximum Benefit means the largest amount of Basic Life Insurance available to an Employee under this Policy. The Basic Maximum Benefit is shown in Section I, Schedule of Benefits.

Beneficiary means the person (other than the Employer) who is entitled to receive death benefit proceeds as they become due under this Policy. A Beneficiary must be named by the Employee on a form acceptable to Sun Life and executed by the Employee.

Optional Maximum Benefit means the largest amount of Optional Life Insurance available to an Employee under this Policy. The Optional Maximum Benefit is shown in Section I, Schedule of Benefits.

Retired Employee means a former Employee of the Employer as determined in Section I, Schedule of Benefits and prior to his retirement was insured as an active Employee.

Retirement means the first of the following to occur:

1. the effective date of the Employee's retirement benefits under:
 - a. any plan of a federal, state, county, municipal or an association retirement system which the Employee is eligible as a result of his employment with the Employer;
 - b. any Retirement Plan the Employer sponsors; or
 - c. any Retirement Plan to which the Employer:
 - i. makes contributions to; or
 - ii. has made contributions.
2. the effective date of the Employee's retirement benefits under the Social Security Act or any similar plan or act. However, if the Employee meets the definition of Employee and is receiving retirement benefits under the Social Security Act or similar plan or act, the Employee will not be considered retired.

Terminally Ill or Terminal Illness means an Employee's Sickness or physical condition that is certified by a Physician to reasonably be expected to result in death within twelve months or less.

Total Disability or Totally Disabled for purposes of determining eligibility for Waiver of Premium means an Employee, because of Injury or Sickness, is unable to perform the material and substantial duties of any occupation for which he is or becomes reasonably qualified for by education, training or experience.

Section II Definitions

The following Definitions are applicable to Dependent Life Insurance

Dependent means an Employee's:

- spouse;
- unmarried child from live birth to under age 26.

An Employee's unmarried step-child, foster child or adopted child is included as a Dependent if he depends on the Employee for 50% or more of the child's support and is living with the Employee in a regular parent-child relationship. A child is considered adopted if he is in the legal custody of the Employee under an interim court order of adoption, whether or not a final adoption order is ever issued.

If an unmarried child is:

1. incapable of self-sustaining employment because of mental retardation, developmental disability or physical handicap; and
2. dependent on the Employee for 50% or more of his support;

that child will continue to be a Dependent under this Policy for as long as these two conditions exist.

No person may be considered to be a Dependent of more than one Employee.

Dependent does not include:

- any person who is insured as an Employee; or
- any person residing outside the United States, Canada or Mexico. This exclusion does not apply to a Dependent who resides with an Employee who is on a temporary work assignment outside the United States.

Optional Maximum Benefit means the largest amount of Dependent Optional Life Insurance available to an Employee under this Policy. The Optional Maximum Benefit is shown in Section I, Schedule of Benefits.

Section II Definitions

The following Definitions are applicable to Accidental Death and Dismemberment Insurance

Accidental Bodily Injury means bodily harm caused solely by external, violent and accidental means which is sustained directly and independently of all other causes.

AD&D means Accidental Death and Dismemberment.

Section III Eligibility and Effective Dates

A. Eligible Classes

The class(es) eligible for insurance are shown in Section I, Schedule of Benefits.

B. Eligibility Date

An Employee in an Eligible Class will be eligible for insurance on the latest of the following dates:

1. July 1, 2015; or
2. the first day of the month following the Employee's date of employment for All Eligible Employees hired on the 1st, 2nd or 3rd day of the month; or
3. the first day of the month following the date the Employee completes the Waiting Period for All Other Eligible Employees.

An Employee in an Eligible Class will be eligible for Dependent Life Insurance on the latest of the following dates:

1. the date he is insured for Employee Basic Life Insurance for Dependent Basic Life Insurance; or
2. the date he is insured for Employee Optional Life Insurance for Dependent Optional Life Insurance; or
3. July 1, 2015; or
4. the date the Employee first acquires a Dependent.

C. Effective Date of Insurance

Non-Contributory Insurance

An Employee will be insured, subject to the Delayed Effective Date of Insurance, on his Eligibility Date.

A Dependent will be insured, subject to the Delayed Effective Date of Insurance, on the latest of the following dates:

- the date the Employee is eligible for Dependent Basic Life Insurance; or
- the date the Dependent first becomes a Dependent.

Contributory Insurance

An Employee will be insured, subject to the Delayed Effective Date of Insurance, on one of the following dates:

- the Employee's Eligibility Date, if he has made a written application for insurance on or before that date; or
- the date the Employee makes a written application for insurance, if he applies on or before the 31st day after his Eligibility Date; or
- the date Sun Life approves the Employee's Evidence of Insurability, if the Employee makes a written application for insurance later than 31 days after his Eligibility Date.

A Dependent will be insured, subject to the Delayed Effective Date of Insurance, on the latest of the following dates:

- the date the Employee is eligible for Dependent Life Insurance, if the Employee has made a written application for Dependent Life Insurance on or before that date; or
- the date the Employee makes a written application for Dependent Life Insurance, if the Employee applies on or before the 31st day after his Eligibility Date for Dependent Life Insurance; or

Section III

Eligibility and Effective Dates

- the date Sun Life approves the Dependent's Evidence of Insurability, if the Employee makes a written application for Dependent Life Insurance later than 31 days after his Eligibility Date for Dependent Life Insurance; or
- the date the Dependent first becomes a Dependent, if at least one other Dependent is then insured.

Delayed Effective Date of Insurance

The Effective Date of any initial, increased or additional insurance will be delayed for an Employee if he is not Actively at Work. The initial, increased or additional insurance will become effective on the date the Employee returns to an Actively at Work status.

The Effective Date of any initial, increased or additional insurance will be delayed for a Dependent if he is hospital confined. The initial, increased or additional insurance will become effective on the date the Dependent is no longer hospital confined. Hospital confined does not apply to a newborn child.

Refusal of Coverage

If an eligible Employee declines his insurance, or terminates his insurance in writing while continuing to be eligible, the Employee will become insured after he applies for insurance and Evidence of Insurability is approved by Sun Life.

If an eligible Employee declines his Dependent's insurance, or terminates his Dependent's insurance in writing while continuing to be eligible, the Dependent will become insured after the Employee applies for Dependent Insurance and Evidence of the Dependent's Insurability is approved by Sun Life.

Reinstatement of Insurance

An Employee previously insured under this Policy will become insured, subject to the Delayed Effective Date of Insurance, on the date he is eligible. The Employee will be enrolled in the same plan option elected prior to his termination if he becomes insured again within 12 months. An Employee may apply for an increase in his amount of insurance after coverage is reinstated, but the Employee must submit Evidence of Insurability. The increased amount of insurance will not be effective until Sun Life approves the Employee's Evidence of Insurability.

Changes in Insurance

Changes in an Employee's amount of insurance due to a change in Employee's class or salary will take effect immediately upon the date of change.

Changes in an Employee's amount of insurance due to a change in Employee's incremental schedule or age will take effect on the first of the month following the date of change.

However, any increase in insurance will be subject to any Evidence of Insurability requirements and the Delayed Effective Date of Insurance provision.

**Section IV
Benefit Provisions**

Employee Life Insurance

Death Benefit

If Sun Life receives Notice and Proof of Claim that an Employee dies while insured, then subject to the Exclusions, Sun Life will pay the amount of Life Insurance in force on the Employee's date of death.

Basic Life Insurance

The amount of Basic Life Insurance is the Employee's amount of insurance elected (as determined in Section I, Schedule of Benefits).

In no event shall an Employee's Basic Life Insurance exceed the Basic Maximum Benefit (shown in Section I, Schedule of Benefits).

The amount of Basic Life Insurance is subject to any Evidence of Insurability requirements, age reductions or terminations shown in Section I, Schedule of Benefits.

The amount of Basic Life Insurance is subject to any Evidence of Insurability requirements or terminations shown in Section I, Schedule of Benefits.

If a former Employee had converted his Basic Life Insurance under the Conversion Privilege of this Policy, his amount of Basic Life Insurance will be reduced by the amount of any insurance remaining in force under that individual policy.

Optional Life Insurance

The amount of Optional Life Insurance is the lesser of:

1. the Employee's Optional amount of insurance elected (as determined in Section I, Schedule of Benefits); or
2. the Employee's Guaranteed Issue Amount for Optional Life Insurance (shown in Section I, Schedule of Benefits), plus any amount of insurance that Evidence of Insurability has been approved by Sun Life in excess of the Guaranteed Issue Amount for Optional Life Insurance.

In no event shall an Employee's Optional Life Insurance exceed the Optional Maximum Benefit (shown in Section I, Schedule of Benefits).

The amount of Optional Life Insurance is subject to any Evidence of Insurability requirements, age reductions or terminations shown in Section I, Schedule of Benefits.

If a former Employee had converted his Optional Life Insurance under the Conversion Privilege of this Policy, his amount of Optional Life Insurance will be reduced by the amount of any insurance remaining in force under that individual policy.

Exclusions

If the Employee's cause of death is suicide:

1. No benefit is payable if the suicide occurs within 24 months after the Employee's initial Effective Date of Insurance. Any period of time the Employee was insured under the previous insurer's group Life policy will count towards completion of the 24 months.
2. No amount of Optional Life Insurance is payable if the suicide occurs within 24 months after the Employee's Optional Life Insurance is effective. Any period of time the Employee was insured for the same amount of Optional Life Insurance under the previous insurer's group Life policy will count towards completion of the 24 months.

**Section IV
Benefit Provisions**

Employee Life Insurance

3. No increased or additional amount of Life Insurance is payable if the suicide occurs within 24 months after the increased or additional amount of Life Insurance is effective.
4. No amount of Life Insurance in excess of the Guaranteed Issue Amount is payable if the suicide occurs within 24 months after the amount in excess of the Guaranteed Issue Amount is effective.

Waiver of Premium Provision

Total Disabilities that begin before age 70

If Sun Life receives Notice and Proof of Claim that an Employee becomes Totally Disabled:

- while insured; and
- before his 70th birthday; and
- before his retirement;

the amount of Life Insurance will continue for that Employee:

- from the date of Total Disability without further payment of premiums for Total Disabilities that begin before age 65;
- from the date of Total Disability without further payment of premiums for a period of one year for Total Disabilities that begin on or after age 65.

If the Employee has Dependent Life Insurance the premium will also be waived for that benefit.

The Employee must apply for Waiver of Premium no later than 12 months after the Employee ceases to be Actively at Work. Proof of Claim is required no later than 15 months after the Employee ceases to be Actively at Work. Sun Life may require periodic proof of the continuance of Total Disability.

All amounts of life insurance under this Waiver of Premium Provision are subject to the same Policy terms and conditions including subsequent reductions and terminations at specified ages and/or at retirement as would have been applicable had the Employee not been Totally Disabled. This amount will be further reduced by the amount of any individual policy issued to the Employee pursuant to the Conversion Privilege of this Policy unless that individual policy is exchanged for a full refund of premiums paid.

Sun Life has the right to designate a Physician to examine the Employee when and as often as may be reasonably required.

The Waiver of Premium for an Employee ceases on the earliest of:

- the date he ceases to be Totally Disabled.
- the date he fails to furnish any required Proof that he continues to be Totally Disabled.
- the date he fails to submit to any required Examinations.
- any period the Employee is not under the regular and continuing care of a Physician providing appropriate treatment by means of examination and testing in accordance with the disabling condition.
- the date he retires unless he is eligible for Retiree Life Insurance.
- the date he attains age 65 or 12 months, whichever is later, for Total Disabilities beginning before age 65 unless he is eligible for Retiree Life Insurance .
- the first anniversary of the beginning of Total Disability for Total Disabilities beginning on or after age 65.

**Section IV
Benefit Provisions**

Employee Life Insurance

An Employee is deemed to be retired when he receives any compensation from a Retirement Plan of the Employer or when the Employee attains age 70, whichever occurs first.

An Employee's rights to continued benefits pursuant to this Waiver of Premium Provision are determined on the date Total Disability begins. These rights are subject to the terms of this Policy and will not be affected by subsequent amendment or termination of this Waiver of Premium Provision.

Accelerated Benefit

Sun Life will pay an Accelerated Benefit to the Employee at the Employee's request, if Sun Life receives satisfactory proof of the Employee's Terminal Illness.

To be eligible for the Accelerated Benefit an Employee must:

(Applicable to Employees employed on or before January 1, 2015)

- have been Actively at Work on January 1, 2015 and insured under the Life Insurance Benefit Provision for at least 60 days. Any period of time the Employee was insured for similar benefits under the previous insurer's group life policy will be used to satisfy this requirement;

(Applicable to Employees employed after January 1, 2015)

- have been insured under the Life Insurance Benefit Provision for at least 60 days;

(Applicable to All Employees)

- be certified as Terminally Ill with a life expectancy of twelve months or less;
- submit a written request to Sun Life while the Employee's Life Insurance is in force;
- be insured for at least \$20,000 of Life Insurance;
- have a signed acknowledgment and agreement to pay the Accelerated Benefit from any applicable absolute assignee, irrevocable beneficiary, or former spouse if the former spouse was required to be the beneficiary as part of a divorce decree.

Sun Life may confirm the diagnosis of a Terminal Illness with a medical examination performed by a Physician of Sun Life's choice.

The Accelerated Benefit is an amount up to 75% of the applicable amount of Life Insurance in force as of the date Sun Life receives a written request to provide an Accelerated Benefit.

The Accelerated Benefit will be paid as a single lump sum. The maximum amount of the Accelerated Benefit is \$500,000. The minimum amount of the Accelerated Benefit that can be requested is \$10,000. The Accelerated Benefit may be elected only once during the lifetime of the Employee.

If the Employee has received accelerated life insurance benefits under any other group insurance policy, that Employee is precluded from receiving up to that amount from Sun Life, as an Accelerated Benefit or as a Death Benefit.

If an Employee receives an Accelerated Benefit payment, the amount of Life Insurance remaining in force will be reduced by an amount equal to the Accelerated Benefit paid. The remaining amount of life insurance is subject to the same Policy terms and conditions including subsequent reductions and terminations at specified ages and/or at retirement as would have been applicable had the Employee not received an Accelerated Benefit.

Section IV
Benefit Provisions

Employee Life Insurance

If the Employee is eligible for Waiver of Premium, the amount of life insurance remaining in force on which premiums are waived will be based on the reduced amount of life insurance.

If the Employee subsequently converts his amount of life insurance, the amount eligible for conversion will be based on the reduced amount of life insurance.

Conversion Privilege

Benefit

1. If all or part of an Employee's Life Insurance ceases or reduces due to:
 - termination of his employment; or
 - termination of his membership in an Eligible Class; or
 - the Employee's retirement; or
 - the Employee reaching a specified age; or
 - the Employee changing to a different Eligible Class; or
 - termination of the Employee's Waiver of Premium continuation; or
 - the Employee's continuation period ending during layoff or an approved leave of absence;then the Employee may apply for an individual policy on his own life up to the amount that ceased. If the amount of Life Insurance that ceased is \$10,000 or more, the minimum amount of the individual policy must be \$10,000.
2. If the Employee has been continuously insured for five or more years under this Policy's Life Benefit Provision and all or part of the Employee's Life Insurance ceases or reduces due to:
 - reduction of the amount of Life Insurance in an Eligible Class by an amendment to the Life Insurance Benefit Provision; or
 - termination of the Life Insurance Benefit Provision; or
 - termination of this Policy; or
 - termination of an Eligible Class by an amendment to the Life Insurance Benefit Provision;then the Employee may apply for an individual policy on his own life. The maximum amount of the policy will be the lesser of:
 - \$2,000; or
 - the amount that ceased, reduced by the amount of any life insurance the Employee is eligible for under any group policy within 31 days after his Life Insurance ceased.

The Employee will be issued an individual policy without Evidence of Insurability.

Application for the Individual Policy

1. written application must be made to Sun Life along with payment of the first premium, within the 31 day period (the 31 day conversion period) following the date the insurance ceases or reduces. If the Employee is not given notice of this conversion privilege within 15 days following the date his insurance ceases or reduces, the Employee shall have an additional 15 days to exercise this conversion privilege. In no event will this conversion privilege be extended beyond 60 days following the 31 day conversion period.
2. the individual policy may be any plan of permanent life insurance available for conversion by Sun Life at the attained age and amount requested, but without disability or other supplemental benefits.
3. the premium will be the rate Sun Life charges for the standard class of risk and age to which the Employee belongs on the effective date of the individual policy.
4. the effective date of the individual policy will be the day after the 31 day conversion period.

Section IV
Benefit Provisions

Employee Life Insurance

Death Within 31 Days

If the Employee dies during the 31 day conversion period, a benefit will be paid upon receipt of Notice and Proof of Claim, whether or not application for the individual policy or payment of the first premium has been made. The benefit is the amount of Life Insurance the Employee would have been eligible to convert.

**Section IV
Benefit Provisions**

Employee Life Insurance

Continuity of Coverage

In order to prevent loss of coverage for an Employee when this Policy replaces a group Life policy the Employer had in force with another insurer immediately prior to July 1, 2015, Sun Life will provide the following coverage.

Employees not Actively at Work on July 1, 2015

An Employee may become insured under this Policy on July 1, 2015, subject to all of the following conditions:

1. he was insured under the prior insurer's group Life policy immediately prior to July 1, 2015; and
2. he is not Actively at Work on July 1, 2015; and
3. he is a member of an Eligible Class under this Policy; and
4. premiums for the Employee are paid up to date; and
5. he is not receiving or eligible to receive benefits under the prior insurer's group Life policy.

Any Life benefit payable will be the lesser of:

- the Life benefit payable under this Policy; or
- the Life benefit payable under the prior insurer's group Life policy had it remained in force.

All other provisions of Sun Life's Policy will apply.

**Section IV
Benefit Provisions**

Dependent Life Insurance

Death Benefit

If Sun Life receives Notice and Proof of Claim that a Dependent dies while insured, then subject to the Exclusions, Sun Life will pay the amount of Life Insurance in force on the Dependent's date of death.

If a Dependent had previously converted his Basic Life Insurance under the Conversion Privilege of this Policy, his amount of Dependent Basic Life Insurance will be reduced by the amount of any insurance remaining in force under that individual policy.

Optional Life Insurance

The amount of Optional Life Insurance is the Dependent's amount of Optional Insurance elected by the Employee in the Schedule (as determined in Section I, Schedule of Benefits).

In no event shall a Dependent's Optional Life Insurance exceed the Optional Maximum Benefit shown in Section I, Schedule of Benefits

The amount of Dependent Optional Life Insurance is subject to any Evidence of Insurability requirements or age reductions shown in Section I, Schedule of Benefits.

If a Dependent had previously converted his Optional Life Insurance under the Conversion Privilege of this Policy, his amount of Dependent Optional Life Insurance will be reduced by the amount of any insurance remaining in force under that individual policy.

Exclusions

If the Dependent Spouse's cause of death is suicide:

1. No amount of Dependent Spouse Optional Life Insurance is payable if the suicide occurs within 24 months after the Dependent Spouse's Optional Life Insurance is effective. Any period of time the Dependent Spouse was insured for the same amount of Dependent Spouse Optional Life Insurance under the previous insurer's group Life policy will count towards completion of the 24 months.
2. No increased or additional amount of Dependent Spouse Optional Life Insurance is payable if the suicide occurs within 24 months after the increased or additional amount of Dependent Spouse Optional Life Insurance is effective.

Conversion Privilege

Benefit

1. If all or part of a Dependent's Life Insurance ceases or reduces due to:
 - termination of the Employee's employment; or
 - termination of the Employee's membership in an Eligible Class; or
 - the Employee's retirement; or
 - the Employee reaching a specified age; or
 - the Employee changing to a different Eligible Class; or
 - the Employee's death; or
 - the Dependent no longer meeting the definition of a Dependent;

**Section IV
Benefit Provisions**

Dependent Life Insurance

then the Employee or Dependent may apply for an individual policy on the Dependent's life up to the amount that ceased. If the amount of Life Insurance that ceased is \$10,000 or more, the minimum amount of the individual policy must be \$10,000.

2. If the Dependent has been continuously insured for five or more years under this Policy's Dependent Life Insurance Benefit Provision and the Dependent's Life Insurance ceases due to:

- termination of the Dependent Life Insurance Benefit Provision; or
- termination of this Policy; or
- termination of an Eligible Class by an amendment to the Dependent Life Insurance Benefit Provision;

then the Employee or Dependent may apply for an individual policy on the Dependent's life. The maximum amount of the policy will be the lesser of:

- \$2,000; or
- the amount that ceased, reduced by the amount of any life insurance the Dependent is eligible for under any group policy within 31 days after his Life Insurance ceased.

The Dependent will be issued an individual policy without Evidence of Insurability.

Application for the Individual Policy

1. written application must be made to Sun Life along with payment of the first premium, within the 31 day period (the 31 day conversion period) following the date the insurance ceases or reduces. If the Dependent is not given notice of this conversion privilege within 15 days following the date his insurance ceases or reduces, the Dependent shall have an additional 15 days to exercise this conversion privilege. In no event will this conversion privilege be extended beyond 60 days following the 31 day conversion period.
2. the individual policy may be any plan of permanent life insurance available for conversion by Sun Life at the attained age and amount requested, but without disability or other supplemental benefits.
3. the premium will be the rate Sun Life charges for the standard class of risk and age to which the Dependent belongs on the effective date of the individual policy.
4. the effective date of the individual policy will be the day after the 31 day conversion period.

Death Within 31 Days

If the Dependent dies during the 31 day conversion period, a benefit will be paid upon receipt of Notice and Proof of Claim, whether or not application for the individual policy or payment of the first premium has been made. The benefit is the amount of Life Insurance the Dependent would have been eligible to convert.

**Section IV
Benefit Provisions**

Dependent Life Insurance

Continuity of Coverage

In order to prevent loss of coverage for an Employee's Dependent when this Policy replaces a group Life policy the Employer had in force with another insurer immediately prior to July 1, 2015, Sun Life will provide the following coverage.

Dependents subject to the Delayed Effective Date of Insurance on July 1, 2015

An Employee's Dependent may become insured under this Policy on July 1, 2015, subject to all of the following conditions:

1. the Dependent was insured under the prior insurer's group Life policy immediately prior to July 1, 2015 and
2. the Dependent is subject to the Delayed Effective Date of Insurance on July 1, 2015; and
3. the Employee is a member of an Eligible Class under this Policy; and
4. premiums for the Dependent are paid up to date; and
5. the Dependent is not receiving or eligible to receive benefits under the prior insurer's group Life policy.

Any Dependent Life benefit payable will be the lesser of:

- the Dependent Life benefit payable under this Policy; or
- the Dependent Life benefit payable under the prior insurer's group Life policy had it remained in force.

All other provisions of Sun Life's Policy will apply.

**Section IV
Benefit Provisions**

Employee Accidental Death and Dismemberment Insurance

If Sun Life receives Notice and Proof of Claim that an Employee:

- dies from accidental drowning while insured; or
- sustains an Accidental Bodily Injury while insured, which results in loss of life, sight or limb within 365 days of the date of that injury; or
- sustains a loss of life, sight or limb within 365 days due to an accidental exposure to the elements while insured;

Sun Life will pay, subject to the Exclusions, the following percentage of Accidental Death and Dismemberment Insurance shown in Section I, Schedule of Benefits that was in force on the date of the Accidental Bodily Injury for the following losses:

Life.....	100%
Sight of one eye.....	50%
One limb.....	50%
Speech and hearing.....	100%
Speech or hearing.....	50%
Thumb and index finger of the same hand	25%
Quadriplegia	100%
Paraplegia	75%
Hemiplegia	50%

The maximum amount of Accidental Death and Dismemberment Benefit payable for losses resulting from any one accident is 100%.

Loss of limb means severance of hand or foot at or above the wrist or ankle joint. Loss of sight, speech or hearing must be total and irrecoverable. Loss of thumb and index finger means severance through or above the metacarpophalangeal joints.

Quadriplegia means the total and permanent paralysis of both upper and lower limbs. Paraplegia means the total and permanent paralysis of both lower limbs. Hemiplegia means the total and permanent paralysis of the upper and lower limbs on one side of the body.

Business Travel Benefit

Sun Life will pay an additional Business Travel Benefit if an Employee's loss of life occurs while traveling on business for the Employer.

The Business Travel Benefit for Basic Accidental Death and Dismemberment Insurance is the lesser of:

- \$25,000; or
- 25% of the amount of Basic Accidental Death Benefit payable.

The Business Travel Benefit for Optional Accidental Death and Dismemberment Insurance is the lesser of:

- \$25,000; or
- 25% of the amount of Optional Accidental Death Benefit payable.

Section IV Benefit Provisions

Employee Accidental Death and Dismemberment Insurance

Business Travel means traveling to another location to conduct the Employer's business other than the Employee's normal workplace. Business Travel starts from the time the Employee leaves his place of residence to commence the Employer's business until the Employee returns to his place of residence. Business Travel does not include personal deviations; nor Employee vacations.

Personal Deviation means an activity that is not reasonably related to the Employer's business and not incidental to the business trip.

An Employee's place of residence will change to the location of the Business Travel if an Employee's stay at that location exceeds 60 days.

Seat Belt/Air Bag Benefit

Sun Life will pay an additional Seat Belt/Air Bag Benefit if an Employee dies as a result of an automobile accident and an Accidental Death Benefit is payable under this Policy.

Seat Belt Benefit

The Seat Belt Benefit is payable if the Employee was wearing a seat belt at the time of the accident.

The Seat Belt Benefit is 25% of the amount of Basic Accidental Death Benefit payable or \$25,000, whichever is less.

The Seat Belt Benefit is 25% of the amount of Optional Accidental Death Benefit payable or \$25,000, whichever is less.

Sun Life must receive satisfactory written proof that the Employee's death resulted from an automobile accident and that the Employee was wearing a seat belt at the time of the accident. A copy of the police report is required.

Air Bag Benefit

The Air Bag Benefit is payable if a Seat Belt Benefit is payable and the Employee was positioned in a seat protected by a Supplemental Restraint System which inflated on impact.

The Air Bag Benefit is 10% of the amount of Basic Accidental Death Benefit payable or \$5,000, whichever is less.

The Air Bag Benefit is 10% of the amount of Optional Accidental Death Benefit payable or \$5,000, whichever is less.

Sun Life must receive satisfactory written proof that the Employee's death resulted from an automobile accident and that the Supplemental Restraint System properly inflated. A copy of the police report is required.

Seat Belt means a properly installed seat belt, lap and shoulder restraint, or other restraint approved by the National Highway Traffic Safety Administration.

Supplemental Restraint System means a factory installed air bag which inflates for added protection to the head and chest areas.

Automobile means a motor vehicle licensed for use on public highways.

Helmet Benefit

Sun Life will pay an additional Helmet Benefit if an Employee dies as a result of a Motorcycle accident and an Accidental Death Benefit is payable under this Policy.

Section IV Benefit Provisions

Employee Accidental Death and Dismemberment Insurance

The Helmet Benefit is payable if the Employee was wearing a Helmet at the time of the accident and the driver of the Motorcycle held a valid drivers license with a Motorcycle endorsement.

The Helmet Benefit is 50% of the amount of Basic Accidental Death Benefit payable or \$25,000, whichever is less.

The Helmet Benefit is 50% of the amount of Optional Accidental Death Benefit payable or \$25,000, whichever is less.

Sun Life must receive satisfactory written proof that the Employee's death resulted from a Motorcycle accident and that the Employee was wearing a Helmet at the time of the accident. A copy of the police report is required.

Helmet means a protective head covering made of a hard material to resist impact and which is approved by the American National Safety Institute (ANSI) and/or Snell.

Motorcycle means a motor vehicle licensed for use on public highways which requires a Motorcycle endorsement on a drivers license to operate the vehicle.

Disappearance

Sun Life will presume, subject to no objective evidence to the contrary, that an Employee is dead and has died as a result of an Accidental Bodily Injury if:

1. an Employee disappears as a result of an accidental wrecking, sinking or disappearance of a conveyance in which the Employee was known to be a passenger; and
2. the body of the Employee is not found within 365 days after the date of the conveyance's disappearance.

Bereavement Counseling Benefit

If an Accidental Death Benefit is payable, Sun Life will pay a Bereavement Counseling Benefit during an Employee's Immediate Family Member's period of bereavement for up to 12 months after an Employee's death.

The Bereavement Counseling Benefit equals the Immediate Family Member's incurred expenses reduced by any reimbursement the Immediate Family Member receives from other sources.

The Maximum Bereavement Counseling Benefit payable is \$250 per Immediate Family Member, to a maximum of \$1,000 or \$2,000 if the Employee is insured for Optional AD&D Insurance and is per Employee's death.

Immediate Family Member means an Employee, an Employee's spouse or an Employee's child under age 26.

Written Proof of the actual out of pocket counseling expenses incurred must be submitted to Sun Life prior to payment.

Dependent Education Benefit

If an Employee Accidental Death Benefit is payable under this Policy, an Employee's Dependent may be eligible for a Dependent Education Benefit.

A Dependent Child is eligible for an Education Benefit if the Dependent Child enrolls as a full-time student at a post-secondary school before reaching age 26 and within 1 year after the Employee's date of death.

The annual Dependent Child's Education Benefit is the lesser of:

- Incurred Expenses; or
- \$2,500 or \$5,000 if the Employee is insured for Optional AD&D Insurance; or

Section IV Benefit Provisions

Employee Accidental Death and Dismemberment Insurance

- 5% of the Employee's amount of Basic Accidental Death Benefit payable plus 5% of the Employee's amount of Optional Accidental Death Benefit payable.

The Dependent Child Education Benefit is payable at the end of each semester per dependent child, for a maximum of four consecutive years per child. Proof of the child's enrollment and Incurred Expenses are required each semester prior to payment of the benefit.

Incurred Expenses include tuition, fees, cost of books, room and board, transportation and any other costs paid directly to the school.

A Dependent Spouse is eligible for an Education Benefit if the Dependent Spouse enrolls in any school for the purpose of retraining or developing skills needed for employment within 1 year after the Employee's date of death.

The Dependent Spouse's Education Benefit is equal to the expenses paid directly to such school or \$3,000 or \$6,000, if the Employee is insured for Optional AD&D Insurance, whichever is less. Proof of enrollment and expenses are required prior to payment of the benefit.

Exclusions

No Accidental Death or Accidental Dismemberment payment will be made for a loss which is due to or results from:

- suicide while sane or insane.
- intentionally self-inflicted injuries.
- bodily or mental infirmity or disease of any kind, or infection unless due to an accidental cut or wound.
- committing or attempting to commit an assault, felony or other criminal act.
- active participation in a war (declared or undeclared) or active duty in any armed service during a time of war.
- active participation in a riot, rebellion, or insurrection.
- injury sustained from any aviation activities, other than riding as a fare-paying passenger.
- the Employee's voluntary use of any controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended, unless administered on the advice of a Physician.
- the Employee's operation of any motorized vehicle while intoxicated. Intoxicated means the minimum blood alcohol level required to be considered operating an automobile under the influence of alcohol in the jurisdiction where the accident occurred. For the purposes of this Exclusion, "Motorized Vehicle" includes, but is not limited to, automobiles, motorcycles, boats and snowmobiles.

**Section IV
Benefit Provisions**

Employee Accidental Death and Dismemberment Insurance

Continuity of Coverage

In order to prevent loss of coverage for an Employee when this Policy replaces a group AD&D policy the Employer had in force with another insurer immediately prior to July 1, 2015, Sun Life will provide the following coverage.

Employees not Actively at Work on July 1, 2015

An Employee may become insured under this Policy on July 1, 2015, subject to all of the following conditions:

1. he was insured under the prior insurer's group AD&D policy immediately prior to July 1, 2015; and
2. he is not Actively at Work on July 1, 2015; and
3. he is a member of an Eligible Class under this Policy; and
4. premiums for the Employee are paid up to date; and
5. he is not receiving or eligible to receive benefits under the prior insurer's group AD&D policy.

Any AD&D benefit payable will be the lesser of:

- the AD&D benefit payable under this Policy; or
- the AD&D benefit payable under the prior insurer's group AD&D policy had it remained in force.

All other provisions of Sun Life's Policy will apply.

Section V
Termination Provisions

Termination of Employee's Insurance

An Employee will cease to be insured on the earliest of the following dates:

1. the date this Policy terminates.
2. the date the Employee is no longer in an Eligible Class.
3. the date the Employee's Class is no longer included for insurance.
4. the last day for which any required premium has been paid.
5. the last day of the month in which the Employee retires, unless the Employee is eligible for Retiree Basic Life Insurance.
6. the last day of the month in which employment terminates. Ceasing to be Actively at Work will be deemed termination of employment, except:
 - a. insurance will be continued for an Employee absent due to a disability during any period the premium is being waived under this Policy.
 - b. the Policyholder may continue the insurance by paying the required premiums, subject to the following:
 - i. insurance may be continued for up to 2 months after the Employee has been temporarily laid off.
 - ii. insurance may be continued for up to 2 months after the Employee has been given an approved leave of absence.
 - iii. insurance may be continued for up to 12 weeks after the Employee has been given an approved Military leave of absence for Employee Basic Life and Employee Optional Life.
 - iv. insurance may be continued for up to 3 months of the Employee's paid vacation.
 - v. For Life and Accidental Death and Dismemberment Insurance - insurance may be continued for up to 12 months after an Employee is absent from work due to Injury or Sickness.

The Policyholder in all of the above situations must act so as not to discriminate unfairly among Employees in similar situations.

7. the date the Employee requests, in writing, to have his insurance terminated.
8. the date the Employee ceases to be Actively at Work due to a labor dispute, including any strike, work slowdown, or lockout.
9. the date the Employee enters active duty in any armed service during a time of war (declared or undeclared) other than Military Leave as specified above.

While this Policy is in force, the Policyholder may continue an Employee's coverage pursuant to the Family and Medical Leave Act of 1993, as amended or continue coverage pursuant to a state required continuation period (if any).

While this Policy is in force, the Policyholder may continue an Employee's coverage pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Section V
Termination Provisions

Termination of Dependent's Insurance

A Dependent will cease to be insured on the earliest of the following dates:

1. the date this Policy terminates.
2. the date the Employee ceases to be insured.
3. the date the Employee is no longer in an Eligible Class for Dependent Insurance.
4. the last day of the month in which the Dependent ceases to qualify as a Dependent.
5. the last day for which any required premium has been paid for insurance on the Dependent.
6. the date the Employee requests, in writing, to have his Dependent Insurance terminated.
7. the date the Employee dies.
8. the date the Dependent enters active duty in any armed service during a time of war (declared or undeclared).
9. the last day of the month in which the Employee retires.

Section V
Termination Provisions

Termination of Policy

This Policy will terminate for any of the following reasons:

1. If the Policyholder fails to pay any premium within the Grace Period, this Policy will terminate on the last day of the Grace Period.
2. The Policyholder may terminate this Policy by advance written notice delivered to Sun Life at least 31 days prior to the termination date. This Policy will not terminate during any period for which premium has been paid. The Policyholder will be liable to Sun Life for all premiums due and unpaid for the full period this Policy is in force.
3. Sun Life may terminate this Policy on any premium due date by giving written notice to the Policyholder at least 31 days in advance if:
 - a. the number of insured Employees is less than 10; or
 - b. less than 100% of the Employees eligible are insured for Non-Contributory Insurance; or
 - c. less than 40% of the Employees eligible are insured for Optional Life Insurance; or
 - d. the Policyholder fails to:
 - i. furnish promptly any information Sun Life may reasonably require; or
 - ii. perform any other obligations pertaining to this Policy.
4. Sun Life may terminate this Policy on any Policy Anniversary by giving written notice to the Policyholder at least 60 days in advance.

Termination of this Policy may take effect on an earlier date when both the Policyholder and Sun Life agree.

Section V
Termination Provisions

Termination of Benefit Provision

A Benefit Provision will terminate for any of the following reasons:

1. The Policyholder may terminate a Benefit Provision by advance written notice delivered to Sun Life at least 31 days prior to the termination date. The Benefit Provision will not terminate during any period for which premium has been paid. The Policyholder will be liable to Sun Life for all premiums due and unpaid for the full period that Benefit Provision is in force.
2. Sun Life may terminate a Benefit Provision on any premium due date by giving written notice to the Policyholder at least 31 days in advance if:
 - a. the number of insured Employees for that Benefit is less than 10; or
 - b. less than 100% of the Employees eligible are insured for Non-Contributory Insurance; or
 - c. less than 40% of the Employees eligible are insured for Optional Life Insurance; or
 - d. the Policyholder fails to furnish promptly any information which Sun Life may reasonably require.
3. Sun Life may terminate any Benefit Provision on any Policy Anniversary by giving written notice to the Policyholder at least 60 days in advance.

Termination of a Benefit Provision may take effect on an earlier date when both the Policyholder and Sun Life agree.

Section VI
General Policy Provisions

A. Statements

All statements made in any Application are considered representations and not warranties. No representation by:

1. the Policyholder in applying for this Policy will render it void unless the representation is contained in the Application; or
2. any Employee in applying for insurance under this Policy will be used to reduce or deny a claim unless a copy of the Employee's written application for insurance is or has been given to the Employee or the Employee's beneficiary, if any.

B. Entire Contract - Policy Changes

1. This Policy is the entire contract. It consists of:
 - a. all of the pages of the Policy;
 - b. the attached Application of the Policyholder;
 - c. each Employee's written application for insurance (Employee retains his own copy).
2. This Policy may be changed in whole or in part. Only an executive officer of Sun Life may approve a change. The approval must be in writing and endorsed on or attached to this Policy.
3. Any other person, including an agent, may not change this Policy or waive any part of it.

C. Employee's Certificate

Sun Life will provide a Certificate to the Policyholder for delivery to each Employee. The Certificate is intended to provide a brief explanation of the Policy benefits, but it does not form a part of this Policy. If the terms of a Certificate and this Policy differ, this Policy will govern.

D. Furnishing of Information - Access To Records

1. The Employer will furnish at regular intervals to Sun Life:
 - a. information relative to individuals:
 - i. who qualify to become insured;
 - ii. whose amounts of insurance change; and/or
 - iii. whose insurance terminates.
 - b. any other information about this Policy that may be reasonably required.

The records which, in the opinion of Sun Life, are material to the insurance, will be opened for inspection by Sun Life at any reasonable time.

2. Clerical error or omission will not:
 - a. deprive an individual of insurance;
 - b. affect an individual's amount of insurance; or
 - c. effect or continue an individual's insurance which otherwise would not be in force.

The Policyholder's or Employer's failure to report notice or proof of claim in a timely manner shall not constitute clerical error.

Section VI
General Policy Provisions

E. Misstatement of Facts

If relevant facts about any individual were not accurate:

1. an equitable adjustment of premium will be made; and
2. the true facts will be used to determine if and in what amount insurance is valid under this Policy.

If the amount of the benefit is dependent upon an individual's age, (as shown in Section I, Schedule of Benefits), the benefit will be the amount an individual would have been entitled to if his correct age was known.

If an adjustment results in a refund of premium, the refund will not exceed a period of more than 12 months.

F. Examination and Autopsy

Sun Life, at its own expense, has the right to have any person, whose Injury or Sickness is the basis of a claim:

1. examined by a Physician, other health professional or vocational expert of its choice; and/or
2. interviewed by an authorized Sun Life representative.

This right may be used as often as reasonably required.

Sun Life has the right, in the case of death, to request an autopsy where not prohibited by law.

G. Legal Proceedings

No legal action may start:

1. until 60 days after Proof of Claim has been given; nor
2. more than 3 years after the time Proof of Claim is required.

H. Workers' Compensation

This Policy is not in lieu of, and does not affect, any requirement for coverage by Workers' Compensation Insurance.

I. Agency

For all purposes of this Policy, the Policyholder acts on its own behalf or as an agent of the Employee. Under no circumstances will the Policyholder be deemed an agent of Sun Life.

J. Incontestability

Policyholder

The validity of this Policy shall not be contested, except for non-payment of premium, after it has been in force for two years from the Policy Effective Date.

Individual

No statement made by an individual, relating to his insurability for an initial, increased or additional amount of insurance, will be used in contesting the validity of that insurance, after such initial, increased or additional amount of insurance has been in force for a period of two years during the individual's lifetime.

This statement must be contained in a form signed by that individual.



May 26, 2015

Ms. Vicki Moss, Benefit Administrator
City of Glendale
5850 W. Glendale Ave Suite #317
Glendale, AZ 85301

Re: Policy No.: 240367

Policyholder: City of Glendale

Insurer: Sun Life Assurance Company of Canada ("Sun Life")


Dear Ms. Moss:

With respect to the above referenced group insurance policy issued by Sun Life to City of Glendale, effective on July 1, 2015, Sun Life agrees as follows:

1. Conflict of Interest. To comply with A.R.S. § 38-511.
2. Immigration Law Compliance. To the extent applicable under A.R.S. § 41-4401, to comply with all federal immigration laws and regulations that relate to its employees as well as to comply with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
3. Non-Discrimination Policies. Not to discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristic, familial status, U.S. military veteran status or any disability.

Thank you.

Sincerely,


Tom Gilligan
Vice President
Distribution Operations

Section VII Claim Provisions

A. Notice and Proof of Claim

Sun Life must receive Notice and Proof of Claim prior to any payment under this Policy.

1. Notice of Claim

for Death Claim - written notice of claim must be given to Sun Life no later than 30 days after date of death.

for Life Waiver of Premium - written notice of claim must be given to Sun Life no later than 12 months after the Employee ceases to be Actively at Work.

for Accidental Dismemberment - written notice of claim must be given to Sun Life no later than 12 months after the Employee's date of loss.

for all other claims - written notice of claim must be given to Sun Life no later than 12 months after the Employee's date of loss or within 12 months after the date the expense is incurred.

If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting for the form.

2. Proof of Claim

for Death Claim - proof of claim must be given to Sun Life no later than 90 days after date of death.

for Life Waiver of Premium - proof of claim must be given to Sun Life no later than 15 months after the Employee ceases to be Actively at Work.

for Accidental Dismemberment - proof of claim must be given to Sun Life no later than 15 months after the Employee's date of loss.

for all other claims - proof of claim must be given to Sun Life no later than 15 months after the Employee's date of loss or within 15 months from the date the expense is incurred.

If it is not possible to give proof within these time limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required unless the individual is legally incompetent.

Proof of Claim must consist of:

- a description of the loss or disability;
- the date the loss, disability or expense occurred; and
- the cause of the loss, disability or expense.

Proof of Claim may include, but is not limited to, police accident reports, autopsy reports, laboratory results, toxicology results, hospital records, x-rays, narrative reports, or other diagnostic testing materials as required.

Proof of Claim for disability must include evidence demonstrating the disability including, but not limited to, hospital records, Physician records, Psychiatric records, x-rays, narrative reports, or other diagnostic testing materials as appropriate for the disabling condition.

Proof must be satisfactory to Sun Life.

Section VII Claim Provisions

Sun Life may require as part of the Proof authorizations to obtain medical and non-medical information.

Proof of the Employee's continued disability and regular and continuous care by a Physician must be given to Sun Life within 30 days of the request for proof.

B. Insurer's Authority

The Plan Administrator has delegated to Sun Life its entire discretionary authority to make all final determinations regarding claims for benefits under the benefit plan insured by this Policy. This discretionary authority includes, but is not limited to, the determination of eligibility for benefits, based upon enrollment information provided by the Policyholder, and the amount of any benefits due, and to construe the terms of this Policy.

Any decision made by Sun Life in the exercise of this authority, including review of denials of benefit, is conclusive and binding on all parties. Any court reviewing Sun Life's determinations shall uphold such determination unless the claimant proves that Sun Life's determinations are arbitrary and capricious.

C. Notice of Decision on Claim

A written notice of decision on a claim will be sent within a reasonable time after Sun Life receives the claim but not later than 45 days after receipt of the claim. If a decision cannot be made within 45 days after Sun Life receives the claim, Sun Life will request extensions of time as permitted under U.S. Department of Labor regulations. Any request for extension of time will specifically explain:

1. the standards on which entitlement to benefits is based;
2. the unresolved issues that prevent a decision on the claim; and
3. the additional information needed to resolve those issues.

If a period of time is extended because the claimant failed to provide necessary information, the period for making the benefit determination is tolled from the date Sun Life sends notice of the extension to the claimant until the date on which the claimant responds to the request for additional information. The claimant will have at least 45 days to provide the specified information.

D. Review Procedure

If all or any part of a claim is denied, the claimant may request in writing a review of the denial within 180 days after receiving notice of denial.

The claimant may submit written comments, documents, records or other information relating to the claim for benefits, and may request free of charge copies of all documents, records and other information relevant to the claimant's claim for benefits.

Sun Life will review the claim on receipt of the written request for review, and will notify the claimant of Sun Life's decision within a reasonable time but not later than 45 days after the request has been received. If an extension of time is required to process the claim, Sun Life will notify the claimant in writing of the special circumstances requiring the extension and the date by which Sun Life expects to make a determination on review. The extension cannot exceed a period of 45 days from the end of the initial review period.

If a period of time is extended because the claimant failed to provide necessary information, the period for making the decision on review is tolled from the date Sun Life sends notice of the extension to the claimant until the date on which the claimant responds to the request for additional information.

E. Time of Payment of Claims

Section VII Claim Provisions

When Sun Life receives satisfactory Proof of Claim, benefits payable under this Policy will be paid for any period for which Sun Life is liable.

F. Payment of Claims

Benefits payable upon the death of the Employee are payable to the Beneficiary living at the time (other than the Employer). Unless otherwise specified, if more than one Beneficiary survives the Employee, all surviving Beneficiaries will share equally. If no Beneficiary is alive on the date of the Employee's death, payment will be made to the Employee's estate.

Accidental Death and Dismemberment benefits are payable as shown above unless otherwise specified in the Accidental Death and Dismemberment Benefit Section.

All other benefits payable during the lifetime of the Employee are payable to the Employee.

If a benefit is payable to the Employee's estate, an Employee who is a minor, or an Employee who is not competent, Sun Life has the right to pay up to \$5,000 to any of the Employee's relatives whom Sun Life considers entitled. If Sun Life pays benefits in good faith to a relative, Sun Life will not have to pay those benefits again.

If a Beneficiary is a minor or is not competent, Sun Life has the right to pay up to \$1,000 to the person or institution that appears to have assumed custody and main support, until the appointed legal representative makes a formal claim. If Sun Life pays benefits in good faith to a person or institution, Sun Life will not have to pay those benefits again.

G. Amendment or Termination of Benefit Provision

An Employee's rights to any disability benefits are determined on the date the Employee's disability begins. The right is subject to the terms of this Policy in effect on the date disability begins and will not be affected by subsequent amendment or termination of this Policy.

H. Change of Beneficiary

If this Policy replaces existing coverage under the Employer's group life insurance plan, Employees' nominations of Beneficiaries under the plan will remain in force unless changed by the Employee. All nominations of Beneficiaries are revocable unless otherwise stated by the Employee. Any request for change of Beneficiary must be in a written form and will take effect as of the date the Employee signs and files the change with the Employer. If Sun Life has taken any action or made payment prior to receiving notice of that change, the change of Beneficiary will not affect any action or payment made by Sun Life. The consent of the Beneficiary is not required to change any Beneficiary unless the Beneficiary designation has been irrevocable.

I. Assignments

The Employee is permitted to assign all his rights under this Policy. Any assignment must be in a written form and will take effect as of the date the Employee signs and files the assignment with the Employer. Sun Life will honor an Employee's prior assignment of rights and benefits under the Employer's plan, whether or not this Policy is specified in the Assignment. If Sun Life has taken any action or made payment prior to receiving notice of that change, the assignment will not affect any action or payment made by Sun Life. Sun Life will not be responsible for the legal, tax or other effects of any assignment.

J. Methods of Payment

The Death Benefit may be payable by a method other than a lump sum. The available methods of payment will be based on the benefit options offered by Sun Life at the time of election.

Section VIII Premiums

A. Premium Rates

Sun Life determines its initial or any subsequent monthly premium rate on the basis of the coverage being provided. After the initial monthly premium rate has been in effect until June 30, 2018, Sun Life has the right to recalculate any premium rate. However, Sun Life has the right to recalculate the initial or any subsequent monthly premium rate when any of the following occurs:

1. the terms of this Policy are changed, including but not limited to the Schedule of Benefits; or
2. a new Division, Subsidiary or Affiliated Company of the Policyholder is added to or deleted from this Policy; or
3. the number of Employees insured changes by 25% or more from the number of Employees insured on the Policy Effective Date or the immediately preceding Policy Anniversary Date; or
4. one or more class(es) are added to or deleted from this Policy.

No premium rate may be increased unless Sun Life notifies the Policyholder at least 180 days in advance of the increase. Premium rate increases may take effect on an earlier date when both Sun Life and the Policyholder agree.

B. Payment of Premiums

1. All premiums due under this Policy, including adjustments, if any, are payable by the Policyholder on or before the respective due dates at Sun Life's U.S. Headquarters or at another location designated by Sun Life. The due dates are specified on the first page of this Policy.
2. The premiums due under this Policy on each premium due date are based upon the premium rates in effect for the benefit provided. The premium due is the sum of the monthly premiums for all insured Employees and Dependents for all benefits.
3. Premiums payable to Sun Life will be paid in United States dollars on the premium due date.
4. The premium for additional or increased insurance becoming effective during a Policy month will be charged from the next premium due date.
5. The premium for insurance terminated during a Policy month will cease at the end of the Policy month in which such insurance terminates.
6. Except for fraud, premium adjustments, refunds or charges will be made for only:
 - a. the current Policy Year; and
 - b. the prior Policy Year.

C. Grace Period

The Grace Period is 31 days following a premium due date. During the Grace Period the Policy shall continue in force, unless the Policyholder has given Sun Life written notice to discontinue this Policy. In any event, premiums are payable for any period of time the Policy remains in force.

SUN LIFE ASSURANCE COMPANY OF CANADA

PORTABILITY RIDER

Effective July 1, 2015, the following provision is added to Group Policy No. 240367-001 Life Insurance Benefit Provision

Portability Privilege

Benefit

If, prior to age 70, the Employee's Life Insurance ceases due to termination of his employment, the Employee may apply for portable coverage on his own life up to the amount of Life Insurance that ceased, to a maximum of \$500,000. An Employee is not eligible to port if:

- he is age 70 or older; or
- he retires; or
- he has an injury or sickness that would have a material effect on his life expectancy or would prevent the Employee from performing his own occupation on a full-time basis; or
- his employment hours with the Employer have been reduced; or
- he remains in employment with the Employer, other than a full-time basis; or
- his insurance is being continued under the Waiver of Premium provision.

If the Employee elects to port any amount of his Life Insurance, he may also apply to port any AD&D or Dependent Life Insurance that ceased due to his termination of employment.

An Employee whose coverage has been continued on Waiver of Premium under this Policy is not eligible to apply for portable coverage.

An Employee who elects to convert his coverage to an individual policy under the Conversion Privilege is not eligible to apply for portable coverage.

Application for Portable Coverage

1. Written application must be made to Sun Life within 31 days following the date the Life Insurance ceases.
2. Portable coverage will be effective on the date that Sun Life approves the Employee's Application for portable coverage.
3. Portable coverage will be provided under a group term life policy providing death and accidental death and dismemberment benefits only, without waiver of premium or Accelerated Death benefits.
4. The premium will be the current rate Sun Life charges for the standard class of risk and age the insured belongs to under the Portable Group Life Policy.
5. If the application for Portable Coverage is declined by Sun Life, the Employee will be given 31 days, commencing on the date the application is declined, to convert to an individual policy under the Conversion Privilege.

Termination of Portable Coverage

Portable coverage will terminate on the occurrence of the earliest of the following:

- the date for which the last premium has been paid by the Employee; or
- the date the Employee attains age 70; or

- the date the portable group insurance policy terminates.

When Portable Coverage terminates, the Employee will have the right to convert the amount of coverage to an individual policy.

SUN LIFE ASSURANCE COMPANY OF CANADA

A handwritten signature in black ink, appearing to read 'Dean A. Connor', with a long horizontal stroke extending to the right.

Dean A. Connor
President and Chief Executive Officer



**SUN LIFE ASSURANCE
COMPANY OF CANADA**

CERTIFICATE OF INSURANCE

POLICYHOLDER: City of Glendale

GROUP POLICY NUMBER: 240367-001

EFFECTIVE DATE: July 1, 2015

CLASSIFICATION: All Sworn Public Safety Employees who retired prior to July 1, 2015, All Other Employees who were hired prior to July 1, 2005 and retired prior to July 1, 2015 with at least 5 or more years of service with the Employer and All Other Employees hired on or after July 1, 2005 who retired prior to July 1, 2015 with at least 5 years of service with the Policyholder, All Other Employees who were hired on or after July 1, 2005 who retired prior to July 1, 2015 with at least 10 years of service with the Policyholder.

AMOUNT OF LIFE INSURANCE:

The amount of Life Insurance you had in force on June 30, 2015

If you die while insured, your Beneficiary will receive the Amount of Life Insurance (shown above) that is in force when Sun Life receives written Notice and Proof of Claim.

PAYMENT OF BENEFIT

Benefits payable upon your death are payable to your Beneficiary living at the time. Unless you otherwise specify, if more than one Beneficiary survives you, all surviving Beneficiaries will share equally. If no Beneficiary is alive on the date of your death, payment will be made to your estate.

You can change your Beneficiary at any time on the form provided by Sun Life, unless you have stated your choice of Beneficiary is irrevocable or you have assigned your interest in your Life Insurance to another person. Any request for change of Beneficiary must be in a written form and will take effect on the date you sign and file the change with the Policyholder. If Sun Life has taken any action or made payment before receiving notice of that change, your change of Beneficiary will not affect any action or payment made by Sun Life. The consent of your Beneficiary is not required to change any Beneficiary.

CLAIM PROCEDURES

Notice of Claim - must be given to Sun Life no later than 30 days after date of death.

If notice cannot be given within the applicable time period, Sun Life must be notified as soon as it is reasonably possible.

When Sun Life has received written notice of claim, Sun Life will send the forms for proof of claim. If the forms are not received within 15 days after written notice of claim is sent, proof of claim may be sent to Sun Life without waiting to receive the proof of claim forms.

Proof of Claim - must be given to Sun Life no later than 90 days after date of death.

If proof cannot be given within these time limits, proof must be given as soon as reasonably possible. Proof of claim may not be given later than one year after the time proof is otherwise required unless the individual is legally incompetent.

Proof of Claim consists of at least the following information:

- what the loss is;
- the date the loss occurred; and
- the cause of the loss.

(For example: a Death Claim would include at least the Death Certificate for Proof of Claim)

Notice and Proof of Claim should be sent to:

Sun Life Assurance Company of Canada
Group Life Claims Department SC 4375
One Sun Life Executive Park
Wellesley Hills, MA 02481

INSURANCE CEASES

Your Insurance ceases on the earliest of:

- the date of termination of the Group Policy; or
- the last day any required premium has been paid for your insurance;
or
- the date the Group Policy is amended to terminate retiree insurance coverage.
- the date you reach age 70

CONVERSION PRIVILEGE

If you have been continuously insured for five or more years under the Group Policy's Life Benefit Provision and your Life Insurance ceases due to:

- termination of the Life Insurance Benefit Provision; or
- termination of the Group Policy; or
- termination of retiree insurance coverage by an amendment to the Life Insurance Benefit Provision;

then you may apply for an individual policy on your own life. The maximum amount of the policy will be the lesser of:

- \$2,000; or
- the amount that ceased, reduced by the amount of any life insurance you are eligible for under any group policy within 31 days after your Life Insurance ceased.

You will be issued an individual policy without Evidence of Insurability.

Application for the Individual Policy

1. written application must be made to Sun Life along with payment of the first premium, within the 31 day period (the 31 day conversion period) following the date the insurance ceases. If you are not given notice of this conversion privilege within 15 days following the date your insurance ceases, you shall have an additional 15 days to exercise this conversion privilege. In no event will this conversion privilege be extended beyond 60 days following the 31 day conversion period.
2. the individual policy may be any plan of permanent life insurance available for conversion by Sun Life at the attained age and amount requested, but without disability or other supplemental benefits;
3. the premium will be the rate Sun Life charges for the standard class of risk and age to which you belong on the effective date of the individual policy; and
4. the effective date of the individual policy will be the day after the 31 day conversion period.

Death Within 31 Days

If you die during the 31 day conversion period, a benefit will be paid, upon receipt of Notice and Proof of Claim, whether or not application for the individual policy or payment of the first premium has been made. The benefit is the amount of Life Insurance you would have been eligible to convert.

DEFINITIONS

Employee means you are a former Employee of the Policyholder who retired prior to July 1, 2015 and prior to your retirement you were insured as an active Employee.

Beneficiary means the person who is entitled to receive death benefit proceeds as they become due under the Group Policy. A person becomes your Beneficiary only if you have named that person on a signed form acceptable to Sun Life.

This Certificate replaces any certificate or booklet previously issued under the Group Policy to the Employee named herein.

For information or if you have any questions, call the Sun Life Group Service Center toll free at 1-800-247-6875.



Dean A. Connor
President and Chief Executive Officer

SUN LIFE ASSURANCE COMPANY OF CANADA

SPECIAL OPEN ENROLLMENT ENDORSEMENT

This endorsement is part of the Group Policy to which it attaches and is effective on July 1, 2015. It is part of, and subject to, the other terms and conditions of the Group Policy. If the terms of this endorsement and the Group Policy conflict, then this endorsement's provisions will control.

Special Open Enrollment Allowance

Employees hired prior to May 2, 2015, may elect Optional Life Insurance or elect to increase their amount of Optional Life Insurance without Evidence of Insurability, subject to the following:

- Employees who declined Optional Life Insurance may elect an amount up to the Guaranteed Issue Amount shown below.
- Employees who elected an amount of Optional Life Insurance less than the Guaranteed Issue Amount may elect to increase their current amount up to the Guaranteed Issue Amount shown below.

The **Guaranteed Issue Amount** for this Special Open Enrollment Period is \$200,000.

Any amount of Optional Life Insurance elected during this Special Open Enrollment Allowance is effective July 1, 2015 as long as the Employee is not subject to the Delayed Effective Date of Insurance. This Allowance only applies to Employees who elected Optional Life Insurance or elected to increase their amount of Optional Life Insurance at the Employer's Open Enrollment Period held April 6, 2015 through May 1, 2015.

Any amount elected in excess of the Guaranteed Issue Amount or any subsequent increases in an Employee's amount of Optional Life Insurance will be subject to the Evidence of Insurability requirements.



**Sun Life Assurance Company
of Canada**
SC 2384 One Sun Life Executive Park
Wellesley Hills, MA 02481-5699

1-800-247-6875

ATTACHMENT A

Effective July 1, 2015, the Initial Monthly Premium rates for Group Policy 240367-001 are as follows:

<u>Benefit</u>	<u>Rate</u>
Employee Basic Life	\$0.065 for each \$1,000 of insurance
Employee Basic AD&D	\$0.015 for each \$1,000 of insurance
Dependent Basic Life	\$0.280 for each Employee with Dependent Coverage

Employee Optional Life Insurance:

Employee's Age on the first of the month following the date of change	Monthly Rate per \$1,000 of insurance
Under 20	\$0.060
20-24	\$0.060
25-29	\$0.060
30-34	\$0.080
35-39	\$0.090
40-44	\$0.150
45-49	\$0.240
50-54	\$0.420
55-59	\$0.690
60-64	\$1.020
65-69	\$1.520
70-74	\$2.370
75-79	\$2.370
80-84	\$2.370
85 and Over	\$2.370

Employee Optional AD&D	\$0.020 for each \$1,000 of insurance
------------------------	---------------------------------------

Sun Life Assurance Company of Canada
Is a member of the Sun Life Financial group of companies

www.sunlife-usa.com

Spouse Optional Life Insurance:

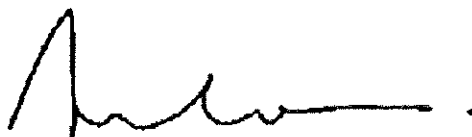
Spouse's Age on the first of the month following the date of change	Monthly Rate per \$1,000 of insurance
Under 20	\$0.060
20-24	\$0.060
25-29	\$0.060
30-34	\$0.080
35-39	\$0.090
40-44	\$0.150
45-49	\$0.240
50-54	\$0.420
55-59	\$0.690
60-64	\$1.020
65-69	\$1.520
70-74	\$1.520
75-79	\$1.520
80-84	\$1.520
85 and Over	\$1.520

Child Optional Life

\$0.760 per enrolled Employee

The initial monthly rates are guaranteed for 36 months from July 1, 2015 for Employee Basic Life, Employee Basic Accidental Death and Dismemberment, Dependent Basic Life, Employee Optional Life, Employee Optional Accidental Death and Dismemberment and Dependent Optional Life Insurance. Initial rates are subject to the provisions of Section VIII, "Premiums," and are subject to change thereafter.

SUN LIFE ASSURANCE COMPANY OF CANADA



Dean A. Connor
President and Chief Executive Officer

Sun Life Assurance Company of Canada
Is a member of the Sun Life Financial group of companies

www.sunlife-usa.com

SUN LIFE ASSURANCE COMPANY OF CANADA

SPECIAL OPEN ENROLLMENT ENDORSEMENT

This endorsement is part of the Group Policy to which it attaches and is effective on July 1, 2015. It is part of, and subject to, the other terms and conditions of the Group Policy. If the terms of this endorsement and the Group Policy conflict, then this endorsement's provisions will control.

Special Open Enrollment Allowance

Employees hired prior to May 2, 2015, may elect Dependent Optional Life Insurance or elect to increase their amount of Dependent Spouse Optional Life Insurance, without Dependent Evidence of Insurability, up to the Maximum Benefit amounts shown below.

	<u>Maximum Benefit Amount</u>
Spouse	\$100,000
Child	\$5,000

Any amount of Dependent Optional Life Insurance elected during this Special Open Enrollment Allowance is effective July 1, 2015 as long as the Dependent is not subject to the Delayed Effective Date of Insurance. This Allowance only applies to Employees who elected Dependent Optional Life Insurance or elected to increase their amount of Dependent Spouse Optional Life Insurance at the Employer's Open Enrollment Period held April 6, 2015 through May 1, 2015.

An Employee must be enrolled in Employee Optional Life Insurance to elect Dependent Optional Life Insurance.

Any subsequent increases in an Employee's amount of Dependent Optional Life Insurance will be subject to the Evidence of Insurability requirements.

CITY OF GLENDALE, an Arizona
municipal corporation

Richard A. Bowers, Acting City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael D. Bailey, City Attorney



Legislation Description

File #: 15-336, Version: 1

AUTHORIZATION TO AWARD CONTRACT TO UNION SECURITY INSURANCE COMPANY FOR SELF-FUNDED SHORT TERM DISABILITY AND PUBLIC SAFETY LONG TERM DISABILITY

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Purpose and Recommended Action

This is a request for City Council to approve and direct the Acting City Manager to enter into a contract with Union Security Insurance Company for self-funded short term disability and public safety long term disability administrative services covering City of Glendale active employees for the Fiscal Year 2015-2016 and authorizing the City Manager the option to extend the term of this contract two additional years in one year increments.

Background

The City is currently self-insured in the area of long term disability for sworn police officers and fire fighters as well as short term disability for all other City employees. The City currently has a contract with Union Security Insurance Company to be the claims administrator for both long and short term disability claims and pays an administrative fee for setting up, reviewing and managing the claims in accordance with appropriate laws and procedures. The current contract with this vendor is valid through June 30, 2015.

Analysis

In October 2014, Human Resources began the RFP process in conjunction with Segal Consulting, for Dental, Vision, and Life Insurance and administrative services for Disability benefits. An evaluation committee comprised of Segal Consulting and employees from Human Resources, Police, Fire, Community Services, and Public Works reviewed the proposals for long and short term disability administrative services. Union Security Insurance Company was ultimately selected as the vendor that best matched both the needs of the employees and the city.

Through the RFP process, the pricing for long and short term disability administrative services is remaining at \$12,050 annually.

Previous Related Council Action

On June 24, 2014, Council ratified the existing agreement and approved the extension of existing contract with Union Security Insurance Company through June 30, 2015.

Budget and Financial Impacts

Cost	Fund-Department-Account
\$12,050	1000-11801-504400 Non-Departmental

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CLAIMS SERVICE ADMINISTRATION AGREEMENT FOR
LONG TERM DISABILITY ("LTD") FOR THE CITY OF GLENDALE, AZ POLICE
AND FIRE DEPARTMENTS AND SHORT TERM DISABILITY ("STD") FOR THE
CITY OF GLENDALE, AZ EMPLOYEES EXCLUDING POLICE AND FIRE
DEPARTMENTS

THIS CLAIMS SERVICE ADMINISTRATION AGREEMENT ("Agreement") is made and entered into effective this 1st day of July, 2015 ("Effective Date") by and between City of Glendale ("City"), and Union Security Insurance Company ("Claims Service Administrator") (collectively, the "Parties").

WHEREAS, the City has established a self-funded long-term disability plan ("LTD Plan") for the City of Glendale Police and Fire Departments; and a self-funded short-term disability plan ("STD Plan") for City of Glendale employees excluding Police and Fire Departments, to provide for the payment of disability Plan benefits to eligible Plan participants (as defined in the Plan); and

WHEREAS, the City has requested that Claims Service Administrator review and make determinations on claims submitted pursuant to the Plan, which the City submits for review; and

WHEREAS, Claims Service desires to accommodate the City.

NOW THEREFORE, in consideration of the mutual promises contained herein, and the payment of fees and charges set forth in Exhibit 1, the Parties hereby agree as follows:

I. Definitions

As used in this Agreement the following terms shall have the stated meanings:

- A. Plan means both the self-funded long-term disability plan ("LTD Plan") for the City of Glendale Police and Fire Departments and the short-term disability plan ("STD Plan") for all other City of Glendale employees excluding the Police and Fire Departments established by the Plan Sponsor as set forth in the Plan Document.
- B. Plan Year means the 12-month period of the time as defined in the Plan Document.

II. Submission of Information

- A. The City may submit Plan claims to Claims Service Administrator for review and handling. The City shall provide all information requested by the Claims Service Administrator including, but not limited to, the following:
 - 1. A copy of the Plan Document, Summary Plan Description and any other documents or material in whatever medium evidencing Plan guidelines or procedures.

2. Confirmation of the claimant's salary/earnings and eligibility for participation in the Plan.
3. The claimant's effective date of coverage under the Plan.
4. A completed claim form, in a format that is acceptable to Claims Service Administrator.
5. Any other information reasonably requested to enable Claims Service Administrator to perform its duties under this Agreement.

III. City's Responsibility

- A. The City authorizes the Claims Service Administrator to process claims for Plan benefits and to issue drafts for payment to Plan participants. The City shall promptly reimburse Claims Service Administrator in accordance with Section VIII an Exhibit 1, which is attached and incorporated herein by reference, for all drafts issued by Clams Service Administrator pursuant to this Agreement.
- B. Notwithstanding any other provisions of this Agreement, the responsibility for the interpretation of Plan provisions, the determination of whether a benefit will be paid or denied and the liability for the payment of any benefits under the Plan rests solely with the City. The City shall use its sole, unreviewable discretion in determining all claims and appeals without regard to the opinions or recommendations of Claims Service Administrator. The Plan Sponsor's decision will be final.
- C. The Parties acknowledge and agree that Claims Service Administrator does not insure or underwrite the liability of the City under the Plan. The City remains responsible and liable at all times for providing any Plan benefits and operating the Plan in accordance with its terms and any applicable state or federal laws and regulations. Except as may be otherwise provided in Article IV, paragraph 7, the City shall be responsible for complying with all reporting and disclosure requirements including, but not limited to, preparation and distribution of Summary Plan Descriptions and the preparation and filing of any required Form 5500.
- D. Should the City decide to take action contrary to Claims Service Administrator's determination, the City shall prepare and immediately forward to Claims Service Administrator its decision in writing, including the basis for its decision. Claims Service Administrator will notify the claimant in writing of the decision reached by the City on the claim, the basis for that decision, and the right to appeal that decision.
- E. In the event a benefit is overpaid or paid in error, the Parties shall cooperate with each other in seeking reimbursement of the overpaid amount from the claimant. It shall be the sole responsibility of the City to collect any overpayment.
- F. The City shall communicate to the Claims Service Administrator, in writing, any

modifications or amendments to the Plan at least thirty (30) days prior to the effective date of any Plan modification or amendment. Any such amendment or modification shall not be implemented retroactively.

IV. Claim Administration Service

Upon receipt of the submitted claims, Claims Service Administrator shall perform certain services with respect to the review of Plan claims made by Plan participants including, but not limited to, the following:

1. Obtain appropriate and adequate documentation to make informed determination regarding submitted claims under the Plan.
2. Review all aspects of the submitted claims including review of all documents and information, medical and otherwise, obtained to review eligibility for benefits and the amount of benefits, if any.
3. Pursuant to Article VII, use the service of third parties, e.g., physicians, rehabilitation experts, investigators, etc. as deemed appropriate by Claims Service Administrator.
4. Subject to Article III, determine whether the claimant is entitled to benefits under the terms of the Plan and if so, calculate benefit amounts and notify Plan Sponsor whether the claim should be accepted or denied.
5. Complete claim determinations within seven (7) days after the receipt by Claims Service Administrator of all information necessary to make such a determination.
6. Notify claimants in writing as to the decision reached on the claim, the basis for the decision and their right to appeal the decision.
7. Withhold and report any income taxes withheld and any Social Security and Medicare taxes withheld from each benefit payment. Annually prepare, file and forward to claimant, under Claim Service Administrator's taxpayer identification number, any required Form W-2's reporting benefits paid.
8. Quarterly notify the City of the amount of Social Security and Medicare taxes withheld from benefits paid. The City shall be responsible for reporting and paying the employer portion of Social Security and Medicare taxes and for any federal and/or state unemployment taxes on taxable benefits paid.

V. Appeal Process

- A. All appeals shall be handled in accordance with the Plan Document.
- B. In the absence of an appeals process in the Plan Document, the appeals process shall be as follows:
 - 1. If the Plan allows for only one level of appeal, that appeal shall be handled and determined by the City.
 - 2. If the Plan allows for more than one level of appeal, the first appeal of a denied claim shall be reviewed by the Claims Service Administrator's Team Leader and/or Manager. The claim may also be reviewed by medical personnel, consultants or third-party experts provided by the Claims Service Administrator and other Claims Service Administrator personnel or third-party vendors, as necessary. Claims Service Administrator will formulate a decision on the first appeal and provide that decision in writing to the City.
 - 3. Notwithstanding any other provisions of this Agreement, and as provided by Article III, the City shall use its own discretion in determining all appeals, without regard to the determination by Claims Service Administrator.
 - 4. If the City concurs with the Claims Service Administrator's decision as formulated according to subsection 2 above, Claims Service Administrator will notify claimants in writing of the decision reached on the claim, the basis for the decision, and their right to appeal the decision.
 - 5. If the City does not concur with the Claims Service Administrator's decision as formulated according to subsection 2 above, City will notify claimants in writing of the decision reached on the claim, the basis for the decision, and their right to appeal the decision.
 - 6. Any additional appeals thereafter shall be handled and determined solely by the City.

VI. Consultation

Claims Service Administrator may consult with the City and the City shall cooperate with Claims Service Administrator during the review of any claim or the appeal of any disputed claim.

VII. Vendor Services

If the Claims Service Administrator determines that outside vendor services are necessary, Claims Service Administrator will seek prior written approval from the City before retaining the services of a subcontractor or third party vendor. If approved by the City, the outside vendor services will be considered an additional service provided to the City by Claims Service Administrator under this Agreement. Fees and charges incurred in connection with these services shall be billed and paid by the City

in accordance with Exhibit 1.

VIII. Administration Fees and Benefit Payment Reimbursement

- A. The City shall pay to Claims Service Administrator an administration fee in accordance with paragraph C below. The administration fee for the initial term of this Agreement and other applicable charges are set forth in Exhibit 1.
- B. The City shall also reimburse Claims Service Administrator for all Plan benefit payments in the manner provided in Exhibit 1.
- C. The Claims Service Administrator shall send a monthly itemized statement ("Claims Service Administrator's Itemized Statement") to the City setting forth all unpaid fees and charges and Plan benefits paid in the prior month(s). Within ten (10) business days of receipt of the Claims Service Administrator's Itemized Statement, the City shall remit full payment to Claims Service Administrator in the manner set forth in Exhibit 1. Administration fees, charges and Plan benefit payments shall be funded in the same manner as specified in Exhibit 1 unless the parties agree in writing to alternate arrangements.
- D. If the City at any time fails or refuses to pay any amount due and payable under this Agreement, Claims Service Administrator, upon twenty-four (24) hours' notice, and in its sole discretion, may:
 - 1. Stop processing any further claims and stop making any benefit payments until the outstanding amounts are received;
 - 2. Change the frequency of the billing and reimbursement procedures;
 - 3. Change the method of payment set forth in Exhibit 1; and/or
 - 4. Terminate this Agreement.
- E. If the Claims Service Administrator changes the method of payment in Exhibit 1, pursuant to paragraph D above, the City shall cooperate with the Claims Service Administrator in providing all necessary information to facilitate that change. The City shall also ensure that amounts due and payable to Claims Service Administrator shall be available to Claims Service Administrator within forty-eight hours of the date specified by Claims Service Administrator.
- F. As part of the renewal, the Claims Service Administrator may change the Plan administration fee. If the Plan administration fee is changed, Claims Service Administrator shall notify the City in writing of the change. The new Plan administration fee shall not become effective earlier than 30 days after the date such notice is given and the City agrees to such change. The City's agreement to any such change in the Plan administration fee will not be unreasonably withheld. If the City rejects the new Plan administration fee, Claims Service Administrator may, in its sole discretion: (i) elect to continue providing services under the existing fee arrangement then in effect; (ii) negotiate a new Plan administration fee with City; or

(iii) terminate this Agreement.

IX. Standard of Review

The standards to be used by Claims Service Administrator when making claim determinations under the Plan are those set forth in the Plan. These standards include, but are not limited to, the definition of disability, eligibility, amount of benefit, and the evidence required to establish proof of loss.

X. Files and Records

- A. The claim file related to the Plan is the property of the City and is available to City upon request. In order to implement this provision, forms authorizing the release of medical records must include the City as a possible recipient of such records. In the absence of a specific request for Plan records by the City, Claims Service Administrator will hold such records for the City for the same period of time that the Claim Service Administrator retains similar records in connection with its insurance business.
- B. Upon termination of this Agreement, Claim Service Administrator will return all Plan files to the City.
- C. The City shall reimburse the Claims Service Administrator's actual costs incurred in providing any and all information requested under this Section and all costs incurred in returning the City's files.
- D. The City agrees that in reviewing any records, claims files or other information, it shall comply with the requirements set forth in Section XIV.
- E. Upon Claims Service Administrator's receipt of a subpoena, court order, child support order or any other judicial order compelling production of Plan records, Claims Service Administrator shall immediately forward to the City a copy of such order along with the Plan records provided by Claims Service Administrator to comply with the order.

XI. ERISA

- A. This Agreement shall not be considered an employee welfare benefit plan under the provisions of the Employee Retirement Income Security Act of 1974 and any amendments thereto (ERISA) and the City shall be solely responsible for any duties and responsibilities imposed on it by ERISA, if any.
- B. For purposes of this Agreement and the duties performed thereunder, Claims Service Administrator is not a fiduciary as defined by ERISA.
- C. Claims Service Administrator shall have no power or duty to act on behalf of the City concerning the Plan except as expressly stated in the Plan and this Agreement. Claims Service Administrator has no discretionary authority or

control over the Plan or the Plan Administration.

XII. Indemnification

Unless due to the willful misconduct or gross negligence of Claims Service Administrator, the City shall indemnify and hold harmless Claims Service Administrator, its directors, agents, officers, and employees from and against any and all claims, lawsuits, settlements, judgements, awards, orders, cost, penalties, damage and expenses, including attorney's fees or any other liabilities, resulting from, or arising out of, or in connection with Claims Service Administrator's services under this Agreement. This Agreement to indemnify shall survive the termination of this Agreement.

XIII. Term and Termination

- A. The term of this Agreement commences upon the Effective Date and continues for one (1) year from the anniversary of the Effective Date, unless the Agreement is terminated by a Party as provided in subsection C below.
- B. The City Manager may, at his/her option, and with the approval of the Claims Service Administrator, extend the term of this Agreement an additional two (2) years in one (1) year increments, renewable on the anniversary of the Effective Date of this Agreement. Claims Service Administrator will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original term or any renewal Agreement period. There will be no price adjustments except as provided in Section VII (Administration Fees and Benefit Payment Reimbursement) above. There are no automatic renewals of this Agreement.
- C. This Agreement shall be terminated as follows:
 - 1. Immediately upon the cessation of business by the City or the Claims Service Administrator.
 - 2. Immediately upon the bankruptcy or dissolution of the City or Claims Service Administrator.
 - 3. Immediately upon the City's failure to pay fees and charges when due.
 - 4. Thirty (30) days after one Party notifies the other Party, in writing, that it wishes to terminate the Agreement. Termination under this subsection may occur without cause and without providing the Party receiving such notice an opportunity to cure any condition that gave rise to the termination.
- D. Upon termination of this Agreement for any reason:
 - 1. Unless otherwise agreed to, Claims Service Administrator shall cease all services under this Agreement.

2. Within 30 days of termination, the City shall pay to Claims Service Administrator all fees, charges and Plan benefits determined to be due at the date of termination.
3. Claims Service Administrator shall return any City funds remaining in its possession within 30 days after a final accounting is prepared by Claims Service Administrator.

XIV. Confidentiality/Privacy

- A. As used in this Section, "Confidential Information" means any personal or health information of, or related to, Plan participants or as such information may be protected from disclosure applicable federal or state privacy laws or regulations. "Confidential Information" also includes "Non-public Personal Information" as that term may be defined in the Gramm-Leach-Bliley Act, including any information that is personal in nature, including but not limited to, name, address, telephone number, e-mail address, social security number, dates of birth and other consumer or credit information.
- B. Claim Service Administrator agrees to maintain the confidentiality of all Confidential Information received about Plan participants in accordance with state and federal laws and regulations.
- C. Claims Service Administrator shall implement and maintain reasonable information safeguards and security measures consistent with industry standards to protect against the unauthorized access to or use of Confidential Information.
- D. In the event that the City request any Confidential Information from Claims Service Administrator pursuant to this Agreement, such information shall be made available to the City in a manner that the Claims Service Administrator determines maintains confidentiality while still meeting the reasonable information needs of the City.
- E. The City assumes the same duty of confidentiality and security with regard to the Confidential Information as is required of the Claims Service Administrator. The City shall promptly notify Claims Service Administrator of any breach of security resulting in possible or actual unauthorized access to or release of Confidential Information.
- F. In addition to the above, the City agrees to use the Confidential Information only for the purposes for which it was disclosed and to not further disseminate or disclose this Confidential Information to other third parties, without written approval from the applicable Plan participant or as otherwise required by law, unless such disclosure is necessary for the City to meet its contractual obligations and the third party due to receive the Confidential Information is similarly bound by the same privacy standards in its handling of Confidential Information. Further, the City agrees, where

legally required, to comply with applicable privacy laws, including, but not limited to: (i) the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); (ii) the Gramm-Leach-Bliley Act ("GLB"); (iii) any and all applicable state privacy laws; and (iv) any relevant regulations promulgated in conjunction with applicable privacy laws. The City agrees to cooperate with Claims Service Administrator to ensure its privacy compliance and to establish and maintain policies reasonably designed to assure the security of all Confidential Information.

XV. Notice

Any notice required under this Agreement shall be made in writing, and either personally delivered to the intended party, sent via overnight mail by a nationally-recognized carrier, or mailed by United States mail, certified or registered, postage prepaid, return receipt requested to the following address or such other address as the party may specify:

Claims Service Administrator: Union Security Insurance Company
2323 Grand Boulevard
Kansas City, Missouri 64108
ATTN: Self-funded Admin. Dept.

and

Union Security Insurance Company
PO Box 419423
Kansas City, MO 64141-6423

City: Jim Brown
Executive Director of Human Resources
City of Glendale
5850 W. Glendale
Glendale, AZ 85301

XVI. General Provisions

- A. This Agreement shall be interpreted and governed by the laws of the State of Arizona.
- B. The recitals and the definitions within such recitals are incorporated herein by reference and shall apply to this Agreement.
- C. This Agreement constitutes the entire agreement between the Parties as to the matters addressed herein, and, as of the Effective Date, supersedes all previous agreements and understandings between the Parties with respect to the subject matter hereof.
- D. Neither Party shall use the other Party's name, trademark, brand, logo, or

symbol without the other's express written consent.

- E. Each Party agrees to notify the other within twenty-four (24) hours after receipt of notice of the commencement of any legal action relating to the Plan or this Agreement.
- F. Forbearance by a Party in enforcing one or more of the provisions of this Agreement shall not be deemed or construed to constitute a waiver of such right to take an action to enforce such term at a later date.
- G. The headings used in this Agreement are for convenience only and shall not be used in interpreting this Agreement.
- H. Nothing in the Agreement, whether express or implied, is intended to confer any rights or remedies on any persons or entities other than the parties to this Agreement.
- I. This Agreement may not be assigned or amended without the prior written consent of either party.
- J. Any modification or amendment to this Agreement shall not be effective unless agreed to in writing and signed by both Parties.
- K. No ambiguity or uncertainty herein shall be construed or resolved against any party whether under any rule of construction or otherwise.
- L. Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party will survive completion of the services, or the earlier termination of this Agreement.
- M. Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.
- N. Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.
- O. Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
- P. Conflict of Interest. This Contract is subject to A.R.S. § 38-511.
- Q. Immigration Law Compliance. Claims Service Administrator warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal

immigration laws and regulations that relate to its employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

- R. Non-Discrimination Policies. Claims Service Administrator must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristic, familial status, U.S. military veteran status or any disability. Claims Service Administrator, and on behalf of any subcontractors, warrants compliance with this section.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date set forth above.

**UNION SECURITY INSURANCE
COMPANY**

(Claims Service Administrator)

Jo A. Jellma
Title: *Senior Vice President*
Date: *5/20/15*

CITY OF GLENDALE,

An Arizona municipal corporation

By: Dick Bowers
City Manager

ATTEST:

Pamela Hanna
City Clerk

(SEAL)

APPROVED AS TO FORM:

City Attorney

EXHIBIT 1

FEES AND CHARGES

1. The City shall pay Claims Service Administrator the following:
 - A. A monthly administration fee per new claim set-up: \$500.00;
 - B. A \$50.00 flat fee per active claim review; and
 - C. The actual costs incurred by Claims Service Administrator for vendor fees in connection with the Plan.
2. In the event the term of this Agreement is renewed or extended in accordance with Section XIII (Term and Termination) of the Agreement, the per claim fee is guaranteed to June 30, 2018, and is net of commissions paid to any third party.
3. Fees shall be remitted to Claims Service Administrator in the form of a check transaction.



Legislation Description

File #: 15-345, Version: 1

AUTHORIZATION TO RATIFY VERBAL AGREEMENT TO EXTEND THE CONTRACT WITH COUNSELING AND FAMILY RESOURCES, LTD, D.B.A. EAP PREFERRED AND EXERCISE THE OPTION TO RENEW THE CONTRACT

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Purpose and Recommended Action

This is a request for City Council to ratify the verbal agreement to extend the contract with Counseling and Family Resources, Ltd, d.b.a. EAP Preferred through June 30, 2015; exercise the option to renew the contract from July 1, 2015 through June 30, 2016 and authorize the City Manager the option to extend the term of this agreement two additional years in one year increments.

Background

The City has offered an Employee Assistance Program to its employees since July 1, 2002. In January 2013, Human Resources conducted an RFP process in conjunction with Segal Consulting, for an Employee Assistance Program. Counseling and Family Resources, Ltd, d.b.a. EAP Preferred was ultimately selected as the vendor that best matched both the needs of the employees and the city. The City entered into the existing contract with Counseling and Family Services, Ltd, d.b.a. EAP Preferred on July 1, 2013. The contract had an initial one-year term beginning July 1, 2013 through June 30, 2014 and provided the option to extend for an additional year through June 30, 2015.

Analysis

The original RFP requested that the City have the option to extend the term four additional years in one year increments based on satisfactory performance. Counseling and Family Resources, Ltd, d.b.a. EAP Preferred has been performing satisfactorily and therefore Human Resources is also requesting the City Council approve a new agreement to allow a renewal for two additional years in one year increments. This will ensure that the contract matches the intent of the RFP to provide our employees with an employee assistance program through June 30, 2018.

Previous Related Council Action

On June 11, 2013, Council approved the contract with EAP Preferred which was effective July 1, 2013.

Budget and Financial Impacts

Cost	Fund-Department-Account
\$25,500	2580-18210-518200, Professional & Contractual (EAP)

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT

This Employee Assistance Program Services Agreement ("Agreement") is entered into on the ____ day of _____, 2015 by and between Counseling and Family Resources, Ltd., dba EAP Preferred: Employee Assistance Programs, an Arizona corporation (hereafter referred to as "EAP Preferred") and the City of Glendale, an Arizona municipal corporation (hereafter referred to as "City").

WHEREAS, EAP Preferred responded to City Solicitation Number: RFP 13-29 and the City awarded EAP Preferred a contract with an initial one-year term and an option to extend the term of the contract for four (4) additional years in one (1) year increments based on satisfactory performance of the contractor; and

WHEREAS, the City and EAP Preferred previously entered into an Employee Assistance Program Services Agreement, Contract No. C-8502, dated July 1, 2013 ("Agreement"); and

WHEREAS, the Agreement had an initial one-year term beginning July 1, 2013 through June 30, 2014, and provided the option to extend for an additional year; and

WHEREAS, through mutual agreement, the City and EAP Preferred verbally agreed to exercise the option to extend the Agreement one (1) additional year for the period of July 1, 2014 through June 30, 2015; and

WHEREAS, the City Council, by approving and executing this Agreement ratifies the verbal amendment of the Agreement for the additional contract year that expires on June 30, 2015; and

WHEREAS, EAP Preferred and City declare and express their mutual intent to enter into this Agreement whereby EAP Preferred shall provide those services as hereafter described to City under the terms and conditions set forth herein.

COVENANTS

EAP Preferred and City agree as follows:

1. **TERM AND TERMINATION:** This Agreement shall commence on July 1, 2015 and shall be in effect for a period of one year, until June 30, 2016.

At the conclusion of this term, the City may exercise its option to extend the Agreement by providing EAP Preferred notice of its intent to extend the contract term at least 30 calendar days in advance of the expiration of the contract term. The City may exercise its option to renew this Agreement for 2 additional years, in 1 year increment, based on satisfactory contractor performance. In no event shall the Agreement be extended beyond June 30, 2018.

EAP Preferred's fees are fixed for the full term of the Agreement and all renewal periods, which total five [5] consecutive years.

2. EAP PREFERRED'S RESPONSIBILITIES TO THE CITY:

- a. Shall provide those services described in Attachment A.
- b. Shall have Masters or Licensed Doctoral level counselors to provide counseling services to employees and participants/dependents.
- c. All counseling services shall remain confidential between EAP Preferred and participants/dependents unless specific authorization is received for the release of information to a third party by such participant. Exceptions are those prescribed by law. EAP Preferred counselors shall make referrals to other service providers as deemed clinically appropriate. The participants/dependents accept personal responsibility for use of referral services through available medical/mental health plan or other fee arrangements.

3. COMPENSATION: Fee schedule is provided on Attachment B.

4. INDEPENDENT CONTRACTOR: All services performed by EAP Preferred and its employees under this Agreement shall be considered and are those of independent contractors. This Agreement is not intended to suggest that an employer-employee relationship, joint venture, partnership or any other relationship of any type shall be established or understood, expressly or by implication.

5. RIGHT OF SELECTION OF TREATING THERAPISTS: EAP Preferred retains the right and responsibility for selection, credentialing and oversight of the professionals that it engages to treat employees and other covered persons of the City under this Agreement.

6. EAP PREFERRED LIABILITY: EAP Preferred maintains policies of general and professional liability to protect itself and its employees against any claims, liabilities, damages or judgments, including malpractice or negligence that arises out of services provided or to be provided by EAP Preferred or its employees, agents and representatives in the discharge of professional services to enrollees or qualified dependents under this agreement. EAP Preferred agrees to hold City harmless and to pay any damages and costs, including expenses actually incurred in defending any action or proceeding brought against City, relating to this Agreement or the performance of EAP Preferred in the provision of services pursuant to this Agreement.

7. NOTICES: Any and all notices to alter the terms of this Agreement must be mailed by certified and/or registered mail or delivered in person to the parties as shown:

City of Glendale
Vicki Moss, Human Resources Department
5850 West Glendale Avenue
Glendale, Arizona 85306
Phone: 623-930-2297
Fax: 623-915-2697
Email: ymoss@glendaleaz.com

Counseling and Family Resources, Ltd. dba EAP Preferred
Attn: Kenneth Goldberg, President
99 East Virginia Avenue, Suite 275
Phoenix, Arizona 85004
Phone: 602-264-4600, Ext. 141
Fax: 602-264-7325

8. **ENFORCEMENT:** This Agreement shall be binding upon and enforceable by the parties and their respective representatives and successors in interest. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to payment by the other party of reasonable attorney's fees, costs, and necessary disbursement and expenses in addition to any other relief to which such party may be entitled by law.
9. **SEVERABILITY:** If any provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement.
10. **EAP PREFERRED REPRESENTS AND WARRANTS AS FOLLOWS:**
- a. That it is an Arizona corporation in good standing.
 - b. That it is authorized to undertake and fulfill each and every obligation hereunder, and that it has the necessary licenses and certifications required by federal, state and local governments.
 - c. To its knowledge, it is not under investigation by any government agency for violation of any applicable statute or regulation.
 - d. EAP Preferred shall be responsible for any applicable federal, state or local taxes.
11. **ENTIRE AGREEMENT:** This Agreement and Addendum constitutes the entire understanding and obligations between the parties. No change, amendment or alteration shall be effective unless in writing and signed by both parties.
12. **GOVERNING LAW:** This agreement shall be governed by and construed in accordance with the laws of the State of Arizona except to the extent superseded by ERISA. Each party shall comply with all applicable federal and state laws, statutes and regulations relating to this Agreement.
13. **COORDINATING PROVISIONS-STATE/FEDERAL LAWS AND ACCREDITATION STANDARDS:** EAP Preferred and City will comply with the coordinating provisions- State/Federal laws, including, without limitation, the Health Insurance Portability and Accountability Act ("HIPAA") of 1996.
14. **ACCESS TO BOOKS AND RECORDS:** After providing the service stated in this agreement, EAP Preferred agrees that for a period of seven years, it shall retain and make available upon the request of the City this agreement and documents and records which are necessary to verify that services were delivered as requested by City or its duly authorized representatives. All subcontractors are required to do the same. All participant/dependent clinical records are the property of EAP Preferred and are confidential. Participant/dependent records are not available for review without participant/dependent written consent/authorization according to the regulations set forth within EAP Preferred's Policy and Procedures. These regulations meet the current standards of "Privacy and Security" set forth within the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, including, without limitation, all current and future revisions necessary.
15. **Conflict of Interest.** This Contract is subject to A.R.S. § 38-511.
16. **Immigration Law Compliance.** EAP Preferred warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to its employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

Attachment A

**EAP Preferred - List of Employee Assistance Program [EAP],
Work-Life and Related Services – effective July 1, 2013**

Clinical Features	INCLUDED
24/7/ live answer for crisis intervention, to schedule Critical Incident Debriefings and request information. Non-emergency appointments can be made Monday through Friday, 8:00 AM to 5:00 PM [Mountain time].	YES
One number for all calls, all hours for employees, family members, Human Resources, and supervisors; Phoenix, 602-264-4600 [toll free, 1-800-327-3517].	YES
Up to Six [6] clinical sessions per covered per person per problem per year.	YES
Solution focused/brief therapy: Counseling areas include, but are not limited to; <ul style="list-style-type: none"> Relationship issues Separation and divorce concerns Parenting Substance (alcohol/drug) misuse Gambling Job stress Work concerns Financial concerns Depression Loss and grief 	YES
Therapy provided in [1] EAP Preferred clinics [Glendale, Phoenix, Paradise Valley, Tempe, or Mesa; [2] 250 network therapists in the region; [3] 1,100 credentialed therapists across Arizona; and [4] 40,000 therapists throughout the United States.	YES
Post-EAP [or emergency] referral to medical plan, with treatment monitoring and post-treatment review.	YES
Work-Life Features – Legal, Financial, Child Care, and many other issues	INCLUDED
24/7 live answer and consultation with a Work-Life expert [an unlimited service].	YES
Multiple access points: Telephone, e-mail or instant messaging technology.	YES
Rapid turnaround time for Work-Life cases – 12 business hours for regular cases or six business hours for urgent cases - the fastest turnaround time in the industry.	YES
Work-Life areas for consultation, resource and referrals include, but are not limited to: <ul style="list-style-type: none"> Adoption Parenting Elder/adult care Prenatal and postnatal care Summer care Travel resources Child care Education Pet care Wellness Special needs Household services 	YES
Educational materials to support each customized consultation include:	YES

<ul style="list-style-type: none"> • Tip sheets on specific topics • Checklists to help evaluate resources • Interactive CDs 	<ul style="list-style-type: none"> • Selected resources that are available in Spanish • Provider profiles • Handbooks filled with consumer information 	
Customized website offering 5,000+ articles, tip sheets, interactive self-assessments, personal plans, audio files, and articles with resources available in English and Spanish.		YES
Online access to our Savings Center with discounts on hundreds of name brand items.		YES
Legal, Financial, and ID Theft Recovery: <ul style="list-style-type: none"> • Divorce/custody issues • Estate planning/wills/trusts • Landlord/tenant issues • Small claims • Bankruptcy • Buying a home for the first time • Major life event planning • Retirement planning • Criminal • Real estate • Personal injury/malpractice • Adoption • Budgeting • Foreclosure prevention • College fund planning • Will preparation 		YES LEGAL SERVICES INCLUDE 30 MINUTE FREE APPOINTMENT WITH A LOCAL ATTORNEY AND 25% DISCOUNT ON ATTORNEY FEES
Service Features		INCLUDED
Marketing initiative and promotional support to ensure higher utilization, including EAP Preferred printed standard brochures/wallet cards [quantity to be confirmed], and posters [quantity to be confirmed]. EAP Preferred will deliver printed material to one location determined by the City. Monthly messages and quarterly newsmagazines will be submitted in electronic format.		YES
Unlimited Supervisory Referrals [formal and informal] each contract year.		YES
Onsite orientation meetings to familiarize employees with the operation and benefits of the EAP.		YES
Onsite initial training for Human Resources/Supervisors/Managers: Four hours are included.		YES
Onsite response for Critical Incident Stress Debriefings, Management and Supervisory Training. Eight hours each contract year are included.		YES
Onsite participation in Health/Benefit Fairs: Eight hours each contract year are included.		YES
Layoff/workforce reduction assistance: 30 days of standard EAP services will be provided to each person in those situations.		YES
Quarterly detailed utilization reports will be submitted electronically.		YES
Optional Programs Available		FEES
Onsite response for Critical Incident Stress Debriefings. No charge for telephone coordination and development of response plan. Eight hours each year are included in EAP Preferred's and will be used before hourly fees.		\$250 per hour, billed portal-to-portal
Onsite Management Consultation.		\$250 per hour, billed portal-to-portal

**ATTACHMENT B
FEES**

- Fees are for all Services described in Attachment A, provided in accordance with the terms of this Agreement.
 - Fees are Invoiced for payment monthly in advance.
 - Fee guarantee is five [5] years, July 1, 2013 through June 30, 2018
 - Fee per employee/family per month = \$1.25
-

17. Non-Discrimination Policies EAP Preferred must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, US military veteran status or any disability. EAP Preferred will require any sub-contractor to be bound to the same requirements as stated within this section. EAP Preferred, and on behalf of any subcontractors, warrants compliance with this section

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives:

CITY OF GLENDALE,
An Arizona municipal corporation

Richard A. Bowers
Acting City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

COUNSELING AND FAMILY
RESOURCES, LID, dba EAP PREFERRED,
an Arizona corporation


By: Kenneth Goldberg
Its: President



Legislation Description

File #: 15-374, Version: 1

AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH GOVERNMENTJOBS.COM, INC., D.B.A NEOGOV, FOR HUMAN RESOURCES SOFTWARE APPLICATIONS, UTILIZING A COOPERATIVE PURCHASING CONTRACT

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Purpose and Recommended Action

This is a request for the City Council to approve and direct the Acting City Manager to enter into a linking agreement with GovernmentJobs.com, Inc. d.b.a. NEOGOV, for three Human Resources Software Applications utilizing a cooperative purchasing contract to provide the City with automated applicant tracking and online employment applications; an automated onboarding system for new hires and an automated system for performance management through October 31, 2018 and authorizing the City Manager the option to extend the term of the linking agreement three (3) additional years in one (1) year increments.

Background

The City entered into a contract with GovernmentJobs.com d.b.a NEOGOV, in 2012 to provide Human Resources with an automated applicant tracking system and online employment applications. This system provides more efficient services to our applicants by allowing them to easily apply online for open positions and receive notifications regarding their status. Utilizing an automated applicant tracking system has allowed Human Resources to improve our efficiency as well.

The Human Resources Department presented two additional automation improvement items to the IT Steering Committee for consideration and received the funding for implementation. The first item is software that would allow performance reviews to be automated. Currently performance reviews are completed manually by supervisors and employees. Once completed, the performance review rating for approximately 1,700 employees is then entered into PeopleSoft and the performance review filed into the employees file. An automated performance management system will provide more efficient services to our supervisors and employees and allow Human Resources to streamline a manual process, provide the ability to easily analyze data and eliminate a paper intensive process. The second item is software that would provide new hires the ability to complete and submit their new hire paperwork online. The current process to onboard new hires is very time consuming and paper intensive, especially in light of the volume of recruitments being continually conducted. Often times there are delays in getting paperwork returned and documents are missing or incomplete. An online onboarding system will streamline the completion of new hire paperwork, facilitate the ease of completing and returning paperwork and present a more professional image of the City and Human Resources.

Analysis

The City currently has a contract with GovernmentJobs.com, Inc. d.b.a. NEOGOV, to provide an applicant tracking system and online employment applications. This vendor also provides software for automated performance management and automated onboarding for new hires. The County of Fairfax, Virginia has entered into a cooperative purchasing contract with GovernmentJobs.com, Inc. d.b.a. NEOGOV, for all three software applications. We are requesting the City Council approve the linking agreement with GovernmentJobs.com, Inc. d.b.a. NEOGOV to allow Human Resources to continue utilizing the automated applicant tracking and online application system and to purchase the additional performance management and onboarding software applications.

Previous Related Council Action

On May 27, 2014, Council approved the renewal of the GovernmentJobs.com, Inc. (NEOGOV) contract through May 27, 2015.

Budget and Financial Impacts

Cost	Fund-Department-Account
\$70,149	1000-11040-518200-Professional & Contractual (First year cost)
\$56,649	1000-11040-518200-Professional & Contractual (Annual cost after first year)

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
NEOGOV**

**for
Human Resources Department Subscription Software Licensing**

THIS LINKING AGREEMENT (this "Agreement") is entered into as of this day of , 20 , between the City of Glendale, an Arizona municipal corporation (the "City"), and GovernmentJobs.com, Inc. d.b.a. NEOGOV, a California Corporation, authorized to do business in the State of Arizona, ("Contractor"), collectively, the "Parties."

RECITALS

- A. On October 21, 2013, the County of Fairfax, Virginia, entered into a contract with Contractor to purchase the goods and services described in the Non-Core HCM Software Applications, Contract Number: 4400004240 , which is attached hereto as Exhibit A. The Non-Core HCM Software Applications Contract permits its cooperative use by other governmental agencies including the City. The Non-Core HCM Software Applications is hereinafter referred at as the Cooperative Purchasing Agreement.
- B. Section 2-149 of the City's Procurement Code permits the Materials Manager to procure goods and services by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. Section 2-149 also provides that Materials Manager may enter into such cooperative agreements without meeting the formal or informal solicitation and bid requirements of Glendale City Code Sections 2-145 and 2-146.
- D. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City's utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

1. Term of Agreement. The City is purchasing the supplies and/or services from Contractor pursuant to Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement award and rate sheet, which are attached hereto as part of Exhibit B, purchases can be made by governmental entities from the date of award, which was October 21, 2013, until the date the contract expires on October 31, 2018, unless the term of the Cooperative

Purchasing Agreement is extended by the mutual agreement of the original contracting parties. The Cooperative Purchasing Agreement, however, may not extend the contract beyond October 31, 2021. The initial period of this Agreement therefore is the period from the Effective Date of this Agreement until October 31, 2018. The City, however, may renew the term of this Agreement for three (3) one-year periods until the Cooperative Purchasing Agreement expires on October 31, 2021. Renewals are not automatic and shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such a one-year renewal.

2. Scope of Work; Terms, Conditions, and Specifications.

- A. Contractor shall provide City the supplies and/or services identified in the Scope of Work attached hereto as Exhibit B.
- B. Contractor agrees to comply with all the terms, conditions and specifications of the Cooperative Purchasing Agreement. Such terms, conditions and specifications are specifically incorporate into and are an enforceable part of this Agreement.

3. Compensation.

- A. City shall pay Contractor compensation at the same rate and on the same schedule as the Cooperative Purchasing Agreement, unless the City and Contractor agree otherwise, as provided in Exhibit C hereto.
- B. The total purchase price for the supplies and/or services purchased under this Agreement shall not exceed seventy two thousand two hundred sixty three dollars (\$72,263.00).

4. Cancellation. This Agreement may be cancelled pursuant to A.R.S. § 38-511.

5. Non-discrimination. Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

6. E-verify. Contractor complies with A.R.S. § 23-214 and agrees to comply with the requirements of A.R.S. § 41-4401.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

"City"

City of Glendale, an Arizona
municipal corporation

By: _____

Richard A. Bowers
Acting City Manager

"Contractor"

GovernmentJobs.com, Inc., d.b.a NEOGOV
a California Corporation

By: _____

Name: _____

Title: _____

Damir Davidovic

DAMIR DAVIDOVIC

CEO

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

EXHIBIT A



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

OCT 21 2013

GovernmentJobs.com, Inc.
d/b/a NEOGOV
222 N. Sepulveda Blvd, Suite 2000
El Segundo, CA 90245

Attention: Scott Letourneau, Corporate Secretary

Reference: RFP2000000670; Non-Core HCM Software Applications

Dear Mr. Letourneau:

Acceptance Agreement

Contract Number: 4400004240

This acceptance agreement signifies a contract award to GovernmentJobs.com, Inc., d/b/a NEOGOV for Non-Core HCM Software Applications. The period of the contract shall be from date of award through October 31, 2018 with three (3) one-year renewal options available.

The contract award shall be in accordance with:

- 1) This Acceptance Agreement;
- 2) The Terms and Conditions of RFP2000000670 and all Addenda;
- 3) Your Technical Proposal dated April 2, 2013, Technical Revisions and Revised Cost Proposal dated September 20, 2013; and
- 4) The attached Service Agreement.

Please note that this is not an order to proceed. A Purchase Order constituting your notice to proceed will be issued to your firm. Please provide your Insurance Certificates according to Special Provisions, Section 17, within 10 days after receipt of this letter. All questions in regards to this contract shall be directed to the Contract Specialist, Linda Williams, CPPB, at 703-324-8427 or via e-mail at linda.williams@fairfaxcounty.gov.

Sincerely,

Cathy A. Muse, CPPO

Director/County Purchasing Agent

Department of Purchasing & Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, VA 22035-0013

Website: www.fairfaxcounty.gov/dpsm

Phone 703-324-3201, TTY: 1-800-828-1140, Fax: 703-324-3228

Service Agreement

1. Provision of On-line Services.

(a) Customer hereby engages NEOGOV, and NEOGOV hereby agrees (subject to the terms and conditions set forth herein), to provide the services (the "Services") more fully described in this Agreement, Exhibit A (Order Form), and in NEOGOV's response to the County RFP #2000000670. Customer hereby acknowledges and agrees that NEOGOV's provision and performance of the Services is dependent and conditioned upon Customer's full performance of its duties, obligations and responsibilities hereunder.

(b) NEOGOV has identified Meridian as its subcontractor to provide the LMS system and services and is thus providing the included warranties for the LMS system as Exhibits B and C. These warranties do not relieve NEOGOV or its subcontractor, Meridian, of any obligations contained within the RFP.

2. Additional NEOGOV Responsibilities. In connection with the performance of this Agreement, NEOGOV shall be responsible for the following:

(a) NEOGOV shall provide all required hosting and operations support for the applications provided through this agreement.

(b) NEOGOV shall follow those support, maintenance and other procedures and shall provide those support, maintenance and other services to Customer more fully described in this Agreement.

3. Customer Responsibilities. In connection with the performance of this Agreement and the provision of the Services, Customer shall be responsible for the following:

(a) NEOGOV's logos, including the "powered by" logo, may appear on the "employment opportunities", "job description" and other pages of Customer's web site.

(b) Customer shall be responsible for ensuring that Customer's use of the Services and the performance of Customer's other obligations hereunder comply with all laws applicable to Customer.

(c) Customer shall be responsible, as between NEOGOV and Customer, for the accuracy and completeness of all records and databases provided by Customer in connection with this Agreement for use on NEOGOV's system.

4. Ownership, Protection and Security.

(a) The parties agree that the NEOGOV marks and the Customer marks shall both be displayed on and through NEOGOV's system(s).

(b) Ownership of any graphics, text, data or other information or content materials and all records and databases supplied or furnished by Customer hereunder for incorporation into or delivery through the application(s) described in this agreement shall remain with Customer, and NEOGOV shall cease use of all such material upon termination of this Agreement.

(c) Customer acknowledges and agrees that nothing in this Agreement or any other agreement grants Customer any licenses or other rights with respect to NEOGOV's software system (source code or object code) other than the right to receive Services as expressly provided herein. NEOGOV shall retain all ownership in the intellectual property and all other proprietary rights and interests associated with NEOGOV's software system and Services and all components thereof and associated documentation, except as expressly provided herein.

(d) NEOGOV grants to Customer a limited license during the term of this Agreement to use and reproduce NEOGOV's trademarks and logos for purposes of including such trademarks and logos in advertising and publicity materials and links solely as permitted hereunder. All uses of such trademarks and logos shall conform to Customer's standard guidelines and requirements for use of such trademarks and logos.

5. NEOGOV Representations and Warranties.

(a) *Service Performance Warranty.* NEOGOV warrants that it will perform the Services in a manner consistent with industry standards reasonably applicable to the performance thereof.

(b) *No Other Warranty.* NO OTHER WARRANTIES ARE PROVIDED EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, , AND CUSTOMER'S USE OF THE SERVICES IS AT ITS OWN RISK. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, NEOGOV DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, E, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. NEOGOV DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE.

(c) *Disclaimer of Actions Caused by and/or Under the Control of Third Parties.* NEOGOV DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM THE NEOGOV SYSTEM AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. AT TIMES, ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ALTHOUGH NEOGOV WILL USE COMMERCIALY REASONABLE EFFORTS TO TAKE ALL ACTIONS IT DEEMS APPROPRIATE TO REMEDY AND AVOID SUCH EVENTS, NEOGOV CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, NEOGOV DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH EVENTS, UNLESS CAUSED BY THE NEGLIGENCE OR INTENTIONAL ACTS OF NEOGOV, ITS EMPLOYEES OR CONTRACTORS.

6. Publicity. Following execution of this Agreement, the parties hereto may issue a press release, the form and substance of which shall be mutually agreeable to the parties, announcing the relationship created by this Agreement. Except as expressly contemplated herein, neither party shall issue any additional press release which mentions the other party or the transactions contemplated by this Agreement without the prior consent of the other party which consent may be denied in the discretion of either party.

7. Nondisclosure. The parties acknowledge that the terms of this Agreement shall be subject to disclosure under the Virginia Freedom of Information Act ("VFOIA"). NEOGOV acknowledges that any information that NEOGOV submits to Customer pursuant to the terms of this Agreement shall be subject to VFOIA; therefore, such information may be excluded from the mandatory disclosure provisions of the VFOIA if NEOGOV identifies and properly invokes a VFOIA exclusion in writing. All information provided by Customer to NEOGOV shall be treated as Confidential Information and shall only be used for the performance of services under this Agreement. Each party hereby

8. Liability Limitations.

(a) If promptly notified in writing of any action brought against Customer based on a claim that NEOGOV's Services infringe a United States patent, copyright or trademark right of a third party, NEOGOV will defend such action at its expense and will pay any and all fees, costs or damages that may be finally awarded in such action or any settlement resulting from such action (provided that Customer shall not make any settlement without NEOGOV's prior written approval).

(b) Customer acknowledges and agrees: (i) that NEOGOV has no proprietary, financial, or other interest in the goods or services that may be described in or offered through Customer's web site; and (ii) that except with respect to any material supplied by NEOGOV, NEOGOV shall have no liability to Customer for the content, quality, performance, and all other aspects of the goods or services and the information or other content contained in or provided through Customer's web site.

(c) **OTHER THAN THOSE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, NEOGOV DOES NOT MAKE ANY WARRANTIES TO CUSTOMER OR ANY OTHER PERSON OR ENTITY, EITHER EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO THE**

SERVICES PROVIDED HEREUNDER. NEOGOV SHALL NOT BE LIABLE TO CUSTOMER UNDER ANY CIRCUMSTANCE OR DUE TO ANY EVENT WHATSOEVER, FOR CONSEQUENTIAL OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT, LOSS OF USE OR BUSINESS STOPPAGE.

(d) Under no circumstances shall NEOGOV's total liability to Customer, regardless of the nature of the claim or form of action (whether arising in contract, tort, strict liability or otherwise), exceed the total amounts payable under the Agreement; provided, however that the foregoing limitations set forth in this Section 8(d) shall not apply to actions brought under 8(a) above or to any injury to persons or damages to property.

9. Service Level Warranty.

(a) **Service Level Warranty.** In the event that Customer experiences any of the service performance issues defined in this section as a result of NEOGOV's failure to provide services, NEOGOV will, upon Customer's request in accordance with paragraph 10(a)(vi) below, credit Customer's account as described below (the "Service Level Warranty"). The Service Level Warranty shall not apply to any services other than system availability, and shall not apply to performance issues (i) caused by factors outside of the NEOGOV's reasonable control; (ii) that resulted from any actions or inactions of Customer or any third parties, except NEOGOV's agents, employees or contractors; or (iii) that resulted from Customer's equipment and/or third party equipment (not within the control of NEOGOV).

(i) **Service Warranty Definitions.** For purposes of this Agreement, the following definitions shall apply:

(A) "Downtime" shall mean sustained System unavailability in excess of three (3) consecutive hours due to the failure of NEOGOV to provide Service(s) for such period. System unavailability is defined as inability to login to NEOGOV systems (this does not include slow performance and/or intermittent system errors). Downtime shall not include any System unavailability during NEOGOV's Scheduled Maintenance of the System, and Services, as described herein.

(B) "Scheduled Maintenance" shall mean a period of time where the System is unavailable to Customer, and/or any third party, in order for NEOGOV to perform maintenance of the System. System maintenance includes, but shall not be limited to (i) adding, modifying, or upgrading equipment software and/or System source code, and; (ii) adding, modifying, or upgrading equipment.

(C) "Service Credit" shall mean an amount equal to the pro-rata annual recurring service charges (i.e., all annual recurring charges) for one (1) day of Service.

(ii) **Downtime Period.** In the event Customer experiences Downtime, Customer shall be eligible to receive from NEOGOV a Service Credit for each Downtime period. Only one Service Credit can be applied within a twenty-four (24) hour period. Examples: If Customer experiences one Downtime period, it shall be eligible to receive one Service Credit. If Customer experiences two Downtime periods, from multiple events at least twentyfour (24) hours apart, it shall be eligible to receive two Service Credits.

(iii) **Time to Discover Source of Downtime: Notification of Customer.** Within four (4) hours of discovering or receiving notice of the Downtime, NEOGOV will determine whether the source of the Downtime is limited to NEOGOV's System. If NEOGOV determines that the System is not the source of the Downtime, NEOGOV will attempt to determine the source of the Downtime within an additional four (4) hour period. In any event, NEOGOV will notify Customer of the source of the Downtime within four (4) hours of identifying the source.

(iv) **Remedy for Downtime.** If the source of the Downtime is within the control of NEOGOV, NEOGOV will remedy the Downtime as soon as possible. If the source of the Downtime resides outside of the NEOGOV System, NEOGOV will use commercially reasonable efforts to notify the party(ies) responsible for the source of the Downtime and cooperate with it (them) to resolve such problem as soon as possible.

(v) **Failure to Determine Source and/or Remedy.** In the event that NEOGOV (A) is unable to determine the source of the Downtime within the time periods described herein and/or, (B) along with any hosting service on which the NEOGOV system resides is the sole source of the Downtime and is unable to remedy such Downtime within time period described herein, NEOGOV will deliver a Service Credit to Customer according to Section a.ii.

(vi) **Customer Must Request Service Credit.** In order to receive any of the Service Credits described herein, Customer must notify NEOGOV within seven (7) days from the time Customer becomes eligible to receive a Service Credit. Failure to comply with this requirement will forfeit Customer's right to receive a Service Credit.

(vii) **Maximum Service Credit.** The aggregate maximum number of Service Credits to be issued by NEOGOV to Customer for any and all Downtime periods that occur in a single calendar month shall not exceed seven (7) Service Credits. A Service Credit shall be issued in the NEOGOV invoice in the year following the Downtime, unless the Service Credit is due in Customer's final year of service. In such case, a refund for the dollar value of the Service Credit will be bawled to Customer.

10. Term and Termination.

(a) Either party shall have the right to terminate this Agreement immediately if the Services provided hereunder become illegal or contrary to any applicable law, rule, regulation or public policy. Each party shall have the right to terminate this Agreement upon sixty (60) days prior written notice to the other party.

(b) Within sixty (60) days of notification of termination of this Agreement, NEOGOV shall provide Customer read only access or with a dedicated data files suitable for importation into commercially available database software (e.g., MS-Access or MS-SQL) The dedicated data files will be comprised of Customer's data contained in NEOGOV's system. The structure of the relational database will be specific to the Customer's data and will not be representative of the proprietary NEOGOV database.

11. Payments.

(a) *Initial Term.* See Exhibit A (Order Form).

(b) *Renewal Term(s).* For each Renewal Term, NEOGOV will continue to provide Customer with the Services, and will provide maintenance and support services as described herein, provided Customer issues a purchase order or modification to this Agreement and pays NEOGOV in advance the annual recurring charges then in effect. If there is an increase in annual maintenance and support charges, NEOGOV shall give Customer written notice of such increase at least thirty (30) days prior to the expiration of the applicable term.

12. **Force Majeure.** NEOGOV shall not be liable to Customer for any damages, costs, expenses or other consequences incurred by Customer as a result of delay in or inability to deliver any Services due to circumstances or events beyond NEOGOV's reasonable control, including, without limitation: (i) acts of God; (ii) changes in or in the interpretation of any law, rule, regulation or ordinance; (iii) strikes, lockouts or other labor problems; (iv) transportation delays; (v) unavailability of supplies or materials; (vi) fire or explosion; (vii) riot, military action or usurped power; or (viii) actions or failures to act on the part of a governmental authority.

13. **Piggyback Clause.** It is understood and agreed by Customer and NEOGOV that any governmental entity may purchase the services specified herein in accordance with the prices, terms, and conditions of this agreement, to extent allowed under the policies and laws applicable to any such governmental entity. It is also understood and agreed that each local entity will establish its own contract with NEOGOV, be invoiced therefrom and make its own payments to NEOGOV in accordance with the terms of the contract established between the new governmental entity and NEOGOV. It is also hereby mutually understood and agreed that Customer is not a legally bound party to any contractual agreement made between NEOGOV and any entity other than Customer.

14. **Miscellaneous.** Either party may not assign its rights or obligations under this Agreement without the prior written consent of the other party. This Agreement may not be modified or amended (and no rights hereunder may be waived) except through a written instrument signed by the party to be bound. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to conflict of law rules. Customer acknowledges and agrees that this Agreement is not intended to be and shall not be construed to be a franchise or business opportunity.

15. All of Customer's financial obligations under this Agreement are subject to appropriations of the Fairfax County

Board of Supervisors to satisfy payment of such obligations.

16. Contractual Disputes

(a) Any dispute concerning a question of fact as a result of a contract with the County which is not disposed of by agreement shall be decided by the County Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy to the contractor within ninety (90) days. The decision of the County Purchasing Agent shall be final and conclusive unless the contractor appeals within six (6) months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A contractor may not institute legal action, prior to receipt of the County Purchasing Agent's decision on the claim, unless the County Purchasing Agent fails to render such decision within the time specified.

(b) Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

17. Legal Action. No bidder, offeror, potential bidder or offeror, or contractor shall institute any legal action until all statutory requirements have been met.

18. Immigration Reform and Control Act. NEOGOV agrees that it does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers as of the date set forth above.

EXHIBIT A - ORDER FORM

<u>Customer:</u>		<u>Bill To:</u>	
<u>Attention To:</u>		<u>Attention To:</u>	
<u>Address:</u>		<u>Address:</u>	
<u>Phone:</u>		<u>Phone:</u>	
<u>Email:</u>		<u>Email:</u>	
<u>Quote Date:</u>		<u>Revision:</u>	
10/17/2013		1	
<u>Valid From:</u>		<u>Order Number:</u>	
10/17/2013			
<u>Valid To:</u>		<u>Initial Term:</u>	
Today plus 30 days		12 Months	
<u>Requested Service Date:</u>			
TBD			

Order Summary

Insight Enterprise (IN)

3.1 IN Training

- Training is a one-time cost and includes unlimited instructor led, online training. Dedicated on-site training is also available at an additional cost.

3.2 IN Provisioning (Setup and Installation)

- Assign a NEOGOV project implementation specialist
- Conduct project kick off, review implementation plan, discuss deliverables timeline, and set schedule for weekly implementation meetings
- Create an agency-specific training environment which is used by your agency during training and afterwards to train in prior to moving into production
- Customize examination form
- Configure printable examination bulletins and printable class specifications
- Integrate your new production job opportunities, promotional opportunities, and job descriptions web pages into your existing agency website
- Establish your agency's Insight Enterprise production environment
- Configure SAP New-Hire and PCN Integrations (if applicable)

3.3 IN Annual License (Includes Hosting, Maintenance and Support)

The annual license for the NEOGOV Insight Software includes all of the following:

Recruitment

- Accept examinations online
- Online exam integration with current agency website
- Online position announcements and descriptions
- Attract “passive” candidates with automatic job interest cards
- Proactively search your applicant database
- Real-time database of all exam information

- Recruitment and examination planning

Selection

- Create, store, and reuse supplemental questions in the Insight item bank
- Screen candidates automatically as they apply
- Define unique scoring plans per recruitment, or copy existing scoring plans
- Item bank and item analysis
- Score, rank, and refer candidates

Reporting and Analysis

- Collect and report on EEO data
- Analyze and report on applicant flow
- Track/analyze data such as time-to-hire, recruitment costs, staff workload, etc.
- 80+ standard system reports
- Ad Hoc reporting tool

HR Automation

- Create and route requisitions
- Refer and certify applicants electronically
- Scan and route paper application materials

Perform (PE)

3.4 PE Training

- Training is a one-time cost and includes unlimited instructor led, online training
-

3.5 PE Provisioning (Setup and Installation)

- Assign a NEOGOV project implementation specialist
 - Conduct project kick off, review implementation plan, discuss deliverables timeline, and set
 - Perform any configuration customizations required during initial set up of the system.
 - Define and validate integration scope, business requirements, and timelines.
 - Conduct implementation status meetings between the NEOGOV implementation specialist and the organization Project Manager (and required staff).
 - Provide support for the training initiatives and sessions delivered by the trained trainers.
 - Configure Performance Evaluation format and templates
 - Establish the production environment.
 - Provide overall production planning and rollout support.
 - Provide overall project support, where needed
-

3.6 PE Annual License (Includes Hosting, Maintenance and Support)

The annual license for the NEOGOV Perform software includes all of the following:

- | | |
|--|-------------------------------------|
| ✓ Configurable Performance Evaluations | ✓ Configurable Workflow |
| ✓ Team Grouping | ✓ Ability to Design Custom Forms |
| ✓ Goal Library | ✓ Form Templates |
| ✓ Competency Modeling | ✓ Selectable Color Palettes |
| ✓ Shareable Competency Content | ✓ User Proxy |
| ✓ Goal Copying | ✓ Configurable Rating Scales |
| ✓ Ability to Re-use Goals | ✓ Batch Form creation |
| ✓ Org Charts | ✓ Goal Alignment |
| ✓ Dashboards | ✓ Goal Hierarchy |
| ✓ Archiving Forms | ✓ Development Goals. |
| ✓ Uploading Content | ✓ Writing Assistant –Shared Content |

ONBOARD (ON)

3.7 ON Training

- Training is a one-time cost and includes unlimited instructor led, online training

3.8 ON Provisioning (Setup and Installation)

- Assign a NEOGOV project implementation specialist
- Conduct project kick off, review implementation plan, discuss deliverables timeline
- Design, configure, and test integration points if applicable
- Perform any configuration customizations required during initial set up of the system.
- Provide overall project support, where needed

3.9 ON Annual License (Includes Hosting, Maintenance and Support)

The annual license for the NEOGOV Onboard software includes all of the following:

- | | |
|----------------------------|------------------------|
| ✓ Electronic Employee File | ✓ Task Manager |
| ✓ W4 | ✓ Employee data upload |
| ✓ I9 | ✓ Attachments |
| ✓ Configurable Workflow | |

Employee Management (EMS)

3.10 EMS Provisioning (Setup and Installation)

- Assign a NEOGOV project implementation specialist
- Conduct project kick off, review implementation plan, discuss deliverables timeline
- Design, configure, and test included EMS forms
- Perform any configuration customizations required during initial set up of the system.
- Provide overall project support, where needed

3.11 EMS Annual License (Includes Hosting, Maintenance and Support)

The annual license for the NEOGOV EMS software includes all of the following:

- | | |
|-------------------------|--|
| ✓ Grievance Tracking | ✓ Disciplinary Actions |
| ✓ Configurable Workflow | ✓ Employee data upload (if applicable) |

Additionally, during the term of any product license, NEOGOV customers are provided:

Unlimited Customer Support (6:00 AM – 6:00 PM Pacific Time)

Customer Support shall be provided both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM Pacific Time (excluding NEOGOV holidays).

Ongoing Customer Training and Conference Calls

Included with your paid license is the following:

- Extended Ongoing Learning Management (OLM) Program
- Free participation in the NEOGOV customer conference calls
- Free attendance to the NEOGOV online training sessions
- Free attendance to NEOGOV beginner and advanced training sessions
- Invitation to the NEOGOV annual user's conference in Las Vegas

Product Upgrades to Licensed Software

Agencies receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout.

Order Form**Order Form Terms and Conditions:**

(1) The Customer hereby orders and GovernmentJobs.com, Inc. (d/b/a NEOGOV, Inc., hereafter "NEOGOV") agrees to provide the services described in this Order Form. THE SERVICES ARE PROVIDED PURSUANT TO THE TERMS AND CONDITIONS OF THIS ORDER FORM AND THE SERVICE AGREEMENT BETWEEN NEOGOV AND THE CUSTOMER.

(2) The Customer agrees that the payment schedule is as follows:

Provide all required software and Licenses

- Fifty percent (50%) of ALL annual license fees is payable within thirty (30) days of execution of this Order Form and Service Agreement. (\$189,135.00)
- Thirty percent (30%) of ALL annual license fees is payable withinsixty (60) days of execution of this Order Form and Service Agreement. (\$113,481.00)
- Twenty percent (20%) of each remaining annual license fee is payable within thirty (30) days of go-live for the respective platform (\$75,654.00 - Total)

Training

- Thirty percent (30%) of each remaining training fee is payable within thirty (30) days of execution of this Order Form and Service Agreement. (\$8,250.00)
- Twenty percent (20%) of the TOTAL training fees is payable withinsixty (60) days of execution of this Order Form and Service Agreement. (\$5,500.00)
- Fifty percent (50%) of the TOTAL training fees is payable within thirty (30) days of completion of training for the respective platform. (\$13,750.00 - Total)

Software Implementation

- Thirty percent (30%) of the TOTAL setup and implementation fees is payable within thirty (30) days of execution of this Order Form and Service Agreement. (\$8,000.00)
- Twenty percent (20%) of the TOTAL setup and implementation fees is payable withinsixty (60) days of execution of this Order Form and Service Agreement. (\$2,000.00)
- Fifty percent (50%) of each remaining setup and implementation fee is payable within thirty (30) days of go-live for the respective platform. (\$30,000.00 - Total)

Services

- Thirty percent (30%) of the TOTAL services fees (including all proposed integrations, data conversions, SSO, etc) is payable within thirty (30) days of execution of this Order Form and Service Agreement. (\$22,845.00)
- Twenty percent (20%) of the TOTAL services fees (including all proposed integrations, data conversions, SSO, etc) is payable withinsixty (60) days of execution of this Order Form and Service Agreement. (\$15,230.00)
- Fifty percent (50%) of each remainingservices fees (including all proposed integrations, data conversions, SSO, etc) is payable within thirty (30) days of go-live for the respective platform. (\$38,075.00 - Total)

Exhibit B.
Meridian Limited Warranty

a. Meridian warrants that it will perform the Services in a manner consistent with industry standards reasonably applicable to the performance thereof. MERIDIAN does not warrant that Client's use of the Services will be uninterrupted or error free. The limited warranties set forth in this Agreement do not apply to any deviation by the Software from the specifications set forth in the applicable Schedule that is caused by, or results from, (i) improper usage of Software API's (Application Programming Interfaces) or the introduction/import of corrupt data into the Software by anyone other than Meridian; (ii) use of the Services for any purpose other than that authorized in this Agreement; (iii) use of the Services in combination with other software, data or products that are defective or incompatible with, or are not authorized by MERIDIAN for use with, the Services; (iv) any malfunction of CLIENT's software, hardware, computers or computer-related equipment; (v) CLIENT'S failure to use any Updates made available by Meridian; or (vi) an event of Force Majeure (defined below).

b. MERIDIAN DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM THE SOFTWARE AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. AT TIMES, ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ALTHOUGH MERIDIAN WILL USE COMMERCIALY REASONABLE EFFORTS TO TAKE ALL ACTIONS IT DEEMS APPROPRIATE TO REMEDY AND AVOID SUCH EVENTS, MERIDIAN CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, MERIDIAN DISCLAIMS ANY AND ALL LIABILITY TO CUSTOMER RESULTING FROM OR RELATED TO PERFORMANCE OF INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. WITH THE EXCEPTION OF WARRANTIES REFERENCED IN THE SERVICE AGREEMENT TO WHICH THIS EXHIBIT IS ATTACHED, THE FOREGOING WARRANTIES ARE MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR COURSE OF PERFORMANCE. EXCEPT AS EXPRESSLY PROVIDED HEREIN, MERIDIAN DISCLAIMS ANY WARRANTY THAT (I) THE SERVICES WILL OPERATE UNINTERRUPTED OR ERROR-FREE, (II) THE RESULTS ARISING OUT OF THE USE OF THE SERVICES WILL BE ACCURATE, COMPLETE OR ERROR-FREE, OR (III) THE SERVICES WILL MEET THE NEEDS OF CLIENT OR ITS CLIENTS, AGENTS OR SUPPLIERS.

Exhibit C.
Meridian Service Level Warranty

- a. **Service Level:** Subject to Section (b), if the Availability of the Service is less than 99.7%, MERIDIAN will issue a service credit to CLIENT equal to the pro-rata annual recurring service fee for one (1) day of Service, with the credit being calculated on the basis of the monthly service charge for the affected Services. The aggregate maximum number of Service Credits to be issued by for any and all Downtime periods that occur in a single calendar month shall not exceed the service fee for the month.
- b. **Exceptions.** CLIENT shall not receive any credits in connection with any failure or deficiency Availability caused by or associated with:
 - i. Force Majeure events beyond MERIDIAN's reasonable control, including, without limitation, acts of any governmental body, war, insurrection, sabotage, armed conflict, embargo, fire, flood, strike or other labor disturbance, interruption of or delay in transportation, unavailability of or interruption or delay in telecommunications or third party services, virus attacks or hackers, failure of third party software (including, without limitation, ecommerce software, payment gateways, chat, statistics or free scripts) or inability to obtain raw materials, supplies, or power used in or equipment needed for provision of this Schedule;
 - ii. Failure of access circuits to the ISP Network, unless such failure is caused solely by MERIDIAN;
 - iii. Scheduled maintenance and emergency maintenance and upgrades;
 - iv. DNS issues outside the direct control of MERIDIAN;
 - v. Issues with FTP, POP, or SMTP CLIENT access;
 - vi. False Schedule breaches reported as a result of outages or errors of any MERIDIAN measurement system;
 - vii. CLIENT's acts or omissions (or acts or omissions of others engaged or authorized by CLIENT), including, without limitation, custom scripting or coding (e.g., CGI, Perl, HTML, ASP), any negligence, willful misconduct, or use of the Services in breach of MERIDIAN's Terms and Conditions and Acceptable Use Policy;
 - viii. E-mail or webmail delivery and transmission;
 - ix. DNS (Domain Name Server) Propagation ; and / or
 - x. Outages elsewhere on the Internet that hinder access to your account. MERIDIAN is not responsible for browser or DNS caching that may make your site appear inaccessible when others can still access it. MERIDIAN will guarantee only those areas considered under the control of Meridian: MERIDIAN server links to the Internet, MERIDIAN'S routers, and MERIDIAN'S servers.

PRE-PROPOSAL CONFERENCE

RFP 2000000670

An optional pre-proposal conference will be held at 10:00 A.M. on March 5, 2013 at the Fairfax County Government Center, 12000 Government Center Parkway, Conference Room 8, Fairfax, Virginia. The purpose of this conference is to allow potential offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

While attendance at this conference will not be a prerequisite to submitting a proposal, offerors who intend to submit a proposal are encouraged to attend. Bring a copy of the solicitation with you. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

All questions pertaining to this RFP should be submitted in writing to the Contract Specialist at dpsmteam1@fairfaxcounty.gov prior to the pre-proposal conference.



FAIRFAX COUNTY

DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT

12000 GOVERNMENT CENTER PARKWAY, SUITE 427

FAIRFAX, VIRGINIA 22035-0013

www.fairfaxcounty.gov/dpsm

VIRGINIA

TELEPHONE: (703) 324-3201 FAX: (703) 324-3228 TTY: 1-800-828-1140

ISSUE DATE: February 19, 2013	REQUEST FOR PROPOSAL NUMBER: RFP2000000670	TITLE: Non-Core HCM Software Applications
DEPARTMENT: Human Resources	DUE DATE/TIME: March 21, 2013 / 2:00 P.M.	CONTRACT SPECIALIST: Kristy D. Apperson; kristy.apperson@fairfaxcounty.gov ; 703-324-3217

Proposals - In accordance with the following and in compliance with all terms and conditions, unless otherwise noted, the undersigned offers and agrees, if the proposal is accepted, to furnish items or services for which prices are quoted, delivered or furnished to designated points within the time specified. It is understood and agreed that with respect to all terms and conditions accepted by Fairfax County the items or services offered and accompanying attachments shall constitute a contract.

Note: Fairfax County does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity.

NAME AND ADDRESS OF FIRM:

Telephone/Fax No.:

E-Mail Address:

Federal Employer Identification No or

Federal Social Security No.(Sole
Proprietor)

Prompt Payment Discount: ___% for payment within ___ days/net
___ days

State Corporation Commission (SCC)
Identification No.

By signing this proposal, Offeror certifies, acknowledges, understands, and agrees to be bound by the conditions set forth in the General Conditions and Instructions to Bidders as described in Appendix A.

BUSINESS CLASSIFICATION – Described in Appendix B - CHECK ONE: ☐ LARGE (Y) ☐ SMALL (B)

☐ MINORITY-OWNED SMALL (X) ☐ MINORITY OWNED LARGE (V) ☐ WOMEN-OWNED SMALL (C)

☐ WOMEN OWNED LARGE (A) ☐ NON PROFIT (9)

CHECK ONE: ☐ INDIVIDUAL ☐ PARTNERSHIP ☐ CORPORATION

State in which Incorporated: _____

Vendor Legally Authorized
Signature

Date

Print Name and Title

Secretary

Sealed proposals subject to terms and conditions of this Request for Proposal will be received by the Fairfax County Purchasing Agent at 12000 Government Center Parkway, Suite 427, Fairfax, Virginia 22035-0013 until the date/time specified above.

AN EQUAL OPPORTUNITY PURCHASING ORGANIZATION



SPECIAL PROVISIONS

1. SCOPE OF CONTRACT:

- 1.1. The purpose of this Request for Proposal (RFP) is to solicit sealed proposals to establish a contract or contracts through competitive negotiation for the purchase of the following software as a service (SAS), hosted, web-based application: (1) an integrated applicant management, onboarding and testing system to support online job postings, applications, public safety testing and assessment, new employee processing, reporting and data processing; (2) an integrated performance management system to support individual goal plans, mid-year progress review and 12-month performance appraisals; (3) a learning management system to support administration, tracking, reporting and delivery of educational courses/training programs and succession planning; and (4) an employee relations system to support tracking of grievances and disciplinary actions.
- 1.2. To minimize the number of systems, the County will bundle two or more of the following systems under one vendor: the applicant management, onboarding and testing system, the performance management system, and the employee relations system. The learning management system may be included in the bundle, but it is not required.
- 1.3. The Department of Human Resources (DHR) will be the sponsor of these systems.
- 1.4. The County invites all qualified vendors to respond to this RFP by submitting a proposal consistent with the material terms and conditions of this solicitation.
- 1.5. The County may purchase additional modules that may become available during the contractual period.

2. PRE-PROPOSAL CONFERENCE:

- 2.1. An optional pre-proposal conference will be held on March 5, 2013 at 10:00 A.M. in the Fairfax County Government Center, Conference Center Room 8, 12000 Government Center Parkway, Fairfax, Virginia. Attendees requiring special services are asked to provide their requirements to the Department of Purchasing and Supply Management ADA representative at (703) 324-3201 or TTY 1-800-828-1140. Please allow seven (7) working days in advance of the event to make the necessary arrangements.
- 2.2. The purpose of the pre-proposal conference is to give potential offerors an opportunity to ask questions and to obtain clarification about any aspect of this Request for Proposal. Offerors may submit any questions pertaining to the RFP, in writing, prior to the pre-proposal conference to kristy.apperson@fairfaxcounty.gov or dpsmteam1@fairfaxcounty.gov.

3. CONTRACT PERIOD AND RENEWAL:

- 3.1. This contract will begin on the date of award and terminate five (5) years from the date of award. The County reserves the right to make a full or partial award.

Contract renewals must be authorized by and coordinated through the County's Purchasing Department. The County reserves the right to renew the contract for three (3) additional one-year periods. This contract may be renewed at the expiration of its initial or subsequent terms by agreement of both parties.

- 3.2. The obligation of the County to pay compensation due the contractor under the contract or any other payment obligations under any contract awarded pursuant to this Request for Proposal is subject to appropriations by the Fairfax County Board of Supervisors to satisfy payment of such obligations. The County's obligations to make payments during subsequent fiscal years are dependent upon the same action. If such an appropriation is not made for any fiscal year, the contract shall terminate effective at the end of the fiscal year for which funds were appropriated and the County will not be obligated to make any payments under the contract beyond the amount appropriated for payment obligations under

SPECIAL PROVISIONS

the contract. The County will provide the contractor with written notice of non-appropriation of funds within thirty (30) calendar days after action is completed by the Board of Supervisors. However, the County's failure to provide such notice shall not extend the contract into a fiscal year in which sufficient funds have not been appropriated.

4. BACKGROUND:

- 4.1. The County implemented a SAP system for Finance and Logistics in 2011 and for core HCM functions in 2012. Core HCM functions include time management, benefits administration, organization management, payroll management and personnel administration.

The County currently utilizes Resumix and several systems to manage the online requisition, job posting, applicant and certification process; and it utilizes the Plateau System for the learning management system. It also uses an in-house process for performance management and employee relations. It is the intent of the County to implement SAS, hosted, web-based system(s) for these areas. The system(s) would be required to have the capability to transfer data to and from the County's SAP system. In addition, the learning management system implementation will include migration of data from the existing Plateau System.

A goal of the project is to implement the systems with minimal or no program customizations. To the degree practicable, the County's practices will be converted to the practices of the selected system(s). The system(s) must be flexible enough to permit configuration and upgrades in response to future requirements. The County may request additional modules or system enhancements during the contractual period.

The selected system(s) will replace the current systems and processes for these non-core functional areas. If the proposed system(s) will require any other system interface beyond SAP, the additional requirements should be noted on the System Requirements Checklist for the respective system.

- 4.2. **Employee and program data for 2012 follow:**

Employee Counts by Employment Status:	
Number of Merit Employees	12,169
Number of Non-Merit Employees with Benefits	777
Number of Temporary Employees	7,395
Number of Employees Hired	3,979
Number of Requisitions Created	1,941
Number of Job Applications Received	148,245
Number of Job Classes	927
Number of Public Safety Employment Tests Developed and Administered	9
Number of Public Safety Test Participants	1,100
Number of LMS Course Completions (Instructor Led)	32,095
Number of Online Course Completions	51,521
Number of Course Offerings	29,959
Number of Non-County Employees (Affiliates)	739
Number of Local LMS Administrators	275
Number of Online Surveys and Evaluations	55
Number of Online/eLearning Courses	490

SPECIAL PROVISIONS

Employee Counts by Employment Status:	
Number of Course Catalogs	74
Number of Items (Classes, Certifications, Seminars)	6,079
Number of Program Curricula	19
Number of Domains (Agencies or Affiliations)	121

5. TASKS TO BE PERFORMED/STATEMENT OF NEEDS:

- 5.1. Offerors responding to this RFP must be regularly engaged in the delivery, implementation, conversion, modification, and maintenance of an appropriate, SAS, hosted, web-based applicant management, onboarding and testing system, performance management system, employee relations system, and/or learning management system.

The applicant management, onboarding and testing system must support job postings and applications, furnish storage of current and historical postings and applications, host a variety of files and applications related to new hire processing, support onboarding, and support testing for public safety positions (police, fire, and sheriff).

The performance management system must allow for goal creation, mid-year progress reports, and annual competency-based performance appraisals and create reports to support the need for optimal performance management.

The employee relations system must support tracking and reporting of grievances and disciplinary actions.

The learning management system must support student self-service, user notification, manager approval, wait-list management, on-line learning, on-line assessment, self-guided services, consolidate training initiatives, portability, online training and webinars, and succession planning.

- 5.2. The offeror's responsibilities will also include user training, training documentation, and system documentation. The offeror shall furnish and deliver information about system updates and correction procedures.

The offeror will respond on how they will to furnish, deliver, and implement the system(s) to meet the functional requirements set forth in this RFP. The offeror shall furnish and deliver the necessary staff to install, configure, test, and implement the system(s); and construct and implement any required interfaces, conversions, or data transfers. The offeror shall certify that the contracted system is free of defects, is installed and implemented correctly, and is fully operational. Offeror staff shall furnish and deliver the necessary training, documentation, and continued support.

The offeror shall cooperate with the County, and its other contractors to accomplish interfaces to achieve maximum efficiency and effectiveness in the operation of the system(s).

The County is aware that fulfillment of the requirements stated in this RFP may necessitate an upgrade and/or enhancement to the existing computing environment. The offeror shall be responsible for specifying any configurations, modifications, enhancements, or upgrades to existing County enterprise servers, storage, network, communications, desktops, mobile, or remote hardware required for the implementation of the SAS, hosted, web-based system(s). Additional equipment upgrades or replacements to existing hardware or software may be procured as part of this agreement, under existing County agreements, or as part of a separate procurement.

SPECIAL PROVISIONSA. SCOPE OF WORK:

1. The offeror shall furnish and deliver the software and the following support services for each system:
 - a. Implementation planning
 - b. Installation, setup and configuration of product software, OS components and databases (no offshore hosting allowed)
 - c. Training of staff who will support the system
 - d. Training of end users for Go-Live and Train the Trainer
 - e. Development of any templates, components, or scripts required for desired functionality
 - f. Any other activities deemed necessary by Offeror as required to successfully deploy the system
 - g. Post-installation technical support and maintenance services
2. The offeror shall furnish and deliver services and shall perform tasks as set forth below for the successful implementation of the system(s). It is understood and agreed that the County will not be obligated to purchase any specific quantities.
 - a. Furnish and deliver qualified personnel to perform the work
 - b. Furnish and deliver documentation containing an overview of the Implementation Process and information on how to prepare for configuration and set up of the system
 - c. Furnish and deliver training and documentation to prepare administrators to configure and fine-tune the system
 - d. In coordination with the County, develop an Acceptance Test Plan for approval by the Department of Human Resources (DHR) and other departments if deemed appropriate.
 - e. Furnish and deliver necessary security to restrict access to the system by unauthorized users including users on the County intranet. No changes to the existing system security architecture shall be made without written permission from the Department of Information Technology (DIT).
3. Project Management: The following project management tasks will be required:
 - a. Within 30 days of contract award, the offeror must complete a gap analysis with County staff to finalize detailed functional requirements. A gap analysis report will discuss how each of the detailed requirements presented in this document will be addressed by the proposed product. It will include a list of all required customizations to the vendor's base application and a list of how the system(s) will address all functional requirements as referenced below.
 - b. Within 30 days of contract award, the offeror will provide the County with a project work plan showing approach, level of effort, task listing and breakdown structure, major milestones and time of completion. The plan will be submitted to the County project lead for approval prior to beginning work on the contract. All changes to the work plan must be approved with signature prior to implementation.
 - c. Within 45 days of award, the offeror will develop an Acceptance Test Plan to include testing strategies for all system functionality, testing of system response times, system interfaces, environmental needs for testing, roles and responsibilities, and the projected schedule.

The County requires that acceptance testing be an integrated part of the entire implementation life cycle and should follow the Fairfax County System Development Life Cycle Standards (SDLCS), located at <http://www.fairfaxcounty.gov/gov/dit/sdlcs.htm>.

SPECIAL PROVISIONS

The following considerations and responsibilities apply:

- 1) The contractor must demonstrate through an acceptance process stress test that the system performs as required in the County's technical environment, from various remote facilities and that the system meets or exceeds the County's functional requirements.
 - 2) The final acceptable test must use Fairfax County approved data and include report generation.
 - 3) The final acceptance test must exercise all functionality and components successfully.
 - 4) It is mandatory that the Offeror describe its preferred approach to accomplish this task as well as its experience with similar situations. The Offeror should also describe what Fairfax County resources would be required to accomplish this task, both in terms of number and skills of personnel.
 - 5) The Offeror must test back-up/recover features successfully.
- d. The vendor will provide weekly updates on project status to the County project lead to include all completed or pending actions, status of deliverables, variances from work plan projections, planned versus actual delivery dates, etc.
- e. With the County project leader, the vendor will participate in monthly project steering committee briefings to communicate project status to executive sponsors and key stakeholders.
- f. The offeror shall furnish and deliver a Project Manager who shall be acceptable to the County and responsible for managing the following aspects of the project:
- 1) Primary Contact - The offeror's project manager shall be the primary contact for the County's project manager to communicate all issues regarding the project.
 - 2) Project Reporting - Upon acceptance of the Project Plan, until acceptance of the system, the offeror's Project Manager shall:
 - Host regular meetings or conference calls to ensure that project milestones are met.
 - Document all conversations and project-related events electronically.
 - Prepare and present written monthly project status reports to the County's and the offeror's management in order to monitor the success of the project.
 - Time is of the essence in completion of this project. The offeror is expected to complete the project within the timeframe estimated, unless the timeframe is changed by mutual agreement in writing.
4. Project Plan – The offeror shall furnish and deliver a narrative rendition and a graphical version of the project plan, preferably in Microsoft Project. The project plan must show all required tasks, which tasks are in the critical path, and how the tasks are to be accomplished.
- a. The following milestones shall be included:
- 1) Delivery
 - 2) Installation and configuration
 - 3) Initial testing
 - 4) Initial conversion and testing
 - 5) Full conversion

SPECIAL PROVISIONS

- 6) Training
 - 7) Implementation
 - 8) Go-Live
- b. The project plan must identify the individual or group assigned to each task and must provide a timetable for accomplishment. Offeror must clearly identify which tasks will be performed by the offeror and which are the responsibility of the County.
 - c. The offeror shall furnish and deliver a description of the deliverables as they relate to the required tasks as specified in the project plan.
 - d. The offeror must include how the proposed payment schedule relates to the project plan.
- 5. Training - The offeror shall furnish and deliver a training plan for Go-Live and Train-the-Trainer. The offeror shall furnish and deliver training services and documentation in accordance with the plan. The deliverables related to this task, including a training plan and curriculum approved by the County project team.
 - 6. Documentation -The offeror shall furnish and deliver documentation on the following (if applicable):
 - a. Reference manuals
 - b. Installation manuals
 - c. System administration manuals
 - d. User guides
 - e. Technical guides
 - f. Training materials in an editable format for future use with the right to reprint and modify (not PDF)
 - 7. Testing Environment Licenses - The offeror shall authorize a limited duplication of licenses and databases to be used in a test environment at no additional cost. This duplication would be used for testing fixes, features, and versions.
 - 8. Ongoing Support – The offeror shall furnish and deliver a realistic estimate for the ongoing support costs in personnel and all other resources for the day-to-day management, version upgrades, and desktop/client services needed to attain the maximum utility of the proposed system.
 - 9. Staffing in FTEs – The offeror shall provide the number of consultants from its company and the number of employees from the county needed to staff this project. Identify positions and provide FTEs.
 - 10. Data Import/Export – Fairfax County requires the proposed system to have the capability to import and export data to/from external data sources, including Microsoft Office Suite applications. The Offeror must demonstrate such capability and describe how it is accomplished through the proposed system.

B. WARRANTY

- 1. The offeror shall warrant that services and products shall be provided in a timely and professional manner by qualified personnel.
- 2. The offeror shall warrant that the offeror has the right to license the system and that the system does not infringe upon any rights of third parties.

SPECIAL PROVISIONS

3. The offeror shall warrant that the system shall be thoroughly tested by the offeror and meet or surpass professional quality control standards.
4. The offeror shall warrant that, for one (1) year from the date of acceptance, all software shall be free from reproducible defects that cause the software to fail to conform to the offeror's published specifications for the software.
5. The offeror shall warrant that all releases for fixes, features, and versions applied to or installed on the system shall be incorporated into the warranty.
6. The initial warranty shall cover the entire first year following acceptance of the system. The cost of the first year of the warranty shall be included in the price of the system. The warranty shall provide for mission critical maintenance and support services.
7. Warranty extensions shall include maintenance and support services. The County reserves the exclusive right to extend all maintenance and support services for seven (7) additional one-year periods.
8. The offeror shall furnish and deliver maintenance and support services to keep the system in compliance with the warranty and extensions for the life of the contract. The offeror shall furnish and deliver mission-critical maintenance and support and the County will determine what is mission-critical based in part on the following criteria:
 - a. An item or operation that is essential for the ongoing 24-hour, 7-days per week (24/7) operation of the County' and it is deemed mission-critical.
 - b. An item or operation that is not essential for the ongoing 24/7 operation of the County's function and is considered non-mission-critical.
9. The County will contact the offeror for the resolution of system problems using a toll-free telephone number and email address provided by the offeror. Offeror support personnel shall be available from 8:00 a.m. to 5:00 p.m. EST time, Monday through Friday to answer calls from the County. An emergency after-hours point of contact must be provided.
10. Offeror Support Services shall include:
 - a. Toll-free telephone support direct to qualified support personnel
 - b. A single point-of-contact for each single open problem (direct email, direct pager, and direct phone number)
 - c. Priority One (first level) of direct support
 - d. User self-help shall be available by website and email query
11. Problem resolution based on Priority levels as identified below:

Priority One	
Hours of Availability:	24 Hours a Day / 7 Days a Week (24/7)
Initial Response:	The offeror shall call back within one (1) hour, 24/7, including weekends and holidays.
Description:	A mission-critical software error.
Resolution Response:	The offeror shall work aggressively to completely resolve the problem.
Notification:	The County will alert the offeror of Priority One issues. The offeror shall update the County of problem resolution progress frequently.

SPECIAL PROVISIONS

Priority Two	
Hours of Availability:	7:00 a.m. to 6:00 p.m. EST - Monday through Friday (extended normal business hours)
Description:	This is a significant error but not mission-critical. It does not include cosmetic, documentation, reporting problems, or inquiries regarding the operation of the software or installation and training issues.
Initial Response:	During extended normal business hours, the offeror shall call back within three (3) hours. Outside these extended normal business hours, including weekends and holidays, the offeror shall call back the following business day.
Resolution Response:	The offeror shall furnish and deliver a workaround for the County during problem resolution. The offeror shall furnish and deliver problem resolution in the form of an upgrade or modification to the system in an upcoming update.
Notification:	The offeror shall notify the County when a workaround has been provided or the problem has been resolved.

Priority Three	
Hours of Availability:	8:00 a.m. to 5:00 p.m. EST - Monday through Friday (regular business hours)
Description:	All software or documentation errors not described above and not considered to be Priority One or Priority Two. These include but are not limited to: <ol style="list-style-type: none"> 1. Cosmetic issues 2. Misspellings 3. Product enhancement requests 4. Inquires relating to software functionality, System administration, or installation.
Initial Response:	The offeror shall respond to these items if specifically requested to do so at the time of the request. If a reply is requested, the offeror shall respond the next business day.
Resolution Response:	The offeror shall correct documentation errors in upcoming releases of the documentation.
Notification:	The offeror shall notify the County when a workaround has been provided or the problem has been resolved.

- C. PROBLEM ESCALATION PROCESS: Skilled offeror personnel shall be assigned to aggressively address the problem until a resolution is found. Priority Level One shall be immediately escalated to offeror upper management for resolution guidance. Problems that are not resolved in accordance with the Priority Levels shall be immediately escalated to offeror upper management for resolution guidance. Any case that precludes functional operation of the system shall result in offeror senior management being notified. Offeror senior management shall participate in the decision and resolution process to ensure that the system is back in operation in the shortest possible time.
- D. SECURITY: The system must provide varying levels of security. Users of the system shall be limited to specific functions through user "profiles" that are maintained by the system administrator. At certain times, sensitive, Privacy Act data which must be protected will be contained in the database. The system must provide the capability of excluding certain data.
- E. SYSTEM REQUIREMENTS
The County desires a robust applicant management onboarding and testing system, performance management system, employee relations system, and learning management system.

SPECIAL PROVISIONSF. SYSTEM AVAILABILITY AND RESPONSE

The system must complete a nightly transfer of data and file maintenance cycle within five (5) hours or less, preferably between the hours of 12:00 midnight and 5:00 a.m., EST. The system must be fully operational and available 24/7 except for nightly maintenance and at least 99.99% of the daily scheduled up-time, particularly between the hours of 6:30 a.m. and 6:30 p.m. EST. The system must also perform with full functionality and within sub-second response time tolerances regardless of the number of users online or the volume of data processed. The system acceptance plan proposed by the offeror must meet these minimum performance standard requirements. See additional information noted below under System Acceptance Plan in Section J.

G. WORK HOURS: The County's standard work hours are 8:00 a.m. to 5:00 p.m., EST, Monday through Friday. All required interaction with County personnel will be performed between these days and hours.H. DOCUMENTATION

1. The County requires the offeror to furnish and deliver all manuals, documentation, guides, and instructions available from the manufacturers of each of the system components and modules. These must be provided both initially and for all upgrades. All documents shall be made available both in electronic version and online.
2. The County requires complete system, technical, and user documentation manuals for all system components and modules. Describe the contents of the manuals provided as part of the system implementation.
3. The County requires an electronic version of system and technical manuals as part of system implementation, produced in MS Word latest version.
4. The County requires an electronic version of user manuals as part of system implementation, produced in MS Word latest version.
5. The County reserves the right to excerpt, summarize or otherwise reproduce the system, technical, and user manuals and other offeror developed and supplied documentation for free distribution to its installation support personnel and to its user community.

I. MAINTENANCE AND SUPPORT

1. Furnish and deliver full system support for all equipment, components, and modules of the system during the warranty period.
2. Furnish and deliver extended warranty and/or support periods, if the County chooses.
3. All application upgrades or updates will be made available to the County as part of the maintenance agreement.
4. No additional fees will be associated with platform upgrades
5. As part of a maintenance agreement, offerors must define:
 - a. Maintenance support tiers and levels
 - b. Hourly rates and support levels for required custom changes which fall outside the scope of the maintenance agreement

J. SYSTEM ACCEPTANCE PLAN: A system acceptance plan is outlined below which is based on final acceptance of the entire system(s).

The successful offerors proposed system(s) will be accepted by the County only after full integration testing has been completed, the software is installed in the County's production environment, the County's existing production data is converted to the new format (should the County decide to convert its current data), the system is fully implemented and operational, and the following items are satisfied:

1. The acceptance period will consist of a minimum of sixty (60) consecutive calendar days, twenty-four (24) hours per day, and will begin at 8:00 a.m. on the first workday following "go live" on the new System.

SPECIAL PROVISIONS

2. During the acceptance period, the system must remain fully operational, must operate without failure, must operate in conformance with the County's functional business requirements, must operate with response times acceptable to the County, and must adhere to the requirements for system availability set forth in Section F., "System Availability and Response."
3. If the system fails to meet any of the criteria above, the County shall notify the offeror of such failure and the acceptance period starts over at 8:00 a.m. on the first workday following the correction and completion of testing of the failure.
4. The County will notify the Offeror in writing of the acceptance of the system(s) if:
 - a. The performance standard is attained for the duration of the acceptance period;
 - b. All training has been completed;
 - c. All documentation and other deliverables have been received.

6. TECHNICAL PROPOSAL INSTRUCTIONS:

- 6.1. Proposals should be as thorough and detailed as possible so that the County may properly evaluate your capabilities to provide the required goods/services. Offerors are required to submit the following items as a complete proposal. Proposal contents shall be arranged in the same order and identified with headings as presented herein.

- A. Minimum Qualifications Questionnaire.** Each offeror must complete Minimum Qualifications Questionnaire (Attachment 1). Offerors must meet all minimum qualifications.
- B. Methodology/Specific Plan.** Provide a description of methodology of the offeror's design and management processes incorporating an understanding of the goals and criteria of this project and how the offeror intends to meet these goals and criteria. Provide a specific plan for providing the service including: 1) what, when, and how the service will be performed, 2) list of proposed equipment/goods/etc., 3) timeframe for completing and 4) proposed training and resources for the system implementation and throughout the tenure of the resulting contract.
- C. Proposed System.** Complete the System Requirement Checklist for each proposed system (Columns 1, 2, and 3) and provide responses to the information requested below:

GENERAL INFORMATION

1. What is the installed user base (i.e., number of companies, firms, municipal governments, or other organizations using this system)? Provide the number of public sector clients with public safety departments and note the total number of employees at each organization.
2. How often are new software releases developed and distributed?
3. How long are superseded/back releases supported?
4. What is the distribution method for software maintenance and new releases?
5. If a release is not installed (i.e., a release is skipped), what steps are required to install subsequent releases?

TECHNICAL INFORMATION

1. State the estimated response time for your SAS, hosted solution based on industry standards.
2. What batch processes, requiring system shutdown, are present in the system?
3. Describe the operating system for PCs and the network server needed to implement the recommended system. Specify required browser types and versions for your hosted solutions as well as required plug-ins.
4. Describe the necessary hardware and software configuration needed to implement the system.
5. Furnish and deliver a detailed diagram of the recommended solutions, including site to site connectivity. The diagram shall include necessary ports and protocol required for integration with County's existing HCM systems.

SPECIAL PROVISIONS

6. Describe client requirements for both the hardware and the software. List the operating system software. Include any PC permissions needed to run the software (e.g., local administration, power user, registry updates.)
7. Identify any separate licensing and support considerations for third parties' components. Is the system fully compatible and operational with the County current computer and network environment as described in Attachment 3 – Technical Specifications?
8. Describe how the system uploads and transfers data. Specify the formats and SAP APIs used to interface with the County SAP system.
9. Are custom services provided? If yes, identify the areas on the applicable System Requirements Checklist(s) (Costs for these services should only be reflected in the respective Checklists associated with the Business Proposal).
10. Does the system provide for multiple types of interfaces (i.e., character-based, or Graphical User Interface (GUI)? Confirm the system can interface with SAP version 6.0 or higher.
11. Provide estimated response time for FCG customers based on number of employees/customers accessing the system.

SYSTEM ACCEPTANCE PLAN

Submit proposed system acceptance plan

EXPERIENCE

A written narrative statement to include:

1. Organizational and Staff Experience: Offerors must describe their qualifications and experience to perform the work described in this Request for Proposal. Information about experience should include direct experience with the specific system. Ensure your summary includes the following: (1) number of years your organization has been in business, (2) number of years your organization has experience with the system(s), (3) other names your organization has been known, and (4) any acquisitions or mergers in the last five years.
2. References: Provide at least three references from public sector clients with public safety departments (i.e. police and fire) and a total employee population of 2,000 or more for which work of a similar nature to that described herein was performed within the past three years. The reference should include the name, title, address, phone number, brief description of the system and email for the person on the owner's team most intimate with the details of system being referenced.

CONTRACTUAL ISSUES AND FINANCIAL SOLVENCY

1. Has your company ever filed a petition or has your company ever been petitioned into bankruptcy or insolvency or has your company ever made any assignment for the benefit of your creditors? If so, provide complete details.
2. Supply an audited financial statement for the most recently closed fiscal year.
3. Describe any past, pending or threatened judicial or administrative litigation against you or in which you are litigating against someone else, within the past five years, related to services you are proposing.
4. Has your company been cited or threatened with citation within the last five years by federal or any state regulators for violations of any state or federal law and regulations? If your answer is yes, describe fully.
5. If applicable, detail your company's credit ratings for each of the past five (5) years.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>A.M. Best</u>					
<u>Duff & Phelps</u>					
<u>Moody's</u>					
<u>Standard & Poors</u>					

SPECIAL PROVISIONSPERSONNEL

1. The Offeror shall identify key personnel to be assigned to the project, their qualifications, education and representative experience. Include a brief statement concerning the recent experience of personnel from the Offeror who will be actively engaged in the proposed effort. The Offeror shall pay particular attention to identifying personnel's experience in working with the proposed System.
2. Do not include general corporate background brochures. Do not include corporate experience unless personnel who will work on this project participated in that experience. Include only work that can be identified with projects completed in the previous twenty-four (24) months.
3. Proposed personnel must work on this project. In the event that the offeror's personnel for this project must be replaced by the offeror, replacement personnel must be identified using the same guidelines established for the initial offeror project personnel as described above and must be approved by the County.
4. Identification is required of any contemplated third parties to be employed during the project by the offeror, with the identification of personnel to be assigned, their qualifications, education, and representative experience in working with the proposed System.
5. Any offeror personnel or third parties' personnel assigned to the project must read and sign DIT's Consultant/Contractor Agreement Form (Attachment 2).
6. The County may require criminal history background and/or credit checks to be performed on any offeror personnel and third parties' personnel assigned to this Project.
7. The County may require, as a condition of continued service on this contract, any offeror personnel and third parties' personnel assigned to this Project to submit to alcohol and drug tests at any time. All costs associated with the alcohol and drug screening will be the responsibility of the offeror. The screening must be administered and results documented by a state-approved laboratory licensed to conduct such tests in accordance with standards established by the National Institute on Drug Abuse ("NIDA"). The County will require that any employee of the offeror or his third parties' personnel who has a positive test result be removed from working on the Project.
8. The County may require the offeror to replace any assigned personnel who are considered unacceptable in the opinion of the County.
9. The County considers a suitable working relationship to be a product of several factors, not the least of which is the presumption of permanency of the offeror personnel for the duration of the work effort. It is anticipated that offerors will use their best efforts to assure a stable work force and limit disruptive personnel changes -- those not otherwise requested by the County. The offeror is prohibited from the unilateral removal of personnel without first providing the County a minimum of 30 calendar days' notice. Such restriction does not include staff changes due to circumstances beyond the offeror's control such as a person's "long-term" illness or accident, resignation, military mobilization, etc. Replacement personnel must be identified using the same guidelines established for the initial offeror project personnel as described above and must be approved by the County. The offeror must further agree to work in good faith and use their best efforts to ensure the satisfactory turnover and knowledge transfer from one person to the other in the event of the removal of personnel. The offeror shall also agree to not bill the County for up to four weeks to accommodate the turnover, training, and for learning the County's environment and its processes. The offeror shall keep the County advised on a current basis as to the availability of personnel to perform work.

SECURITY/TECHNICAL SPECIFICATIONSInformation Security Program

1. Offeror should identify how their organization maintains a formal information security technology program that identifies management, operational, and technical controls to ensure the confidentiality, integrity, and availability of information systems and data and validates those controls.

SPECIAL PROVISIONS

2. Offeror should identify how Offeror's maintains an active vulnerability management program to protect systems and offered services from known vulnerabilities.
3. Adherence to the rules and regulations governing the processing of electronic transactions and the storage of personal information is something Fairfax takes very seriously. Please indicate any auditing or compliance certifications that vendor maintains to test system controls to ensure the confidentiality, integrity, and availability of hosted information and systems.

Transmission Security

1. Offeror shall identify data transmission techniques used to transfer information securely between (i.e., two-way) Offeror's Information Systems and the County's systems. The System Security procedures and practices, which protect the data during and after the transmission, shall be submitted for evaluation.
2. Offeror shall identify how vendor's application uses strong cryptography and security protocols (for example, SSL/TLS, IPSEC, etc.) to safeguard sensitive information data during transmission between networks, and between client/server architecture.

Protection of Stored Data

1. Offeror should describe how Offeror maintains a defense-in-depth security architecture incorporating intrusion detection, firewalls, and other network security monitoring and access control mechanisms.
2. Offeror should describe how Offeror will protect hosted data by implementing access control mechanisms to limit access to data to personnel whose job requires such access.
3. Offeror shall identify how encryption will be used to ensure the protection of sensitive data in storage.
4. Offeror should describe how Offeror will protect hosted data by implementing an auditing and systems monitoring program to identify and alert of unauthorized access or transactions.
5. Offeror should describe how Offeror will restrict physical access to systems housing sensitive hosted data.

Disaster Recovery

1. Offeror should describe Offeror's disaster recovery procedures to assist in preventing interruption of system use.
2. Offeror should describe how high availability of hosted resources will be maintained.
3. Offeror should describe the backup and recovery processes that are in place that allows for the continuation of operations in the event of a disaster where the County will continue to maintain operations.

Incident Response and Handling

Offeror should identify if Offeror maintains a formal incident response plan, including strategy for notifying customers in the event of a breach and compromise of customer information.

Compliance

1. Hosted systems are required to comply with the requirements defined in the Fairfax County Information Technology Security Policy which is available for review at the following public link:
http://www.fairfaxcounty.gov/dit/iso/pm70-05_01.pdf
2. Review the County's Technical Specifications (Attachment 3).3. Complete the IT Security Matrix (Attachment 4).

SPECIAL PROVISIONS**7. CONSULTATION SERVICES:**

- 7.1. The contractor's staff must be available for consultation with County staff on an as-needed basis between 8:00 AM and 5:00 PM, EST, Monday through Friday.

8. COST PROPOSAL INSTRUCTIONS:

- 8.1. The offeror must submit a cost proposal (Appendix B) in a separate binder fully supported by cost and pricing data adequate to establish the reasonableness of the proposed fee. Include System Pricing Sheet (Page 43), and the applicable System Requirements Checklist(s) for the business proposal(s). All costs should be provided under the cost proposal. The following information should be submitted as part of the cost proposal:

Caution: Failure to break down cost elements may render the Cost proposal non-responsive.

Proposed Price: Price should be submitted in the format shown in the System Pricing Sheet.

A. Schedules must:

1. Identify and quantify the purchase costs of each module of the software package, and the price of any support services proposed.
2. Identify all alternative subsystems with separate prices for each component and other expansions or enhancements, if any, and furnish and deliver subtotals as appropriate.
3. Specify "NO CHARGE" if items in fact are offered without charge.

B. Itemized and total costs for support services must be identified:

1. Provide labor rates for each consultant. Rates must be fully loaded (e.g., no extra charges for travel or other items).
2. For other support service costs, note as not to exceed, fixed cost, or time and materials (provide maximum).

C. Itemized costs must be provided for, but not limited to:

1. System Hardware, Software, and Installation
2. Application Software and Installation
3. Communication Requirements
4. Software Modifications for Functional Requirements
5. Software Modifications for Interfaces
6. Conversion
7. Training Services (Implementation and throughout the tenure of the resulting contract)
8. Documentation
9. Implementation Services
10. Warranty and Post Warranty Services

9. PRICING:

- 9.1. The subsequent contract will be a firm-fixed price agreement. The fee(s) will remain firm and will include all charges that may be incurred in fulfilling the requirements of the contract during the first 365 days. Changes in cost for any subsequent contract years may be based on the Consumer Price Index (CPI-U), Table 10, U.S. County Averages, or other relevant indices.
- 9.2. The request for a change in the unit price shall include as a minimum, (1) the cause for the adjustment; (2) proposed effective date; and, (3) the amount of the change requested with documentation to support the requested adjustment (i.e., appropriate Bureau of Labor Statistics, Consumer Price Index (CPI-U), change in manufacturer's price, etc.).

SPECIAL PROVISIONS

- 9.3. Price decreases shall be made in accordance with paragraph 43 of the General Conditions & Instructions to Offerors. (Appendix A)

10. TRADE SECRETS/PROPRIETARY INFORMATION:

- 10.1. Trade secrets or proprietary information submitted by an offeror in connection with a procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, offerors must invoke the protections of this section prior to or upon submission of the data or other materials.
- 10.2. The offeror must identify the data or other materials to be protected and state the reasons why protection is necessary. Disposition of material after award should be stated by the offeror.

11. CONTACT FOR CONTRACTUAL MATTERS:

- 11.1. All communications and requests for information and clarifications shall be directed to the following procurement official:

Kristy Apperson, MS, MBA, Contract Specialist II
Department of Purchasing and Supply Management
Telephone: (703) 324-3217
Kristy.apperson@fairfaxcounty.gov

- 11.2. No attempt shall be made by any offeror to contact members of the Selection Advisory Committee (SAC) about this procurement (see paragraph 16.3).

12. REQUIRED SUBMITTALS:

- 12.1. Each Offeror responding to this Request for Proposal must supply all the documentation required in the RFP. Failure to provide documentation with the Offeror's response to the RFP will result in the disqualification of the Offeror's proposal.

13. SUBMISSION OF PROPOSAL:

- 13.1. One (1) original (duly marked) and fourteen (14) copies of the Technical proposal, and one (1) original (duly marked) and fourteen (14) copies of the Cost proposal shall be delivered to the following address in sealed envelopes or packages with the proposal number, title and the offerors name and address on the outside. It is requested that one copy of both the technical and cost proposals be provided in a CD format. The offeror must include a notarized statement that the CD version is a true copy of the printed version. Electronically stamped delivery receipts are available.

Department of Purchasing and Supply Management
12000 Government Center Parkway, Suite 427
Fairfax, Virginia 22035-0013
Telephone: 703-324-3201

- 13.2. Offerors are reminded that changes to the request for proposal, in the form of addenda, are often issued between the issue date and within three (3) days before the due date of the solicitation. All addenda MUST be signed and submitted to the Department of Purchasing and Supply Management, 12000 Government Center Parkway, Suite 427, Fairfax, VA 22035 before the due date/time or must accompany the proposal. Notice of addenda will be posted on eVA and the DPSM current solicitation webpage. It is the Offeror's responsibility to monitor the web page for the most current addenda at www.fairfaxcounty.gov/solicitation.

SPECIAL PROVISIONS

- 13.3. It is the Offeror's responsibility to clearly identify and to describe the services being offered in response to the Request for Proposal. Offerors are cautioned that organization of their response, as well as thoroughness is critical to the County's evaluation process. The RFP forms must be completed legibly and in their entirety; and all required supplemental information must be furnished and presented in an organized, comprehensive and easy to follow manner.
- 13.4. Unnecessarily elaborate brochures or other presentations beyond that sufficient to present a complete and effective proposal is not desired. Elaborate artwork, expensive paper, bindings, visual and other presentation aids are not required. The County encourages the use of recycled paper, therefore it is urged that proposals be submitted on paper made from or with recycled content and be printed on both sides.
- 13.5. Each original and set of the fourteen (14) copies of the proposal shall consist of:
- A. Cover sheet (DPSM32)
 - B. Technical proposal as required in the Special Provisions, **Section 5, Tasks to be Performed/Statement of Needs**, and **Section 6, TECHNICAL PROPOSAL INSTRUCTIONS**. Include responses to Section 5 and Section 6 along with the Minimum Qualification Questionnaire, the applicable System Requirements Checklist(s), the Consultant/Contractor Agreement (Attachment 2), and the IT Security Matrix (Attachment 3).
 - C. Cost proposal as required in the Special Provisions **Section 8, COST PROPOSAL INSTRUCTIONS**. Include the System Pricing Sheet(s) along with the applicable System Requirements Checklist(s) with the cost information completed in column 4.
- 13.6. By executing the cover sheet (DPSM32), Offeror acknowledges that they have read this Request for Proposal, understand it, and agree to be bound by its terms and conditions. Proposals may be submitted by mail or delivered in person.

14. LATE PROPOSALS:

- 14.1. Proposals received in the Office of the County Purchasing Agent after the date and time prescribed shall not be considered for contract award and shall be returned to the offeror.

15. PERIOD THAT PROPOSALS REMAIN VALID:

- 15.1. Proposals will remain valid for a period of one-hundred and eighty (180) calendar days after the date specified for receipt of proposals.

16. BASIS FOR AWARD:

- 16.1. This Request for Proposal is being utilized for competitive negotiation. Under the competitive negotiation process, a contract may be awarded to the responsible offeror whose proposal is determined to be the most advantageous to the County, taking into consideration price and the evaluation factors set forth in the Request for Proposal. The County reserves the right to make more than one award as a result of this solicitation.
- 16.2. A Selection Advisory Committee has been established to review and evaluate all proposals submitted in response to this Request for Proposal. The Committee shall conduct a preliminary evaluation of all proposals on the basis of the information provided with the proposal, and the evaluation criteria listed below. Based upon this review, the cost proposals of the highest rated offeror(s) will then be reviewed.

SPECIAL PROVISIONS

- 16.3. No Offeror, including any of their representatives, subcontractors, affiliates and interested parties, shall contact any member of the Selection Advisory Committee or any person involved in the evaluation of the proposals. Selection Advisory Committee members will refer any and all calls related to this procurement to the procurement official named in 11.1 above. Failure to comply with this directive may, at the sole discretion of the County, result in the disqualification of an offeror from the procurement process.
- 16.4. Based on the results of the preliminary evaluation, the highest rated offeror(s) may be invited by the County Purchasing Agent to make an oral presentation and provide a demonstration of the system(s) to the Selection Advisory Committee. A script will be provided for each system demonstration. The vendor's team should include: (1) the person who supports server and database hardware, (2) the person who supports integration and has knowledge of the system, (3) the person who is able to discuss help desk support functions, (4) the person with primary responsibility and final authority for the project throughout the term of any potential contract. The demo must mirror the actual system proposed to FCG. Any customizations will need to be identified at the time of the demo.
- 16.5. This committee will then conduct a final evaluation of the proposals. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the Request for Proposal. Negotiations shall then be conducted with each of the offerors so selected. After negotiations have been conducted with each offeror so selected, the County shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror.
- 16.6. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The Committee will make appropriate recommendations to the County Executive and Board of Supervisors, if appropriate, prior to actual award of contract.
- 16.7. Proposal Evaluation Criteria
- The following factors will be considered in the award of this contract:
- A. **Qualification and Experience of the Offeror:**
(1) Experience of staff to include but not limited to the project manager, system designers and developers and technical support staff proposed/assigned, (2) experience with proposed system(s), and (3) client references.
 - B. **Proposed System:**
(1) Response to Section 5 (Tasks to be Performed/Statement of Needs), Section 6 (Technical Proposal Instructions) and applicable System Requirements Checklist(s), (2) operation, installation, implementation and upgrade of the system, (3) growth potential and flexibility of the system, (4) system acceptance plan, and (5) demo of proposed system with all customizations identified.
 - C. **Methodology/Specific Plan:**
(1) Understanding of requirements and goals of the County, completeness and quality of response, project plan, organization and schedule, and overall support and training commitment.
 - D. **Price:**
(1) All fees associated with the proposed system(s)
- 16.8. Fairfax County reserves the right to make on-site visitations to assess the capabilities of individual offerors and to contact references provided with the proposal.

SPECIAL PROVISIONS

- 16.9. The County Purchasing Agent may arrange for discussions with firms submitting proposals, if required, for the purpose of obtaining additional information or clarification.
- 16.10. Offerors are advised that, in the event of receipt of an adequate number of proposals, which, in the opinion of the County Purchasing Agent, require no clarifications and/or supplementary information, such proposals may be evaluated without further discussion. Consequently, offerors should provide complete, thorough proposals with the offerors most favorable terms. Should proposals require additional clarification and/or supplementary information, offerors should submit such additional material in a timely manner.
- 16.11. Proposals which, after discussion and submission of additional clarification and/or supplementary information, are determined to meet the specifications of this Request for Proposal will be classified as "acceptable". Proposals found not to be acceptable will be classified as "unacceptable" and no further discussion concerning same will be conducted.
- 16.12. The County may cancel this Request for Proposal or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

17. INSURANCE:

- 17.1. The contractor is responsible for its work and for all materials, tools, equipment, appliances, and property of any and all description used in connection with the project, whether owned by the contractor or by the County. The contractor assumes all risks of direct and indirect damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the contract, or in connection in any way whatsoever with the contracted work.
- 17.2. The Contractor shall, during the continuance of all work under the Contract provide the following:
 - A. Maintain statutory Worker's Compensation and Employer's Liability insurance in limits of not less than \$100,000 to protect the Contractor from any liability or damages for any injuries (including death and disability) to any and all of its employees, volunteers, or subcontractors, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia, or which may be hereinafter enacted.
 - B. The contractor agrees to maintain Commercial General Liability insurance in the amount of \$1,000,000 per occurrence/aggregate, to protect the contractor, its subcontractors, and the interest of the County, against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the contract or in connection with contracted work. The General Liability insurance shall also include the Broad Form Property Damage endorsement, in addition to coverage's for explosion, collapse, and underground hazards, where required.
 - C. The contractor agrees to maintain owned, non-owned, and hired Automobile Liability insurance, in the amount of \$1,000,000 per occurrence/aggregate, including property damage, covering all owned, non-owned borrowed, leased, or rented vehicles operated by the Contractor. In addition, all mobile equipment used by the Contractor in connection with the contracted work will be insured under either a standard Automobile Liability policy, or a Comprehensive General Liability policy.
 - D. The contractor agrees to maintain Professional Liability insurance in the amount of \$1,000,000 per occurrence/aggregate to cover each individual professional staff.
 - E. Liability insurance may be arranged by General Liability and Automobile Liability policies for the full limits required, or by a combination of underlying Liability policies for lesser limits with the remaining limits provided by an Excess or Umbrella Liability policy.

SPECIAL PROVISIONS

F. Rating Requirements:

1. The Contractor agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A: VI.
2. European markets including those based in London, and the domestic surplus lines markets that operate on a non-admitted basis are exempt from this requirement provided that the contractor's broker can provide financial data to establish that a market is equal to or exceeds the financial strengths associated with the A.M. Best's rating of A:VI or better.

G. Indemnification: Article 63 of the General Conditions and Instructions to Bidders (Appendix A) shall apply.

H. The Contractor will provide an original, signed Certificate of Insurance citing the contract number and such endorsements as prescribed herein, and shall have it filed with the County Purchasing Agent and/or Risk Manager before any work is started.

I. If the Contractor delivers services from a County-leased facility, the Contractor is required to carry property insurance on all equipment, to include County-owned installed and maintained equipment used by the contractor while in their care, custody and control for use under this contract.

17.3. No change, cancellation, or non-renewal shall be made in any insurance coverage without a forty-five day written notice to the County Purchasing Agent and/or Risk Manager. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments until the new certificate is furnished.

17.4. Precaution shall be exercised at all times for the protection of persons (including employees) and property.

17.5. The County of Fairfax, its employees and officers shall be named as an additional insured in the Automobile, General Liability and Professional Liability policies and it shall be stated on the Insurance Certificate with the provision that this coverage is primary to all other coverage the County may possess.

18. METHOD OF ORDERING:

18.1. The County may use two (2) different methods of placing orders from the final contract: Purchase Orders (PO's) and approved County procurement cards.

18.2. A Purchase Order (PO) may be issued to the contractor on behalf of the County agency ordering the items/services covered under this contract. An issued PO will become part of the resulting contract. The purchase order indicates that sufficient funds have been obligated as required by Title 15.2-1238 of the Code of the Commonwealth of Virginia.

18.3. Procurement Card orders and payments may also be made by the use of a Fairfax County or Fairfax County Public Schools "Procurement" Card. The Procurement Card is currently a Master Card. Contractors are encouraged to accept this method of receiving orders.

18.4. Regardless of the method of ordering used, solely the contract and any modification determine performance time and dates.

18.5. Performance under this contract is not to begin until receipt of the purchase order, Procurement Card order, or other notification to proceed by the County Purchasing Agent and/or County agency to proceed. Purchase requisitions shall not be used for placing orders.

SPECIAL PROVISIONS**19. REPORTS AND INVOICING:**

- 19.1. The Contractor must maintain all records in compliance with federal and state regulations. The Contractor(s) must submit to each program administrator, monthly statistical reports and an annual tabulated report.
- 19.2. The Contractor must invoice each County department using the final contract separately. Invoices for all users of the contract must meet County requirements, unless otherwise indicated. The Contractor must send each department an itemized monthly invoice (or as agreed to between the parties), which must include the information listed below:
- A. Employee name;
 - B. The name of the County department;
 - C. Date of services
 - D. The type of services; and,
 - E. The itemized cost for each item/service.
- 19.3. County departments must receive monthly invoices by the 10th of each month following the month the Contractor provided the service. In addition, the Contractor will provide each County department a monthly and year-to-date utilization report which lists all information shown above in paragraph 19.2, a-e. The Contractor will mail the invoices and the utilization reports to the individuals identified in the final contract.

20. PAYMENTS:

- 20.1. The County will pay the Contractor based upon completion, acceptance, and approval by the County of each task outlined in the Special Provisions, paragraph 5, Tasks to be Performed. Payment Schedules for Fixed Price Contracts should be structured in a way that spreads the cost of the contract over the life of the contract with the largest payment coming at the successful conclusion of the contract. At no time should payments be attached to the initial signing of the contract and/or a contract start date. Payments should be aligned with significant milestones or deliverables. Preferably, payments should be aligned with the acceptance and production go-live dates for the system.

21. CHANGES:

- 21.1. Fairfax County may, at any time, by written order, require changes in the services to be performed by the Contractor. If such changes cause an increase or decrease in the Contractors cost of, or time required for, performance of any services under this contract, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. The County Purchasing Agent must approve all work that is beyond the scope of this Request for Proposal.
- 21.2. No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written authorization of the Fairfax County Purchasing Agent.

22. DELAYS AND SUSPENSIONS:

- 22.1. The County may direct the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time deemed appropriate for the convenience of the County. The County will extend the Contractor's time of completion by a period of time that in the discretion of the Purchasing Agent is reasonably suited for completion of work. The County may further amend the contract by mutual agreement for any increase in the cost of performance of the contract (excluding profit) resulting solely from the delay or suspension of the contract. No adjustment shall be made under this clause for any delay or interruption resulting from any other cause, including the fault or negligence of the Contractor.

SPECIAL PROVISIONS

- 22.2. If the County does not direct the Contractor, in writing, to suspend, delay, or interrupt the contract, the Contractor must give the County Purchasing Agent written notice if Fairfax County fails to provide data or services that are required for contract completion by the Contractor. The County may extend the Contractor's time of completion by a period of time that in the discretion of the Purchasing Agent is reasonably suited for completion of work. The County may further amend the contract by mutual agreement for any increase in the cost of performance of the contract (excluding profit) resulting solely from the delay or suspension of the contract. No adjustment shall be made under this clause for any delay or interruption resulting from any other cause, including the fault or negligence of the Contractor.

The Contractor shall continue its work on other phases of the project or contract, if in the sole discretion of the Purchasing Agent such work is not impacted by the County's delay, suspension, or interruption. All changes to the work plan or project milestones shall be reflected in writing as a contract amendment.

23. ACCESS TO AND INSPECTION OF WORK:

- 23.1. The Fairfax County Purchasing Agent and using agencies will, at all times, have access to the work being performed under this contract wherever it may be in progress or preparation.

24. PROJECT AUDITS:

- 24.1. The Contractor shall maintain books, records and documents of all costs and data in support of the services provided. Fairfax County or its authorized representative shall have the right to audit the books, records and documents of the contractor under the following conditions:
- A. If the contract is terminated for any reason in accordance with the provisions of these contract documents in order to arrive at equitable termination costs;
 - B. In the event of a disagreement between the contractor and the County on the amount due the Contractor under the terms of this contract;
 - C. To check or substantiate any amounts invoiced or paid which are required to reflect the costs of services, or the Contractor's efficiency or effectiveness under this contract; and,
 - D. If it becomes necessary to determine the County's rights and the contractor's obligations under the contract or to ascertain facts relative to any claim against the Contractor that may result in a charge against the County.
- 24.2. These provisions for an audit shall give Fairfax County unlimited access during normal working hours to the Contractor's books and records under the conditions stated above.
- 24.3. Unless otherwise provided by applicable statute, the contractor, from the effective date of final payment or termination hereunder, shall preserve and make available to Fairfax County for a period of three (3) years thereafter, at all reasonable times at the office of the Contractor but without direct charge to the County, all its books, records documents and other evidence bearing on the costs and expenses of the services relating to the work hereunder.
- 24.4. Fairfax County's right to audit and the preservation of records shall terminate at the end of three (3) years as stated herein. The Contractor shall include this "Right of Audit and Preservation of Records" clause in all subcontracts issued by it and they shall require same to be inserted by all lower tier subcontractors in their subcontracts, for any portion of the work.

SPECIAL PROVISIONS

- 24.5. Should the Contractor fail to include this clause in any such contract or lower tier contract, or otherwise fail to insure Fairfax County's rights hereunder, the Contractor shall be liable to Fairfax County for all reasonable costs, expenses and attorney's fees which Fairfax County may have to incur in order to obtain an audit or inspection of or the restoration of records which would have otherwise been available to Fairfax County from said persons under this clause. Such audit may be conducted by Fairfax County or its authorized representative.

25. DATA SOURCES:

- 25.1. The County will provide the Contractor all available data possessed by the County that relates to this contract. However, the Contractor is responsible for all costs for acquiring other data or processing, analyzing or evaluating County data.

26. SAFEGUARDS OF INFORMATION:

- 26.1. Unless approved in writing by the County Purchasing Agent, the Contractor may not sell or give to any individual or organization any information, reports, or other materials given to, prepared or assembled by the Contractor under the final contract.

27. ORDER OF PRECEDENCE:

- 27.1. In the event of conflict, the Acceptance Agreement (provided at contract award) and the Special Provisions of this contract shall take precedence over the General Conditions and Instructions to Bidders, (Appendix A).

28. SUBCONTRACTING:

- 28.1. If one or more subcontractors are required, the contractor is encouraged to utilize small, minority-owned, and women-owned business enterprises. For assistance in finding subcontractors, contact the Virginia Department of Business Assistance <http://www.dba.state.va.us>; the Virginia Department of Minority Business Enterprise <http://www.dmbe.state.va.us/>; local chambers of commerce and other business organizations.
- 28.2. As part of the contract award, the prime contractor agrees to provide the names and addresses of each subcontractor, that subcontractor's status as defined by Fairfax County, as a small, minority-owned and/or woman-owned business, and the type and dollar value of the subcontracted goods/services provided. Reference Appendix B to this solicitation.

29. USE OF CONTRACT BY OTHER PUBLIC BODIES:

- 29.1. Reference Paragraph 75, General Conditions and Instructions to Bidders, Cooperative Purchasing. Offerors are advised that the *resultant* contract(s) may be extended, with the authorization of the offeror, to other public bodies, or public agencies or institutions of the United States to permit their use of the contract at the same prices and/or discounts and terms of the resulting contract. If any other public body decides to use the final contract, the Contractor(s) must deal directly with that public body concerning the placement of orders, issuance of purchase orders, contractual disputes, invoicing and payment. The County of Fairfax acts only as the "Contracting Agent" for these public bodies. Failure to extend a contract to any public body will have no effect on consideration of your offer. (See Appendix B for sample listing).
- 29.2. It is the Contractors responsibility to notify the public body(s) of the availability of the contract(s).
- 29.3. Other public bodies desiring to use this contract will need to make their own legal determinations as to whether the use of this contract is consistent with their laws, regulations, and other policies.

SPECIAL PROVISIONS

- 29.4. Each public body has the option of executing a separate contract with the Contractor(s). Public bodies may add terms and conditions required by statute, ordinances, and regulations, to the extent that they do not conflict with the contracts terms and conditions. If, when preparing such a contract, the general terms and conditions of a public body are unacceptable to the Contractor, the Contractor may withdraw its extension of the award to that public body.
- 29.5. Fairfax County **shall not** be held liable for any costs or damages incurred by another public body as a result of any award extended to that public body by the Contractor.

30. NEWS RELEASE BY VENDORS:

- 30.1. As a matter of policy, the County does not endorse the products or services of a contractor. News releases concerning any resultant contract from this solicitation will not be made by a contractor without the prior written approval of the County. All proposed news releases will be routed to the Purchasing Agent for review and approval.

31. AMERICANS WITH DISABILITIES ACT REQUIREMENTS:

- 31.1. Fairfax County Government is fully committed to the Americans with Disabilities Act (ADA) which guarantees non-discrimination and equal access for persons with disabilities in employment, public accommodations, transportation, and all County programs, activities and services. Fairfax County government contractors, subcontractors, vendors, and/or suppliers are subject to this ADA policy. All individuals having any County contractual agreement must make the same commitment. Your acceptance of this contract acknowledges your commitment and compliance with ADA.
- 31.2. Fairfax County is committed to a policy of nondiscrimination in all County programs, services, and activities and will provide reasonable accommodations upon request. Bidders requesting special accommodations should call the Department ADA representative at (703) 324-3201 or TTY 1-800-828-1140. Please allow seven (7) working days in advance of the event to make the necessary arrangements.

32. HIPAA COMPLIANCE:

- 32.1. Fairfax County Government has designated certain health care components as covered by the Health Insurance Portability and Accountability Act of 1996. The successful vendor will be designated a business associate pursuant to 45 CFR part 164.504(e) of those agencies identified as health care components of the County, including the Fairfax-Falls Church Community Services Board, upon award of contract. The successful vendor shall be required to execute a Fairfax County Business Associate Agreement and must adhere to all relevant federal, state, and local confidentiality and privacy laws, regulations, and contractual provisions of that agreement. These laws and regulations include, but are not limited to: (1) HIPAA – 42 USC 201, et seq., and 45 CFR Parts 160 and 164; and (2) Va Code – Title 32.1, Health, § 32.1-1 et seq. The vendor shall have in place appropriate administrative, technical, and physical safeguards to ensure the privacy and confidentiality of protected health information.
- 32.2. Further information regarding HIPAA Compliance is available on the County's website at <http://www.fairfaxcounty.gov/HIPAA>.

SPECIAL PROVISIONS**33. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:**

- 33.1. Pursuant to *Code of Virginia*, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Any bidder or offeror that fails to provide the required information may not receive an award. (See form in Appendix B)

COUNTY OF FAIRFAX COMMONWEALTH OF VIRGINIA

GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS

(Vendor: The general rules and conditions which follow apply to all purchases and become a definite part of each formal solicitation and resulting contract award issued by the DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT, unless otherwise specified. Bidders or their authorized representatives are expected to inform themselves fully as to the conditions, requirements, and specifications before submitting bids; failure to do so will be at the bidder's own risk and relief cannot be secured on the plea of error.)

Subject to all State and local laws, policies, resolutions, and regulations and all rules, regulations and limitations imposed by legislation of the Federal Government, bids on all solicitations issued by the DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT will bind bidders to applicable conditions and requirements herein set forth unless otherwise specified in the solicitation.

1. **AUTHORITY** -The Purchasing Agent has the sole responsibility and authority for negotiating, placing and when necessary modifying every solicitation, contract and purchase order (except for capital construction projects) issued by the County of Fairfax. In the discharge of these responsibilities, the Purchasing Agent may be assisted by assigned buyers. Unless specifically delegated by the County Purchasing Agent, no other County officer or employee is authorized to order supplies or services, enter into purchase negotiations or contracts, or in any way obligate the government of the County of Fairfax for an indebtedness. Any purchase ordered or contract made which is contrary to these provisions and authorities shall be of no effect and void and the County shall not be bound thereby.

2. DEFINITIONS-

AGENCY: Any Department, Agency, Authority, Commission, Board or other unit in the Administrative Service of the County.

BEST VALUE: As predetermined in the solicitation, means the overall combination of quality, price, and various elements of required services that in total are optimal relative to a public body's needs.

BID: The offer of a bidder to provide specific goods or services at specified prices and/or other conditions specified in the solicitation.

BIDDER/OFFEROR: Any individual, company, firm, corporation, partnership or other organization bidding on solicitations issued by the Purchasing Agent and offering to enter into contracts with the County. The term "bidder" will be used throughout this document and shall be construed to mean "offeror" where appropriate.

CONSULTANT SERVICES: Any type of services required by the County, but not furnished by its own employees, which is in its nature so unique that it should be obtained by negotiation on the basis of demonstrated competence and qualification for the type of service required and at fair and reasonable compensation, rather than by competitive sealed bidding.

CONTRACTOR: Any individual, company, firm, corporation, partnership or other organization to whom an award is made by the County.

COUNTY: County of Fairfax.

GOODS: All material, equipment, supplies, printing, and automated data processing/information technology hardware and software.

INFORMALITY: A minor defect or variation of a bid or proposal from the exact requirements of the invitation to bid or the request for proposal which does not affect the price, quality, quantity or delivery schedule for the goods, services or construction being procured.

INVITATION FOR BID (IFB): A request which is made to prospective suppliers (bidders) for their quotation on goods or services desired by the County. The issuance of an IFB will contain or incorporate by reference the specifications and contractual terms and conditions applicable to the procurement.

PROFESSIONAL SERVICES: Any type of professional service performed by an independent contractor within the practice of accounting, actuarial services, architecture, dentistry, land surveying, landscape architecture, law, medicine, optometry, pharmacy, or professional engineering (which shall be procured as set forth in the Code of Virginia §2.2-4301 in the definition of competitive negotiation at paragraph 3 (a), and in conformance with the Fairfax County Purchasing Resolution).

PURCHASING AGENT: The Purchasing Agent employed by the Board of Supervisors of Fairfax County, Virginia.

QUICK QUOTE (QQ): A method of competitive bidding for the purchase or lease of goods, non professional services or for the purchase of insurance, construction, or construction management when the estimated cost thereof shall be less the \$50,000.

REQUEST FOR PROPOSAL (RFP): A request for an offer from prospective offerors which will indicate the general terms which are sought to be procured from the offeror. The RFP will specify the evaluation factors to be used and will contain or incorporate by reference other contractual terms and conditions applicable to the procurement.

General Conditions and Instructions to Bidders

RESPONSIBLE BIDDER/OFFEROR: An individual, company, firm, corporation, partnership or other organization having the capability in all respects to perform fully the contract requirements, and also having the moral and business integrity and reliability which will assure good faith performance, and having been prequalified, if required. (Reference paragraph 24, General Conditions and Instructions to Bidders).

RESPONSIVE BIDDER/OFFEROR: An individual, company, firm, corporation, partnership or other organization having submitted a bid which conforms in all material respects to the invitation for bid or request for proposal.

SERVICES: Any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

SOLICITATION: The process of notifying prospective bidders that the County wishes to receive bids on a set of requirements to provide goods or services. The notification of County requirements may consist of public advertising (newspaper, County Web Site, or other electronic notification), the mailing of Notices of Solicitation, Invitation for Bid (IFB) or Request for Proposal (RFP), the public posting of notices, issuance of an Open Market Procurement (OMP), or telephone calls to prospective bidders.

STATE: Commonwealth of Virginia.

CONDITIONS OF BIDDING

3. BID FORMS-Unless otherwise specified in the solicitation, all bids shall be submitted on the forms provided, to include the bid Cover Sheet and Pricing Schedule(s), properly signed in ink in the proper spaces and submitted in a sealed envelope or package. The item pages of the Pricing Schedule which do not include any items for which a bid is required need not be included in the submission of a bid.

Should the bid prices and/or any other submissions differ on the copy of the submitted bid, the ORIGINAL copy shall prevail.

4. LATE BIDS & MODIFICATIONS OF BIDS-

- a. Any bid/modification received at the office designated in the solicitation after the exact time specified for receipt of the bid/modification is considered a late bid/modification. A late bid/modification will not be considered for award except under the following conditions only:
 1. It was sent by registered or certified mail not later than the fifth (5th) calendar date prior to the date specified for receipt of the bid/modification; or
 2. The bid/modification was sent by mail and it is determined by the County Purchasing Agent that the late receipt was due solely to mishandling by the County after receipt at the address specified in the solicitation.
- b. If an emergency or unanticipated event or closing interrupts or suspends normal County business operations so that bids cannot be received at the County office designated for receipt of bids by the exact time specified in the solicitation, the due date/time specified for receipt of bids will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal County business operations resume.
- c. The official time used for receipt of bids/modifications is the Bid Clerk's time and date stamp clock located in the Department of Purchasing and Supply Management. All bidders are responsible for ensuring all bids/modifications are received prior to the scheduled due date/time.
- d. A late hand-carried bid, or any other late bid not submitted by mail, shall not be considered for award.

5. WITHDRAWAL OF BIDS-

- a. A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his or her bid from consideration if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. If a bid contains both clerical and judgment mistakes, a bidder may withdraw his bid from consideration if the price bid would have been substantially lower than the other bids due solely to the clerical mistake, that was an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid which shall be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. The bidder shall give notice in writing to the Purchasing Agent of his or her claim of right to withdraw his or her bid within two (2) business days after the conclusion of the bid opening procedure and shall submit original work papers with such notice.
- b. A bidder for a contract other than for public construction may request withdrawal of his or her bid under the following circumstances:
 1. Requests for withdrawal of bids prior to opening of such bids shall be transmitted to the County Purchasing Agent in writing.
 2. Requests for withdrawal of bids after opening of such bids but prior to award shall be transmitted to the County Purchasing Agent, in writing, accompanied by full documentation supporting the request. If the request is based on a claim of error, documentation must show the basis of the error. Such documentation may take the form of supplier quotations, vendor work sheets, etc. If bid bonds were tendered with the bid, the County may exercise its right of collection.

General Conditions and Instructions to Bidders

- c. No bid may be withdrawn under this paragraph when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent.
 - d. If a bid is withdrawn under the authority of this paragraph, the lowest remaining bid shall be deemed to be the low bid.
 - e. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
 - f. If the county denies the withdrawal of a bid under the provisions of this paragraph, it shall notify the bidder in writing stating the reasons for its decision and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.
 - g. Work papers, documents, and materials submitted in support of a withdrawal of bids may be considered as trade secrets or proprietary information subject to the conditions of the Virginia Freedom of Information Act.
- 6. ERRORS IN BIDS-**When an error is made in extending total prices, the unit bid price will govern. Erasures in bids must be initiated by the bidder. Carelessness in quoting prices, or in preparation of bid otherwise, will not relieve the bidder. Bidders are cautioned to recheck their bids for possible error. Errors discovered after public opening cannot be corrected and the bidder will be required to perform if his or her bid is accepted.
- 7. MAILING OF BIDS –** All bids and proposals submitted in response to a Fairfax County solicitation shall be submitted in a sealed envelope or package identified with the solicitation number, title, bidder's name and address, and due date/time of opening/closing clearly marked on the outside of such envelope or package.
- 8. COMPLETENESS-**To be responsive, a bid must include all information required by the solicitation.
- 9. ACCEPTANCE OF BIDS/BINDING 90 DAYS-**Unless otherwise specified, all formal bids submitted shall be binding for ninety (90) calendar days following bid opening date, unless extended by mutual consent of all parties.
- 10. CONDITIONAL BIDS-**Conditional bids are subject to rejection in whole or in part.
- 11. BIDS FOR ALL OR PART-**Unless otherwise specified by the County Purchasing Agent or by the bidder, the Purchasing Agent reserves the right to make award on all items in the aggregate or on any of the items on an individual basis, whichever is in the best interest of the County. A bidder may restrict his or her bid to consideration in the aggregate by so stating but shall name a single unit price on each item bid. Any bid in which the bidder names a total price for all the articles without quoting a unit price for each and every separate item may not be considered for award.
- 12. AREA BIDS-**For the purchase and delivery of certain goods and services the County may be divided into Areas (e.g., Areas I, II, III, and IV). When such goods and services are included in the Pricing Schedule, bidders may bid on all areas or an individual area. A map showing the areas of the County will be furnished with the solicitation when required.
- 13. TIME FOR RECEIVING BID-**Bids received prior to the time of opening will be securely kept, unopened. The representative of the Purchasing Agent assigned to open them will decide when the specified time has arrived, and no bid received thereafter will be considered, except as provided in paragraph 4, General Conditions and Instructions to Bidders. No responsibility will attach to the Purchasing Agent or his or her representative for the premature opening of a bid not properly addressed and identified. Unless specifically authorized in the solicitation, telegraphic, electronic, or facsimile bids/modifications will not be considered.
- 14. BID OPENING-**All bids received in response to an Invitation for Bid (IFB) will be opened at the date, time and place specified, read publicly, and made available for inspection as provided in paragraph 68, General Conditions and Instructions to Bidders. Tabulations of bids received are posted on the Department of Purchasing & Supply Management Bulletin Board as well as the County's web site: <http://www.fairfaxcounty.gov/dpsm/solic.htm>. Proposals received in response to a Request for Proposal (RFP) will be made available as provided in paragraph 68, General Conditions and Instructions to Bidders.
- 15. OMISSIONS & DISCREPANCIES-**Any items or parts of any equipment listed in this solicitation which are not fully described or are omitted from such specification, and which are clearly necessary for the completion of such equipment and its appurtenances, shall be considered a part of such equipment although not directly specified or called for in the specifications.
- Should a bidder find discrepancies or ambiguities in, or omissions from, the solicitation, including the drawings and/or specifications, he or she shall notify the Purchasing Agent at least five (5) days prior to the date set for the opening of bids. If necessary, the Purchasing Agent will send a written addendum for clarification to all bidders no later than three (3) days before the date set for opening of bids. Notifications regarding specifications will not be considered if received within five days of the date set for opening of bids.
- 16. RESPONSE TO SOLICITATIONS-**In the event a vendor cannot submit a bid on a solicitation, he or she is requested to return the solicitation cover sheet with an explanation as to why he or she is unable to bid on these requirements.
- 17. BIDDER INTERESTED IN MORE THAN ONE BID-**If more than one bid is offered by any one party, either directly or by or in the name of his or her clerk, partner, or other persons, all such bids may be rejected. A party who has quoted prices on work, materials, or supplies to a bidder is not thereby disqualified from quoting prices to other bidders or firms submitting a bid directly for the work, materials or supplies.

General Conditions and Instructions to Bidders

18. TAX EXEMPTION-The County is exempt from the payment of any federal excise or any Virginia sales tax. The price bid must be net, exclusive of taxes. However, when under established trade practice any federal excise tax is included in the list price, a bidder may quote the list price and shall show separately the amount of federal tax, either as a flat sum or as a percentage of the list price, which shall be deducted by the County. Fairfax County's Federal Excise Tax Exemption Number is 54-74-0127K. Contractors located outside the Commonwealth of Virginia are advised that when materials are picked up by the County at their place of business, they may charge and collect their own local/state sales tax. Materials used in the performance of construction contracts are subject to Virginia Sales/Use Tax as described in Section 630-10-27J of the Virginia Retail Sales and Use Tax Regulations.

19. PROHIBITION AGAINST UNIFORM PRICING-The County Purchasing Agent shall encourage open and competitive bidding by all possible means and shall endeavor to obtain the maximum degree of open competition on all purchase transactions using the competitive sealed bidding, competitive negotiation, or open market methods of procurement. In submitting a bid each bidder shall, by virtue of submitting a bid, guarantee that he or she has not been a party with other bidders to an agreement to bid a fixed or uniform price. Violation of this implied guarantee shall render void the bids of participating bidders. Any disclosure to or acquisition by a competitive bidder, in advance of the opening of the bids, of the terms or conditions of the bid submitted by another competitor may render the entire proceedings void and may require re-advertising for bids.

SPECIFICATIONS

20. QUESTIONS CONCERNING SPECIFICATIONS-Any information relative to interpretation of specifications and drawings shall be requested of the Purchasing Agent, in writing, in ample time before the opening of bids. No inquiries, if received by the Purchasing Agent within five (5) days of the date set for the opening of bids, will be given any consideration. Any material interpretation of a specification, as determined by the County Purchasing Agent, will be expressed in the form of an addendum to the specification which will be sent to all prospective bidders no later than three (3) days before the date set for receipt of bids. Oral answers will not be authoritative.

21. BRAND NAME OR EQUAL ITEMS-Unless otherwise provided in the invitation for bid, the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand, make or manufacturer named; it conveys the general style, type, character, and quality of the article desired, and any article which the County in its sole discretion determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted.

22. FORMAL SPECIFICATIONS-When a solicitation contains a specification which states no substitutes, no deviation therefrom will be permitted and the bidder will be required to furnish articles in conformity with that specification.

The bidder shall abide by and comply with the true intent of the specifications and not take advantage of any unintentional error or omission, but shall fully complete every part as the true intent and meaning of the specifications and drawings. Whenever the mention is made of any articles, material, or workmanship to be in accordance with laws, ordinances, building codes, underwriter's codes, A.S.T.M. regulations or similar expressions, the requirements of these laws, ordinances, etc., shall be construed as to the minimum requirements of these specifications.

23. FEDERAL SPECIFICATIONS-Any Federal Specifications referred to herein may be obtained from the GSA Federal Supply Service Bureau - Specification Section, 470 East L'Enfant Plaza, S.W., Suite #8100, Washington, D.C. 20407 (Voice: 1-202-619-8925, Fax: 1-202-619-8978).

AWARD

24. AWARD OR REJECTION OF BIDS-The Purchasing Agent shall award the contract to the lowest responsive and responsible bidder complying with all provisions of the IFB, provided the bid price is reasonable and it is in the best interest of the County to accept it. Awards made in response to a RFP will be made to the highest qualified offeror whose proposal is determined, in writing, to be the most advantageous to the County taking into consideration the evaluation factors set forth in the RFP. The Purchasing Agent reserves the right to award a contract by individual items, in the aggregate, or in combination thereof, or to reject any or all bids and to waive any informality in bids received whenever such rejection or waiver is in the best interest of the County. Award may be made to as many bidders as deemed necessary to fulfill the anticipated requirements of Fairfax County. The Purchasing Agent also reserves the right to reject the bid of a bidder deemed to be a non-responsible bidder.

In determining the responsibility of a bidder, the following criteria will be considered:

- a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance of previous contracts or services;
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or services;
- f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g. The quality, availability and adaptability of the goods or services to the particular use required;
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i. The number and scope of the conditions attached to the bid;
- j. Whether the bidder is in arrears to the County on debt or contract or is a defaulter on surety to the County or whether the bidder's County taxes or assessments are delinquent; and
- k. Such other information as may be secured by the County Purchasing Agent having a bearing on the decision to award the contract. If an apparent low bidder is not awarded a contract for reasons of nonresponsibility, the County Purchasing Agent shall so notify that bidder and shall have recorded the reasons in the contract file.

General Conditions and Instructions to Bidders

25. NOTICE OF ACCEPTANCE/CONTRACT DOCUMENTS-A written award (or Acceptance Agreement) mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the solicitation shall be deemed to result in a binding contract. The following documents which are included in the solicitation shall be incorporated by reference in the resulting contract and become a part of said contract:

- a. County of Fairfax Solicitation Form/Acceptance Agreement (Cover Sheet) and other documents which may be incorporated by reference, if applicable,
- b. General Conditions and Instructions to Bidders,
- c. Special Provisions and Specifications,
- d. Pricing Schedule,
- e. Any Addenda/Amendments/Memoranda of Negotiations

26. TIE-BIDS – If all bids are for the same total amount or unit price (including authorized discounts and delivery times), and if the public interest will not permit the delay of readvertisement for bids, the County Purchasing Agent is authorized to award the contract to the resident Fairfax County tie bidder whose firm has its principal place of business in the County, or if there be none, to the resident Virginia tie bidder, or if there be none, to one of the tie bidders by drawing lots in public; or the County Purchasing Agent may purchase the goods or services in the open market except that the price paid shall not exceed the lowest contract bid price submitted for the same goods or services. The decision of the County to make award to one or more such bidders shall be final.

27. PROMPT PAYMENT DISCOUNT-

- a. Unless otherwise specified in the solicitation, prompt payment discounts requiring payment in less than fifteen (15) days will not be considered in evaluating a bid for award. However, even though not considered in the evaluation, such discounts will be taken if payment is to be made within the discount period.
- b. In connection with any discount offered, time will be computed from the date of delivery of the supplies to the carrier when delivery, inspection and acceptance are at the point of origin; or, from date of delivery, inspection and acceptance at destination; or, from date correct invoice or voucher is received in the office specified by the County, if the latter is later than the date of acceptance. In the event the bidder does not indicate a prompt payment discount, it shall be construed to mean NET 30 days.

For the purpose of earning the discount, payment is deemed to be made as of the date of mailing of the County check or issuance of an Electronic Funds Transfer.

28. INSPECTION-ACCEPTANCE-For determining acceptance of supplies in accordance with the provisions of the prompt payment discount paragraph, inspection and acceptance shall be accomplished only after examination (including testing) of supplies and services to determine whether the supplies and services conform to the contract requirements. Acceptance shall occur only after receipt and inspection provided such inspection, as appropriate, is accomplished within a reasonable time.

29. DEFINITE BID QUANTITIES-Where definite quantities are specifically stated, acceptance will bind the County to order quantities specified and to pay for, at contract prices, all such supplies or services delivered that meet specifications and conditions of the contract. However, the County will not be required to accept delivery of any balances unordered, as of the contract expiration date, unless the Contractor furnished the Purchasing Agent with a statement of unordered balances not later than ten (10) days after the termination date of the contract.

30. REQUIREMENT BID QUANTITIES-On "Requirement" bids, acceptance will bind the County to pay for, at unit bid prices, only quantities ordered and delivered. Where the County specifies estimated quantities, the Contractor shall not be required to deliver more than ten (10) percent in excess of the estimated quantity of each item, unless otherwise agreed upon.

CONTRACT PROVISIONS

31. TERMINATION OF CONTRACTS-Contracts will remain in force for full periods specified and/or until all articles ordered before date of termination shall have been satisfactorily delivered and accepted and thereafter until all requirements and conditions shall have been met, unless:

- a. Terminated prior to expiration date by satisfactory deliveries of entire contract requirements, or upon termination by the County for Convenience or Cause.
- b. Extended upon written authorization of the Purchasing Agent and accepted by Contractor, to permit ordering of unordered balances or additional quantities at contract prices and in accordance with contract terms.

32. TERMINATION FOR CONVENIENCE-A contract may be terminated in whole or in part by the County in accordance with this clause whenever the County Purchasing Agent shall determine that such a termination is in the best interest of the County. Any such termination shall be effected by delivery to the Contractor at least five (5) working days prior to the termination date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for completed service, but no amount shall be allowed for anticipated profit on unperformed services.

General Conditions and Instructions to Bidders

33. TERMINATION OF CONTRACT FOR CAUSE-

- a. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his or her obligations under this contract, or if the Contractor violates any of the covenants, agreements, or stipulations of this contract, in addition to the County's remedies under the contract and all other rights available at law or in equity, the County shall have the right to immediately terminate this contract. Such termination shall be effected by delivering a notice of termination to the Contractor at any time specifying the effective date of such termination. In such event all finished or unfinished documents, data, studies, surveys, drawings, maps, models, and reports prepared by the Contractor under the contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents.
- b. Notwithstanding the above, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of contract by the Contractor for the purpose of set off until such time as the exact amount of damages due to the County from the Contractor is determined.

34. CONTRACT ALTERATIONS-No alterations in the terms of a contract shall be valid or binding upon the County unless made in writing and signed by the Purchasing Agent or his or her authorized agent.

35. SUBLETTING OF CONTRACT OR ASSIGNMENT OF CONTRACT FUNDS-It is mutually understood and agreed that the Contractor shall not assign, transfer, convey, sublet or otherwise dispose of his or her contractual duties to any other person, firm or corporation, without the previous written consent of the Purchasing Agent. If the Contractor desires to assign his or her right to payment of the contract, Contractor shall notify the Purchasing Agent immediately, in writing, of such assignment of right to payment. In no case shall such assignment of contract relieve the Contractor from his or her obligations or change the terms of the contract.

36. FUNDING-A contract shall be deemed binding only to the extent of appropriations available to each Agency for the purchase of goods and services.

37. DELIVERY/SERVICE FAILURES-Failure of a Contractor to deliver goods or services within the time specified, or within reasonable time as interpreted by the Purchasing Agent, or failure to make replacements/corrections of rejected articles/services when so requested, immediately or as directed by the Purchasing Agent, shall constitute authority for the Purchasing Agent to purchase in the open market articles/services of comparable grade/quality to replace the services, articles rejected, and/or not delivered. On all such purchases, the Contractor shall reimburse the County, within a reasonable time specified by the Purchasing Agent, for any expense incurred in excess of contract prices. Such purchases shall be deducted from the contract quantities if applicable. Should public necessity demand it, the County reserves the right to use or consume articles delivered or services performed which are substandard in quality, subject to an adjustment in price to be determined by the Purchasing Agent.

38. NON-LIABILITY-The Contractor shall not be liable in damages for delay in shipment or failure to deliver when such delay or failure is the result of fire, flood, strike, the transportation carrier, act of God, act of Government, act of an alien enemy or by any other circumstances which, in the Purchasing Agent's opinion, are beyond the control of the Contractor. Under such circumstances, however, the Purchasing Agent may, at his or her discretion, cancel the contract.

39. NEW GOODS, FRESH STOCK-All Contractors, unless otherwise specifically stated, shall provide new commodities, fresh stock, latest model, design or pack.

40. NON-DISCRIMINATION-During the performance of this contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such Contractor is an equal opportunity employer.
- c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- d. The Contractor will include the provisions of the foregoing paragraphs a, b, and c above in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.
- e. Contractor and Subcontractor hereunder shall, throughout the term of this contract, comply with the Human Rights Ordinance, Chapter 11 of the Code of the County of Fairfax, Virginia, as reenacted or amended.

41. SMALL AND MINORITY BUSINESS UTILIZATION

- a. It is the policy of the County of Fairfax as declared by the Fairfax County Board of Supervisors' adoption of a Small and Minority Business Enterprise Program, April 6, 1981, that Fairfax County and its employees undertake every effort to increase opportunity for utilization of small or minority businesses in all aspects of procurement to the maximum extent feasible.
- B Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to small, women and minority businesses.
- c. Where Federal grants or monies are involved it is the policy of Fairfax County, through its agents and employees, to comply with the requirements set forth in the U.S. Office of Management and Budget Circular No. A-102, uniform administrative requirements for Grants and Cooperative Agreements with State and Local Governments, as they pertain to small and minority business utilization.

General Conditions and Instructions to Bidders

42. GUARANTEES & WARRANTIES-All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Purchasing Agent before final payment on the contract is made. Unless otherwise stated, manufacturer's standard warranty applies.

43. PRICE REDUCTION-If at any time after the date of the bid the Contractor makes a general price reduction in the comparable price of any material covered by the contract to customers generally, an equivalent price reduction based on similar quantities and/or considerations shall apply to this contract for the duration of the contract period (or until the price is further reduced). Such price reduction shall be effective at the same time and in the same manner as the reduction in the price to customers generally. For purpose of this provision, a "general price reduction" shall mean any horizontal reduction in the price of an article or service offered (1) to Contractor's customers generally, or (2) in the Contractor's price schedule for the class of customers, i.e., wholesalers, jobbers, retailers, etc., which was used as the basis for bidding on this solicitation. An occasional sale at a lower price, or sale of distressed merchandise at a lower price, would not be considered a "general price reduction" under this provision. The Contractor shall submit his or her invoice at such reduced prices indicating on the invoice that the reduction is pursuant to the "Price Reduction" provision of the contract documents. The Contractor in addition will within ten days of any general price reduction notify the Purchasing Agent of such reduction by letter. **FAILURE TO DO SO MAY REQUIRE TERMINATION OF THE CONTRACT.** Upon receipt of any such notice of a general price reduction, all ordering offices will be duly notified by the Purchasing Agent.

The Contractor, if requested, shall furnish, within ten days after the end of the contract period, a statement certifying either (1) that no general price reduction, as defined above, was made after the date of the bid, or (2) if any such general price reductions were made, that as provided above, they were reported to the Purchasing Agent within ten (10) days and ordering offices were billed at the reduced prices. Where one or more such general price reductions were made, the statement furnished by the Contractor shall include with respect to each price reduction (1) the date when notice of any such reduction was issued, (2) the effective date of the reduction, and (3) the date when the Purchasing Agent was notified of any such reduction.

44. CHANGES-Should it become proper or necessary in the execution of this contract to make any change in design, or to make any alterations which will increase the expense, the Purchasing Agent shall determine an equitable adjustment. No payment shall be made to the Contractor for any extra material or services, or of any greater amount of money than stipulated to be paid in the contract, unless some changes in or additions to the contract requiring additional outlay by the Contractor shall first have been expressly authorized and ordered in writing by contract amendment or otherwise furnished by the Purchasing Agent.

45. PLACING OF ORDERS-Orders against contracts will be placed with the Contractor on a Purchase Order (or Procurement Card) executed and released by the Purchasing Agent or his or her designee. The Purchase Order must bear the appropriate contract number and date. Where Blanket Purchase Agreements (BPAs) have been executed and a Blanket Purchase Order has been released by the Purchasing Agent, telephonic orders may be placed directly with the Contractor by authorized personnel in the ordering Agency.

DELIVERY PROVISIONS

46. SHIPPING INSTRUCTIONS - CONSIGNMENT-Unless otherwise specified in the solicitation each case, crate, barrel, package, etc., delivered under the contract must be plainly stenciled or securely tagged, stating the Contractor's name, purchase order number, and delivery address as indicated in the order. Where shipping containers are to be used, each container must be marked with the purchase order number, name of the Contractor, the name of the item, the item number, and the quantity contained therein. Deliveries must be made within the hours of 8:00 AM - 3:00 PM. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the receiver at the delivery point. No deliveries will be accepted on Saturdays, Sundays and holidays, unless previous arrangements have been made. It shall be the responsibility of the Contractor to insure compliance with these instructions for items that are drop-shipped.

47. RESPONSIBILITY FOR SUPPLIES TENDERED-Unless otherwise specified in the solicitation, the Contractor shall be responsible for the materials or supplies covered by the contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notice of rejection. Rejected materials or supplies must be removed by and at the expense of the Contractor promptly after notification of rejection, unless public health and safety require immediate destruction or other disposal of rejected delivery. If rejected materials are not removed by the Contractor within ten (10) days after date of notification, the County may return the rejected materials or supplies to the Contractor at his or her risk and expense or dispose of them as its own property.

48. INSPECTIONS-Inspection and acceptance of materials or supplies will be made after delivery at destinations herein specified unless otherwise stated. If inspection is made after delivery at destination herein specified, the County will bear the expense of inspection except for the value of samples used in case of rejection. Final inspection shall be conclusive except in regard to latent defects, fraud or such gross mistakes as to amount to fraud. Final inspection and acceptance or rejection of the materials or supplies will be made as promptly as practicable, but failure to inspect and accept or reject materials or supplies shall not impose liability on the County for such materials or supplies as are not in accordance with the specifications.

49. COMPLIANCE-Delivery must be made as ordered and in accordance with the solicitation or as directed by the Purchasing Agent when not in conflict with the bid. The decision of the Purchasing Agent as to reasonable compliance with delivery terms shall be final. Burden of proof of delay in receipt of goods by the purchaser shall rest with the Contractor. Any request for extension of time of delivery from that specified must be approved by the Purchasing Agent, such extension applying only to the particular item or shipment affected. Should the Contractor be delayed by the County, there shall be added to the time of completion a time equal to the period of such delay caused by the County. However, the contractor shall not be entitled to claim damages or extra compensation for such delay or suspension. These conditions may vary for construction contracts. See Special Provisions for the individual solicitation.

50. POINT OF DESTINATION-All materials shipped to the County must be shipped F.O.B. DESTINATION unless otherwise stated in the contract or purchase order. The materials must be delivered to the "Ship to" address indicated on the purchase order.

General Conditions and Instructions to Bidders

51. ADDITIONAL CHARGES-Unless bought F.O.B. "shipping point" and Contractor prepays transportation, no delivery charges shall be added to invoices except when express delivery is authorized and substituted on orders for the method specified in the contract. In such cases, difference between freight or mail and express charges may be added to invoice.

52. METHOD AND CONTAINERS-Unless otherwise specified, goods shall be delivered in commercial packages in standard commercial containers, so constructed as to ensure acceptance by common or other carrier for safe transportation to the point of delivery. Containers become the property of the County unless otherwise specified by bidder.

53. WEIGHT CHECKING-Deliveries shall be subject to re-weighing over official sealed scales designated by the County. Payments shall be made on the basis of net weight of materials delivered. Normal shrinkage may be allowed in such instances where shrinkage is possible. Net weights only, exclusive of containers or wrapping, shall be paid for by the County.

54. DEMURRAGE AND RE-SPOTTING-The County will be responsible for demurrage charges only when such charges accrue because of the County's negligence in unloading the materials. The County will pay railroad charges due to the re-spotting of cars, only when such re-spotting is ordered by the County.

55. REPLACEMENT-Materials or components that have been rejected by the Purchasing Agent, in accordance with the terms of a contract, shall be replaced by the Contractor at no cost to the County.

56. PACKING SLIPS OR DELIVERY TICKETS-All shipments shall be accompanied by Packing Slips or Delivery Tickets and shall contain the following information for each item delivered:

1. The Purchase Order Number,
2. The Name of the Article and Stock Number (Supplier's),
3. The Fairfax County Identification Number (FCIN), if specified in the order,
4. The Quantity Ordered,
5. The Quantity Shipped,
6. The Quantity Back Ordered,
7. The Name of the Contractor.

Contractors are cautioned that failure to comply with these conditions shall be considered sufficient reason for refusal to accept the goods.

BILLING

57. BILLING-Billing for the Fairfax County Public Schools and for County agencies: Unless otherwise specified on the contract or purchase order (PO), invoices are to be submitted, in DUPLICATE, for each purchase order immediately upon completion of the shipment or services. If shipment is made by freight or express, the original Bill of Lading, properly receipted, must be attached to the invoice. Invoices should be mailed to the "BILL TO" address on the PO or to the appropriate address specified in the contract.

PAYMENTS

58. PAYMENT-Payment shall be made after satisfactory performance of the contract, in accordance with all of the provisions thereof, and upon receipt of a properly completed invoice. Fairfax County reserves the right to withhold any or all payments or portions thereof for Contractor's failure to perform in accordance with the provision of the contract or any modifications thereto.

59. PARTIAL PAYMENTS-Unless otherwise specified, partial payments will be made upon acceptance of materials or services so invoiced if in accordance with completion date. However, up to 5 percent (5%) of the value of the entire order may be retained until completion of contract.

60. PAYMENT FOR EQUIPMENT, INSTALLATION, AND TESTING-When equipment requires installation (which shall also be interpreted to mean erection and/or setting up or placing in position, service, or use) and test, and where such installation or testing is delayed, payment may be made on the basis of 50% of the contract price when such equipment is delivered on the site. A further allowance of 25% may be made when the equipment is installed and ready for test. The balance shall be paid after the equipment is tested and found to be satisfactory. If the equipment must be tested, but installation is not required to be made by the Contractor or if the equipment must be installed but testing is not required, payment may be made on the basis of 75% at the time of delivery and the balance shall be paid after satisfactory test or installation is completed.

GENERAL

61. GENERAL GUARANTY-Contractor agrees to:

- a. Save the County, its agents and employees harmless from liability of any nature or kind for the use of any copyrighted or uncopyrighted composition; secret process, patented or unpatented; invention; article or appliance furnished or used in the performance of a contract for which the Contractor is not the patentee, assignee, licensee or owner.
- b. Protect the County against latent defective material or workmanship and to repair or replace any damages or marring occasioned in transit or delivery.
- c. Furnish adequate protection against damage to all work and to repair damages of any kind to the building or equipment, to his or her own work or to the work of other contractors, for which his or her workers are responsible.
- d. Pay for all permits, licenses and fees and give all notices and comply with all laws, ordinances, rules and regulations of the County.
- e. Protect the County from loss or damage to County owned property while it is in the custody of the Contractor.

General Conditions and Instructions to Bidders

62. SERVICE CONTRACT GUARANTY-Contractor agrees to:

- a. Furnish services described in the solicitation and resultant contract at the times and places and in the manner and subject to conditions therein set forth provided that the County may reduce the said services at any time.
- b. Enter upon the performance of services with all due diligence and dispatch, assiduously press to its complete performance, and exercise therein the highest degree of skill and competence.
- c. All work and services rendered in strict conformance to all laws, statutes, and ordinances and the applicable rules, regulations, methods and procedures of all government boards, bureaus, offices and other agents.
- d. Allow services to be inspected or reviewed by an employee of the County at any reasonable time and place selected by the County. Fairfax County shall be under no obligation to compensate Contractor for any services not rendered in strict conformity with the contract.
- e. Stipulate that the presence of a County Inspector shall not lessen the obligation of the Contractor for performance in accordance with the contract requirements, or be deemed a defense on the part of the Contractor for infraction thereof. The Inspector is not authorized to revoke, alter, enlarge, relax, or release any of the requirements of the contract documents. Any omission or failure on the part of the Inspector to disapprove or reject any work or material shall not be construed to be an acceptance of any such defective work or material. Notification of an omission or failure will be documented by the Purchasing Agent.

63. INDEMNIFICATION-Contractor shall indemnify, keep and save harmless the County, its agents, officials, employees and volunteers against claims of injuries, death, damage to property, theft, patent claims, suits, liabilities, judgments, cost and expenses which may otherwise accrue against the County in consequence of the granting of a contract or which may otherwise result therefrom, if it shall be determined that the act was caused through negligence or error, or omission of the Contractor or his or her employees, or that of the subcontractor or his or her employees, if any; and the Contractor shall, at his or her own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith; and if any judgment shall be rendered against the County in any such action, the Contractor shall, at his or her own expense, satisfy and discharge the same. Contractor expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County as herein provided.

64. OFFICIALS NOT TO BENEFIT-

- a. Each bidder or offeror shall certify, upon signing a bid or proposal, that to the best of his or her knowledge no Fairfax County official or employee having official responsibility for the procurement transaction, or member of his or her immediate family, has received or will receive any financial benefit of more than nominal or minimal value relating to the award of this contract. If such a benefit has been received or will be received, this fact shall be disclosed with the bid or proposal or as soon thereafter as it appears that such a benefit will be received. Failure to disclose the information prescribed above may result in suspension or debarment, or rescission of the contract made, or could affect payment pursuant to the terms of the contract.
- b. Whenever there is reason to believe that a financial benefit of the sort described in paragraph "a" has been or will be received in connection with a bid, proposal or contract, and that the contractor has failed to disclose such benefit or has inadequately disclosed it, the County Executive, as a prerequisite to payment pursuant to the contract, or at any other time, may require the Contractor to furnish, under oath, answers to any interrogatories related to such possible benefit.
- c. In the event the bidder or offeror has knowledge of benefits as outlined above, this information should be submitted with the bid or proposal. If the above does not apply at time of award of contract and becomes known after inception of a contract, the bidder or offeror shall address the disclosure of such facts to the Fairfax County Purchasing Agent, 12000 Government Center Parkway, Suite 427, Fairfax, Virginia 22035-0013. Relevant Invitation/Request for Proposal Number (see cover sheet) should be referenced in the disclosure.

65. LICENSE REQUIREMENT-All firms doing business in Fairfax County, shall obtain a license as required by Chapter 4, Article 7, of The Code of the County of Fairfax, Virginia, as amended, entitled "Business, Professional and Occupational Licensing (BPOL) Tax." Questions concerning the BPOL Tax should be directed to the Department of Tax Administration, telephone (703) 222-8234 or visit: http://www.fairfaxcounty.gov/dta/business_tax.htm. The BPOL Tax number must be indicated in the space provided on the Cover Sheet, "Fairfax License Tax No." when appropriate.

66. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a Fairfax County pursuant to the Fairfax County Purchasing Resolution shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. Fairfax County may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

67. COVENANT AGAINST CONTINGENT FEES-The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For violation of this warranty, the County shall have the right to terminate or suspend this contract without liability to the County or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

68. VIRGINIA FREEDOM OF INFORMATION ACT-All proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act (Reference Section 4.D., of the Fairfax County Purchasing Resolution)

General Conditions and Instructions to Bidders

BIDDER/CONTRACTOR REMEDIES

69. INELIGIBILITY-

- a. Any person or firm suspended or debarred from participation in County procurement shall be notified in writing by the County Purchasing Agent.
 1. The Notice of Suspension shall state the reasons for the actions taken and such decision shall be final unless the person or firm appeals within thirty (30) days of receipt of the Notice by instituting legal action as provided in the Code of Virginia.
 2. The Notice of Debarment shall state the reasons for the actions taken and the decision shall be final unless the person or firm appeals within thirty (30) days of receipt of the notice by instituting legal action as provided in the Code of Virginia.
- b. The County Purchasing Agent shall have the authority to suspend or debar a person or firm from bidding on any contract for the causes stated below:
 1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a County contractor;
 3. Conviction under the state or federal antitrust statutes arising out of the submission of bids or proposals;
 4. Violation of contract provisions, as set forth below, of a character which is regarded by the County Purchasing Agent to be so serious as to justify suspension or debarment action:
 - (a) failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - (b) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided, that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for suspension or debarment;
 5. Any other cause the County Purchasing Agent determines to be so serious and compelling as to affect responsibility as a contractor, such as debarment by another governmental entity for any cause listed herein, or because of prior reprimands;
 6. The contractor has abandoned performance or been terminated for default on any other Fairfax County project;
 7. The contractor is in default on any surety bond or written guarantee on which Fairfax County is an obligee.
- c. If, upon appeal, it is determined that the action taken by the County Purchasing Agent was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief available to the person or firm shall be restoration of eligibility. The person or firm may not institute legal action until all statutory requirements have been met.

70. APPEAL OF DENIAL OF WITHDRAWAL OF BID-

- a. A decision denying withdrawal of a bid submitted by a bidder or offeror shall be final and conclusive unless the bidder appeals the decision within ten (10) days after receipt of the decision by instituting legal action as provided in the Code of Virginia. The bidder or offeror may not institute legal action until all statutory requirements have been met.
- b. If no bid bond was posted, a bidder refused withdrawal of bid under the provisions of Article 2, Section 4 a.9, of the Fairfax County Purchasing Resolution, prior to appealing, shall deliver to the County a certified check or cash bond in the amount of the difference between the bid sought to be withdrawn and the next low bid. Such security shall be released only upon a final determination that the bidder was entitled to withdraw the bid.
- c. If, upon appeal, it is determined that the decision refusing withdrawal of the bid was arbitrary or capricious, the sole relief shall be withdrawal of the bid.

71. APPEAL OF DETERMINATION OF NONRESPONSIBILITY-

- a. Any bidder who, despite being the apparent low bidder, is determined not to be a responsible bidder for a particular County contract shall be notified in writing by the County Purchasing Agent. Such notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten (10) days of receipt of the notice by instituting legal action as provided in the Code of Virginia. The bidder may not institute legal action until all statutory requirements have been met.

General Conditions and Instructions to Bidders

- b. If, upon appeal, it is determined that the decision of the County Purchasing Agent was arbitrary or capricious and the award for the particular County contract in question has not been made, the sole relief available to the bidder shall be a finding that the bidder is a responsible bidder for the County contract in question. Where the award has been made and performance has begun, the County may declare the contract void upon a finding that this action is in the best interest of the public. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.

72. PROTEST OF AWARD OR DECISION TO AWARD-

- a. Any bidder or offeror may protest the award or decision to award a contract by submitting a protest in writing to the County Purchasing Agent, or an official designated by the County of Fairfax, no later than ten (10) days after the award or the announcement of the decision to award, whichever occurs first. Any potential bidder or offeror on a contract negotiated on a sole source or emergency basis who desires to protest the award or decision to award such contract shall submit such protest in the same manner no later than ten days after posting or publication of the notice of such contract as provided in Article 3, Section 4, of the Fairfax County Purchasing Resolution. However, if the protest of any actual or potential bidder or offeror depends in whole or in part upon information contained in public records pertaining to the procurement transaction which are subject to inspection under Article 2, Section 4d of the Fairfax County Purchasing Resolution, then the time within which the protest must be submitted shall expire ten days after those records are available for inspection by such bidder or offeror under Article 2, Section 4d, or at such later time as provided herein. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. The County Purchasing Agent shall issue a decision in writing within ten (10) days of the receipt of the protest stating the reasons for the action taken. This decision shall be final unless the bidder or offeror appeals within ten (10) days of receipt of the written decision by instituting legal action as provided in the Code of Virginia.
- b. If prior to award it is determined that the decision to award is arbitrary or capricious, then the sole relief shall be a finding to that effect. The County Purchasing Agent shall cancel the proposed award or revise it to comply with the law. If, after an award, it is determined that an award of a contract was arbitrary or capricious, then the sole relief shall be as hereinafter provided. Where the award has been made but performance has not begun, the performance of the contract may be declared void by the County. Where the award has been made and performance has begun, the County Purchasing Agent may declare the contract void upon a finding that this action is in the best interest of the County. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance at the rate specified in the contract up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.
- c. Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith in accordance with this article shall not be affected by the fact that a protest or appeal has been filed.
- d. An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

73. CONTRACTUAL DISPUTES-

- a. Any dispute concerning a question of fact as a result of a contract with the County which is not disposed of by agreement shall be decided by the County Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy thereof to the contractor within thirty (30) days. The decision of the County Purchasing Agent shall be final and conclusive unless the contractor appeals within six (6) months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A contractor may not institute legal action, prior to receipt of the public body's decision on the claim, unless the public body fails to render such decision within the time specified.
- b. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment; however, written notice of the contractor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

74. LEGAL ACTION-No bidder, offeror, potential bidder or offeror, or contractor shall institute any legal action until all statutory requirements have been met.

75. COOPERATIVE PURCHASING-The County may participate in, sponsor, conduct or administer a cooperative procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, or the District of Columbia, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services. Except for contracts for professional services, a public body may purchase from another public body's contract even if it did not participate in the request for proposal (RFP) or invitation for bid (IFB), if the RFP or IFB specified that the procurement was being conducted on behalf of other public bodies. Nothing herein shall prohibit the assessment or payment by direct or indirect means of any administrative fee that will allow for participation in any such arrangement.

76. PROFESSIONAL AFFILIATION-The Department of Purchasing & Supply Management holds membership in the National Institute of Governmental Purchasing, Inc., a non-profit, educational and technical organization that includes among its goals and objectives the study, discussion, and recommendation of improvements in governmental purchasing and the interchange of ideas and experiences on local state, and national governmental purchasing problems.

General Conditions and Instructions to Bidders

77. DRUG FREE WORKPLACE-During the performance of a contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in conjunction with a specific contract awarded to a contractor in accordance with this section, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

78. VENUE: This contract and its terms, including, but not limited to, the parties' obligations under it, the performance due from each party under it, and the remedies available to each party for breach of it, shall be governed by, construed and interpreted in accordance with the laws of the Commonwealth of Virginia. Any jurisdiction's choice of law, conflict of laws, rules, or provisions, including those of the Commonwealth of Virginia that would cause the application of any laws other than those of the Commonwealth of Virginia shall not apply. Any and all disputes, claims and causes of action arising out of or in connection with this contract or any performance hereunder, shall be brought in the applicable court of Fairfax County, Virginia, or in the United States District Court, Eastern District of Virginia, Alexandria Division.

79. IMMIGRATION REFORM AND CONTROL ACT: Contractor agrees that it does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

80. CONTRACTOR NOT TO BENEFIT: Contractor agrees that the goods and/or services provided to Fairfax County pursuant to this Agreement are for the benefit of Fairfax County and that Contractor shall not undertake any actions or efforts stemming from or related to this Agreement that shall inure to the detriment of Fairfax County. Any information provided to the Contractor for the performance of this Contract shall not be used for any other purpose without the written consent of the Purchasing Agent.

APPROVED:

/S/ David P. Bobzien
COUNTY ATTORNEY

/S/ Cathy A. Muse
COUNTY PURCHASING AGENT

OFFEROR DATA SHEET

NAME OF OFFEROR: _____

ADDRESS: _____

E-MAIL ADDRESS: _____

Name and e-mail addresses of both service and fiscal representatives (Key Personnel) who would handle this account.

Service Representative: _____
Telephone Number: () _____
E-Mail Address: _____

Fiscal Representative: _____
Telephone Number: () _____
E-Mail Address: _____

Payment Address, if different from above:

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE

All firms located or operating in Fairfax County must obtain a Business, Professional and Occupational License (BPOL) as required by Chapter 4, Article 7, of the Code of the County of Fairfax, Virginia. In order for the Department of Tax Administration to determine your BPOL requirement prior to contract award, it is necessary for you to provide the following information:

- If you currently have a Fairfax County business license, please submit a copy with your proposal.

- Do you have an office in:

Virginia	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Fairfax County	<input type="checkbox"/> Yes	<input type="checkbox"/> No

- | | |
|----------------|--|
| Fairfax County | Date business began/will begin work in |
|----------------|--|

A detailed description of the business activity that will take place in Fairfax County. If business is located outside of Fairfax County, give the percentage of work actually to be done in the County

Signature

Date

Complete and return this form or a copy of your current Fairfax County Business License with your proposal.

**VIRGINIA STATE CORPORATION COMMISSION (SCC)
REGISTRATION INFORMATION**

The bidder, offeror or contractor:

☐ is a corporation or other business entity with the following SCC identification number:

_____ **-OR-**

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location) **-OR-**

☐ is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

Please check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number once issued (Fairfax County reserves the right to determine in its sole discretion whether to allow such waiver):

☐

CERTIFICATION REGARDING DEBARMENT OR SUSPENSION

In compliance with contracts and grants agreements applicable under the U.S. Federal Awards Program, the following certification is required by all offerors submitting a proposal in response to this Request for Proposal:

1. The offeror certifies, to the best of its knowledge and belief, that neither the offeror nor its Principals are suspended, debarred, proposed for debarment, or declared ineligible for the award of contracts from the United States federal government procurement or nonprocurement programs, or are listed in the *List of Parties Excluded from Federal Procurement and Nonprocurement Programs* issued by the General Services Administration.
2. "Principals," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
3. The offeror shall provide immediate written notice to the Fairfax County Purchasing Agent if, at any time prior to award, the offeror learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. This certification is a material representation of fact upon which reliance will be placed when making the award. If it is later determined that the offeror rendered an erroneous certification, in addition to other remedies available to Fairfax County government, the Fairfax County Purchasing Agent may terminate the contract resulting from this solicitation for default.

Printed Name of
Representative: _____

Signature/Date: _____/_____

Company Name: _____

Address: _____

County/State/Zip: _____

SSN or TIN No: _____

Listing Of Local Public Bodies

REFERENCE PARAGRAPH 29 OF THE SPECIAL PROVISIONS, "USE OF CONTRACTS BY OTHER PUBLIC BODIES." You may select those public bodies that this contract may be extended to; a "blank" will signify a "NO" response:

	Alexandria Public Schools, VA		Manassas Park, Virginia
	Alexandria Sanitation Authority		Maryland-National Capital Park & Planning Commission
	Alexandria, Virginia		Maryland Transit Administration
	Arlington County, Virginia		Metropolitan Washington Airports Authority
	Arlington Public Schools, Virginia		Metropolitan Washington Council of Governments
	Bladensburg, Maryland		Montgomery College
	Bowie, Maryland		Montgomery County, Maryland
	Charles County Public Schools, MD		Montgomery County Public Schools
	College Park, Maryland		Northern Virginia Community College
	Culpeper County, Virginia		Omni Ride
	District of Columbia		Potomac & Rappahannock Trans. Commission
	District of Columbia Courts		Prince George's County, Maryland
	District of Columbia Public Schools		Prince George's County Public Schools
	DC Water and Sewer Authority		Prince William County, Virginia
	Fairfax County Water Authority		Prince William County Public Schools, VA
	Fairfax, Virginia (County)		Prince William County Service Authority
	Falls Church, Virginia		Rockville, Maryland
	Fauquier County Government and Schools, Virginia		Spotsylvania County Schools, Virginia
	Frederick, Maryland		Stafford County, Virginia
	Frederick County Maryland		Takoma Park, Maryland
	Gaithersburg, Maryland		Upper Occoquan Sewage Authority
	Greenbelt, Maryland		Vienna, Virginia
	Herndon, Virginia		Virginia Railway Express
	Leesburg, Virginia		Washington Metropolitan Area Transit Authority
	Loudoun County, Virginia		Washington Suburban Sanitary Commission
	Loudoun County Public Schools		Winchester, Virginia
	Loudoun County Sanitation Authority		Winchester Public Schools
	Manassas, Virginia		
	Manassas County Public Schools, Virginia		

Complete and return this form with your proposal.

Vendor Name

BUSINESS CLASSIFICATION

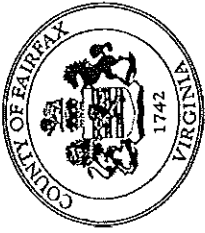
DEFINITIONS

Small Business – means a business, independently owned or operated by one or more individuals who are U.S. citizens or legal resident aliens, and together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. One or more of the individual owners shall control both the management and daily business operations of the small business.

Minority-Owned Business - means a business concern that is at least 51% owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals.

Woman-Owned Business – means a business that is at least 51% owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women.

YOU MUST CLASSIFY YOUR BUSINESS/ORGANIZATION BY MARKING THE APPROPRIATE BOXES ON THE COVER SHEET (DPSM32). This designation is required of all business/organizations including publicly traded corporations, non-profits, sheltered workshops, government organizations, partnerships, sole proprietorships, etc.



COUNTY OF FAIRFAX
DEPARTMENT OF PURCHASING & SUPPLY MANAGEMENT
SMALL AND MINORITY BUSINESS ENTERPRISE PROGRAM
12000 Government Center Parkway, Suite 427
Fairfax, Virginia 22035-0013

Fax: 703-324-3228

SUBCONTRACTOR (S) NOTIFICATION FORM

Contract Number/Title: _____

Prime Contractors Name: _____

Prime Contractor's Classification: _____

You are required to provide the County with names, addresses, anticipated dollar amount and small/minority classification of each first-tier subcontractor (ref. paragraph 28, Special Provisions). Please complete this form and return it with your submission.

Please check here if you are not using a subcontractor: _____

SUBCONTRACTOR(S) NAME	STREET ADDRESS	COUNTY	STATE	ZIP CODE	ANTICIPATED DOLLAR AMOUNT	VENDOR CLASSIFICATION

Complete and return this form with your proposal.

SYSTEM PRICING SHEET Per System

Offeror Name:			
System Name:			
Date:	1 Item Amount	2 Detail Sheet(s) Totals	3 Modifications Amount
A. Fees – One-Time Only			
1. Offeror hosted/service – one-time costs (do not include a. – c. below)			
a. Workstation hardware			
b. Workstation software			
c. Other (Specify)			
2. County hosted (do NOT include a. through e. below)		N/A	
a. Server hardware	N/A		
b. Workstation hardware	N/A		
c. Server software	N/A		
d. Workstation software	N/A		
e. Other (specify)	N/A		
Subtotal One-Time fees (Columns 1 & 2)			
B. Implementation, Installation, & Setup one-time costs (include travel expense)			
C. Modifications/Customization Costs (total from Checklists (Column 4),			
D. Interface with SAP			
1. Live interface to SAP data			
2. Import or export to compatible file format for SAP			
E. Education/Training (Offeror recommended program)			
1. Option (i.e., On-Site, Off-Site Web, Train-Trainer, or Combination)			
2. Option			
3. Option			
4. Option			
F. Documentation			
G. On-going Support Costs (warranty & post-warranty services and/or maintenance)			
1. Year 1 (first year after acceptance) only if not included in A.1 or A.2.			
2. Year 2			
3. Year 3			
4. Year 4			
5. Year 5			
H. Total (column 2 – Without Modifications/Customizations)			
I. On-going Support Costs – One year only			
J. Total H. + C. All Modifications/Customizations			
K. On-Going Support Costs – 1 year only (Line G. 1., Columns 2 & 3)			

1. Note any savings if more than one system is purchased by Fairfax County Government.

SYSTEM REQUIREMENTS CHECKLIST for Applicant Management, Onboarding and Testing (Business Proposal)

Offerors shall furnish and deliver itemized responses to each of the System requirements as follows:

1. The Offeror shall record an "X" under "Included with System," in either the "Yes" or "No" column to indicate if the proposed System currently meets the requirement "out of the box" default settings.
2. The Offeror shall record an "X" under "Setup/Configuration," in either the "Yes" or "No" column to indicate if the proposed System needs to be setup or configured to meet the requirement. These setups and configurations will not be affected by fixes, patches, and version upgrades.
3. The Offeror shall record an "X" under "Will Modify/Customize," in either the "Yes" or "No" column to indicate if the Offeror will modify or customize the proposed System to meet the requirement.
4. The Offeror shall record the cost associated with any setup, configuration, modification, and customization under the "Setup/Modification cost" column. If there is no cost, the Offeror shall record a \$0 under this column.
5. If the proposed system(s) will require any other system interface beyond SAP, the additional requirements should be noted on the System Requirements Checklist.

Functional Capabilities for Applicant Management, Onboarding and Testing		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	WEBSITE/PORTAL								
	County 'branding' so that the application process and job postings have the look and feel of the Fairfax County Government website								
	REQUISITION PROCESS								
	Configurable requisition template								
	The ability to create a list of evaluation activities based on a specific type of recruitment (i.e., general, public safety entry level, promotional)								
	The ability to create a unique tracking number for requisitions (e.g., 12-1593)								

Functional Capabilities for Applicant Management, Onboarding and Testing		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
		Yes	No	Yes	No	Yes	No	
	JOB POSTING							
	Ability to display job openings on the County's website(s). This may be via a link to the Offeror's website or by other means							
	The ability to establish unique screening questions for each posted job opening							
	Automatic removal of job posting from the website at the close of the recruiting period							
	The ability to store and link to expanded job descriptions for each posted job opening (HTML links within posting)							
	The ability to retrieve minimum qualifications							
	The ability to re-open (re-publish on website) an expired job posting							
	The ability to track where the applicant learned about the job							
	The ability to copy and edit an existing job posting, including a spell-check.							
	The ability to retrieve previous job postings							
	The ability for data to be migrated to or mined from external Web resources and social media entities such as LinkedIn and Facebook							
	APPLICANT EXPERIENCE							
	The ability for candidates to establish a single profile and then apply for any number of job openings							
	The system assigns unique identifiers for applicants							
	The system provides alerts for incorrect or incompatible information							
	The ability to electronically attach additional documents to the candidate's application (e.g., DMV records, typing test results, resume) and in open text and current standard formats (PDF, Word, etc.)							
	The ability to track, save, and re-enter and/or attach missing or incomplete applicant information							

Functional Capabilities for Applicant Management, Onboarding and Testing	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The ability to allow applicant to know all the steps in the hiring process for the specific position being applied for and acknowledge that they have read and understand these steps							
Integration of the County's current recruiting forms into the web-based process (e.g. EEO disclosure, DMV check, CPS, background, education, and credit checks)							
Ability to allow applicant to sign-up for an e-mail account on the fly while filling out the application (e.g., Yahoo, Hotmail)							
The system has voice recognition capabilities							
APPLICANT REVIEW/EVALUATION							
The ability to rate, evaluate, and rank each candidate based on their qualifications and responses to screening questions							
The capability to sort resumes, notes, applicant's education, and other documentation in a variety of ways based on end user's request							
The ability to perform "proactive" searches of existing candidates for job openings							
The ability to screen for previously disqualified applicants and employees							
The ability to proactively search the applicant database for candidates that may qualify for a position							
Provide templates for electronic and paper responses to applicants							
The capability to import and export data to/from other software and databases.							
The ability to assign close-out codes that describe candidate's application outcome (e.g., hired, not interviewed)							
The ability for candidates to independently (self-serve) view their application's progress (i.e. received and under review).							

Functional Capabilities for Applicant Management, Onboarding and Testing	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost	
	Yes	No	Yes	No	Yes	No		
The ability to restrict applications to County employees only for specified job postings (e.g., internal hiring process)								
The system captures referral information								
The system links progress notes to applicant tracking								
The system links notes to applicants and referrals								
The system requires that progress notes be electronically signed during the recruitment process								
The system records progress notes using a combination of system defaults, provider customizable, and provider-defined templates (tables, drop-down menus, etc.)								
The system includes a recruitment terminology dictionary and spell checker within progress note module								
The system applies security controls to notes to ensure that data is not deleted or altered								
The ability to generate paper forms for manual completion								
The capability of linking reports to other Microsoft Office products (Excel, Access, Word, etc.)								
The system tracks credentialing of applicants								
The system has the ability to maintain licensing standards, physical requirements and special requirements (i.e. CBI, CPS)								
The system includes access to knowledge, skill and abilities ratings								
The system monitors productivity, resources, interviews, no-shows, and cancelled appointments								
The system provides applicant appointment history								
The system permits users to schedule interviews								
The system produces candidate profiles for review by hiring managers								

Functional Capabilities for Applicant Management, Onboarding and Testing	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The system provides agendas/schedules of interviewees for panel members							
The system produces a final list of candidates that can be ranked in order of qualification (i.e. certification list, eligible list, re-employment list)							
The system supports a range of input technologies (e.g. wireless, TTY, ADA-compliant technologies)							
The system allows for the sharing of information between recruiters and departments							
The ability to track drug testing and lab results electronically							
The ability to track skill testing results electronically							
The ability to track credit check information electronically							
The ability to track criminal background checks electronically							
The ability to track various applicant data based on evaluation steps (i.e. polygraph, document review, CPAT, psychological exam, medical exam)							
The ability to schedule and track applicant's progression in the process (i.e. returning forms, testing, training)							
The ability to track references and letters of recommendation							
The ability to track local and jurisdictional police checks							
PROMOTIONAL EXAM PROCESS							
The ability to create a master test record							
The ability to store test results in the applicant's file							
The ability for applicants to look up test results online in a secure manner							
The ability to store sets of questions							
The ability to define tests and answer keys							
The ability to create rosters							

Functional Capabilities for Applicant Management, Onboarding and Testing	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The ability to visualize and analyze results like adverse impact, applicant flow, mean and standard deviation, and pass/fail rates based on gender/race							
The ability to receive and send test scores electronically (e.g. delimited file)							
The ability to track test locations and dates							
The system is compatible with Scantron and other OMR processors							
REPORTING							
The ability to track recruiting expenses by job opening							
The ability to report on closed jobs minimally by:							
• Application date							
• Name of job							
• Advertising source							
• Ability to track multiple re-announcements of same requisition number							
• Number of applicants							
• Applicant demographics							
• Open date							
• Closing date							
• Success in recruitment for position (e.g. filled or cancelled)							
The ability to provide real-time applicant data and analysis at any time (web based)							
The ability to provide pre-defined and custom reporting capabilities							
The system has the capability of graphing pertinent data							
The ability to collect and monitor hiring activity for EEO compliance and to generate related reports							

Functional Capabilities for Applicant Management, Onboarding and Testing	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The system allows for cost reporting and analysis							
The ability to produce error reports							
The system is capable of maintaining current and historical applicant demographic, biographic, and service information							
SECURITY							
Configurable data security and access for all system users							
The system has 24/7 access							
INTERFACES							
The system can interface with SAP version ECC 6.0 or higher							
The ability to interface with SAP for position information							
Elements to pull down at a minimum:							
• Position ID (5xxxxxxx)							
• Object Name							
• Personnel Area							
• Personnel Subarea							
• Hours per week							
• Percentage							
• Location (city and state)							
• Holder Relationship							
• Validity End Date for Position							
• Salary (hourly or annual salary)							
• Org Unit Name (position location within the structure)							
• Any relevant custom relationship(s) (ZXXX)							

Functional Capabilities for Applicant Management, Onboarding and Testing	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The ability to extract data on candidates selected for hire to interface with the County's HRIS system (SAP)							
WORKFLOW/NOTIFICATIONS							
Workflow configurable to the County's current business process							
Variable, security, role-based views for each level of workflow action(s)							
Web-based training/tutorial for each level of workflow actions(s)							
The ability of users to create and modify workflows							
The ability to provide workflow notifications/alerts to recruiters, hiring managers, and applicants							
Workflow paths based on type of hire (e.g. status of position)							
The system notifies select users of specified deadlines and then links to critical content							
The system includes alert screens and messages							
The ability to send electronic and paper responses directly to applicants							
ONBOARDING							
The system provides the ability to create custom forms for new hires to complete and provides templates for common onboarding functions							
The system provides new hires with self-service options to complete forms, then imports, resulting data into SAP and/or other databases (such as our document repository, laserfiche)							
The system hosts orientation content in a variety of file formats, including video and surveys							
The system provides for customizable checklists of onboarding tasks for classes of new hires, the completion of which can be indicated by new hires and tracked by administrators.							

SYSTEM REQUIREMENTS CHECKLIST for Performance Management (Business Proposal)

Offerors shall furnish and deliver itemized responses to each of the System requirements as follows:

1. The Offeror shall record an "X" under "Included with System," in either the "Yes" or "No" column to indicate if the proposed System currently meets the requirement "out of the box" default settings.
2. The Offeror shall record an "X" under "Setup/Configuration," in either the "Yes" or "No" column to indicate if the proposed System needs to be setup or configured to meet the requirement. These setups and configurations will not be affected by fixes, patches, and version upgrades.
3. The Offeror shall record an "X" under "Will Modify/Customize," in either the "Yes" or "No" column to indicate if the Offeror will modify or customize the proposed System to meet the requirement.
4. The Offeror shall record the cost associated with any setup, configuration, modification, and customization under the "Setup/Modification Cost" column. If there is no cost, the Offeror shall record a \$0 under this column.
5. If the proposed system(s) will require any other system interface beyond SAP, the additional requirements should be identified on the System Requirements Checklist.

1. Functional Capabilities for Performance Management	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
RECORDING AND TRACKING							
System records and tracks employee review date and evaluation history.							
Ability to track progress on behaviors and responsibilities identified as requiring development, as well as performance goals and objectives, and career plan elements							

1. Functional Capabilities for Performance Management		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	Ability to track evaluation comments and progress notes throughout the evaluation period (not just the due date) separately for supervisors and employees using an array of open field entries, customizable templates and drop down menus)								
	System tracks evaluation completions and overdue status through workflow and provides reports on the same to customer-determined recipients.								
	System allows for tracking, saving, reentering, and revising data entered on the document by all parties (i.e. employee, supervisor, and reviewer) throughout the evaluation cycle.								
	DATA REPORTING								
	The system provides a host of standard reports to provide generally accepted performance metrics, benchmark data and EEO compliance reporting.								
	The system provides the capability to produce a range of custom reports and statistics, based on customer-defined statistics, drawing from the performance evaluation data and imported data from other County systems and sortable based on customer-provided requirements.								
	The system creates and produces reports on system errors, unauthorized system access attempts, and other audit reports.								
	The system provides automatic notification to employee and supervisor of completion of probationary period.								
	The system is able to capture and report on the number of performance evaluation system actions initiated by supervisor, employee, and reviewer throughout the evaluation cycle.								
	DATA IMPORTING, EXPORTING AND INTEGRATION								
	Performance management system interfaces electronically with the following online systems and programs:								
	<ul style="list-style-type: none"> Learning management system 								

1. Functional Capabilities for Performance Management	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
• Exit interviewing							
• Turnover reporting system							
• Competency libraries							
• Employee Relations							
• Customer-developed ad-hoc reporting tools							
• Recruiting, selection, and onboarding system							
• Position description databases to allow importing and exporting of data							
Performance evaluation data can integrate with and cross check against the following HR data sources:							
• Training history							
• Disciplinary action histories							
• EEO code							
• Supervisor's history of performance ratings for given employee							
• Supervisor's history of performance ratings for all employees							
• Training records							
• Disciplinary actions relating to discriminatory treatment of employees							
• Performance evaluation ratings can be tested against other system indicators to validate evaluation and construct validity							
• Allows for cross checking behavioral element ratings against ER system listing serious disciplinary action							
System has the capability of linking (importing and exporting) data and reports to other MS Office products (i.e., Excel, Access, Word, etc.)							

1. Functional Capabilities for Performance Management	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The system can interface with SAP ECC version 6.0 or higher							
The system auto-populates user defined data fields							
Automatically upload customer-defined data to county performance measurement repositories:							
• Department of Management and Budget's performance measures and dashboard metrics							
• International County Manager' Association annual benchmark survey							
SYSTEM NOTIFICATIONS							
System automatically notifies employees and supervisors of evaluation due dates and other customer-determined deadlines.							
The system notifies users of overdue evaluation status and notifies supervisors of employee completion of final self-evaluation for the review cycle							
Automatic notification to employee and supervisor of completion of probationary period and reports on same.							
Provides real time system alerts for incorrect or incompatible information upon user input.							
INDIVIDUAL DEVELOPMENT PLANS AND COMPETENCY MODELS							
System accepts input on and logs progress against user defined and formatted Individual Development Plan for each employee. Formats will vary at the position level.							
Ability to download and incorporate position-specific competencies to the performance evaluation form:							
• Individually							
• En masse							

1. Functional Capabilities for Performance Management					1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost	
					Yes	No	Yes	No	Yes	No		
	Integrate use of competencies and competency catalogs (user defined and/or vendor provided) in performance evaluations and individual development plans.											
	System provides catalog of hard and soft skill competencies.											
	FORM (TO BE DEVELOPED, INCLUDED, AND ATTACHED)											
	System must accommodate evaluation forms and templates with user-defined evaluation elements, goals and objectives, individualized development plans, career-planning components, rating areas for behaviors and job performance, employee demographic information and signatory information											
	System accommodates performance evaluation "forms" that are linked to employee position and/or job class.											
	On developed templates, system tracks, saves, allows reentry and edits, and attachments by all authorized parties throughout the evaluation cycle.											
	System must accommodate a minimum of 5 different configurable evaluation templates and the ability for the customer to change the configuration easily and at minimal cost. Each of the 5 configurable templates must allow modification of portions of the template to accommodate 20 different variations of each of the 5 templates.											
	Forms and templates can accommodate optional completion of portions, at the position level.											
	Evaluation documents must display County "branding" to ensure the standard look and feel on publications/forms.											
	System must allow for creation of templates with drop down configurable menu selections for rating and feedback comments and be accessible electronically and via paper versions. Paper copies have the same look and feel as electronic form.											

1. Functional Capabilities for Performance Management	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
Links separate progress notes to evaluation processing for employee and employer; progress notes can be customizable and include tables, drop-down menus, etc.							
Can establish multiple rating scales within documents concurrently (i.e. yes/no and Likert scales used in same document) and different scales used in different document templates.							
Allows for customer creation of customizable checklists and job aids to support employee coaching and performance development activities within the evaluation cycle. The customer can attach these tools to the evaluation templates							
System allows ability to attach, electronically, unlimited additional documents to the evaluation in open text and current standard formats (e.g., PDF and Word.)							
Ability to attach unlimited performance evaluations to the employee record in SAP							
Ability to produce (or attach) additional forms or templates related to probationary status completion and performance work improvement plans							
ACCESS AND ROLES							
System supports:							
• Team evaluations							
• Matrix evaluations							
• Standard (single rater) evaluations							
• Alternate evaluators							
System can support a change of rater event when an employee moves under a different evaluating supervisor during a review period.							
System allows users with proper security to extend performance evaluation rating periods.							

1. Functional Capabilities for Performance Management		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
		Yes	No	Yes	No	Yes	No	
	System provides for 360-degree feedback.							
	The system limits access and authorization based on customer-defined data and allows access to modules regardless of location based on security procedures.							
	The system allows for secure electronic signatures and provides audit trails of each access to specific data.							
	System allows for multiple signatures and multiple raters in cases of matrix management or multi raters.							
	System allows online access to prior evaluations and position description while authoring current evaluations.							
	System can provide variable evaluation views for each security role (i.e. matrix manager may only see part of the evaluation; employees will not see supervisor comments until authorized, reviewers can see all supervisory input, etc.)							
	System can allow employee to opt out of completing a self-evaluation.							
	Allows for the sharing information between supervisors and evaluators across department lines and can be transmitted electronically to the central HR department.							
	System allows for 24-7 access.							
	Stores all applicant data for a minimum of three (3) years following separation from employment.							
	Ability to be instructed to selectively purge (destroy) applicant records more than three (3) years old in compliance with Commonwealth of Virginia Records Retention and Disposal Schedule.							
	ADDITIONAL SYSTEM CAPABILITIES							
	System creates evaluation dates for employee groups based upon defined cycles and employee categories.							
	The system has remote capabilities for troubleshooting.							

1. Functional Capabilities for Performance Management		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	System can be made ADA compliant								
	System includes a spell checker within components and a "problem word" checker.								
	System can establish a focal date review window for specified groups of employees and anniversary date driven review period for other groups, to be run concurrently.								
	System links to evaluation appeal processes and grievance processes; tracks and reports on same.								
	COMPENSATION-RELATED ITEMS								
	System enables forecasts to be based on user-defined formulas and changes in system records (i.e. job reclasses or reorganizations).								
	System has the ability to compute and prorate merit and market rate pay increases according to longevity in current position.								
	Evaluate annually and link pay to annual or biennial pay increase								
	Link pay increase either to single year score or combined biennial score as established by customer								
	Automatically update SAP system with pay increase data.								
	System provides ability to support a pay for performance system and a straight pay (pass/fail) system with multiple supervisors and eligible/due dates with weights and percentages calculated based on evaluation(s) from supervisor(s) established for behaviors, elements, goals.								
	System provides ability for employees and supervisors to do "what if" analysis on pay for performance pay calculations								
	System tabulates results of evaluation and generates a personnel action and/or bonus payment based on results in SAP.								

1. Functional Capabilities for Performance Management		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize?		4 Setup/Modification Cost
		Yes	No	Yes	No	Yes	No	
	Accommodates market rate pay increases in July or at another time of the customer's choosing. Pay increases will be granted to one group of employees in alternating Julys and merit increases will be granted to another group of employees on their anniversary dates in alternating years.							
	Longevity payments to eligible public safety employees annually as they become due.							

SYSTEM REQUIREMENTS CHECKLIST for Employee Relations System (Business Proposal)

Offerors shall furnish and deliver itemized responses to each of the System requirements as follows:

1. The Offeror shall record an "X" under "Included with System," in either the "Yes" or "No" column to indicate if the proposed System currently meets the requirement "out of the box" default settings.
2. The Offeror shall record an "X" under "Setup/Configuration," in either the "Yes" or "No" column to indicate if the proposed System needs to be setup or configured to meet the requirement. These setups and configurations will not be affected by fixes, patches, and version upgrades.
3. The Offeror shall record an "X" under "Will Modify/Customize," in either the "Yes" or "No" column to indicate if the Offeror will modify or customize the proposed System to meet the requirement.
4. The Offeror shall record the cost associated with any setup, configuration, modification, and customization under the "Setup/Modification Cost" column. If there is no cost, the Offeror shall record a \$0 under this column.
5. If the proposed system(s) will require any other system interface beyond SAP, the additional requirements should be noted on the System Requirements Checklist.

Functional Capabilities for Employee Relations		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
RECORDKEEPING DISCIPLINARY ACTIONS									
1	System accommodates an unlimited number of disciplinary actions per employee								
	System flags an employee record as having prior or pending disciplinary action and pre-existing accommodations. Ability to see flags varies according to roles and system access levels, as prescribed by customer.								
	System tracks the following information regarding a disciplinary action:								

Functional Capabilities for Employee Relations		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	• File Number								
	• Employee Name								
	• Department								
	• Supervisor Name								
	• Progressive/Egregious Action Flag								
	• Discipline Type (with table-driven drop down choices) – For example, documented oral warning, written reprimand, written warning, suspension, demotion, and dismissal								
	• Disciplinary Diversion indicator with date fields								
	• Date(s) Discipline Rendered								
	• Issue/reason (with table-driven drop down choices)								
	• Witnesses								
	• Unlimited notes and text entry								
	• Discipline to remain in File Flag								
	• Other user defined fields								
	Ability to attach associated documents and/or files to the Disciplinary Action								
	Ability to create user defined number of discipline levels.								
	Ability to track suspensions and trigger notifications/ticklers on suspension dates and should be able to confirm in SAP that disciplinary LWOP was issued.								
	System provides case management capabilities for personnel actions.								
	The system has remote capabilities for troubleshooting								
	The system auto-populates user defined data fields								

Functional Capabilities for Employee Relations	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The system cross checks number of suspension days proposed against employee FL SA status.							
System captures point of contact name and contact information for all parties involved in the discipline process (i.e. supervisory chain, employee name, employee's designated representative, and department head)							
Customizable reports on disciplinary actions which can be segmented and distributed across different agencies, for EEO and county management purposes.							
System "audit" function that cross checks and alerts supervisors to disciplinary actions on employees when it is time to complete employee performance evaluations, data reporting on same.							
RECORDKEEPING GRIEVANCES							
System ensures grievance filed flags for levels 1,2 and 3 automatically route to department HR manager; flags for levels 2 and 3 automatically route to employee's management chain and department head.							
Deadline for grievance filing							
Other user defined fields							
System calculates compliance based on grievance event date, then based on date grievance filed							
Ability to complete, submit, and track grievance filing and responses for employees using on-line forms							
Ability for online forms to utilize workflow for review and approval throughout the grievance process							
Ability to facilitate a multi-step grievance tracking process which includes the following information throughout multiple iterations:							
• Grievance Number/EEOC charge number							
• Grievance filed date							

Functional Capabilities for Employee Relations	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
• Grievance event date							
• Issue/Reason (with table-driven drop down choices)							
• Form of discrimination							
• Name of supervisor at time of event date							
• Submission dates (all five steps of the compliant process)							
• Decision issued (e.g., deferred, denied, upheld, reduced, settled, reversed and whether decision is advisory or binding)							
• Date grievance closed							
• Date declared inactive							
• Hearing officer							
• Department head							
• Grievant representative							
• Early discovery violated flag							
• Costs associated with grievance							
• Additional hearing dates							
• Unlimited notes or text entry							
• Other user defined fields							
System tracks the following minimum data regarding responses to all actions related to grievances:							
• Date of response							
• Action taken							
• Preparer							

Functional Capabilities for Employee Relations		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
		Yes	No	Yes	No	Yes	No	
	• Communication method							
	Ability to attach associated documents and/or files to the grievance							
	The system auto-populates user defined data fields							
	Grievance routing includes ongoing and unlimited passage between authorized staff in various departments (e.g. DHR, CEXO, OCA, OHREP, and CSC)							
	Grievance data include employee petition for circuit court hearing and granting/denial of same							
	System captures point of contact name and contact information for all parties involved in discipline and grievance processes (ie. Supervisory chain, employee name, employee's designated representative, OHREP representative, OCA representative, department head							
	Customizable reports on grievances							
	SECURITY							
	The system incorporates secure telecommunications capabilities that link staff from remote locations to central site.							
	The system limits access and authorization during the grievance and suspension process.							
	The system allows access to modules regardless of location based on security procedures.							
	The system provides audit trails of each specific access to specific data							
	INTERFACES							
	The system can interface with SAP ECC Version 6.0							

SYSTEM REQUIREMENTS CHECKLIST for Learning Management (Business Proposal)

Offerors shall furnish and deliver itemized responses to each of the System requirements as follows:

1. The Offeror shall record an "X" under "Included with System," in either the "Yes" or "No" column to indicate if the proposed System currently meets the requirement "out of the box" default settings.
2. The Offeror shall record an "X" under "Setup/Configuration," in either the "Yes" or "No" column to indicate if the proposed System needs to be setup or configured to meet the requirement. These setups and configurations will not be affected by fixes, patches, and version upgrades.
3. The Offeror shall record an "X" under "Will Modify/Customize," in either the "Yes" or "No" column to indicate if the Offeror will modify or customize the proposed System to meet the requirement.
4. The Offeror shall record the cost associated with any setup, configuration, modification, and customization under the "Setup/Modification Cost" column. If there is no cost, the Offeror shall record a \$0 under this column.
5. If the proposed system(s) will require any other system interface beyond SAP, the additional requirements should be noted on the System Requirements Checklist.

Functional Capabilities for Learning Management System		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
GENERAL									
1	Employees may view and search the course catalog and the schedule of training sessions permitted by the administrator.								
	System allows for the recording of prerequisites and equivalencies for courses (e.g., other courses, entry exams, certifications, licenses, PDU's, etc.)								

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
System creates a training session outline that lists all the lessons, classes, courses, learning objectives and program/curriculums associated with the training session.							
System provides the ability to segregate courses by catalogs and users to view specific catalogs by nature of their role, job class, organization, assignment or other attribute.							
System provides the ability to produce a course catalog with schedule of training sessions and allows the user to access a calendar view of the data.							
System allows for custom notifications and communications via ad hoc processing.							
System allows learner to request an unscheduled course that is available in the course catalog. This provides a metric for the course owner to know that a demand exists for a new class offering.							
Employees requesting an unscheduled class get prioritized by the system and automatically placed in the next class (assuming they approve the learning registration via workflow)							
System cancels a course that does not reach a minimum enrollment status automatically.							
System allows users to click forgot password or to request a new password automatically generated and sent to their email.							
System allows users to register and cancel themselves for courses and other forms of training (assuming they self- registered)							
System tracks attendance of a lesson, class, course, or outside training based upon attendance of a training session (internal and external events).							
System records attendance of an attendee at training session (lesson, class, course, program/curriculum, or outside training) in hours and minutes and requires confirmation and availability.							
The ability to set minimum/maximum class attendance requirements.							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
System updates training roster based on actual attendance at the completion of training.							
Curriculums can be established as a series of learning items or requirements. System can track all component completions prior to awarding curriculum completion.							
Curriculum can contain a mixed category selection of classes or requirements that are mandatory, required, optional and other designations (allows for the combination of 2 or more categories).							
Curriculum may contain programs or program groups of offerings as well as classes or any collection of learning activities (e.g., OJT).							
System should simultaneously allow for the prioritization of reserved seats for one group and open registration for others.							
System should support non-county attendees with functionality including:							
• Enrollment							
• Attendance							
• Identification as an outside registration							
• Substitutes							
• Billing							
• Limitation of training seats/slots available							
• Prioritization of training sessions							
• Other user-defined criteria							
Ability to reserve or hold a specific number of classroom seats for a specific group (e.g., by organization, job class, role and other attributes).							
System updates training session roster based on actual attendance at the completion of training (transcript).							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
System allows for setting equivalencies against prerequisite requirements to ensure that adequate pre-work or knowledge is done by taking certain courses, curriculums, programs or certifications.							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
ADMINISTRATION							
System allows for designation of a subject matter training coordinator/administrator to be associated with a set of lessons/classes/courses/program/curriculums.							
System allows the local administrator to setup class categories as mandatory, required or optional.							
System provides the ability to set custom class categories beyond mandatory, required, or optional.							
System creates a wait-list when training session maximum enrollment is reached.							
System automatically pulls the person at the top of the wait list and enrolls them in the class following a cancellation unless they have a scheduling conflict.							
System will automatically update or will allow administrators to manually update skills/certifications/licenses and professional development plans of attendees who have met the course completion requirements.							
System allows local administrator to view the course sign-in sheet, especially in regard to charges for no-shows. This access is independent of the course agency or owner.							
System will track instructor certification and identify the courses and training sessions that each instructor is certified to teach.							
System can generate a qualified instructor list from the LMS.							
System provides the ability to add non-authorized trainers to teach instructors (ad hoc).							
System allows training to be available or visible to a specific subset of learners based on user defined criteria.							
Administrator may override a setting that automatically cancels a class due to low enrollment.							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
System allows for multiple instructors to be assigned to one course or offering							
System stops employees from withdrawing in classes that their Supervisor or Training Coordinator/Administrator assigned.							
System should support identification of employees and contractors via current technology such as swiping of badges or other technology solution for recording attendance.							
System notifies the next person on the wait list of an opening in a particular class and allows them to accept or reject the registration.							
In addition to general lesson, class, course, and training session information, each Mandatory Training entry must include: frequency, reason for mandate, agency/organization, and date dependency, and other user-defined criteria. (Specify any limits to criterion in comments section.)							
Mandatory training can be displayed and updated when any individual lesson, class, course, program/curriculum, or outside training is created and/or updated.							
System flexibly allows groups of employees to be associated with a staff development training coordinator/administrator for their development needs. Association may be by position, job classification, work location, organizational structure, external alliance, etc.							
System notifies employees and administrators of any credential, certification or license requirement that will expire in the near future. The administrator will set the notification period(s).							
System locks an account after multiple failed login attempts.							
System prevents the ability to override prerequisite requirements by local administrators.							
System tracks all changes by date/time stamp and user identification.							
TRACKING CERTIFICATION							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
	Yes	No	Yes	No	Yes	No		
System tracks the grade achieved by an attendee for a lesson, class, course for outside training based upon grade achieved at a training session inclusive of that lesson, class, course, or outside training. This type of tracking is required for CEUs/PDUs or national certification registry.								
System allows for the tracking of certification and licensure by maintaining PDUs tied to course offerings.								
SYSTEM ADMINISTRATION								
System allows for designation of a logistical, decentralized training coordinator/administrator to be associated with specific training sessions. Set up and administration of courses must exist in a decentralized environment.								
System Administrator may override timing of batch jobs so that identified reports may be run immediately (if needed).								
System allows for running reports on demand and on the schedule established by the administrator.								
System Administrator may set up custom catalogs by department (agency), subject matter or other designation.								
Commerce and other billing attributes may be assigned and tracked to the course registration and completion process in the LMS.								
System provides the ability to track all of the costs associated with a course, including the cost for the instructor.								
Any lesson, class, course, program/curriculum or certification can be scheduled as a training session. The training session inherits information as appropriate from the referenced lesson, class, course, certification or program/curriculum.								
System lists replacements for the training session roster based on the most noncompliant/qualified employee, or the position of the employee in the wait list queue.								
System must be capable of tracking external registrations and access to the LMS (i.e. contractor, other government agency partner, etc.).								

Functional Capabilities for Learning Management System		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	Allows registration with manager option; student with administrator's approval								
	System permits the administrator to define custom workflows for routing purposes								
	System administrator and/or local administrators may change and/or unlock user accounts.								
	Allows for defining custom certifications or learning tracks in the system (i.e. supervisor certifications).								
	System permits the system administrator to build custom roles (access) in the LMS.								
	COMPETENCIES								
	System tracks classes, courses and curriculum needed for career/job progression planning and for required prerequisites or equivalencies, as appropriate for employees								
	System includes as standard a competency dictionary with a volume of pre-loaded competencies configured.								
	Proficiency scale can be customized for the specific custom competency created.								
	System permits the ability to customize competencies to fit job class requirements.								
	System provides direct linkage between the courses and the appropriate competencies								
	Competency management identifies the learning classes/certifications and the elements needed to satisfy a particular competency.								
	Employee may test against a competency to satisfy the requirement.								
	Employee licensure is tracked to competencies and learning in the LMS.								

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
The user interface provides a dashboard view of a person's position with competencies and learning profile to date. (Provides an at a glance view of an employee's competency profile or that of a specific position.							
System ties competencies to the course offerings and back to licensure or certification requirements, allowing the user, supervisor, or local LMS administrator to manage this process.							
ONLINE CONTENT AND AUTHORIZING TOOLS (ELEARNING)							
System supports tracking eLearning training by passing content objects or passing course objectives. In addition, the system supports SCORM flexibility to report pass/fail and specific score values as required by national certifications.							
Content/eLearning allows for hosting outside or external content libraries within the LMS.							
Content authoring tool is included in the LMS without additional licensing.							
Content library of courses is included in the LMS.							
System allows for setting up classes with learning objectives and tracks completion or passing a learning objective as a requirement for class completion.							
System supports blended learning and permits the combining of both eLearning/online learning and instructor led training as one requirement for curriculum completion.							
System should support download of data to mobile devices for use in appropriate situations such as recording training session attendance and running/developing reports.							
System should provide for easy and flexible interfacing with external training providers such as community colleges for attendance (including credit hours certification, grades, etc.) and billing. This includes external content providers developing eLearning or course libraries to run on the LMS.							

Functional Capabilities for Learning Management System		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	System allows for pre and post testing that is tracked and recorded – preferably the tests are online.								
	System permits the online survey/evaluation to attach to the class and requires completion of the evaluation to receive a class completion.								
	System provides the ability to build online surveys or evaluations.								
	REPORTS								
	System reports scheduled training sessions and anticipated attendance list for a specific population that has an identified need for training.								
	System supports multiple certificates and assigns the correct certificate based on completion and components for use with specific requirements.								
	System provides a non-proprietary report interface for mining LMS records.								
	Certificates can be selected and printed by the user after the completion of the training.								
	System has logic that selects the proper course certificate depending on course or employee taking the training.								
	System creates the appropriate roster for the training session in a predefined modifiable format.								
	System allows the learner to access their learning history/transcript and current registrations plus other user-defined criteria.								
	System creates a historical record of all courses a learner enrolls in regardless of attendance or completion status.								
	System tracks online learning and evaluations to include all of the attempts a learner takes when attempting to complete a requirement.								
	System provides a report to show county versus outside non-county employee registrations, attendance and no-shows.								
	A series of default reports exist for the user, administrator and managers in the LMS.								

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
Report extracts support a variety of formats, including:							
• CSV							
• Browser							
• PDF							
• XLS							
• ZIP							
• XML							
• HTML							
System also notifies the training coordinator/administrator/ supervisor of any substitutions as well as the person originally enrolled for training							
System notifies the employee's training coordinator/administrator and supervisor if actual attendance hours don't match the planned attendance hours. (e.g., Employee missed part of the training session.)							
System generates and prints notification of results letter (email or standard) with variable fields (e.g., confirmed waiting list, full, etc.).							
Custom report writing authoring tool available within the LMS.							
Local administrators and users can save their report settings and run intervals so that they can repeat the report over time.							
Full range of default reports to support all of the LMS data elements, including the online courses and survey/evaluation data.							
Reports are capable of providing both a pass/fail, complete/incomplete and actual scored value – required for reporting to Government and outside entities.							
Report compares those registered for a class against the number of people who attended and completed the course.							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
Reports track competencies and measure employees with a met or unmet competency.							
Provides the ability to report the before training roster versus the completion of training report for tracking those who attended and completed the training.							
All LMS users have a wide range of standard reports and can customize fields and attributes to further enhance reporting.							
ROUTING AND CONFIGURATION							
Specified users can enroll employees in a specific training session either via hierarchical or lateral affiliation (i.e. according to organization chart or logic groupings of staff/employees).							
System Administrator receives a notice of terminated employees and may cancel the registrations (i.e., workflow or other process).							
System provides the ability either for supervisor, dotted line reporting relationship, instructor, administrator, and others to approve training via workflow.							
System stops employees from withdrawing classes assigned by their supervisor or training coordinator/administrator.							
System checks that enrollee met the minimum requirements for the training prior to routing the registration request.							
System workflow routes all non-county registrations to a county approver and that approver can be defined by the local administrator							
System checks that enrollee met the minimum requirements for the training prior to routing the registration request.							
To permit open registration, system allows non-county registrations to be setup without the default approval workflow enabled. (i.e. Some classes will require approval and some will not require approval.)							

Functional Capabilities for Learning Management System	1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost
	Yes	No	Yes	No	Yes	No	
System allows a learner to request approval for an external course available from a commercial source; and the cost and attendance can be tracked in LMS.							
System must support tracking enrollment outside of county staff or organization structure as is currently the case with other law enforcement jurisdictions.							
COMMUNICATION AND NOTIFICATION							
System notifies all appropriate training coordinator/administrators of a planned training session or conveys a change to an existing session/lesson.							
System will generate customizable notification forms by user definable criteria (e.g. department) at a predefined period of time prior to the start of the training session.							
System will generate labels for mass notification mailings.							
System provides the ability to report the before training roster versus the completion of training report for tracking those who attended and completed the training.							
For each training session, system notifies instructors and enrollees (email/paper/TTY) of location, logistical requirements (time and date), supplies needed, prework, prerequisites, and special notes (e.g., parking directions, policies, etc.) and other user-defined criteria.							
System should provide the ability for supervisors (may be multiple levels) to authorize training requests.							
System should support non-County attendees with functionality including:							
• Enrollment							
• Attendance							
• Identification of outside attendees/substitutes							
• Billing							

Functional Capabilities for Learning Management System		1 Included w/System		2 Setup/ Configure		3 Will Modify/ Customize ?		4 Setup/Modification Cost	
		Yes	No	Yes	No	Yes	No		
	<ul style="list-style-type: none"> • Limitation on training session slots • User defined criteria 								
	Supervisor, training coordinator/administrator, or system checks for minimum requirements (i.e. prerequisites or prework) prior to allowing the person to register for training.								
	System has ability to identify terminated or separated employees and remove them from courses								
	TUITION REIMBURSEMENT								
	System calculates tuition reimbursement based upon courses enrolled, grades for completed courses, other tuition payments made and other criteria.								
	Employee should be able to request tuition reimbursement via LMS/HR system and track the status of the request and payment								
	Tuition reimbursement should require approval and routing to a manager or other approver.								
	System tracks situations where employee is required to maintain employment for a specific period of time after completion of training and notifies designated personnel when employee terminates prior to the specified time period.								

EXHIBIT B

EXHIBIT B**Order Detail****1.0 NEOGOV Onboard (ON)****1.1 ON Subscription License**

The annual license for the NEOGOV Onboard Software includes the following:

- Electronic Employee File
- W4
- I9
- Configurable Workflow
- Task Manager
- Employee data upload
- Attachments
- Custom Forms (Refers to forms with fillable PDF background image.)
- Dynamic Forms (Refers to forms with no background image.)

2.0 NEOGOV Perform (PE)**2.1 PE Subscription License**

The annual license for the NEOGOV Performance Evaluation Software includes the following:

- Configurable Performance Evaluations
- Goal Library
- Shareable Competency Content
- Org Charts
- Configurable Workflow
- Form Templates
- Configurable Rating Scales
- Goal Hierarchy
- Writing Assistant

NEOGOV Setup and Implementation

The following activities are conducted as part of the NEOGOV implementation:

- Review the project kick off tutorial for information on the project timeline, deliverables, and establish project expectations.
- NEOGOV will provide access to training materials that may be used during training and post-training to allow the Customer to learn the system and begin defining new roles, responsibilities, or activities within the Organization.
- NEOGOV will establish the Customer's production environment.

NEOGOV Training

NEOGOV training is available online (web-based, pre-built, content) unless otherwise proposed as included in the Order Form. All customers shall have full access to the associated training for the proposed platform.

NEOGOV's pre-built, online training consists of a series of web courses and hands-on exercises designed to introduce the standard features and functions. All training items may be used as

reference material to conduct day-to-day activities. The pre-built, online training includes materials designed to allow Customer led training sessions.

Order Form Terms and Conditions:

The Customer agrees that the payment schedule is as follows:

Provide all required software and licenses

- One hundred percent (100%) of the annual license price is payable within sixty (60) days of execution of this Order Form and Service Agreement. (\$40,149.37)

Setup and Implementation

- One hundred percent (100%) of the non-recurring costs are to be paid to NEOGOV within sixty (60) days of the execution of this Order Form and Service Agreement. (\$7,500.00)

Training

- One hundred percent (100%) of the non-recurring costs are to be paid to NEOGOV within sixty (60) days of the execution of this Order Form and Service Agreement. (\$5,000.00)

<u>Customer</u>	<u>NEOGOV, Inc.</u>
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT B

Order Detail

1.0 Insight Enterprise Edition

1.1 License Subscription

The Customer's subscription to the Insight Hiring Management Software includes the following functionality.

Recruitment

- Customized online job application
- Accept job applications online
- Online applications integration with current agency website
- Online job announcements and descriptions
- Automatic online job interest cards
- Proactively search your applicant database
- Real-time database of all applicant information
- Recruitment and examination planning

Selection

- Create, store, and reuse supplemental questions in the Insight item bank
- Screen applicants automatically as they apply
- Define unique scoring plans per recruitment, or copy existing scoring plans
- Test Item bank (optional in TMS at an extra charge)
- Conduct item analysis
- Test processing (automatically input Scantron test data sheets)*
- Test analysis and pass-point setting
- Score, rank, and refer applicants

Applicant Tracking

- Email and hardcopy notifications
- EEO Data collection and reports
- Track applicants by step/hurdle
- Schedule written, oral, and other exams
- Detailed applicant history record
- Skills tracking and matching

Reporting and Analysis

- Collect and report on EEO data
- Analyze and report on adverse impact and applicant flow
- Track and analyze data such as time-to-hire, recruitment costs, staff workload, applicant quality, etc.
- Over 80 standard system reports
- Ad Hoc reporting tool

HR Automation

- Create and route job requisitions
- Refer and certify applicants electronically
- Scan paper application materials

* Requires a Scantron or similar Optical Mark Reader (OMR) scanner, special forms, form set-up, and scanner software, which are not included in the cost.

EXHIBIT B

Additionally, during the term of the subscription, the Customer will be provided:

Unlimited Customer Support (6:00 AM – 6:00 PM PT)

Customer Support shall be provided to the Customer both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).

Product Upgrades to Licensed Software

Customer shall receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout. Product upgrade rollouts are generally released every three months.

1.2 Provisioning

The following activities are conducted as part of the Insight Enterprise implementation

- Conduct a project kick off meeting to review the project timeline, deliverables, and establish project expectations
- NEOGOV will establish an Agency-specific training environment that will be used during training and post-training to allow the Agency to learn the system and begin defining new roles, responsibilities, and activities within the HR staff
- NEOGOV will conduct eight hours of on line instructor led video tutorial training. NEOGOV will provide all required user exercises and user guides to the Agency.
- Once the core user community is comfortable with the system (typically within 10 hours of hands-on use) they will train the remaining HR staff to complete their tasks using Insight.
- Between the training and go-live, NEOGOV will complete the following activities:
 - Creating an agency-specific training environment which is used by your agency during training and afterwards to train in prior to moving into production
 - Configure printable job bulletin
 - Integrate your new production job opportunities, promotional opportunities, and class specifications web pages into your existing agency website
 - Establish the Agency's Insight Enterprise production environment

1.3 Online Training

NEOGOVS will deliver online training videos to Agency recruiters. We will provide all required user exercises and user guides to the Agency.

Following the training, your agency will have full access to the training environment. Additionally, your agency has full access to our Customer Support Help Desk during the training to help new users fully utilize Insight. Our existing customers find that this unique implementation approach enables their users to become familiar with Insight in a safe environment, promoting system use and leading to a more successful rollout.

EXHIBIT C

ORDER FORM - PERFORM & ONBOARD**Customer:**

City of Glendale, AZ

Bill To:Attention:Address:Phone:Email:**Quote Date:**

4/7/15

Valid To:

180 days

Requested Service Date:

TBD

Initial Term:12 Months with annual
renewal option

Order Summary: An ongoing 5% discount off the annual licenses will be provided if both products are purchased at the same time.

<u>Line</u>	<u>Description¹</u>	<u>Annual Recurring Cost</u>	<u>Non-Recurring Cost</u>
1.0	Onboard (ON)		
1.1	Subscription License with 5% discount	\$18,540.00 \$17,613.00	
1.2	Setup and Implementation		\$2,500.00
1.3	Training		\$2,500.00
2.0	Perform (PE)		
2.1	Subscription License for ~1,585 employees with 5% discount	\$23,722.50 \$22,536.37	
2.2	Setup and Implementation		\$5,000.00
2.3	Training		\$2,500.00
Sub Total:		\$42,262.50 \$40,149.37	\$12,500.00
Order Total:			\$52,649.37

¹More detailed descriptions of the licenses and/or services are contained in the order detail for each service, which are incorporated herein and made a part hereof by this reference.

Additionally, during the term of any subscription license, the Customer will be provided the following:

Customer Support – Support shall be provided to the Customer both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).

Product Upgrades to Licensed Software - Customer shall receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout.

EXHIBIT C - ORDER FORM

Customer: City of Glendale, AZ	Bill To: Attention: Debbie Burson Address: 5850 W. Glendale Ave. Glendale, AZ 85301 Phone: (623) 930-2919 Email: dburson@glendaleaz.gov	
Quote Date: Requested Service Date:	3/13/14 TBD Valid To: Initial Term:	12/31/14 12 Months, with one-year renewal option

Order Summary:

<u>Line</u>	<u>Description¹</u>	<u>Annual Recurring Cost</u>	<u>Non- Recurring Cost</u>
1.0	Insight Enterprise Edition		
1.1	Subscription License	\$17,500.00	
Sub Total:		\$17,500.00	
Order Total:			\$17,500.00

¹More detailed descriptions of the services are contained in the order detail for each service, which are incorporated herein and made a part hereof by this reference.



Legislation Description

File #: 15-376, Version: 1

AUTHORIZATION TO AWARD CONTRACT TO SEGAL WATERS FOR A CLASSIFICATION AND COMPENSATION STUDY

Staff Contact: Jim Brown, Director, Human Resources and Risk Management

Purpose and Recommended Action

This is a request for City Council to approve and direct the Acting City Manager to enter into a contract with Segal Waters for a Classification and Compensation study during FY2015-2016.

Background

In April 2014, staff presented information to the City Council regarding non-represented employee compensation issues which included 1) the lack of pay increases for non-represented employees from 2008 through 2013 which was one of the factors contributing to the high turnover rate being experienced and 2) staff analysis of benchmarked cities salary ranges which reflected that the City of Glendale pay ranges were below the market at the range minimum and midpoints. In order to better align the city's non-represented compensation system with the market, staff recommended the following phased approach to address these issues:

1. Effective July 2014, implement a 2.5% market adjustment for all non-represented employees. Those employees currently at the maximum of their pay range would receive the 2.5% increase in the form of a one-time lump sum payment and would not take their base salary over their range maximum.
2. Effective October 2014 adjust our current pay ranges from a 60% range minimum to maximum to a 40% range minimum to maximum. This will be done by moving the current range minimum up 20% which would also impact the range midpoint; however the range maximum remained the same. Those employees who fall below the new range minimum will be given pay adjustments to bring them up to the new range minimum. By adjusting our ranges to a 40% range minimum to maximum, the city will be better aligned with benchmarked cities pay structures and more competitive within our market.
3. Conduct a comprehensive classification and compensation study in FY2015-2016 which would help further address non-represented employee compensation.

Analysis

Although we have addressed some of the city's non-represented compensation system issues by implementing the first two phases, we believe the third phase will help us further address these issues and provide us the ability to have a sound compensation philosophy and structure as we move into the future.

The city has not conducted a comprehensive study of this nature for over fifteen years. An outside consultant who specializes in classification and compensation has the ability to look at the city's current practices and compensation structure from a business oriented perspective, utilize their expertise in this area and their knowledge of other public sector organizations to effectively design a program specifically for the City of Glendale. The classification and compensation study will not only assist us in addressing the current non-represented employee compensation issues, but will also assist in developing a market study methodology, Citywide pay philosophy and market position for the future. In October 2014, Human Resources began the RFP process for a Classification and Compensation Consultant. An evaluation committee comprised of employees from Human Resources, Fire, Water Services, and Public Works reviewed the proposals for a consultant to conduct a comprehensive classification and compensation study. Segal Waters was ultimately selected as the vendor that best matched the needs of the city.

Previous Related Council Action

On April 8, 2014, staff presented information to City Council on Employee Compensation and Benefits.

Community Benefit/Public Involvement

Attracting and retaining a highly skilled and qualified workforce insures quality services for the betterment of our community.

Budget and Financial Impacts

The Human Resources Department has included a 15% contingency for this project to ensure any unanticipated costs can be addressed. The total amount for this project is not to exceed \$184,000.

Cost	Fund-Department-Account
\$184,000	1000-11060-518200, Professional & Contractual

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

PROFESSIONAL SERVICES AGREEMENT WITH SEGAL WATERS PUBLIC SECTOR

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and The Segal Company (Western States) Inc., a Maryland corporation, d/b/a Segal Waters (hereinafter "Segal Waters") authorized to conduct business in the State of Arizona, ("Consultant") as of the 1st day of July, 2015 ("Effective Date").

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds Project (the "Project") that is more fully set forth in the Scope of Work ("Scope") attached as Exhibit A;
- B. City desires to retain the professional services of Consultant to perform certain specific duties and produce the specific work as set forth in the attached Scope of Work;
- C. Consultant desires to provide City with professional services ("Services") consistent with best consulting or architectural practices and the standards set forth in this Agreement, in order to complete the Project; and
- D. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

- 1.1 Professional Services. Consultant will provide all Services necessary to assure the Project is completed timely and efficiently consistent within Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Consultant will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the project and handle all aspects of the Project such that the work produced by Consultant is consistent with applicable standards as detailed in this Agreement; and
 - (2) The City must approve the designated Project Manager.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the Project by Consultant will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Consultant.
 - c. Discharge, Reassign, Replacement.
 - (1) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.
 - (2) Consultant will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of

competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

- d. Subcontractors. Consultant shall not engage any subcontractor for the work or services to be performed under this Agreement.
- 2. **Schedule.** The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.
- 3. **Consultant's Work.**
 - 3.1 **Standard.** Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.
 - 3.2 **Licensing.** Consultant warrants that:
 - a. Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
 - b. Neither Consultant nor any Subconsultant has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.
 - (2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.
 - 3.3 **Compliance.** Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.
 - 3.4 **City Non-Discrimination Policy.** Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.
 - 3.5 **Coordination; Interaction.**
 - a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
 - b. Subject to any limitations expressly stated in the Project Budget, Consultant will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
 - c. For projects not involving Coordinating Project Professionals, Consultant will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.
 - 3.6 **Work Product.**
 - a. Ownership. Upon receipt of payment for Services furnished, Consultant grants to City exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings,

specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").

- (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
- (2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.

b. **Delivery.** Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.

c. **City Use.**

- (1) City may reuse the Work Product at its sole discretion.
- (2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.
- (3) In such case, City will also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

4.1 **Compensation.** Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed \$160,000.00 as specifically detailed in Exhibit B ("Compensation").

4.2 **Change in Scope of Project.** The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.

- a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
- b. Additional services which are contemplated in Exhibit B, but outside the Scope of Work contained in Exhibit A, may not be performed by the Consultant without prior written authorization from the City.
- c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

4.3 **Expenses.** City will reimburse Consultant for certain out-of-pocket expenses necessarily incurred by Consultant in connection with this Agreement, without mark-up (the "Reimbursable Expenses"), including, but not limited to, document reproduction, materials for book preparation, postage, courier and overnight delivery costs incurred with Federal Express or similar carriers, travel and car mileage, subject to the following:

- a. Mileage, airfare, lodging and other travel expenses will be reimbursable only to the extent these would, if incurred, be reimbursed to City of Glendale personnel under its policies and procedures for business travel expense reimbursement made available to Consultant for review prior to the Agreement's execution, and which policies and procedures will be furnished to Consultant;
- b. The Reimbursable Expenses in this section are approved in advance by City in writing; and
- c. The total of all Reimbursable Expenses paid to Consultant in connection with this Agreement will not exceed the "not to exceed" amount identified for Reimbursable Services in the Compensation.

5. **Billings and Payment.**

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Consultant and its Subconsultants; and
 - (2) Unconditional waivers and releases on final payment from all Subconsultants as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. **Termination.**

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Consultant will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.** For the duration of the term of this Agreement, Contractor shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such insurance shall cover Contractor, its agent(s), representative(s), employee(s) and any subcontractors.

8.1 **Minimum Scope and Limit of Insurance.** Coverage must be at least as broad as:

- a. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than \$1,000,000 per accident for bodily injury and property damage.
- c. **Professional Liability.** Consultant must maintain a Professional Liability insurance covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone for whose acts, mistakes, errors and omissions Consultant is legally liability, with a liability insurance limit of \$1,000,000 for each claim and a \$2,000,000 annual aggregate limit.
- d. **Worker's Compensation:** Insurance as required by the State of Arizona, with Statutory Limits, and Employers' Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

8.2 **Other Insurance Provisions.** The insurance policies required by the Section above must contain, or be endorsed to contain the following insurance provisions:

- a. The City, its officers, officials, employees and volunteers are to be covered as additional insureds of the CGL and automobile policies for any liability arising from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such liability may arise, but is not limited to, liability for materials, parts or equipment furnished in connection with any tasks, or work performed by Contractor or on its behalf and for liability arising from automobiles owned, leased, hired or borrowed on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's existing insurance policies, provided such endorsement is at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37, if later revisions are used.
- b. For any claims related to this Project, the Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
- c. Each insurance policy required by this Section shall provide that coverage shall not be canceled, except after providing notice to the City.

8.3 **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless the Contractor has obtained prior approval from the City stating that a non-conforming insurer is acceptable to the City.

8.4 **Waiver of Subrogation.** Contractor hereby agrees to waive its rights of subrogation which any insurer may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agent(s) and subcontractor(s).

- 8.5 **Verification of Coverage.** Within 15 days of the Effective Date of this Agreement, Contractor shall furnish the City with original certificates and amendatory endorsements, or copies of any applicable insurance language making the coverage required by this Agreement effective. All certificates and endorsements must be received and approved by the City before work commences. Failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements prior to the City's agreement that work may commence shall not waive the Contractor's obligations to obtain and verify insurance coverage as otherwise provided in this Section. The City reserves the right to require complete, certified copies of all required insurance policies, including any endorsements or amendments, required by this Agreement at any time during the Term stated herein.

Contractor's failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements shall not be considered a Force Majeure or defense for any failure by the Contractor to comply with the terms and conditions of the Agreement, including any schedule for performance or completion of the Project.

- 8.6 **Subcontractors.** Contractor shall require and shall verify that all subcontractors maintain insurance meeting all requirements of this Agreement.
- 8.7 **Special Risk or Circumstances.** The City reserves the right to modify these insurance requirements, including any limits of coverage, based on the nature of the risk, prior experience, insurer, coverage or other circumstances unique to the Contractor, the Project or the insurer.

9. **Immigration Law Compliance.**

- 9.1 Consultant, and on behalf of any Subconsultant, warrants to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Consultant, Subconsultant, or employee who performs work under this Agreement to ensure that the Consultant, Subconsultant, or any employee, is compliant with the warranty under this section.
- 9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Consultant's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- a. The Notice is in writing; and
- b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
- c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Project, and his or her address for Notice delivery is:

Ruth Ann Eledge
Vice President
Segal Waters
5050 Quorum Drive, Suite 625
Dallas, Texas 75254

Copy to: General Counsel
The Segal Company
333 West 34th Street
New York, NY 10001-2402

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Jim Brown
Human Resources & Risk Management Director
City of Glendale
5850 West Glendale Avenue
Glendale, AZ 85301

and Ms. Connie Schneider
Materials Management Division
City of Glendale
5850 West Glendale Avenue, Suite 317
Glendale, AZ 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

c. **Concurrent Notices.**

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.

d. **Changes.** Consultant or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

12.1 **Integration.** This Agreement contains, except as stated below, the entire agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. Inconsistencies between the solicitation, any addenda attached to the solicitation, the response or any excerpts attached as Exhibit A, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

12.2 **Interpretation.**

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 **Survival.** Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.

- 12.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.
- 12.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.
- 12.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
13. Term. The term of this Agreement commences upon the effective date and continues for one year. There are no renewals of this Agreement.
14. Dispute Resolution. Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.
15. Exhibits. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.
- | | |
|-----------|--------------------|
| Exhibit A | Scope of Work |
| Exhibit B | Compensation |
| Exhibit C | Dispute Resolution |

(Signatures appear on the following page.)

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

an

R Eledge

By: Ruth Ann Eledge
Its: Vice President, Segal Waters

EXHIBIT A

SCOPE OF WORK

Step 1: Project Initiation

Initial Meeting

The first task of this project will be to meet with the City's internal team of subject matter experts, the Project Oversight Team, to discuss the current classification plan to identify concerns about the current classification plan and to fully discuss the purpose, goals, timeline and objectives of the classification review effort. The purpose of the meeting is to:

- Confirm the goals and objectives of the study,
- Discuss the City's current compensation and classification structures, as well as the reasons for this project,
- Finalize the timeline and specific dates for deliverables,
- Clarify Segal Waters' and the City's roles in each project phase,
- Set periodic meetings with the Project Oversight Team to provide progress reports and discuss upcoming activities. The first meeting will take place prior to any other project steps,
- Establish parameters and protocols for keeping the Project Team updated and informed, and
- Identify data or information needed to support the overall assignment.

This meeting will help identify a clear project strategy that will facilitate a smooth and effective working relationship resulting in a successful outcome for the City.

Our Expectations of the City for this Step

For the initial meeting, Consultant asks the City to coordinate the schedules of those who will participate, as well as provide a meeting room.

In addition, Consultant asks that the City provide the following information in electronic format:

- Salary structures,
- Classification structures,
- Current personnel policy documents,
- Organization charts,
- Job descriptions in an editable format (such as Microsoft Word), and
- Employee census data.

Step 2: Classification Analysis

1. Review the City's Position Description Questionnaire (PDQ)

During this task, we will review the City's PDQ and provide advice on any changes necessary for the Classification Study.

While Consultants customizes PDQs to specific client projects, Consultant will ensure that each of the following generic questions is included in the City's PDQ:

- Essential duties and responsibilities,
- The knowledge, skills, and abilities associated with each essential duty or responsibility,
- Supervisory or work leadership duties,
- Minimum requirements such as education, experience, and certifications/licenses,
- Physical requirements of the job (including frequency of specific physical activities and amount of lifting/moving),
- Working environment, including exposure to risks, hazardous situations, etc., and
- Supervisor's review, which would include comments regarding the employee's answers, as well as opinions regarding the appropriateness of the current title, comparison to other jobs within a job series, and similar issues.

The Consultant review the City's PDQ form and provide advice on any changes needed for the classification study.

2. Conduct a Random Sampling of Classification Audits

Consultant understands that the City would like random sampling of classification audits to be conducted through written surveys, interview, telephone, or observation as necessary, of incumbent employees. Consultant will conduct at least one random sampling per classification through the City's existing job content documentation, such as classification specifications and PDQs, and also conduct any in-person or telephone interviews on an as-needed basis after a review of the associated classification audit materials and documentation.

The purpose of any as-needed or follow-up interviews is to:

- Validate and clarify information contained in the classification specifications and/or PDQs,
- Clarify employees' views on the key distinguishing characteristics among jobs, and
- Provide an opportunity for employees to voice their opinions and perceptions of the current classification structure.

Depending on the need and what Consultant finds in its analyses, some interviews can be conducted on a group basis, with employees in the same job series. That is, employees performing similar functions and responsibilities could be interviewed together. However, if any single-incumbent jobs or highly specialized functions require interviews, they would likely be one-on-one interviews.

Again, Consultant usually conducts these follow-up interviews on an as-needed basis, which is determined after a review of materials. Consultant proposes to conduct up to five consecutive days of on-site interviews and/or follow-up phone interviews.

While Consultant presented its work plan in the order reflected in the RFP, Consultant thinks that it would be more beneficial to conduct these random audits after a review of classification specifications for all jobs below. [What is the City requiring or agreeing to?]

3. Review Classification Specifications for All Jobs

Once Consultant has received all of the City's classification specifications and any individual PDQs that require close review, Consultant will perform a detailed analysis of the City's jobs. Consultant will review each job title and series and document distinguishing characteristics that define a particular job title within the job family. Such characteristics typically include the following:

- Typical tasks or duties,
- Supervisory responsibilities,
- Minimum education, experience, and certification requirements,
- Ability to make decisions that affect a work group, department, and/or City,
- Level of discretion and judgment exercised,
- Complexity of tasks, decisions, and actions,
- Results of actions, and
- Other distinguishing characteristics that are relevant to the City.

4. Develop and Document an Updated Classification Structure

As Consultant's review and analysis progresses, Consultant will develop and document a recommended job classification structure for the City. This structure will ensure that distinctions between jobs are readily understood, while providing broad-based, generic classifications where appropriate. Consultant will document any changes regarding consolidation of titles and recommend a titling structure that defines consistent levels of responsibility across the City. The classification structure will include at least the following:

- List of job titles, with titling guidelines (that is, standards for using terms such as "Coordinator," "Manager," or "Director" in job titles),
- Recommended minimum qualifications and requirements associated with each job title (such as education, experience, certifications, and licensing), and
- Distinguishing characteristics among jobs within a job family or career path. For example, the key differences between a Secretary and an Administrative Assistant.

In developing a new classification structure, Consultant may recommend re-titling or re-classifying some of the City's jobs. For example, Consultant anticipates recommending:

- Consolidation of class titles that have highly similar responsibilities and requirements,
- Development of new class titles for positions that reflect new or different roles, responsibilities, or requirements, and

- Re-wording of class titles, based on standard occupational nomenclature or for clarity.

The outcome will be a recommended classification architecture that clearly defines and documents all classifications in order to facilitate both internal equity and external market comparisons.

5. Identify any Extreme Current Classification Inequities

In Consultants review and analysis of the City's classification specifications for all job as well as any identified PDQs that require a closer analysis, Consultant will identify and provide a recommended corrective action plan and process to remedy these situations, prior to full plan implementation.

6. Recommendations Development

Consultant's recommendations for appropriate revisions and improvements to the classification system and individual classifications will come in the form of the updated classification structure as well as the classification manual, which will include revisions to the City's policies as necessary (described below in #7).

In addition, while the City has stated that most employees are currently correctly classified, there may be some situations where an employee's classification has changed as a result of the classification study. Once the revised classification structure has been reviewed and finalized, Consultant will recommend placement of any such impacted employee (whose classification may have changed as a result of this study) within the structure, based on information collected and analyzed. Consultant will identify the most appropriate match between a position's individual responsibilities and the job responsibilities described in the classification architecture.

The outcome will be a spreadsheet (based on payroll information provided by the City's Human Resources staff) that identifies each position, the incumbent employee, his/her current classification title, and our recommended classification assignment. This will also play an important role in determining cost implications of the compensation study.

7. Conduct a Training Program for Key Staff

Consultant understands that the City would like the Consultant to prepare appropriate classification implementation and maintenance manuals. Consultant will conduct a training program for key staff to ensure that the City's staff can explain and administer any revised aspects of the classification system and to also provide instruction manuals and training materials for key staff.

For this step, Consultant will develop a manual that the City's Human Resources staff can use to implement the new system and to easily maintain and update the policies in the future. Consultant anticipates that the manual will contain information on how the system was developed and the detailed information required to classify and grade new jobs in the future. Sections of the manual are likely to include:

- General background and purpose,
- Authority and responsibility for maintaining the systems,
- Classification matrices,
- Policies and procedures for requesting a classification review or modifications/additions to classification structure or grade assignments, and
- All associated forms and documents.

As with all of Consultant's deliverables and recommendations, Consultant will deliver the revised text to the City in Microsoft Word so that the City can easily edit the documents as necessary in the future.

While Consultant outlines its expectations of the City for this step below, the most important thing is to provide the Consultant is organized and detailed City data. Consultant learned in the pre-proposal conference that most job descriptions are up to date and that employees are for the most part classified correctly, but that the City should provide guidance on those positions/PDQs that will require a close review. Consultant expects to do all of the work, but Consultant does expect the City to provide the documentation that has been identified, and to be available for questions and to help facilitate any employee interviews (phone numbers if by telephone or meeting rooms if in person).

Our Expectations of the City for this Step

Task/Step	Project Team Role
1. Review the City's PDQ	<ul style="list-style-type: none"> • Provide the City's PDQ to Segal Waters. • Provide feedback on our advice.
2. Conduct a Random Sampling of Classification Audits	<ul style="list-style-type: none"> • Provide guidance on any PDQs that require a close analysis. • Assist with selecting employees to participate. • Arrange for interview rooms as needed. • Facilitate scheduling and arrangements.
3. Review Classification Specifications for all jobs	<ul style="list-style-type: none"> • Provide all documentation to Consultant. • Be available for questions and clarification.
4. Develop and Document an Updated Classification Structure	<ul style="list-style-type: none"> • Review draft structure and provide comments. • Approve final classification structure.
5. Identify any Extreme Current Classification Inequities	<ul style="list-style-type: none"> • Review Consultant's findings. • Approve recommendations.
6. Recommendations Development	<ul style="list-style-type: none"> • Be available for questions and clarifications. • Review draft and provide comments. • Provide employee census data and information on the current job title structure in electronic format.
7. Conduct a Training Program for Key Staff	<ul style="list-style-type: none"> • Review Classification Manual. • Facilitate scheduling and arrangements for training.

Step 3: Compensation Market Assessment

Consultant understands that beginning in January 2009, non-represented Glendale City employees were asked to voluntarily participate in a furlough program as a cost saving measure for the City. This program became mandatory for the majority of non-represented City employees in July 2009 and continued through December 2012. During this same time, employees did not receive annual increases (from FY2009/2010 throughout FY2013/2014). The City previously had used a pay-for performance model for annual increases. This program was last used in FY2008/2009.

In FY 2014/2015, all non-represented City employees received a 2.5% market adjustment, across the board. Those employees who were close to or at or above the maximum of their salary grade received a lump sum payment for any portion of the market adjustment that exceeded the maximum of the salary grade. Identical market adjustments, pending council approval, have been built into the five-year budget forecast.

In October of 2014, the City revised the salary ranges for non-represented employees from a 60% range spread to 40%. In order to be more competitive in the external market, and to match best practices, the minimums of all non-represented classifications salary ranges were increased, while the maximums remained the same. Employees whose base salary fell below the new minimum of the salary range received an increase in their base salary to bring them up to the new salary range minimum.

The City is looking for a consultant that can look at this project from a business-oriented perspective, incorporate the public sector needs, and design a program specifically for the City of Glendale.

Consultant has listed the City's specific requirements for the compensation plan in the Executive Summary at the top of this Scope of Work and to conduct a valid, reliable, and useful market study, Consultant agree to perform, at a minimum, the following tasks:

1. Meet with the City management and the City's Project Oversight Team and develop a market study methodology and Citywide pay philosophy and market position,
2. Identify benchmark job titles,
3. Identify comparable employers and other data sources,
4. Collect the market data,
5. Analyze the market data, and
6. Prepare and deliver a report to you detailing our findings.

These tasks are described in more detail on the following pages.

1. Meet with City Management and the City's Project Oversight Team and Develop a Market Study Methodology and Citywide Pay Philosophy and Market Position

Consultant thinks that it is important for Segal Waters and the Project Team to gain consensus on the City's overall goals and strategy regarding compensation, as well as to develop a strategy for conducting the market study that is consistent with the desired goals and strategy.

The first task of the Compensation Plan will be to meet with City Management and the Project Oversight Team to discuss the current compensation plan, to identify concerns about the current compensation plan, and to fully discuss the purpose, goals, and objectives of the compensation review effort. The purpose of the meeting is to:

- Confirm the goals and objectives of the compensation study,
- Discuss the City's current compensation plan, as well as the reasons for this project,
- Finalize the timeline and specific dates for deliverables,
- Clarify Segal Waters' and the City's roles in each project phase,
- Set periodic meetings with the Project Oversight Team to provide progress reports and discuss upcoming activities,

- Establish parameters and protocols for keeping the Project Oversight Team updated and informed, and
- Identify data or information needed to support the overall assignment.

This meeting will help identify a clear project strategy that will facilitate a smooth and effective working relationship resulting in a successful outcome for the City.

Consultant will work with the City's Project Oversight Team to clarify and finalize the market study methodology, including addressing some key questions, such as:

- Does the City compete for employees in both the public and private sectors? Who are the primary competitors for talent? That is, where do new employees come from and where do they go?
- Does the City want to learn about other employers' compensation policies, such as how salary increases and adjustments are determined?

The parties' goal is to have a common understanding of the various options for conducting the market study, as well as an understanding of the implications on subsequent design of new salary structures and pay policies. This understanding will allow the Consultant to develop and conduct a market study that is consistent with the City's compensation goals and will support the City's expectations.

For example, one key decision for the Project Team is to determine the ideal mode of data collection. Market data is normally collected through one of two methods:

1. Custom-designed surveys distributed to specific employers, or
2. Published data sources.

For this project, Consultant recommended and the City agreed that Consultant would conduct a custom-designed survey targeted to the City's public sector peer employers, while using published sources to represent private sector pay data. Consultant recommended this approach for the following reasons:

- Custom surveys provide the most currently available data,
- Custom surveys allow you to target specific geographic markets, employers, and specific jobs,
- Custom surveys allow you to collect information that is not usually available in published data sources, such as scheduled salary ranges, pay supplements, compensation policies, union status, benefits, etc., and
- Published sources may be the only method of gathering private sector data, since these organizations very rarely respond to market surveys from other employers.

2. Establish a Citywide Pay Philosophy and Market Position that the City Can Strive to Maintain

Segal Waters will assist the City in establishing a pay philosophy and market position that the City can strive to maintain. Consultant understands that this pay philosophy shall consider fiscal sustainability, as well as the ability to recruit and retain quality staff. The City would like recommended timely incremental steps to assist the City in reaching the goal of achieving the recommended market position. The City's Pay Philosophy will guide our recommendations and can be finalized into a report for senior management.

It is important to include the City's Project Oversight Team in discussions that clarify and finalize the City's compensation philosophy. These discussions would address the following questions:

- **Competitive Framework:** Who do you compete with for talent? Where do employees come from and go to? Who are your peers operationally?
- **Competitive Positioning:** What is the desired market position for pay compensation?
- **Role of Pay:** What is the basis for pay increases and adjustments (e.g., performance, market conditions, skill development)? What guidelines or policies should exist for setting salaries for new hires?

Consultant has recently completed this process with several other clients and successfully achieved broad understanding and acceptance of the agreed-upon approach across the top levels of organizational leadership.

3. Identify Benchmark Job Titles

Consultant understands that this project covers approximately 352 job classification titles. Since it is not practical to collect market data on all job titles, we will develop a recommended list of benchmark jobs to include in the market study that captures a broad array of occupational groups, departments, and pay levels throughout the City. Consultant will first review the City's established benchmark classifications used for market survey and analysis, and make recommendations for any changes deemed appropriate.

Consultant anticipates that up to 100 job titles will be identified as benchmarks for the market study. In general, Consultant suggests that the list of benchmark job titles should include those that are representative of the distribution of the work force (pay grades, departments, etc.).

4. Identify Comparable Employers to Survey and Other Data Sources

The next task to be completed by Consultant will be to determine the comparable employers to include in the study. Typically, these employers include public sector entities that are geographically proximate to the City and are likely to have matching jobs. In addition, it might also include public sector employers outside of the immediate commuting area, but that are similar to the City in terms of size, scope, population, or other characteristics.

Consultant will conduct demographics analysis on the City's established peer employers listed below, and recommend, as appropriate, any other comparable labor markets and assist the management team and the City Council in defining comparable markets, including both private and public sector employers. At this time, the City anticipates that the following public sector employers will be included in the market study.

- Avondale
- Chandler
- Gilbert
- Goodyear
- Mesa
- Peoria
- Phoenix
- Scottsdale
- Surprise
- Tempe

➤ Tucson

Consultant will discuss this list with the Project Oversight Team and make modifications as necessary. For pricing purposes, Consultant has assumed the custom market study will be distributed to up to 13 public sector entities.

Private sector organizations very rarely respond to employer-sponsored market surveys, especially when they know that the information could be made public through a Freedom of Information Act request. Consequently, if you wish to include private sector data in this study, Consultant will draw on data contained in nationally recognized published data sources, such as Towers Watson, Mercer, Economic Research Institute (ERI), etc. Consultant will identify specific sources appropriate to the City at the City's request.

5. Collect the Market Data

Consultant will also design a custom survey instrument for collecting the market information, which we will distribute in either hard copy or electronic format, as necessary. Typically, Consultant includes questions regarding the following:

- Benchmark job base pay ranges (minimum and maximum annual pay rates),
- Policies regarding pay progression (that is, how employees move through a pay range),
- Policies regarding adjustments to the pay schedule,
- Supplemental pay practices (such as additions for special skills, bilingual pay, performance bonuses, out of class pay, specialty pay, certification pay, promotional pay, stand by pay, equity adjustments, employees at range maximum, pay practice for temporary employees, promotion and demotion (voluntary and discipline) pay policy, assignment pay, on-call pay, call-out pay, shift differential, termination pay, to include pay outs of accrual banks, position reclassification, special pay programs (i.e. one-time lump-sum, COLA, general increase, etc.), rehire rates of pay, executive compensation package (directors and department heads), other compensation issues, etc.), and
- Other relevant pay policies (such as hiring salary practices)

Consultant will also draft brief job summaries for each benchmark title based on current job descriptions to assist the survey participants with matching jobs consistently and appropriately.

Once the Project Oversight Team has reviewed and approved the survey document, Consultant will distribute the survey to the approved group of comparable employers. Consultant will make many efforts to achieve the goal of 100% participation from each invited employer, but does not guarantee that Consultant will obtain good data from each of the employers invited to participate and for all of the jobs requested.

Respondents will return completed surveys and supplementary materials (e.g., salary structures and policy descriptions) directly to Segal Waters. Consultant will review and validate each survey response for completeness and reasonability, and then follow up with survey participants as necessary to clarify any incomplete or inconsistent responses.

6. Analyze the Market Data

Segal Waters will design a database in Microsoft Access to support our analysis. This database will become the property of the City upon completion of this project for your future analyses. Consultant will populate the

database with the information collected from the surveys, and will also include any private sector data from published data sources, as applicable.

Consultant will analyze the survey data to determine the City's market position relative to the market average minimum, midpoint, and maximum pay rate for each benchmark job title. Consultant then compares these averages to the City's pay ranges to determine the market position for each job title and occupational group. To the extent that different employer groups or industry sectors are included in the study, Consultant will segment its findings accordingly. In addition, if applicable, Consultant will geographically adjust market data for respondents outside of the metro area, using current cost of labor differentials from ERI Geographic Assessor.

7. Prepare a Report of Our Findings

Once all data have been collected, reviewed, and analyzed, Consultant will prepare a report detailing its methodology and findings. The report will include at least the following items:

- An Executive Summary, briefly describing our key findings,
- A description of the study objectives and methodology,
- The City's competitive market position for pay, applicable to each benchmark job title and job family,
- The prevailing policies regarding pay progression, supplemental pay, and other compensation-related practices collected in the survey, and
- Appendices showing detailed information collected for the market study.

Expectations of the City for this Step

Task/Step	Project Team Role
1. Meet with City Management and the City's Project Oversight Team and develop a market study methodology and Citywide pay philosophy and market position	<ul style="list-style-type: none"> • Meet with Segal Waters staff, provide direction on strategy and methodology.
2. Identify benchmark jobs	<ul style="list-style-type: none"> • Review and approve list of benchmarks.
3. Identify comparable employers and other data sources	<ul style="list-style-type: none"> • Review and approve list of comparators.
4. Collect the market data	<ul style="list-style-type: none"> • Review and approve survey document. • Assist with contacting survey recipients, if necessary. • Complete survey on behalf of the City.
5. Analyze the market data	<ul style="list-style-type: none"> • City does not have role in this step.
6. Prepare and deliver report	<ul style="list-style-type: none"> • Review draft report, provide feedback, and approve final market study report.

Step 4: Recommendations Development

Based on the findings of the market study and with the guidance of the Project Oversight Team, Consultant will then develop revisions to the existing salary structure and allocation of classifications to pay ranges. For this step in the project, Consultant will undertake the following tasks:

1. Design a Recommended Salary Structure,
2. Recommend Pay Grade Assignments,
3. Develop Recommended Pay Policies,
4. Determine Cost Impact, and
5. Assist with Implementation.

1. Design a Recommended Salary Structure

Once the market study report has been finalized, Consultant will develop a recommended new salary structure that is consistent with the market findings and the City's pay philosophy.

Consultant anticipates that the pay schedule will consist of pay grades with minimum, midpoint, and maximum pay rates. Typically, Consultant constructs pay schedules to have consistent intervals between grades (usually 5% to 10%) as well as consistent range widths (typically 40% to 60%). The pay structure may or may not include open ranges, groups (ranges) and steps, broad bands, variable pay depending on the pay philosophy of the City. Consultant will work with the City's Project Team to determine the most appropriate structure for your organization.

2. Recommend Pay Grade Assignments

Consultant will recommend grade assignments and develop externally competitive and internally equitable salary recommendations for each classification included within the study, reflecting the results of the market survey and the analysis of internal relationships.

First, Consultant will recommend grade assignments for benchmark jobs based on the market study findings. Typically, Consultant's goal is to identify the grade that is within 5% of the market average at the midpoint.

Next, Consultant will recommend grade assignments for non-benchmark jobs using the results of the classification analysis in which we reviewed current internal equity among classifications and recommended appropriate internal relationships between classifications. Consultant's recommendations will be based on job content similarities and differences that were identified in the classification structure, such as minimum qualifications, scope of responsibilities, supervisory role, and other considerations.

Last, Consultant will review the grade assignments with the Project Oversight Team, highlighting situations that represent significant change from the current pay relationships. Once the City has had an opportunity to review and internally vet the recommendations, Consultant will finalize the grade assignments as part of our final recommendations.

Consultant's goal will be to ensure the new system: (1) is market based; (2) considers appropriate internal relationships between classifications and the comparable worth based on job duties and competencies; and (3) is easily understood and used by managers and employees.

3. Develop Recommended Pay Policies

Consultant will also work with the City to develop compensation policies that are appropriate for the City and consistent with market practices. These may include the following:

- **Pay progression policies:** how employees progress from the minimum to the maximum of the pay range,
- **Performance-based pay:** whether base salary adjustments can occur based on performance, whether bonuses can be awarded based on individual or group performance, etc.,
- **Pay schedule adjustment policies:** how and when adjustments are made to the pay schedule, and whether/how these adjustments affect employees' individual pay,
- **Hiring salary practices and policies:** to what extent new employees can be hired above the minimum of the pay range, criteria for setting hiring salaries, and determinations regarding approval levels; how to determine the starting pay for new employees based on knowledge and experience above the minimum requirements of the position and how difficult the position is to fill and market competitiveness,
- **Pay supplements and additions to base pay:** such as pay for special skills or competencies, shift differentials, on-call or call-back pay, etc., and
- **Other related policies:** such as promotional guarantees, reclassifications, etc.

Consultant will review the City's current compensation policies and – after discussion with the Project Oversight Team regarding the advantages, disadvantages, and implications of each – will draft revised policy language that reflects our recommendations for changes. Consultant will deliver its recommendations to the City in Microsoft Word so that the City can make any edits or changes based on your needs.

4. Determine Cost Impact

Once the Project Oversight Team has reviewed and approved the new pay schedule, classification structure, and grade assignments, Consultant will calculate the initial and long run cost of implementation.

This calculation will require determining rules for placing current employees within the new pay ranges. While the prior steps determined the grade assignment for each position, this step involves determining each employee's salary within the assigned grade of the revised pay structure on the day of implementation.

Consultant will work with the City to determine the placement criteria. These criteria could include factors such as:

- Time the employee has been in the position,
- Time the employee has worked for the City,
- Current position in the salary range,
- Desired market position for individual salaries,
- Internal equity and pay compression considerations, and
- Results of recent performance appraisals.

Based on the guidance of the Project Oversight Team regarding these criteria, Consultant will identify each employee's recommended salary within the applicable pay range and will then determine the first year annual cost and long run cost of implementing the new classification structure and pay schedule.

Consultant's analysis will identify any extreme current individual or group compensation inequities and Consultant will provide a recommended corrective action plan, process, and cost to remedy these situations prior to full plan implementation.

Since Consultant understands that successful implementation may depend heavily on the cost of implementation, Consultant has assumed that Consultant will have to model up to three different cost estimates, based on the Project Oversight Team's direction. This process typically involves estimating the cost of implementing the recommendations as approved by the Team, then conducting a second cost estimate based on revised criteria for implementation. The third cost estimate would be used to determine the cost of correcting any extreme current individual or group compensation inequities.

5. Assist with Implementation

The City is requiring, and the Consultant agrees to provide, a manual of instructions and training materials for key staff members. Consultant will also provide in-person training to appropriate staff to administer the proposed compensation system.

Consultant will train appropriate staff on the methodology and techniques and procedures associated with administering the classification and pay plans. Consultant will provide a training session with the City's Human Resources staff to transfer the tools, methodologies, and recommendations. This session will include a description of the analytic processes that Consultant used to conduct the study, as well as assistance with defining the operational needs that result from the potential changes in policy.

This training effort is expected to take up to 24 hours of Segal Waters time and an additional one day of on-site training will be dedicated to training Human Resources staff.

Our Expectations of the City for this Step

Task/Step	Project Team Role
1. Design a Recommended Salary Structure	<ul style="list-style-type: none"> • Discuss objectives/goals with Segal Waters' team, provide direction and input. • Review and approve pay schedule design.
2. Recommend Pay Grade Assignments	<ul style="list-style-type: none"> • Provide information on current pay grade assignments. • Be available for questions and discussion. • Review and approve methodology and pay grade assignments.
3. Develop Recommended Pay Policies	<ul style="list-style-type: none"> • Provide information on current pay policies. • Discuss potential options for policies with Segal Waters' team. • Review and approve pay policy language.
4. Determine Cost Impact	<ul style="list-style-type: none"> • Provide employee census information. • Provide information on fiscal ability and conditions. • Discuss and approve implementation criteria. • Review and approve cost model.

5. Assist with Implementation

- Determine assistance needed.
- Provide direction to Segal Waters' team.
- Coordinate logistics for the HR training session.

Step 5: Present Final Results to the City

Consultant anticipates presenting the classification and compensation plan recommendations approved by the City Manager to the Mayor and Council as requested. While it is difficult to anticipate at this time the exact nature of this presentation, this Scope of Work and the Compensation provided to Consultant includes the development and delivery of one on-site presentation that will contain at least the following elements:

- Background and reasons for the project,
- Objectives and goals of the project,
- Methodology used to conduct our analysis,
- Key findings and outcomes, and
- Our recommendations, including potential implications of those recommendations.

Consultant will draft the presentation for the Project Oversight Team's review, and then will finalize the document based on the City's comments and input. Consultant anticipates that a senior member of Segal Waters' Team will deliver the presentation, in conjunction with a senior member of the City's Project Oversight Team.

While Consultant does not specifically commit to an amount of time for on-site activities, the parties anticipate that much of Consultant's work (with the exception of the on-site training and City Council presentation) will be performed at Consultant's Dallas offices. However, Amy Girardo and Andrew Knutson are based in our Phoenix office; at least one of us will be on-site for required meetings, interviews and presentations.

EXHIBIT B

COMPENSATION

A. **Basic Services.** Segal Waters' fee for providing the basic services described in Section 1 above will not exceed \$160,000. Segal Waters will furnish Client with monthly statements providing documentation of hours used (billed to the nearest quarter hour). All expenses such as travel, photocopying, telephone calls, facsimiles, mailing costs, and secretarial and word processing services are included in our fees.

Project Step	Fixed Fee
Step 1: Project Initiation Assumes Consultant conducts one initial on-site meeting with the City's internal team of subject matter experts, the Project Oversight Team, to discuss the current classification plan to identify concerns about the current classification plan and to fully discuss the purpose, goals, timeline and objectives of the classification review effort, as well as time associated with learning about the City's current compensation and classification structures, policies, and practices.	\$5,000
Step 2: Classification Analysis Assumes the following: <ul style="list-style-type: none"> • Review the City's Position Description Questionnaire and provide advice on any changes necessary for the classification study, • Conduct a random sampling of classification audits from at least one of each of 352 classifications covering approximately 1000 employees, • Review the classification specifications of all jobs (352), • Develop and document an updated classification structure (one draft, one final) to ensure clear and concise distinctions between jobs, while providing broad-based, generic classifications where appropriate. We will document any changes regarding consolidation of titles and recommend a titling structure that defines consistent levels of responsibility across the City, • Identify any extreme current classification inequities and develop plan prioritizing their remedy, • Recommendations development, including updated classification structure, classification manual with updated policies as appropriate, and recommend any individual positions to appropriate job titles as a result of classification structure changes, and • Conduct a training program for key staff and develop a manual that the City's human resources staff can use to implement the new system and to easily maintain and update the policies in the future. 	\$90,000
Step 3: Compensation Market Assessment Assumes the following: <ul style="list-style-type: none"> • Meet with City Management and the Project Oversight Team to discuss the current compensation plan, to identify concerns about the current compensation plan, and to fully discuss the purpose, goals, and objectives of the compensation review effort • Develop a citywide pay philosophy and market position • Develop a customized salary and pay practices market survey document with up to 100 benchmark job titles, distributed to up to 13 public sector peer employers, as well as the 	\$40,000

Project Step	Fixed Fee
use of published data sources to represent the private sector market. • One draft and one final report of the market study findings	
Step 4: Recommendations Development Assumes the following: <ul style="list-style-type: none"> • Develop a recommended pay schedule to cover all jobs covered by the study, • Recommend pay grade assignments for all job titles covered by the study, • Develop recommended pay policies, • Estimate the cost of implementing the recommended pay schedule, including recommendations regarding placement of each employee within the pay ranges, as well as one revised estimate based on Project Oversight Team's review and revisions; a third costing would be used to remedy any extreme individual or group compensation inequities, and • Assist with implementation – up to 24 hours – plus one on-site training session to Human Resources staff. 	\$20,000
Step 5: Present Final Results to the City Assumes Consultant develops and delivers one on-site presentation of the classification and compensation plan recommendations approved by the City Manager to the Mayor and Council.	\$5,000
TOTAL	\$160,000

Consultant's fee includes charges for all professional, analytic, and administrative services, as well as all expenses associated with materials, supplies, overhead, and travel for all tasks, as provided in Section 5 of the Agreement.

Consultant's fee assumes only the services and on-site meetings described above. Should the City request additional services or additional on-site meetings, additional fees will be charged the hourly rates shown below, as well as the time and expenses associated with travel, as provided in Section 5 of the Agreement. Additional fees, charges and expenses will not be paid to Consultant unless the parties agree to the incurrence of such fees, charges and expenses in advance in a signed writing executed by both parties.

B. **Additional Services.** Fees for mutually agreed upon additional services will be charged on a time charge basis at Segal Waters' hourly rates below or, if the parties so agree, on a project basis. Agreed upon rates shall be set forth in a written instrument signed by the parties. Fees for additional services will be billed monthly in arrears unless otherwise agreed to by the parties in writing.

OPTIONAL/VARIABLE SERVICES	PROFESSIONAL FEES
Additional work outside the scope of the project	\$285.00/hour
Additional onsite meetings	\$2,400.00/day including expenses

EXHIBIT C
Professional Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner; and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.
3. Services to Continue Pending Dispute. Unless otherwise agreed to in writing, Consultant must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Consultant in accordance with this Agreement.
4. Exceptions.
- 4.1 Third Party Claims. City and Consultant are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Consultant.
- 4.2 Liens. City or Consultant may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.



Legislation Description

File #: 15-295, Version: 1

**AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT FOR MEDICAL DIRECTION
CONSULTANT SERVICES WITH REDLINE EMERGENCY VOICE, INC.**

Staff Contact: Chris DeChant, Interim Fire Chief

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a professional services agreement with Redline Emergency Voice, Inc. for medical direction consultant services for the Fire Department in the amount not to exceed \$64,800 a year not to exceed \$129,600 in the two year contract.

Background

Materials Management issued two Requests For Proposals (RFP 15-10 and RFP 15-60) which were unsuccessful in that no other proposals were received. Materials Management has approved a sole source request for medical direction consultant services. Redline Emergency Voice, Inc. has been providing medical direction to the Fire Department since 2008. Redline Emergency Voice, Inc. continues to have the capabilities, experience, references, personnel, cost and approach to the provision of service.

The proposed contract with Redline Emergency Voice, Inc. is determined to be fair, reasonable and most advantageous to the City and at a reduced price from the original Contract #6450. If approved by City Council, a term agreement will be issued for two years. The proposal specification contains an option clause that will permit the City to extend this agreement for an additional three years renewable on an annual basis.

Previous Related Council Action

In 2008, Council approved the original Contract #6450 with Redline Emergency Voice, Inc. and has approved all subsequent renewals.

During the January 30, 2007, Council Workshop, the Fire Department's needs assessment was presented, which identified the need for the medical direction consultant services.

Community Benefit/Public Involvement

Medical direction consultant services provide consistent oversight for standardized, dedicated, and seamless paramedic and emergency medical technician care by the Fire Department. The medical direction consultant service contract will ensure that the pre-hospital care provided will be innovative while maintaining current professional standards.

Budget and Financial Impacts

Cost	Fund-Department-Account
\$64,800 annual	1000-12436-518200 - Fire Medical Services & Health

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

C-

**PROFESSIONAL SERVICES AGREEMENT
(Not Construction Related)
MEDICAL DIRECTION CONSULTANT SERVICES**

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Redline Emergency Voice, Inc., an Arizona corporation ("Consultant") as of the ____ day of _____, 2015 ("Effective Date").

RECITALS

- A. City desires to retain the professional services of Consultant to perform certain specific duties and produce the specific work as set forth in the attached **Exhibit A, Project Scope of Work** ("Scope");
- B. Consultant desires to provide City with professional services ("Services") consistent with best medical or consulting practices and the standards set forth in this Agreement, in order to perform the Project Scope of Work; and
- C. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

- 1.1 Professional Services. Consultant will provide all Services necessary to assure the Project Scope of Work is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Consultant will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the project and handle all aspects of the Project such that the work produced by Consultant is consistent with applicable standards as detailed in this Agreement; and
 - (2) The City must approve the designated Project Manager.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the Project by Consultant will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Consultant.
 - c. Discharge, Reassign, Replacement.
 - (1) Consultant acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.
 - (2) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.
 - (3) Consultant will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of

competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

- d. Subcontractors. Consultant shall not engage any subcontractor for the work or services to be performed under this Agreement.

2. **Schedule.** The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Consultant's Work.**

3.1 Standard. Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Consultant warrants that:

- a. Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
- b. Neither Consultant nor any Subconsultant has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.
 - (2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Consultant will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- c. For projects not involving Coordinating Project Professionals, Consultant will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. Ownership. Upon receipt of payment for Services furnished, Consultant grants to City exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings,

specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").

- (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
 - c. City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.
 - (3) In such case, City will also remove any seal and title block from the Work Product.

4. Compensation for the Project.

- 4.1 Compensation. Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed \$64,800 annually (plus the amount, if any, for a Premium Allowance, all as specifically detailed in **Exhibit B** ("Compensation")).
- 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.
 - a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the Scope of the Project contained in this Agreement may not be performed by the Consultant without prior written authorization from the City.
 - c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.
- 4.3 Allowances. An "Allowance" may be identified in **Exhibit B** only for work that is required by the Scope and the value of which cannot reasonably be quantified at the time of this Agreement.
 - a. As stated in Sec. 4.1 above, the Compensation must incorporate all Allowance amounts identified in **Exhibit B** and any unused allowance at the completion of the Project will remain with City.
 - b. Consultant may not add any mark-up for work identified as an Allowance and which is to be performed by a Subconsultant.
 - c. Consultant will not use any portion of an Allowance without prior written authorization from the City.
 - d. Examples of Allowance items include, but are not limited to, subsurface pothole investigations, survey, geotechnical investigations, public participation, radio path studies and material testing.
- 4.4 Expenses. City will reimburse Consultant for certain out-of-pocket expenses necessarily incurred by Consultant in connection with this Agreement, without mark-up (the "Reimbursable Expenses"), including, but not limited to, document reproduction, materials for book preparation,

postage, courier and overnight delivery costs incurred with Federal Express or similar carriers, travel and car mileage, subject to the following:

- a. Mileage, airfare, lodging and other travel expenses will be reimbursable only to the extent these would, if incurred, be reimbursed to City of Glendale personnel under its policies and procedures for business travel expense reimbursement made available to Consultant for review prior to the Agreement's execution, and which policies and procedures will be furnished to Consultant;
- b. The Reimbursable Expenses in this section are approved in advance by City in writing; and
- c. The total of all Reimbursable Expenses paid to Consultant in connection with this Agreement will not exceed the "not to exceed" amount identified for Reimbursable Services in the Compensation.

5. Billings and Payment.

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Consultant and its Subconsultants; and
 - (2) Unconditional waivers and releases on final payment from all Subconsultants as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Consultant will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.** For the duration of the term of this Agreement, Contractor shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such insurance shall cover Contractor, its agent(s), representative(s), employee(s) and any subcontractors.

8.1 **Minimum Scope and Limit of Insurance.** Coverage must be at least as broad as:

- a. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than **\$1,000,000** per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. Automobile Liability: Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
- c. Worker's Compensation: Insurance as required by the State of Arizona, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- d. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than **\$1,000,000** per occurrence or claim, **\$3,000,000 aggregate** for the period beginning on the Effective Date through September 8, 2015. Beginning September 9, 2015 the limits shall be increased to no less than **\$2,000,000** per occurrence or claim, and **\$4,000,000 aggregate** for the remainder of the Term and any extensions of the Term. If the policy provided is on a claims-made basis, the **Retroactive Date** must be shown and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract work**. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of **five (5) years** after the completion of contract work.

8.2 **Other Insurance Provisions.** The insurance policies required by the Section above must contain, or be endorsed to contain the following insurance provisions:

- a. **The City, its officers, officials, employees and volunteers are to be covered as additional insureds** of the CGL and automobile policies for any liability arising from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such liability may arise, but is not limited to, liability for materials, parts or equipment furnished in connection with any tasks, or work performed by Contractor or on its behalf and for liability arising from automobiles owned, leased, hired or borrowed

on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's existing insurance policies, provided such endorsement is at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37, if later revisions are used.

- b. For any claims related to this Project, the **Contractor's insurance coverage shall be primary insurance** with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
 - c. Each insurance policy required by this Section shall provide that coverage shall not be canceled, except after providing notice to the City.
- 8.3 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless the Contractor has obtained prior approval from the City stating that a non-conforming insurer is acceptable to the City.
- 8.4 Waiver of Subrogation. **Contractor hereby agrees to waive its rights of subrogation which any insurer may acquire** from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agent(s) and subcontractor(s).
- 8.5 Verification of Coverage. Within 15 days of the Effective Date of this Agreement, Contractor shall furnish the City with original certificates and amendatory endorsements, or copies of any applicable insurance language making the coverage required by this Agreement effective. All certificates and endorsements must be received and approved by the City before work commences. Failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements prior to the City's agreement that work may commence shall not waive the Contractor's obligations to obtain and verify insurance coverage as otherwise provided in this Section. The City reserves the right to require complete, certified copies of all required insurance policies, including any endorsements or amendments, required by this Agreement at any time during the Term stated herein.
- Contractor's failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements shall not be considered a Force Majeure or defense for any failure by the Contractor to comply with the terms and conditions of the Agreement, including any schedule for performance or completion of the Project.
- 8.6 Subcontractors. Contractor shall require and shall verify that all subcontractors maintain insurance meeting all requirements of this Agreement.
- 8.7 Special Risk or Circumstances. The City reserves the right to modify these insurance requirements, including any limits of coverage, based on the nature of the risk, prior experience, insurer, coverage or other circumstances unique to the Contractor, the Project or the insurer.

9. **Immigration Law Compliance.**

- 9.1 Consultant, and on behalf of any Subconsultant, warrants to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Consultant, Subconsultant, or employee who performs work under this Agreement to ensure that the Consultant, Subconsultant, or any employee, is compliant with the warranty under this section.

- 9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Consultant's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
- a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Project, and his or her address for Notice delivery is:

Redline Emergency Voice, Inc.
Dr. Garth Gemar
101 E. State Ave., Ste. #2
Phoenix, AZ 85020
623-810-7478

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o William Benson, Dep. Fire Chief
5850 W. Glendale Ave.
Glendale, Arizona 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.

- d. Changes. Consultant or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

- 12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. Inconsistencies between the solicitation, any addenda attached to the solicitation, the response or any excerpts attached as **Exhibit A**, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

- 12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

- 12.3 **Survival.** Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.
- 12.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.
- 12.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.
- 12.6 **Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.
- 12.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
13. **Term.** The term of this Agreement commences upon the effective date and continues for a two (2)-year initial period. The City may, at its option and with the approval of the Consultant, extend the term of this Agreement an additional three (3) years, renewable on an annual basis. The City Manager may exercise the City's discretion regarding an extension of the term. Consultant will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period. There are no automatic renewals of this Agreement.
14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with **Exhibit C**. The final determination will be made by the City.
15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.
- | | |
|-----------|--------------------|
| Exhibit A | Scope of Work |
| Exhibit B | Compensation |
| Exhibit C | Dispute Resolution |

(Signatures on following page)

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

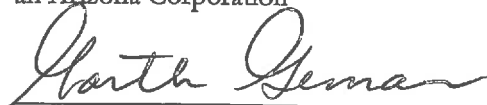
ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

Redline Emergency Voice, Inc.,
an Arizona Corporation



By: Dr. Garth Gemar
Its: President

EXHIBIT A
Professional Services Agreement

SCOPE OF WORK

1. The Consultant shall furnish competent and reliable Administrative Medical Direction and/or Consultant services required by the City of Glendale Fire Department, ("Agency") to enable them to provide quality emergency medical treatment for injured or ill patients, for and to the satisfaction of the Agency, under the direction and supervision of the Contractor or agents of the Contractor. Examples of essential duties of Contractor include, but are not limited to:
 - a. Cooperatively coordinate Agency delivery of medical direction with Advanced Life Support and Hospital Base Station medical directors.
 - b. Assist with the coordination of disaster preparedness and response for Agency, to include consultation on infrastructure needs; cooperatively coordinate with other agencies as indicated.
 - c. Assist with the coordination of large event emergency medical response for Agency, to include consultation on infrastructure needs, cooperatively coordinate with other agencies as indicated.
 - d. Assist with the development, coordination, and provision of continuing education to Agency prehospital care providers in Basic and Advanced Life Support training programs.
 - e. Serve as medical consultant for any Agency Basic EMT training program.
 - f. If requested by Agency, participate in Agency reviews of:
EMS Standard Operations Procedures
EMS Documentation Guidelines
EMS Dispatch Protocols
 - g. Assist Agency staff with research, development, quality assurance and continuous quality improvement of EMS programs.
 - h. As requested by Agency, assist in administrative or legislative processes affecting local, regional, or state EMS systems.
 - i. As requested by Agency, attend and represent Agency at various local, regional, and state meetings.
 - j. Provide consultation regarding currently relevant EMS issues, topics, equipment, and procedures.
 - k. Periodic review of "on-line" and "off-line" field treatment and triage protocols with emphasis on improvement of the quality and timeliness of field treatment and triage.
 - l. Coordinate Agency involvement in any sector or valley-wide Central EMS Medical Direction pilot projects or schemes. If requested by Agency, represent Agency at meetings regarding formulation of and maintenance of any such program.
2. Consultant upon the request and approval of Agency, will provide Administrative Medical Direction and Consultant services to the following Agency programs, if applicable. It is acknowledged that from time to time programs may be added or subtracted upon the agreement of the parties.
 - a. Public Access Defibrillation
 - b. Pediatric Education for Prehospital Professionals (PEPP)

- c. Federally mandated and supported programs;
 - 1. MMRS
 - 2. Urban Areas Security Initiative
 - 3. Chempac
 - d. Any sector or valley-wide Central EMS Medical Direction program Agency may be involved with.
 - e. Immunization Programs.
3. Agency, to facilitate Consultant activities in the provision of above services, shall supply:
- a. Private or semi-private office space. Office shall have appropriate lighting, desk space, files and file cabinets, computer with internet access or at the minimum laptop enabling internet connections.
 - b. Organizational matrix with contact information for all personnel in EMS services chain of command, up to and including the chief officer of Agency.

EXHIBIT B
Professional Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

- a. Contractor shall be paid monthly on a mutually agreed upon date for all work satisfactorily completed during the previous month. Payment shall be made directly to the Contractor at the business address or by direct deposit to a bank account, as specified by Contractor. Payments will be made at the hourly rate of \$67.50 per hour for the number of hours worked, not to exceed \$64,800 annually.
- b. Premium Allowance: In addition to the payments made at the above-referenced hourly rate, Contractor is entitled to be reimbursed for additional premium costs, if any, to increase Professional Liability Insurance (Errors and Omissions) pursuant to Paragraph 8.1(d) from minimum limits of \$1,000,000 per occurrence and \$3,000,000 aggregate to \$2,000,000 per occurrence and \$4,000,000 aggregate up to a maximum reimbursement of \$3,500, annually. The amount of the Premium Allowance is in addition to the maximum hourly compensation under paragraph a, above.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed \$64,800 annually (plus Premium Allowance).

EXHIBIT C
Professional Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Consultant must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Consultant in accordance with this Agreement.

4. **Exceptions.**

- 4.1 Third Party Claims. City and Consultant are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Consultant.
- 4.2 Liens. City or Consultant may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.



Legislation Description

File #: 15-350, Version: 1

AWARD OF BID TO GONZALEZ ASPHALT, INC., FOR UTILITY CUTS AND CONCRETE WORK

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to award a bid and authorize the Acting City Manager to enter into a construction agreement with Gonzales Asphalt, Inc., in an amount not to exceed \$900,000 to perform utility cuts, street restorations, pavement and concrete repairs in the city.

Background

The Public Works Department provides street maintenance to over 700 miles of city roadway which include asphalt, concrete sidewalk, and curb repairs, as well as installing and maintaining pedestrian pathways in compliance with the Americans with Disabilities Act (ADA). The Water Services Department performs approximately 900 excavations per year for routine and emergency repairs. Often water and sewer line repairs require displacement of pavement, concrete sidewalk, and curb and gutter to fully access water and sewer infrastructure. Once water service repairs are complete, repairs to the associated roadway and/or walkway are necessary.

Analysis

The agreement with Gonzales Asphalt Inc. will allow the city to hire the necessary expertise to complete utility cuts, and pavement and concrete restorations in a timely manner. In addition, maintaining the city's roadway and pedestrian walkways is an important transportation element of neighborhoods and business corridors throughout the city. The Engineering Department issued a bid and six bids were received and opened on April 23, 2015. Gonzalez Asphalt, Inc. submitted the lowest, responsible bid in the amount of \$899,773. The agreement will begin upon approval by City Council and will continue for a one-year period.

Previous Related Council Action

On May 27, 2014, Council authorized the City Manager to enter into a Construction Agreement with NPL Construction Company for utility cuts and pavement concrete work in amount of \$899,773.

Community Benefit/Public Involvement

Completing repairs in a timely manner to the city's roadways and pedestrian walkways assists with maintaining a positive public image and minimizes impacts to the traveling public.

Budget and Financial Impacts

Funds are available in the fiscal year 2015-16 operating and maintenance budgets of the Public Works and Water Departments contingent upon Council budget approval.

Cost	Fund-Department-Account
\$450,000	1340-16720-518200, Street Maintenance
\$450,000	2400-17290-518200, Water Distribution

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Gonzalez Asphalt, Inc., an Arizona corporation ("Contractor") as of the ____ day of _____, 20__.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in the **Notice to Contractors** and the attached **Exhibit A ("Project")**;
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project, the plans and specifications, the **Information for Bidders**, and the **Maricopa Association of Governments ("MAG") General and Supplemental Conditions and Provisions**;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Project.

- 1.1 **Scope.** Contractor will provide all services and material necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors, providers or consultants retained by City.
- 1.2 **Documents.** The following documents are, by this reference, entirely incorporated into this Agreement and attached Exhibits as though fully set forth herein:
 - (A) Notice to Contractors;
 - (B) Information for Bidders;
 - (C) MAG General Conditions, Supplemental General Conditions, Special and Technical Provisions;
 - (D) Proposal;
 - (E) Bid Bond;
 - (F) Payment Bond;
 - (G) Performance Bond;
 - (H) Certificate of Insurance;
 - (I) Appendix; and
 - (J) Plans and Addenda thereto.

Should a conflict exist between this Agreement (and its attachments), and any of the incorporated documents as listed above, the provisions of this Agreement shall govern.

1.3 Project Team.

- (A) **Project Manager.** Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, to complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement.
- (B) **Project Team.**
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

Project 141523

(C) Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Project will be undertaken in a manner that ensures it is completed in a timely and efficient manner. If not otherwise stated in **Exhibit A**, the Project shall be completed by no later than within three hundred sixty-five (365) consecutive calendar days from and including the date of receipt of the Notice to Proceed. The agreement shall terminate on the one-year anniversary of its effective date and shall not be extended or renewed, unless such term is amended in a written agreement signed by both parties.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services and materials for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default of this Agreement.

3.3 **Compliance.** Services and materials will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, or other standards and criteria designated by City.

3.4 **Coordination; Interaction.**

- (A) If the City determines that the Project requires the coordination of professional services or other providers, Contractor will work in close consultation with City to proactively interact with any other contractors retained by City on the Project ("Coordinating Entities").
- (B) Subject to any limitations expressly stated in the budget, Contractor will meet to review the Project, schedules, budget, and in-progress work with Coordinating Entities and the City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) If the Project does not involve Coordinating Entities, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

Project 141523

- 3.5 **Hazardous Substances.** Contractor is responsible for the appropriate handling, disposal of, and if necessary, any remediation and all losses and damages to the City, associated with the use or release of hazardous substances by Contractor in connection with completion of the Project.
- 3.6 **Warranties.** At any time within two years after completion of the Project, Contractor must, at Contractor's sole expense and within 20 days of written notice from the City, uncover, correct and remedy all defects in Contractor's work. City will accept a manufacturer's warranty on approved equipment as satisfaction of the Contractor's warranty under this subsection.
- 3.7. **Bonds.** Upon execution of this Agreement, and if applicable, Contractor must furnish Payment and Performance bonds as required under A.R.S. § 34-608.

4. Compensation for the Project.

- 4.1 **Compensation.** Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$899,733, as specifically detailed in the Contractor's bid and set forth in **Exhibit B** ("Compensation").
- 4.2 **Change in Scope of Project.** The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified by the City.
 - (A) Adjustments to the Scope or Compensation require a written amendment to this Agreement and may require City Council approval.
 - (B) Additional services which are outside the scope of the Project and not contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. Billings and Payment.

5.1 Applications.

- (A) The Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- (B) The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- (A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- (B) Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its Sub-contractors; and
 - (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding.

City's Project Manager will timely review and certify Payment Applications.

- (A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- (B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.
- (C) Contractor will provide, by separate cover, and concurrent with the execution of this Agreement, all required financial information to the City, including City of Glendale Transaction Privilege License and Federal Taxpayer identification numbers.

- (D) City will temporarily withhold Compensation amounts as required by A.R.S. 34-221(C).

6. Termination.

6.1 **For Convenience.** City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- (A) Contractor will be equitably compensated any services and materials furnished prior to receipt of the termination notice and for reasonable costs incurred.

- (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with Project closeout and delivery of the required items to the City.

6.2 **For Cause.** City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages.

- (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Insurance.

7.1 **Requirements.** Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.

- (B) General Liability.

- (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

- (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.

- (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.

- (4) These limits may be met through a combination of primary and excess liability coverage.

- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.

- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.

- (E) Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.

- (F) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
- (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- (G) Certificates of Insurance.
- (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- (H) Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted by Contractor with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- (I) Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
- (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

7.2 Sub-contractors.

- (A) Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- (C) Contractor and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

7.3 Indemnification.

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the

"Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

- (B) This indemnity and hold harmless policy applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

7.4 **Waiver of Subrogation.** Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

8. **Immigration Law Compliance.**

- 8.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 8.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 8.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 8.1 above.
- 8.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 8.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 8.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 8.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

9. **Non-Discrimination Policies.** Contractor must not discriminate against any employee or applicant for employment on the basis of race, religion, color sex or national origin. Contractor must develop, implement and maintain non-discrimination policies and post the policies in conspicuous places visible to employees and applicants for employment. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section.

10. **Notices.**

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

Project 141523

- (A) The Notice is in writing, and
- (B) Delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested).
- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 **Representatives.**

- (A) Contractor. Contractor's representative ("Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Gonzalez Asphalt, Inc.
Attn: Juan Gonzalez Jr
4543 North 111th Glenn
Phoenix, Arizona 85037

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
Attn: Bill Passmore
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copies to:

City of Glendale
City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

City of Glendale
City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

- (C) Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be considered to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- (D) **Changes.** Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

- 11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

Project 141523

12. Entire Agreement; Survival; Counterparts; Signatures.

12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) Any solicitation, addendums and responses submitted by the Contractor are incorporated fully into this Agreement as Exhibit A. Any inconsistency between Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

12.2 Interpretation.

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 Survival. Except as specifically provided otherwise in this Agreement each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval.

12.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

12.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.

12.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

13. Dispute Resolution. Each claim, controversy and dispute ("Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

14. Exhibits. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

Project 141523

The parties enter into this Agreement as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

Gonzalez Asphalt, Inc.
an Arizona corporation

By: Juan Gonzalez Jr.
Its: President

WOMEN-OWNED/MINORITY BUSINESS [] YES [] NO

CITY OF GLENDALE TRANSACTION PRIVILEGE TAX NO. _____

FEDERAL TAXPAYER IDENTIFICATION NO. _____

Project 141523

**EXHIBIT A
CONSTRUCTION AGREEMENT**

PROJECT

The work includes utility cut repairs for roadway and sidewalk areas, and general asphalt and concrete repairs. The City requires the services of a contractor to repair asphalt and concrete after the City has completed utility pipe excavation repairs, and to make general pavement and concrete repairs at various locations throughout the city. The utility cut repairs contract will be in effect for one year.

Project 141523

**EXHIBIT B
CONSTRUCTION AGREEMENT**

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

By bid, including all services, materials and costs.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$889,773.

DETAILED PROJECT COMPENSATION

Per the unit costs shown on pages 8 & 9 of the Bid Schedule.

**EXHIBIT C
CONSTRUCTION AGREEMENT**

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - (B) The arbitrator selected must be an attorney with at least 15 years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought

by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.

2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.

4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.

4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

BID TABULATION **PROJECT 141523-UTILITY CUT REPAIRS AND CONCRETE WORK FY 2015/16**

OPENED AT THE CITY OF GLENDALE, ENGINEERING DEPARTMENT
5850 W. GLENDALE AVENUE, 3RD FLOOR

DATE: APRIL 23, 2015 @ 3PM

ALL BIDDER'S SUBMITTED 10% BID BONDS															
PRICING STRUCTURE				Gonzalez Asphalt, Inc.		Specialized Surfacing		NPL Construction		RK Sanders		SDB, Inc.		Bunney's Inc.	
Item No.	Description of Materials and/or Services	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	GROUP ONE														
	Utility Cut Asphalt Pavement Repairs	SY	6000	\$59.50	\$357,000.00	\$69.50	\$417,000.00	\$62.48	\$374,880.00	\$85.00	\$510,000.00	\$905.00	\$5,430,000.00	\$976.00	\$5,856,000.00
	GROUP TWO														
2	Construct curb and gutter (MAG Detail 220A)	LF	500	\$31.50	\$15,750.00	\$50.00	\$25,000.00	\$48.99	\$24,495.00	\$20.00	\$10,000.00	\$66.00	\$33,000.00	\$23.25	\$11,625.00
3	Construct curb and gutter (MAG Detail 220C)	LF	500	\$31.50	\$15,750.00	\$50.00	\$25,000.00	\$48.99	\$24,495.00	\$20.00	\$10,000.00	\$66.00	\$33,000.00	\$23.25	\$11,625.00
4	Construct concrete sidewalk	SF	2000	\$11.25	\$22,500.00	\$14.00	\$28,000.00	\$13.17	\$26,340.00	\$4.10	\$8,200.00	\$18.00	\$36,000.00	\$5.15	\$10,300.00
5	Adjust valve box; remove and replace concrete ring around valve box & cover	EA	75	\$360.00	\$27,000.00	\$400.00	\$30,000.00	\$391.40	\$29,355.00	\$350.00	\$26,250.00	\$515.00	\$38,625.00	\$360.00	\$27,000.00
6	Adjust manhole frame; replace concrete ring around manhole frame & cover	EA	75	\$410.00	\$30,750.00	\$450.00	\$33,750.00	\$437.75	\$32,831.25	\$750.00	\$56,250.00	\$885.00	\$66,375.00	\$385.00	\$28,875.00
7	Traffic Control Allowance for work under Groups One & Two	LS	1	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
8	GROUP THREE														
	Saw cut and removal of asphalt pavement (Quantities up to 80 s.f.)	SF	5000	\$2.75	\$13,750.00	\$1.50	\$7,500.00	\$1.58	\$7,900.00	\$3.00	\$15,000.00	\$26.00	\$130,000.00	\$976.00	\$4,880,000.00
9	Mechanical profiling of asphalt pavement (Quantities up to 80 s.f.)	SF	5000	\$2.75	\$13,750.00	\$2.50	\$12,500.00	\$3.50	\$17,500.00	\$3.50	\$17,500.00	\$10.00	\$50,000.00	\$366.00	\$1,830,000.00
10	Subgrade preparation (Quantities up to 80 s.f.)	SF	5000	\$2.50	\$12,500.00	\$1.00	\$5,000.00	\$2.14	\$10,700.00	\$2.00	\$10,000.00	\$1.00	\$5,000.00	\$366.00	\$1,830,000.00
11	Installation of New EVAC 12.5 mm AC @ up to 3 inch depth (Quantities up to 80 s.f.)	SF	5000	\$5.75	\$28,750.00	\$5.75	\$28,750.00	\$6.05	\$30,250.00	\$9.40	\$47,000.00	\$14.00	\$70,000.00	\$1,098.00	\$5,490,000.00
12	Installation of New EVAC 19 mm AC @ 3 inch depth (Quantities up to 80 s.f.)	SF	5000	\$5.75	\$28,750.00	\$5.75	\$28,750.00	\$6.35	\$31,750.00	\$9.50	\$47,500.00	\$15.00	\$75,000.00	\$1,098.00	\$5,490,000.00
13	Saw cut and removal of asphalt pavement (Quantities greater than 80 s.f.)	SF	17000	\$1.95	\$33,150.00	\$1.00	\$17,000.00	\$1.61	\$27,370.00	\$5.00	\$85,000.00	\$13.00	\$221,000.00	\$854.00	\$14,518,000.00
14	Mechanical profiling of asphalt pavement (Quantities greater than 80 s.f.)	SF	17000	\$3.25	\$55,250.00	\$2.00	\$34,000.00	\$3.69	\$62,730.00	\$3.00	\$51,000.00	\$10.00	\$170,000.00	\$366.00	\$6,222,000.00
15	Subgrade preparation (Quantities greater than 80 s.f.)	SF	1300	\$2.50	\$3,250.00	\$2.00	\$2,600.00	\$2.89	\$3,757.00	\$1.75	\$2,275.00	\$1.00	\$1,300.00	\$366.00	\$475,800.00
16	Edge Milling	LF	4500	\$4.25	\$19,125.00	\$6.00	\$27,000.00	\$4.50	\$20,250.00	\$7.50	\$33,750.00	\$10.00	\$45,000.00	\$306.00	\$1,377,000.00
17	Adjust to grade – Manhole frame and cover	EA	10	\$410.00	\$4,100.00	\$450.00	\$4,500.00	\$425.00	\$4,250.00	\$750.00	\$7,500.00	\$520.00	\$5,200.00	\$385.00	\$3,850.00

18	Adjust to grade- valve box and cover	EA	20	\$360.00	\$7,200.00	\$400.00	\$8,000.00	\$380.00	\$7,600.00	\$350.00	\$7,000.00	\$515.00	\$10,300.00	\$360.00	\$7,200.00
19	Replace valve box and cover (new)	EA	5	\$360.00	\$1,800.00	\$250.00	\$1,250.00	\$380.00	\$1,900.00	\$450.00	\$2,250.00	\$565.00	\$2,825.00	\$141.00	\$705.00
20	Re-install survey monument marker per MAG 120-1	EA	5	\$525.00	\$2,625.00	\$600.00	\$3,000.00	\$478.00	\$2,390.00	\$350.00	\$1,750.00	\$490.00	\$2,450.00	\$160.00	\$800.00
	GROUP FOUR														
21	Remove and replace curb and gutter	LF	2000	\$31.25	\$62,500.00	\$50.00	\$100,000.00	\$48.99	\$97,980.00	\$27.00	\$54,000.00	\$66.00	\$132,000.00	\$31.25	\$62,500.00
22	Remove and replace concrete sidewalk	SF	5500	\$11.25	\$61,875.00	\$14.00	\$77,000.00	\$13.17	\$72,435.00	\$6.10	\$33,550.00	\$18.00	\$99,000.00	\$8.05	\$44,275.00
23	Remove misc. slab concrete - up to 5" thick	SF	500	\$3.15	\$1,575.00	\$3.00	\$1,500.00	\$3.25	\$1,625.00	\$2.00	\$1,000.00	\$8.00	\$4,000.00	\$3.15	\$1,575.00
24	Remove misc. slab concrete -5" to 10" thick	SF	500	\$3.45	\$1,725.00	\$4.50	\$2,250.00	\$4.49	\$2,245.00	\$5.50	\$2,750.00	\$9.00	\$4,500.00	\$4.50	\$2,250.00
25	Remove and replace driveway at 8" thick	SF	300	\$16.45	\$4,935.00	\$25.00	\$7,500.00	\$25.29	\$7,587.00	\$10.50	\$3,150.00	\$20.00	\$6,000.00	\$16.55	\$4,965.00
26	Remove and replace ADA ramp	SF	300	\$26.50	\$7,950.00	\$30.00	\$9,000.00	\$30.73	\$9,219.00	\$36.00	\$10,800.00	\$25.00	\$7,500.00	\$2,500.00	\$750,000.00
27	Install new Sidewalk – up to 5" thick	SF	500	\$11.25	\$5,625.00	\$14.00	\$7,000.00	\$12.54	\$6,270.00	\$4.10	\$2,050.00	\$19.00	\$9,500.00	\$6.25	\$3,125.00
28	Install new concrete curb & gutter	LF	300	\$31.25	\$9,375.00	\$30.00	\$9,000.00	\$34.95	\$10,485.00	\$22.00	\$6,600.00	\$66.00	\$19,800.00	\$23.25	\$6,975.00
29	Prepare subgrade for concrete work per MAG Section 301	SF	1000	\$2.15	\$2,150.00	\$2.00	\$2,000.00	\$2.25	\$2,250.00	\$1.00	\$1,000.00	\$2.00	\$2,000.00	\$2.10	\$2,100.00
30	Remove and replace existing brick pavers – up to 100 S.F. per Glendale Standard Detail G-328	SF	400	\$12.50	\$5,000.00	\$25.00	\$10,000.00	\$16.00	\$6,400.00	\$20.00	\$8,000.00	\$7.00	\$2,800.00	\$6.25	\$2,500.00
31	Remove and replace existing brick pavers – over 100 S.F. per Glendale Standard Detail G-328	SF	400	\$10.56	\$4,224.00	\$17.75	\$7,100.00	\$14.00	\$5,600.00	\$16.00	\$6,400.00	\$6.00	\$2,400.00	\$5.15	\$2,060.00
32	Re-gout mortal joint where brick pavers are adjacent to existing sidewalk – up to 100 L.F.	LF	400	\$3.95	\$1,580.00	\$10.00	\$4,000.00	\$10.00	\$4,000.00	\$2.00	\$800.00	\$3.00	\$1,200.00	\$3.40	\$1,360.00
33	Install 1/2 Sack A.B.C/Cement Slurry Mix – up to 5 Cu. Yd.	CY	100	\$120.00	\$12,000.00	\$100.00	\$10,000.00	\$400.00	\$40,000.00	\$115.00	\$11,500.00	\$121.00	\$12,100.00	\$97.00	\$9,700.00
34	Temporary Pavement Striping – 4" White or Yellow, Up to 100 L.F.	LF	1000	\$10.65	\$10,650.00	\$10.00	\$10,000.00	\$1.00	\$1,000.00	\$2.00	\$2,000.00	\$5.00	\$5,000.00	\$3.15	\$3,150.00
35	Traffic Control Allowance for work under Groups Three & Four	LS	1	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
TOTAL COST					\$943,914.00		\$1,054,950.00		\$1,067,839.25		\$1,151,825.00		\$6,792,875.00		\$49,027,315.00

* PLEASE NOTE THAT ESTIMATED QUANTITES WERE USED FOR THE PURPOSE OF DETERMINING THE LOWEST RESPONSIVE BIDDER



Legislation Description

File #: 15-352, Version: 1

AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH TALIS CONSTRUCTION CORPORATION FOR TRAFFIC CONTROL IMPROVEMENTS

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a construction agreement with Talis Construction Corporation in an amount not to exceed \$134,095 for the relocation of the traffic signal control cabinet at 59th and Myrtle avenues; and conduit installation at 57th and Glendale avenues, and 58th and Glendale avenues.

Background

As a result of traffic studies and citizen requests, Transportation staff identified the following high-priority traffic control improvements:

- Relocation of the signal cabinet at 59th and Myrtle avenues
- Conduit installation at 57th and Glendale avenues
- Conduit installation at 58th and Glendale avenues

The Engineering Department received six bids for these projects on April 16, 2015, with Talis Construction Corporation submitting the lowest responsive, responsible bid.

Analysis

- **Relocation of the Traffic Signal Cabinet at 59th and Myrtle Avenues:** In order to address a sight distance issue for the eastbound right turn at 59th and Myrtle, the signal cabinet and meter pedestal will be relocated to the northeast corner of the intersection.
- **New Conduit and Conductors on Glendale Avenue at 58th and 57th Avenues:** Traffic Signals technicians experience a high number of callouts to these intersections due to old cabling that connects the signal heads to the cabinet with underground conductors. Staff has identified that both locations need new conduit and conductors to improve the performance of the traffic signals.

Previous Related Council Action

On September 10, 2013, Council approved a Professional Services Agreement with Y. S. Mantri & Associates, LLC for project design and construction administration services.

Community Benefit/Public Involvement

Completion of these improvements will enhance the efficiency of traffic movement at these locations.

Transportation receives and welcomes questions, comments and suggestions from citizens regarding traffic issues in Glendale. These projects were identified and reported to staff by affected motorists and pedestrians.

Budget and Financial Impacts

Funding for these projects is programmed in the Fiscal Year 2014-15 Traffic Signals operating budget. The combined cost of the cabinet relocation and conduit installation will not exceed the contracted amount of \$134,095.

Cost	Fund-Department-Account
\$134,095	1340-16810-524400, Traffic Signals

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Talis Construction Corporation, an corporation, ("Contractor") as of the _____ day of _____, 20__.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in the **Notice to Contractors** and the attached **Exhibit A ("Project")**;
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project, the plans and specifications, the **Information for Bidders**, and the **Maricopa Association of Governments ("MAG") General and Supplemental Conditions and Provisions**;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Project.

- 1.1 **Scope.** Contractor will provide all services and material necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors, providers or consultants retained by City.
- 1.2 **Documents.** The following documents are, by this reference, entirely incorporated into this Agreement and attached Exhibits as though fully set forth herein:
 - (A) Notice to Contractors;
 - (B) Information for Bidders;
 - (C) MAG General Conditions, Supplemental General Conditions, Special and Technical Provisions;
 - (D) Proposal;
 - (E) Bid Bond;
 - (F) Payment Bond;
 - (G) Performance Bond;
 - (H) Certificate of Insurance;
 - (I) Appendix; and
 - (J) Plans and Addenda thereto.

Should a conflict exist between this Agreement (and its attachments), and any of the incorporated documents as listed above, the provisions of this Agreement shall govern.

1.3 Project Team.

- (A) Project Manager. Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, to complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement.
- (B) Project Team.
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

(C) Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Project will be undertaken in a manner that ensures it is completed in a timely and efficient manner. If not otherwise stated in **Exhibit A**, the Project shall be completed by no later than within sixty (60) consecutive calendar days from and including the date of receipt of the Notice to Proceed.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services and materials for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default of this Agreement.

3.3 **Compliance.** Services and materials will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, or other standards and criteria designated by City.

3.4 **Coordination; Interaction.**

- (A) If the City determines that the Project requires the coordination of professional services or other providers, Contractor will work in close consultation with City to proactively interact with any other contractors retained by City on the Project ("Coordinating Entities").
- (B) Subject to any limitations expressly stated in the budget, Contractor will meet to review the Project, schedules, budget, and in-progress work with Coordinating Entities and the City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) If the Project does not involve Coordinating Entities, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 **Hazardous Substances.** Contractor is responsible for the appropriate handling, disposal of, and if necessary, any remediation and all losses and damages to the City, associated with the use or release of hazardous substances by Contractor in connection with completion of the Project.

Project 131404

- 3.6 Warranties.** At any time within two years after completion of the Project, Contractor must, at Contractor's sole expense and within 20 days of written notice from the City, uncover, correct and remedy all defects in Contractor's work. City will accept a manufacturer's warranty on approved equipment as satisfaction of the Contractor's warranty under this subsection.
- 3.7 Bonds.** Upon execution of this Agreement, and if applicable, Contractor must furnish Payment and Performance bonds as required under A.R.S. § 34-608.

4. Compensation for the Project.

- 4.1 Compensation.** Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$134,095.00, as specifically detailed in the Contractor's bid and set forth in **Exhibit B** ("Compensation").
- 4.2 Change in Scope of Project.** The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified by the City.
- (A) Adjustments to the Scope or Compensation require a written amendment to this Agreement and may require City Council approval.
- (B) Additional services which are outside the scope of the Project and not contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. Billings and Payment.

5.1 Applications.

- (A) The Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- (B) The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- (A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- (B) Payment may be subject to or conditioned upon City's receipt of:
- (1) Completed work generated by Contractor and its Sub-contractors; and
- (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- (A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- (B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.
- (C) Contractor will provide, by separate cover, and concurrent with the execution of this Agreement, all required financial information to the City, including City of Glendale Transaction Privilege License and Federal Taxpayer identification numbers.
- (D) City will temporarily withhold Compensation amounts as required by A.R.S. 34-221(C).

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- (A) Contractor will be equitably compensated any services and materials furnished prior to receipt of the termination notice and for reasonable costs incurred.
- (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages.
- (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Insurance.

7.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.
- (B) General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- (E) Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.

- (F) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
- (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- (G) Certificates of Insurance.
- (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- (H) Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted by Contractor with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- (I) Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
- (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

7.2 Sub-contractors.

- (A) Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- (C) Contractor and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

7.3 Indemnification.

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the

"Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

- (B) This indemnity and hold harmless policy applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

7.4 Waiver of Subrogation. Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

8. Immigration Law Compliance.

- 8.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 8.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 8.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 8.1 above.
- 8.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 8.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 8.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 8.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

9. Conflict. Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

10. Non-Discrimination Policies. Contractor must not discriminate against any employee or applicant for employment on the basis of race, religion, color sex or national origin. Contractor must develop, implement and maintain non-discrimination policies and post the policies in conspicuous places visible to employees and applicants for employment. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section.

11. Notices.

11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- (A) The Notice is in writing, and
- (B) Delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested).
- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 Representatives.

- (A) Contractor. Contractor's representative ("Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Talis Construction Corporation
Attn: Manuel Lopez
2342 South McClintock Drive
Tempe, Arizona 85282

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
Attn: Mike Johnson
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copies to:

City of Glendale
City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

City of Glendale
City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

- (C) Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be considered to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- (D) **Changes.** Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

12. Financing Assignment. City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

13. Entire Agreement; Survival; Counterparts; Signatures.

13.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) Any solicitation, addendums and responses submitted by the Contractor are incorporated fully into this Agreement as Exhibit A. Any inconsistency between Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

13.2 Interpretation.

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 Survival. Except as specifically provided otherwise in this Agreement each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval.

13.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.

13.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. Dispute Resolution. Each claim, controversy and dispute ("Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

15. Exhibits. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

Project 131404

The parties enter into this Agreement as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

Talis Construction Corporation
an Arizona corporation

By: Manuel Lopez
Its: Vice President

WOMEN-OWNED/MINORITY BUSINESS ☐ YES ☐ NO

CITY OF GLENDALE TRANSACTION PRIVILEGE TAX NO. _____

FEDERAL TAXPAYER IDENTIFICATION NO. _____

Project 131404

**EXHIBIT A
CONSTRUCTION AGREEMENT**

PROJECT

Project consists of the following tasks: installation of new conduit and replacement of existing pull boxes to complete the traffic signal infrastructure at the intersections of 57th & Glendale Avenues and 58th & Glendale Avenues; and, relocation of meter pedestal and traffic signal controller cabinet at the intersection of 59th & Myrtle Avenues.

Project 131404

**EXHIBIT B
CONSTRUCTION AGREEMENT**

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

By bid, including all services, materials and costs.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$134,095.

DETAILED PROJECT COMPENSATION

Base Bid	\$ 93,990.00
Alternate One	\$ 40,105.00
Total Bid	\$134,095.00

As shown in detail on pages 8-9 of the Bid Schedule.

**EXHIBIT C
CONSTRUCTION AGREEMENT**

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - (B) The arbitrator selected must be an attorney with at least 15 years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

2.5 **Final Decision.** The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.

2.6 **Costs.** The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

4.1 **Third Party Claims.** City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.

4.2 **Liens.** City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.

4.3 **Governmental Actions.** This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

BID TABULATION

PROJECT #131404 - TRAFFIC CONTROL IMPROVEMENTS PHASE II

OPENED AT THE CITY OF GLENDALE, ENGINEERING DEPARTMENT
5850 W. GLENDALE AVENUE, 3RD FLOOR

DATE: APRIL 16, 2015 AT 10:00AM

CONTRACTOR	BID BOND/CHECK	ACKNOWLEDGE ADDENDUM	BASE BID	ALTERNATE BID
TALIS CONSTRUCTION	BID BOND	YES	\$ 93,990.00	\$ 40,105.00
KIMBRELL ELECTRIC	BID BOND	YES	\$ 114,834.09	\$ 43,803.88
AJP ELECTRIC	BID BOND	YES	\$ 124,150.00	\$ 54,755.00
CS CONSTRUCTION	BID BOND	YES	\$ 142,000.00	\$ 61,000.00
REDHAWK SOLUTIONS	BID BOND	YES	\$ 189,670.00	\$ 43,315.00
CONTRACTORS WEST	BID BOND	YES	\$ 189,998.00	\$ 68,488.00

Engineers Estimate: \$148,000



Legislation Description

File #: 15-353, Version: 1

**AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH J. BANICKI CONSTRUCTION, INC.,
FOR 2014/2015 BRIDGE MAINTENANCE REPAIR - VARIOUS LOCATIONS PROJECT**

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a construction agreement with J. Banicki Construction, Inc., for the 2014/2015 Bridge Maintenance Repair Various Locations, in an amount not to exceed \$457,295.

Background

Transportation and pedestrian bridges are part of the complex network for the safe movement of people, goods and services throughout the city. On-going bridge maintenance is essential for ensuring a safe, reliable, and high quality transportation network system. The scope of this project will provide construction of maintenance components of five bridges identified in the Final Bridge Repair Recommendation Report dated December 11, 2014, prepared by Structural Grace, Inc. The bridges included in this project are at the following locations: Arizona Canal Diversion Channel (ACDC) at Cactus Road; Grand Canal at 83rd Avenue; Agua Fria River at Glendale Avenue; 55th Avenue and Utopia Road; and, ACDC at 59th Avenue.

Analysis

Maintaining transportation bridges throughout the city is the key component in ensuring uninterrupted transportation movements and protection to Glendale residents and businesses.

The Engineering Division opened bids for the 2014/2015 Bridge Maintenance Repair - Various Locations (project number 131423) on April 30, 2015. Three bids were received, and J. Banicki Construction, Inc., submitted the lowest responsive bid in the amount of \$457,295. Staff anticipates completion of this construction project before the end of October 2015.

Previous Related Council Action

On April 14, 2015, Council authorized a professional services agreement with Structural Grace Inc., in an amount not to exceed \$58,204 for design and construction administration services for the 2014/2015 Bridge Maintenance Repair project.

Community Benefit/Public Involvement

This project will benefit the community by maintaining the integrity of the bridge network system minimizing

potential interruptions.

Budget and Financial Impacts

Funding in the amount of \$457,295 is available in the fiscal year (FY) 2014-15 and FY 2015-2016 capital improvement program for the construction agreement with J. Banicki Construction, Inc., in an amount not to exceed \$457,295.

Cost	Fund-Department-Account
\$264,944	1980-68122-550800, FY 14-15 Capital Bridge Repair Program
\$192,351	1980-68122-550800, FY 15-16 Capital Bridge Repair Program

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and J. Banicki Construction, Inc., an Arizona corporation ("Contractor") as of the ____ day of _____, 20__.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in the **Notice to Contractors** and the attached **Exhibit A** ("Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project, the plans and specifications, the **Information for Bidders**, and the **Maricopa Association of Governments ("MAG") General and Supplemental Conditions and Provisions**;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Project.

- 1.1 **Scope.** Contractor will provide all services and material necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors, providers or consultants retained by City.

- 1.2 **Documents.** The following documents are, by this reference, entirely incorporated into this Agreement and attached Exhibits as though fully set forth herein:

- (A) Notice to Contractors;
- (B) Information for Bidders;
- (C) MAG General Conditions, Supplemental General Conditions, Special and Technical Provisions;
- (D) Proposal;
- (E) Bid Bond;
- (F) Payment Bond;
- (G) Performance Bond;
- (H) Certificate of Insurance;
- (I) Appendix; and
- (J) Plans and Addenda thereto.

Should a conflict exist between this Agreement (and its attachments), and any of the incorporated documents as listed above, the provisions of this Agreement shall govern.

1.3 Project Team.

- (A) Project Manager. Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, to complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement.
- (B) Project Team.
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

(C) Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Project will be undertaken in a manner that ensures it is completed in a timely and efficient manner. If not otherwise stated in **Exhibit A**, the Project shall be completed by no later than within seventy five (75) consecutive calendar days from and including the date of receipt of the Notice to Proceed.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services and materials for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default of this Agreement.

3.3 **Compliance.** Services and materials will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, or other standards and criteria designated by City.

3.4 **Coordination; Interaction.**

- (A) If the City determines that the Project requires the coordination of professional services or other providers, Contractor will work in close consultation with City to proactively interact with any other contractors retained by City on the Project ("Coordinating Entities").
- (B) Subject to any limitations expressly stated in the budget, Contractor will meet to review the Project, schedules, budget, and in-progress work with Coordinating Entities and the City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) If the Project does not involve Coordinating Entities, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 **Hazardous Substances.** Contractor is responsible for the appropriate handling, disposal of, and if necessary, any remediation and all losses and damages to the City, associated with the use or release of hazardous substances by Contractor in connection with completion of the Project.

3.6 Warranties. At any time within two years after completion of the Project, Contractor must, at Contractor's sole expense and within 20 days of written notice from the City, uncover, correct and remedy all defects in Contractor's work. City will accept a manufacturer's warranty on approved equipment as satisfaction of the Contractor's warranty under this subsection.

3.7. Bonds. Upon execution of this Agreement, and if applicable, Contractor must furnish Payment and Performance bonds as required under A.R.S. § 34-608.

4. Compensation for the Project.

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$457,295, as specifically detailed in the Contractor's bid and set forth in **Exhibit B** ("Compensation").

4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified by the City.

(A) Adjustments to the Scope or Compensation require a written amendment to this Agreement and may require City Council approval.

(B) Additional services which are outside the scope of the Project and not contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. Billings and Payment.

5.1 Applications.

(A) The Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.

(B) The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

(A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.

(B) Payment may be subject to or conditioned upon City's receipt of:

(1) Completed work generated by Contractor and its Sub-contractors; and

(2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

(A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.

(B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

(C) Contractor will provide, by separate cover, and concurrent with the execution of this Agreement, all required financial information to the City, including City of Glendale Transaction Privilege License and Federal Taxpayer identification numbers.

(D) City will temporarily withhold Compensation amounts as required by A.R.S. 34-221(C).

6. Termination.

- 6.1 For Convenience.** City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.
- (A) Contractor will be equitably compensated any services and materials furnished prior to receipt of the termination notice and for reasonable costs incurred.
 - (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with Project closeout and delivery of the required items to the City.
- 6.2 For Cause.** City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.
- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages.
 - (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Insurance.

7.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.
- (B) General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- (E) Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.

- (F) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- (G) Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- (H) Other Contractors or Vendors.
 - (1) Other contractors or vendors that may be contracted by Contractor with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- (I) Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

7.2 Sub-contractors.

- (A) Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- (C) Contractor and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

7.3 Indemnification.

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the

"Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

- (B) This indemnity and hold harmless policy applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

7.4 Waiver of Subrogation. Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

8. Immigration Law Compliance.

- 8.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 8.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 8.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 8.1 above.
- 8.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 8.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 8.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 8.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

9. Conflict. Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

10. Non-Discrimination Policies. Contractor must not discriminate against any employee or applicant for employment on the basis of race, religion, color sex or national origin. Contractor must develop, implement and maintain non-discrimination policies and post the policies in conspicuous places visible to employees and applicants for employment. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section.

11. Notices.

11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- (A) The Notice is in writing, and
- (B) Delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested).
- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 **Representatives.**

- (A) Contractor. Contractor's representative ("Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

J. Banicki Construction, Inc.
Attn: Mike Abraham
6423 South Ash Avenue
Tempe, Arizona 85283

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
Attn: Tom Kaczmarowski
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copies to:

City of Glendale
City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

City of Glendale
City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

- (C) Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be considered to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- (D) **Changes.** Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

12. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

13. **Entire Agreement; Survival; Counterparts; Signatures.**

13.1 **Integration.** This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) Any solicitation, addendums and responses submitted by the Contractor are incorporated fully into this Agreement as Exhibit A. Any inconsistency between Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

13.2 **Interpretation.**

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 **Survival.** Except as specifically provided otherwise in this Agreement each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval.

13.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 **Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.

13.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. **Dispute Resolution.** Each claim, controversy and dispute ("Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

Project 131423

The parties enter into this Agreement as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

J. Banicki Construction, Inc.
an Arizona corporation

By: Michael D. Abraham
Its: President

WOMEN-OWNED/MINORITY BUSINESS ☐ YES ☐ NO

CITY OF GLENDALE TRANSACTION PRIVILEGE TAX NO. _____

FEDERAL TAXPAYER IDENTIFICATION NO. _____

Project 131423

**EXHIBIT A
CONSTRUCTION AGREEMENT**

PROJECT

Project includes various repairs of approximately 6 transportation bridges at various locations. Repairs include, but are not limited to, removal/replacement of structural concrete/steel, repair of signage, guard/pedestrian rail repairs, traffic control and additional miscellaneous work.

Project 131423

**EXHIBIT B
CONSTRUCTION AGREEMENT**

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

By bid, including all services, materials and costs.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$457,295.

DETAILED PROJECT COMPENSATION

Base Bid:	\$399,091.00
Alternate One:	\$ 58,204.00
Total Not To Exceed:	\$457,295.00

**EXHIBIT C
CONSTRUCTION AGREEMENT**

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - (B) The arbitrator selected must be an attorney with at least 15 years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought

Project 131423

by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.

2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.

4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.

4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

BID TABULATION

PROJECT# 131423 - 2014/2015 BRIDGE MAINTENANCE REPAIR-VARIOUS LOCATIONS

OPENED AT THE CITY OF GLENDALE, ENGINEERING DEPARTMENT
5850 W. GLENDALE AVENUE, 3RD FLOOR

DATE: April 30, 2015 - 10:00 a.m.

	CONTRACTOR	BID BOND/ CHECK	ACKNOWLEDGE ADDENDUM	TOTAL BASE BID	TOTAL BID ALTERNATE NO. 1
1	J. BANICKI CONSTRUCTION, INC.	BB	YES	\$ 399,091.00	\$ 58,204.00
2	FNF CONSTRUCTION, INC.	BB	YES	\$ 568,345.00	\$ 27,660.00
3	MEADOW VALLEY CONTRACTORS, INC.	BB	YES	\$ 1,429,519.61	\$ 37,472.12
4					
5					
6					
7					
8					
9					
10					

Engineers Estimate: \$222,605

Time of completion for this project is one hundred twenty (120) consecutive days from and including the date of receipt of the notice to proceed.



Legislation Description

File #: 15-354, Version: 1

AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH VENTURA-PACIFIC DEVELOPMENT, INC., TO REPLACE COMPUTER ROOM AIR CONDITIONER UNITS IN THE MAIN PUBLIC SAFETY BUILDING

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a construction agreement with Ventura-Pacific Development, Inc., in the amount not to exceed \$285,066 to replace Computer Room Air Conditioning (CRAC) units located inside the Main Public Safety Building.

Background

A CRAC unit is a device that monitors and maintains the temperature, air distribution, and humidity within a network room or data center. The existing CRAC units serving the network data room in the Main Public Safety Building have exceeded their useful life and do not have adequate capacity for the cooling load of the room. Both CRAC units were manufactured in 1991 making them approximately 24 years old. This type of equipment can be expected to have a useful life of 15 to 20 years due to its continuous operation.

The replacement of the CRAC units and associated condensing units will also require additional power supply improvements. New roof-mounted, air-cooled condensers will be required and will not fit in the existing mechanical well. It was recommended by a design consultant to replace the existing CRAC units and provide new condensers to be mounted on the roof of the building directly above the Data Room.

Analysis

In February 2014, LSW Engineers completed a comprehensive assessment of the network room's heating, ventilating, and air conditioning system as well as an analysis of the electrical distribution system for the CRAC units. The study focused on the environmental systems and security of the main city computer room. Since any interruption to the data center could affect all services provided to the community and to other local and state agencies it was imperative to understand any issues and shortcomings in the facility.

The Engineering division opened bids for the CRAC Unit Replacement project (project number 131415) on April 30, 2015. Ventura Pacific Development, Inc. submitted the lowest responsive bid in the amount of \$285,066.

Previous Related Council Action

On August 12, 2014, Council approved a professional services agreement with LSW Engineers in an amount not to exceed \$51,660 for the project design and construction administration services.

Community Benefit/Public Involvement

The community will benefit by having a more modern, stable, and reliable cooling system in the city's main computer room. This computer room currently holds a majority of the city's network, computing and data storage infrastructure including, Police, Fire and Finance systems. This new system will be able to manage a single system cooling failure more efficiently while providing maintenance and energy savings to the city.

Budget and Financial Impacts

Funds for this project are available in the fiscal year 2014-15 Facilities Building Maintenance Reserve Fund.

Cost	Fund-Department-Account
\$285,066	1000-81013-551000, Facilities Building Maintenance Reserve Fund

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Ventura-Pacific Development, Inc., an Arizona corporation ("Contractor") as of the _____ day of _____, 20__.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in the **Notice to Contractors** and the attached **Exhibit A** ("Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project, the plans and specifications, the **Information for Bidders**, and the **Maricopa Association of Governments ("MAG") General and Supplemental Conditions and Provisions**;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Project.

- 1.1 **Scope.** Contractor will provide all services and material necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors, providers or consultants retained by City.
- 1.2 **Documents.** The following documents are, by this reference, entirely incorporated into this Agreement and attached Exhibits as though fully set forth herein:
 - (A) Notice to Contractors;
 - (B) Information for Bidders;
 - (C) MAG General Conditions, Supplemental General Conditions, Special and Technical Provisions;
 - (D) Proposal;
 - (E) Bid Bond;
 - (F) Payment Bond;
 - (G) Performance Bond;
 - (H) Certificate of Insurance;
 - (I) Appendix; and
 - (J) Plans and Addenda thereto.

Should a conflict exist between this Agreement (and its attachments), and any of the incorporated documents as listed above, the provisions of this Agreement shall govern.

1.3 Project Team.

- (A) **Project Manager.** Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, to complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement.
- (B) **Project Team.**
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

(C) Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Project will be undertaken in a manner that ensures it is completed in a timely and efficient manner. If not otherwise stated in **Exhibit A**, the Project shall be completed by no later than within ninety-eight (98) consecutive calendar days from and including the date of receipt of the Notice to Proceed.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services and materials for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default of this Agreement.

3.3 **Compliance.** Services and materials will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, or other standards and criteria designated by City.

3.4 **Coordination; Interaction.**

- (A) If the City determines that the Project requires the coordination of professional services or other providers, Contractor will work in close consultation with City to proactively interact with any other contractors retained by City on the Project ("Coordinating Entities").
- (B) Subject to any limitations expressly stated in the budget, Contractor will meet to review the Project, schedules, budget, and in-progress work with Coordinating Entities and the City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) If the Project does not involve Coordinating Entities, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 **Hazardous Substances.** Contractor is responsible for the appropriate handling, disposal of, and if necessary, any remediation and all losses and damages to the City, associated with the use or release of hazardous substances by Contractor in connection with completion of the Project.

3.6 Warranties. At any time within two years after completion of the Project, Contractor must, at Contractor's sole expense and within 20 days of written notice from the City, uncover, correct and remedy all defects in Contractor's work. City will accept a manufacturer's warranty on approved equipment as satisfaction of the Contractor's warranty under this subsection.

3.7. Bonds. Upon execution of this Agreement, and if applicable, Contractor must furnish Payment and Performance bonds as required under A.R.S. § 34-608.

4. Compensation for the Project.

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$285,066.00, as specifically detailed in the Contractor's bid and set forth in **Exhibit B** ("Compensation").

4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified by the City.

(A) Adjustments to the Scope or Compensation require a written amendment to this Agreement and may require City Council approval.

(B) Additional services which are outside the scope of the Project and not contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. Billings and Payment.

5.1 Applications.

(A) The Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.

(B) The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

(A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.

(B) Payment may be subject to or conditioned upon City's receipt of:

(1) Completed work generated by Contractor and its Sub-contractors; and

(2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

(A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.

(B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

(C) Contractor will provide, by separate cover, and concurrent with the execution of this Agreement, all required financial information to the City, including City of Glendale Transaction Privilege License and Federal Taxpayer identification numbers.

(D) City will temporarily withhold Compensation amounts as required by A.R.S. 34-221(C).

6. Termination.

- 6.1 For Convenience.** City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.
- (A) Contractor will be equitably compensated any services and materials furnished prior to receipt of the termination notice and for reasonable costs incurred.
 - (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with Project closeout and delivery of the required items to the City.
- 6.2 For Cause.** City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.
- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages.
 - (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Insurance.

7.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.
- (B) General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- (E) Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.

- (F) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- (G) Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- (H) Other Contractors or Vendors.
 - (1) Other contractors or vendors that may be contracted by Contractor with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- (I) Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

7.2 Sub-contractors.

- (A) Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- (C) Contractor and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

7.3 Indemnification.

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the

"Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

- (B) This indemnity and hold harmless policy applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

7.4 Waiver of Subrogation. Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

8. Immigration Law Compliance.

- 8.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 8.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 8.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 8.1 above.
- 8.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 8.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 8.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 8.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

9. Conflict. Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

10. Non-Discrimination Policies. Contractor must not discriminate against any employee or applicant for employment on the basis of race, religion, color sex or national origin. Contractor must develop, implement and maintain non-discrimination policies and post the policies in conspicuous places visible to employees and applicants for employment. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section.

11. Notices.

11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- (A) The Notice is in writing, and
- (B) Delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested).
- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 Representatives.

- (A) Contractor. Contractor's representative ("Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Ventura-Pacific Development, Inc.
Attn: Douglas Peery
3770 North 7th Street, Suite 200
Phoenix, Arizona 85014

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
Attn: Mike Johnson
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copies to:

City of Glendale
City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

City of Glendale
City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

- (C) Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be considered to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- (D) **Changes.** Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

12. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

13. **Entire Agreement; Survival; Counterparts; Signatures.**

13.1 **Integration.** This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) Any solicitation, addendums and responses submitted by the Contractor are incorporated fully into this Agreement as Exhibit A. Any inconsistency between Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

13.2 **Interpretation.**

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 **Survival.** Except as specifically provided otherwise in this Agreement each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval.

13.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 **Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.

13.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. **Dispute Resolution.** Each claim, controversy and dispute ("Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

Project 131415

The parties enter into this Agreement as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

Ventura-Pacific Development, Inc.,
an Arizona corporation

By: Douglas Peery
Its: President

WOMEN-OWNED/MINORITY BUSINESS [] YES [] NO

CITY OF GLENDALE TRANSACTION PRIVILEGE TAX NO. _____

FEDERAL TAXPAYER IDENTIFICATION NO. _____

Project 131415

**EXHIBIT A
CONSTRUCTION AGREEMENT**

PROJECT

Furnish and install two (2) new air-cooled CRAC units to replace the two (2) existing air-cooled CRAC units that serve the second floor data room of the Public Safety Building as per design drawings and specifications. The new outdoor air cooled condensing unit shall be mounted on the roof above the data room.

Project 131415

**EXHIBIT B
CONSTRUCTION AGREEMENT**

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

By bid, including all services, materials and costs.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$285,066.00

DETAILED PROJECT COMPENSATION

As shown on Page 8 of the Bid Schedule.

**EXHIBIT C
CONSTRUCTION AGREEMENT**

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - (B) The arbitrator selected must be an attorney with at least 15 years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought

Project 131415

by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

2.5 **Final Decision.** The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.

2.6 **Costs.** The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

4.1 **Third Party Claims.** City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.

4.2 **Liens.** City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.

4.3 **Governmental Actions.** This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

BID TABULATION

PROJECT# 131415 GLENDALE PUBLIC SAFETY BUILDING DATA ROOM CRAC UNIT REPLACEMENT

OPENED AT THE CITY OF GLENDALE, ENGINEERING DEPARTMENT
5850 W. GLENDALE AVENUE, 3RD FLOOR

DATE: April 30, 2015 at 9:00am

	CONTRACTOR	BID BOND/ CHECK	ACKNOWLEDGE ADDENDA 1 & 2	TOTAL BID
1	Ventura Pacific Development	Bid Bond	1 & 2	\$ 285,066.00
2				
3				

Engineers Estimate: \$440,000



Legislation Description

File #: 15-355, Version: 1

AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH VSS INTERNATIONAL, INC., FOR THE PAVEMENT SLURRY SEAL-PHASE TWO

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a construction agreement with VSS International, Inc., in an amount not to exceed \$883,000 for the Pavement Slurry Seal-Phase Two project associated with the FY2014/2015 Pavement Management Program.

Background

The city has over 718 miles of paved arterial, collector and residential roadways, which represents an investment of over \$1 billion in the street network based on replacement costs in today's economy. With the exception of minor street and concrete repairs (potholes, curb, and sidewalk) the city contracts for all other preventative maintenance and reconstructive roadway projects.

The Pavement Slurry Seal-Phase Two project for the FY2014/2015 Pavement Management Program provides for approximately 10.5 miles of surface slurry treatments on various residential and collector streets throughout the city. Specifically this project includes: crack sealing; application of slurry seal pavement treatments, various concrete and asphalt point repairs and thermoplastic restriping or repainting of pavement markings.

Analysis

The Engineering Division opened bids for the FY2014/2015 Pavement Management Program, Slurry Seal-Phase Two project (project number 141514) on April 16, 2015. Three bids were received, with VSS International, Inc., submitting the lowest responsive bid in the amount of \$883,000. Staff anticipates issuing a Notice to Proceed mid-late July, with completion of this construction project before the end of October 2015.

Previous Related Council Action

On March 24, 2015, Council authorized a construction agreement with Southwest Slurry Seal, Inc. in an amount not to exceed \$1,450,825 for the Pavement Slurry Seal-Phase One.

On November 24, 2014, Council authorized a professional services agreement with Ritoch-Powell and Associates in an amount not to exceed \$2,131,123.40 for design and construction administration services for the FY2014/2015 Pavement Management Program.

Community Benefit/Public Involvement

Well maintained infrastructure is an important element of strong neighborhoods and business corridors and is critical for the attraction of quality economic development.

Budget and Financial Impacts

Funds are available in the fiscal year 2014-15 capital improvement program for the construction agreement with VSS International, Inc., in an amount not to exceed \$883,000.

Cost	Fund-Department-Account
\$883,000	2000-68917-550800, Pavement Management-HURF

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and VSS International, Inc., a California corporation, authorized to do business in Arizona ("Contractor") as of the ____ day of _____, 20__.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in the **Notice to Contractors** and the attached **Exhibit A** ("Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project, the plans and specifications, the **Information for Bidders**, and the **Maricopa Association of Governments ("MAG") General and Supplemental Conditions and Provisions**;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Project.

- 1.1 **Scope.** Contractor will provide all services and material necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors, providers or consultants retained by City.
- 1.2 **Documents.** The following documents are, by this reference, entirely incorporated into this Agreement and attached Exhibits as though fully set forth herein:
 - (A) Notice to Contractors;
 - (B) Information for Bidders;
 - (C) MAG General Conditions, Supplemental General Conditions, Special and Technical Provisions;
 - (D) Proposal;
 - (E) Bid Bond;
 - (F) Payment Bond;
 - (G) Performance Bond;
 - (H) Certificate of Insurance;
 - (I) Appendix; and
 - (J) Plans and Addenda thereto.

Should a conflict exist between this Agreement (and its attachments), and any of the incorporated documents as listed above, the provisions of this Agreement shall govern.

1.3 Project Team.

- (A) Project Manager. Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, to complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement.
- (B) Project Team.
 - (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

(C) Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Project will be undertaken in a manner that ensures it is completed in a timely and efficient manner. If not otherwise stated in **Exhibit A**, the Project shall be completed by no later than within ninety (90) consecutive calendar days from and including the date of receipt of the Notice to Proceed.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services and materials for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default of this Agreement.

3.3 **Compliance.** Services and materials will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, or other standards and criteria designated by City.

3.4 **Coordination; Interaction.**

- (A) If the City determines that the Project requires the coordination of professional services or other providers, Contractor will work in close consultation with City to proactively interact with any other contractors retained by City on the Project ("Coordinating Entities").
- (B) Subject to any limitations expressly stated in the budget, Contractor will meet to review the Project, schedules, budget, and in-progress work with Coordinating Entities and the City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) If the Project does not involve Coordinating Entities, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 **Hazardous Substances.** Contractor is responsible for the appropriate handling, disposal of, and if necessary, any remediation and all losses and damages to the City, associated with the use or release of hazardous substances by Contractor in connection with completion of the Project.

3.6 Warranties. At any time within two years after completion of the Project, Contractor must, at Contractor's sole expense and within 20 days of written notice from the City, uncover, correct and remedy all defects in Contractor's work. City will accept a manufacturer's warranty on approved equipment as satisfaction of the Contractor's warranty under this subsection.

3.7. Bonds. Upon execution of this Agreement, and if applicable, Contractor must furnish Payment and Performance bonds as required under A.R.S. § 34-608.

4. Compensation for the Project.

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$883,000, as specifically detailed in the Contractor's bid and set forth in **Exhibit B** ("Compensation").

4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified by the City.

(A) Adjustments to the Scope or Compensation require a written amendment to this Agreement and may require City Council approval.

(B) Additional services which are outside the scope of the Project and not contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. Billings and Payment.

5.1 Applications.

(A) The Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.

(B) The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

(A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.

(B) Payment may be subject to or conditioned upon City's receipt of:

(1) Completed work generated by Contractor and its Sub-contractors; and

(2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

(A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.

(B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

(C) Contractor will provide, by separate cover, and concurrent with the execution of this Agreement, all required financial information to the City, including City of Glendale Transaction Privilege License and Federal Taxpayer identification numbers.

(D) City will temporarily withhold Compensation amounts as required by A.R.S. 34-221(C).

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- (A) Contractor will be equitably compensated any services and materials furnished prior to receipt of the termination notice and for reasonable costs incurred.
- (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages.
- (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. Insurance.

7.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.
- (B) General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- (E) Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.

- (F) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
- (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- (G) Certificates of Insurance.
- (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- (H) Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted by Contractor with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- (I) Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
- (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

7.2 Sub-contractors.

- (A) Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- (C) Contractor and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

7.3 Indemnification.

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the

"Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

- (B) This indemnity and hold harmless policy applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

7.4 Waiver of Subrogation. Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

8. Immigration Law Compliance.

- 8.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 8.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 8.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 8.1 above.
- 8.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 8.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 8.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 8.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

9. Prohibitions. Contractor certifies under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, that it does not have, and during the term of this Agreement will not have "scrutinized" business operations, as defined in the preceding statutes, in the countries of Sudan or Iran.

10. Non-Discrimination Policies. Contractor must not discriminate against any employee or applicant for employment on the basis of race, religion, color sex or national origin. Contractor must develop, implement and maintain non-discrimination policies and post the policies in conspicuous places visible to employees and applicants for employment. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section.

11. Notices.

11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- (A) The Notice is in writing, and
- (B) Delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested).
- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 Representatives.

- (A) Contractor. Contractor's representative ("Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

VSS International, Inc.
Attn: Joffrey Reed
6751 Galveston Street
Chandler, Arizona 85226

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
Attn: Tom Kaczmarowski
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copies to:

City of Glendale
City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

City of Glendale
City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

- (C) Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be considered to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- (D) **Changes.** Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

12. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

13. **Entire Agreement; Survival; Counterparts; Signatures.**

13.1 **Integration.** This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) Any solicitation, addendums and responses submitted by the Contractor are incorporated fully into this Agreement as Exhibit A. Any inconsistency between Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

13.2 **Interpretation.**

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 **Survival.** Except as specifically provided otherwise in this Agreement each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval.

13.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 **Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.

13.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. **Dispute Resolution.** Each claim, controversy and dispute ("Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

Project 141514

The parties enter into this Agreement as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

VSS International, Inc.
a California corporation

By: Jeffrey Reed
Its: President/CEO

WOMEN-OWNED/MINORITY BUSINESS [] YES [] NO

CITY OF GLENDALE TRANSACTION PRIVILEGE TAX NO. _____

FEDERAL TAXPAYER IDENTIFICATION NO. _____

Project 141514

**EXHIBIT A
CONSTRUCTION AGREEMENT**

PROJECT

Project includes coverage of approximately 10.5 road miles at various locations within the City of Glendale, utilizing TYPE 2 Slurry Seal, and all associated work such as repair of damaged asphalt, crack seal, traffic control, striping removal/replacement, ancillary concrete repair, etc.

Project 141514

**EXHIBIT B
CONSTRUCTION AGREEMENT**

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

By bid, including all services, materials and costs.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed 883,000.

DETAILED PROJECT COMPENSATION

As shown on Pages 8 & 9 of the Bid Schedule.

**EXHIBIT C
CONSTRUCTION AGREEMENT**

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - (B) The arbitrator selected must be an attorney with at least 15 years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought

by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

2.5 **Final Decision.** The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.

2.6 **Costs.** The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

4.1 **Third Party Claims.** City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.

4.2 **Liens.** City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.

4.3 **Governmental Actions.** This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

BID TABULATION

PROJECT 141514 - 2014/2015 PAVEMENT MANAGEMENT PROGRAM - SLURY SEAL 2

OPENED AT THE CITY OF GLENDALE, ENGINEERING DEPARTMENT
5850 W. GLENDALE AVENUE, 3RD FLOOR

DATE: April 16, 2015 - 9:00 a.m.

	CONTRACTOR	BID BOND/ CHECK	ACKNOWLEDGE ADDENDUM	TOTAL BASE BID
1	VSS INTERNATIONAL, INC.	BB	YES	\$ 883,000.00
2	SOUTHWEST SLURRY SEAL, INC.	BB	YES	\$ 925,146.39
3	GONZALEZ ASPHALT	Non-Responsive		
4				
5				
6				
7				
8				
9				
10				

Engineers Estimate: \$1,048,675.00

Time of completion for this project is ninety (90) consecutive days from and including the date of receipt of the notice to proceed.



Legislation Description

File #: 15-356, Version: 1

AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH PEARSON ENGINEERING ASSOCIATES, INC., FOR THE CITY HALL COOLING TOWER REPLACEMENT PROJECT

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a professional services agreement with Pearson Engineering Associates, Inc., (Pearson) in an amount not to exceed \$167,523 for the design and construction administration of the city hall cooling tower replacement project.

Background

The existing cooling tower located on the southwest corner of the city hall building was installed in 1983, and is comprised of three separate cells. A study was performed by Pearson to survey the condition of the existing cooling tower. The study revealed a great deal of structural deterioration and damage. The existing concrete support structure is currently showing significant signs of distress due to corrosion of the steel reinforcing. Based upon these findings, the recommendation was to replace the cooling tower and support structure.

The professional services agreement with Pearson is for design and construction administration services for replacing the existing cooling tower. The new system will include three new cooling towers on a structural steel platform to the north of the existing tower. Each cooling tower will have its own separate basin, fill and fan assembly joined together by equalizer piping and connected by new condenser water supply and return piping to the existing condenser water pumps/piping. Pearson was selected from the pre-qualified Engineering Consultants On-Call List to perform this work. Once the design phase is complete, the project will be bid and a construction agreement will be presented at a future meeting for Council approval.

Analysis

The cost of the initial assessment completed in December 2014 by Pearson was \$4,500 and was paid for at that time. The requested Council action is to authorize the Acting City Manager to enter into a professional services agreement with Pearson Engineering Associates, Inc. in an amount not to exceed \$167,523 for design and construction administration. The overall project cost, with the initial assessment (\$4,500) and the design and construction administration services (\$167,523) combined totals \$172,023.

Community Benefit/Public Involvement

City Hall is the center of operations for many key services provided to the citizens of Glendale. The new cooling tower will assist in providing dependable cooling for the City Hall Complex and will create a

maintenance and energy savings to the city.

Budget and Financial Impacts

Funds for this project are available in the fiscal year 2014-15 Facilities Building Maintenance Reserve Fund.

Cost	Fund-Department-Account
\$167,523	1000-81013-551000, Facilities Building Maintenance Reserve Fund

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

**PROFESSIONAL SERVICES AGREEMENT
CITY HALL COOLING TOWER REPLACEMENT PROJECT
(Project Number 141510)**

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Pearson Engineering Associates, Inc., an Arizona corporation, authorized to do business in the State of Arizona, ("Consultant") as of the _____ day of _____, 2015 ("Effective Date").

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A, Project** (the "Project");
- B. City desires to retain the professional services of Consultant to perform certain specific duties and produce the specific work as set forth in the attached **Exhibit B, Project Scope of Work** ("Scope");
- C. Consultant desires to provide City with professional services ("Services") consistent with best consulting or architectural practices and the standards set forth in this Agreement, in order to complete the Project; and
- D. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

- 1.1 Professional Services. Consultant will provide all Services necessary to assure the Project is completed timely and efficiently consistent within Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Consultant will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the project and handle all aspects of the Project such that the work produced by Consultant is consistent with applicable standards as detailed in this Agreement; and
 - (2) The City must approve the designated Project Manager.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the Project by Consultant will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Consultant.
 - c. Discharge, Reassign, Replacement.
 - (1) Consultant acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.
 - (2) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.

- (3) Consultant will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

d. Subcontractors.

- (1) Consultant may engage specific technical contractors (each a "Subcontractor") to furnish certain service functions.
- (2) Consultant will remain fully responsible for Subcontractor's services.
- (3) Subcontractors must be approved by the City.
- (4) Consultant will certify by letter that all contracts with Subcontractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Consultant's Work.**

3.1 **Standard.** Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Consultant warrants that:

- a. Consultant and its Subconsultants or Subcontractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
- b. Neither Consultant nor any Subconsultant or Subcontractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.
 - (2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.

3.3 **Compliance.** Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

3.4 **Coordination: Interaction.**

- a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").

- b. Consultant will meet to review the Project, Schedule and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- c. For projects not involving Coordinating Project Professionals, Consultant will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. **Ownership.** Upon receipt of payment for Services furnished, Consultant grants to City, and will cause its Subconsultants or Subcontractors to grant to the City, the exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. **Delivery.** Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. **City Use.**
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.
 - (3) In such case, City will also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

- 4.1 **Compensation.** Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed \$167,523.00 as specifically detailed in **Exhibit D** ("Compensation").
- 4.2 **Change in Scope of Project.** The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.
 - a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the Scope of the Project contained in this Agreement may not be performed by the Consultant without prior written authorization from the City.
 - c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.
- 4.3 **Allowances.** An "Allowance" may be identified in **Exhibit D** only for work that is required by the Scope and the value of which cannot reasonably be quantified at the time of this Agreement.
 - a. As stated in Sec. 4.1 above, the Compensation must incorporate all Allowance amounts identified in **Exhibit D** and any unused allowance at the completion of the Project will remain with City.

- b. Consultant may not add any mark-up for work identified as an Allowance and which is to be performed by a Subconsultant.
 - c. Consultant will not use any portion of an Allowance without prior written authorization from the City.
 - d. Examples of Allowance items include, but are not limited to, subsurface pothole investigations, survey, geotechnical investigations, public participation, radio path studies and material testing.
- 4.4 **Expenses.** City will reimburse Consultant for certain out-of-pocket expenses necessarily incurred by Consultant in connection with this Agreement, without mark-up (the "Reimbursable Expenses"), including, but not limited to, document reproduction, materials for book preparation, postage, courier and overnight delivery costs incurred with Federal Express or similar carriers, travel and car mileage, subject to the following:
- a. Mileage, airfare, lodging and other travel expenses will be reimbursable only to the extent these would, if incurred, be reimbursed to City of Glendale personnel under its policies and procedures for business travel expense reimbursement made available to Consultant for review prior to the Agreement's execution, and which policies and procedures will be furnished to Consultant;
 - b. The Reimbursable Expenses in this section are approved in advance by City in writing; and
 - c. The total of all Reimbursable Expenses paid to Consultant in connection with this Agreement will not exceed the "not to exceed" amount identified for Reimbursable Services in the Compensation.

5. Billings and Payment.

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Consultant and its Subconsultants and Subcontractors; and
 - (2) Unconditional waivers and releases on final payment from all Subconsultants and Subcontractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. **Termination.**

6.1 **For Convenience.** City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 **For Cause.** City may terminate this Agreement for cause if Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Consultant will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provision of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.** For the duration of the term of this Agreement, Contractor shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such insurance shall cover Contractor, its agent(s), representative(s), employee(s) and any subcontractors.

8.1 **Minimum Scope and Limit of Insurance.** Coverage must be at least as broad as:

- a. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than **\$1,000,000** per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- b. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
- c. **Worker's Compensation:** Insurance as required by the State of Arizona, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease.

8.2 **Other Insurance Provisions.** The insurance policies required by the Section above must contain, or be endorsed to contain the following insurance provisions:

- a. **The City, its officers, officials, employees and volunteers are to be covered as additional insureds** of the CGL and automobile policies for any liability arising from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such liability may arise, but is not limited to, liability for materials, parts or equipment furnished in connection with any tasks, or work performed by Contractor or on its behalf and for liability arising from automobiles owned, leased, hired or borrowed

on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's existing insurance policies, provided such endorsement is at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37, if later revisions are used.

- b. For any claims related to this Project, the **Contractor's insurance coverage shall be primary insurance** with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
 - c. Each insurance policy required by this Section shall provide that coverage shall not be canceled, except after providing notice to the City.
- 8.3 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless the Contractor has obtained prior approval from the City stating that a non-conforming insurer is acceptable to the City.
- 8.4 Waiver of Subrogation. **Contractor hereby agrees to waive its rights of subrogation which any insurer may acquire** from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agent(s) and subcontractor(s).
- 8.5 Verification of Coverage. Within 15 days of the Effective Date of this Agreement, Contractor shall furnish the City with original certificates and amendatory endorsements, or copies of any applicable insurance language making the coverage required by this Agreement effective. All certificates and endorsements must be received and approved by the City before work commences. Failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements prior to the City's agreement that work may commence shall not waive the Contractor's obligations to obtain and verify insurance coverage as otherwise provided in this Section. The City reserves the right to require complete, certified copies of all required insurance policies, including any endorsements or amendments, required by this Agreement at any time during the Term stated herein.
- Contractor's failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements shall not be considered a Force Majeure or defense for any failure by the Contractor to comply with the terms and conditions of the Agreement, including any schedule for performance or completion of the Project.
- 8.6 Subcontractors. Contractor shall require and shall verify that all subcontractors maintain insurance meeting all requirements of this Agreement.
- 8.7 Special Risk or Circumstances. The City reserves the right to modify these insurance requirements, including any limits of coverage, based on the nature of the risk, prior experience, insurer, coverage or other circumstances unique to the Contractor, the Project or the insurer.

9. Immigration Law Compliance.

- 9.1 Consultant, and on behalf of any Subconsultant or Subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Consultant, Subconsultant, or Subcontractor employee who performs work under this Agreement to ensure that the Consultant, Subconsultant or any Subcontractor is compliant with the warranty under this section.

- 9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant or Subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Consultant's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
- a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Project, and his or her address for Notice delivery is:

Pearson Engineering Associates, Inc.
c/o Jeff Ruthstrom
8825 North 23rd. Avenue, Suite 11
Phoenix, Arizona 85021

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Michael A. Johnson, Engineering Project Manager,
City of Glendale Engineering Department, Suite 315
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.

- d. Changes. Consultant or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

- 12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. Inconsistencies between the solicitation, any addenda attached to the solicitation, the response or any excerpts attached as **Exhibit A**, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

- 12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

- 12.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every

other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.

12.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

12.6 **Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.

12.7 **Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

13. **Term.** The term of this Agreement commences upon the Effective Date and continues for a one (1)- year initial period. The City may, at its option and with the approval of the Consultant, extend the term of this Agreement an additional one (1) year, renewable on an annual basis. Consultant will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period and will be a determining factor for renewal together with the quality of the work performed. There are no automatic renewals of this Agreement.

14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with **Exhibit E**. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Scope of Work
Exhibit C	Schedule
Exhibit D	Compensation
Exhibit E	Dispute Resolution

(Signatures appear on the following page.)

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

Pearson Engineering Associates, Inc.,
an Arizona corporation



By: Jeff Ruthstrom
Its: Senior Vice President

EXHIBIT A
Professional Services Agreement

PROJECT

(Cover Page)

EXHIBIT A

Project Description

PROJECT UNDERSTANDING

Pearson Engineering Associates, Inc. (PEA) proposes to provide professional Mechanical, Electrical, Structural, and Architectural design and preparation of construction documents and Construction Administration Services to the City of Glendale for the replacement of the existing cooling tower at the City Hall Building.

PEA's fee is based on recommendations provided by PEA to the City of Glendale in a formal study dated January 8, 2015. We understand that the City of Glendale wishes for the three new cooling towers to be placed in the landscaped area to the north of the existing cooling tower referenced as option 1 in the report prepared by PEA dated January 8, 2015. In addition to the design of the new cooling tower system, we also understand the design will include the demolition of the existing cooling tower and closure of the area that is currently occupied by the tower.

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

(Cover Page)

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

Pearson Engineering Associates, Inc. (PEA) Scope of Service for Cooling Tower replacement and existing Cooling Tower demolition project include the following. Services not Included in this Proposal are outside of the Scope of this Proposal but can be provided upon request as an additional service. It is our understanding that this project will include: 65% Design Development Phase Documents, 95% Construction Documents, Permit-Ready Construction Phase Documents, Construction Administration Services, and One Year Warranty Inspection. We estimate that the duration of the construction to be Three (3) Months. PEA understands that Monthly Billings are due on the 25th of the Month.

Mechanical:

The Mechanical Scope of Work for this project includes the following:

- Selection of new Cooling Towers.
- Layout of new Cooling Towers.
- Design of Condenser Water Supply and Return Piping connecting the new Cooling Towers to the existing Condenser Water Pumps and Piping System.
- Extension of Project Protected Water to new Cooling Towers.
- Demolition of existing Condenser Water Piping and protected water that is connected to the existing Cooling Towers.

Electrical:

The Electrical Scope of Work for this project includes the following:

- Design new Power Distribution to new Cooling Tower.
- Design Power Distribution to provide power to new lighting serving the new Cooling Tower.
- Provide Design Plans showing the demolition of the existing power distribution to the existing Cooling Tower that will be demolished.
- Provide Electrical Code Load Calculations.

Architectural:

The Architectural Scope of Work for this project includes the following:

Architectural Construction Documents at 65% Phase

- Prepare the design Construction Document at 65% level. These documents will consist of Demolition and new Plans, Elevations, Specifications, and other Drawings as may be appropriate.

- Provide Cost Estimate for the Architectural component to PEA to establish Construction Cost Estimate for the Project.
- Meetings with City Staff and Management to review Drawings and obtain approvals.

Architectural Construction Documents at 95% Phase

- Prepare the design Construction Document at 95% level. These documents will consist of Demolition and new Plans, Elevations, Specifications, and other Drawings as may be appropriate.
- Incorporating all corrections received from the reviewing of the 85% Submittal Construction Documents.
- Provide updated Cost Estimate for the Architectural component to PEA to complete the Construction Cost Estimate for the Project.
- Meetings with City Staff and Management to review Comments and obtain approvals.

Architectural Construction Documents at 100% Phase

- Preparing final Permit-Ready Construction Drawings, Plans, and Specifications. PEA will be responsible of submitting the Drawings to the Reviewing Agencies.
- Provide final Cost Estimate for the Architectural component to PEA to complete the Construction Cost Estimate for the Project.
- Incorporating all corrections received from the reviewing entities into the Final Bid Set of Contract Documents. If required, we will resubmit the revised Plans to the Planning Department for approval.

Construction Administration

- Field Observation – Site Visit.
- Field Reports.
- Answering RFI (Request For Information).
- Reviewing Submittals or Shop Drawings.
- One (1) Field Visit to prepare Architectural Punch List for the purpose of establishing substantial completion.
- One (1) Field Visit to confirm final completion of the Punch List.
- Project Closeout: As-Built Drawings: We will transfer Contractor's Architectural As-Built mark-ups to the CADD Files.

Structural

The Structural Scope of Work for this project includes the following:

- Provide Structural Design for a new 10' x 36' Ground Mounted Cooling Tower support frame.
- Cooling Tower support frame will be supported on Concrete Piers bearing at or below the existing Basement Finished Floor elevation.
- Anticipate a total of Three (3) Cooling Tower sections weighing approximately 9,000 lbs. each.
- New Cooling Towers will be located in an existing landscaped area on the West side of the City of Glendale Municipal Building.

- Provide Structural design for a new screen wall located on all four sides of the new Cooling Tower with an anticipated height of 12'-0" to 25'-0" due to sloping existing grade.
- Review existing Basement wall for new pipe penetrations, as required.
- Provide Structural Plans and Details for the demolition of the existing Cooling Tower and slab infill once the new Cooling Towers have been brought online.
- Anticipate Three (3) Site Meetings during the Design Phase and Weekly Construction Meetings during an anticipated Three (3) Month Construction Schedule for a total of Fifteen (15) Meetings.
- Provide Submittal Packages at 65%, 95%, and 100% completion for City review.
- Basic Services will include Structural Calculations, preparation of 2D AutoCAD Structural Plans and Details per the noted Scope. If the Project entails multiple Bid Packages, Phasing, Non-Standard Foundations, or Building Information Modeling (BIM), the above Budget shall be adjusted accordingly.

GENERAL

The General Scope of Services for this project is as follows:

Design Phase:

- Provide Site Visit to determine existing conditions.
- Prepare AutoCAD backgrounds of the project area for the Design Team's use.
- Manage the Architectural, Structural, Electrical and Mechanical Design Team.
- Provide Design Development Drawings and Specifications.
- Provide Estimate of probable Construction Cost at the Design Development Phase.
- Submit the 65% Design Development Package to the City of Glendale Project Manager for review.
- Review and respond to the City of Glendale Project Team's Comments in the 95% Construction Documents Submittal.
- Submit 95% Construction Documents to the City of Glendale Project Manager for review.
- Review and Respond to the City of Glendale Project Team's Comments in the 100% Construction Documents.
- Provide Construction Design Documents to include Drawings, Specifications, and Calculations for Submittal to Planning and Development.
- Provide refined Construction Estimate of probable Costs.
- Respond to Planning and Development Services Comments and resubmit corrected Design Documents.
- Provide up to Three (3) meetings with the City of Glendale Team during the course of the Design Phase.
- Attend Pre-Bid Meeting.
- Respond to Contractor's questions during Pre-Bid Phase and provide ASI's as required.
- Provide Bid Schedule for Bid Documents.

Construction Administration Services:

- Attend Pre-Construction Meeting.
- Review Shop Drawings and Submittals.
- Provide Monthly Cash Flow Projection including Consultants and Contractor on a Quarterly Basis.
- Attend up to Twelve (12) Meetings during Construction.
- Provide Electrical Special Inspection as required.
- Provide Structural Special Inspection as required.
- Respond to Contractor's RFI's.
- Provide Pre-Final and Final Inspections.
- Review Contractor's Pay Applications.
- Participate on the Start-up of the new Cooling Towers.
- Prepare "As-Built" Drawings based upon Contractor Field "Red Lines" and submit the "As-Built" Drawing to the City of Glendale Project Manager in AutoCAD Format and PDF Format.
- Provide a One-Year Warranty Inspection and provide the City of Glendale Project Manager a Report of Findings and Outstanding Items.

City of Glendale Responsibility:

The Design Team will need the following provided by the City of Glendale:

- Provide Facility Access/Escorts.
- Provide Review of Design Documents.
- Prepare the Front End of Specification to include Bidding Instructions and General Project Information and requirements.
- Advertise the Project.
- Issue Construction Documents to Bidders.

Exclusions:

- BIM Design.
- LEED Certification.

EXHIBIT C
Professional Services Agreement

SCHEDULE

(Cover Page)

EXHIBIT C
Professional Services Agreement

SCHEDULE

Pearson Engineering Associates, Inc. (PEA) estimated Design Time through the completion of Construction Documents is as follows:

65% Construction Documents - PEA proposes to submit to the City of Glendale for review Four (4) Weeks after Notice to Proceed.

95% Construction Documents – PEA proposes to submit to the City of Glendale for review Two (2) Weeks after receipt of City Review Comments from the 65% Construction Documents review.

100% Construction Documents – PEA proposes to submit to the City of Glendale Two (2) Weeks after receipt of City Review Comments from the 95% Construction Documents review.

Construction Schedule to be determined prior to the Project Bidding (Or: Upon Completion of the Bidding Documents).

EXHIBIT D
Professional Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Compensation shall be hourly rates plus allowable reimbursable expenses.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Pearson Engineering Associates, Inc. (PEA) for the completion of all work Project during the entire term of the Project must not exceed \$167,523.00.

DETAILED PROJECT COMPENSATION

See attached spreadsheets for detail.

GLENDAL CITY HALL COOLING TOWERS DESIGN AND CONSTRUCTION FEE SCHEDULE		
TASKS	HOURS	COST
PEA MECHANICAL & ELECTRICAL		
TASK A – General Project Administration	136	\$18,000.00
TASK B – Construction Documents 65%	182	\$21,920.00
TASK C – Construction Documents 95%	98	\$10,990.00
TASK D – Construction Documents 100%	50	\$ 5,670.00
TASK E – Bid Phase Services	42	\$ 5,430.00
TASK F – Construction Services	224	\$29,220.00
TASK G – Warranty Inspection Services	12	\$ 1,800.00
Projected Expenses (Printing)	--	\$ 2,000.00
SUB-CONSULTANTS		
ARRINGTON WATKINS ARCHITECTS		
TASK H – Construction Documents 65%	50	\$ 6,312.00
TASK I – Construction Documents 95%	54	\$ 6,738.00
TASK J – Construction Documents 100%	53	\$ 6,548.00
TASK K – Construction Administration	92	\$11,800.00
Projected Expenses (Printing)	--	\$ 500.00
CARUSO TURLEY SCOTT ENGINEERS		
TASK L – Construction Documents	76.5	\$ 7,550.00
TASK M – Construction Administration	74.0	\$ 9,245.00
TASK N – Prepare Review Construction Estimates	14.5	\$ 1,800.00
TASK O – Special Structural Inspection	25	\$ 2,000.00
Owner's Contingency		\$20,000.00
TOTAL PROJECT COST:		\$167,523.00

EXHIBIT E
Professional Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 **Hearing.** The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 **Award.** At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 **Final Decision.** The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 **Costs.** The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Consultant must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Consultant in accordance with this Agreement.

4. **Exceptions.**

- 4.1 **Third Party Claims.** City and Consultant are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Consultant.
- 4.2 **Liens.** City or Consultant may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 **Governmental Actions.** This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.



Legislation Description

File #: 15-359, Version: 1

AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH REHRIG PACIFIC COMPANY, INC., FOR RESIDENTIAL REFUSE AND RECYCLING CONTAINERS

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a linking agreement with Rehrig Pacific Company, Inc. (Rehrig), for the purchase of residential refuse and recycling containers in an amount not to exceed \$375,000 annually. The agreement will be effective upon signing for an initial period of three years; and to authorize the City Manager to annually renew the agreement, at the City Manager's discretion, for an additional two years in an amount not to exceed \$1,875,000 over the full five-year period.

Background

The Solid Waste Collections Division of Public Works provides refuse and recycling containers to Glendale residents for both trash and recycling. The division typically replaces between 6,000 to 7,000 containers annually, which contributes towards the overall environmental health and safety standards required for residential sanitation collections. Containers purchased for the initial start of the recycling program have run their life cycle and need to be replaced more frequently than in past years.

The existing city contract for purchase of refuse and recycling containers expires on December 31, 2015. By utilizing the cooperative purchasing agreement with the Town of Gilbert, the City of Glendale will continue to purchase containers at a competitive rate, and with a larger volume of containers being purchased through this agreement it will allow the best possible purchasing power.

The city's agreement with Rehrig will be effective upon signing of the agreement for an initial period of three years, and includes the option to renew the agreement for two additional one-year periods based on satisfactory performance and the annual renewal of Contract No. 2015-4105-0512 by the Town of Gilbert.

Analysis

On February 19, 2015, under the Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement, the Town of Gilbert entered into a contract with Rehrig Pacific Company, Inc., to purchase the goods and services described in the Residential Refuse and Recycling Containers, Contract No. 2015-4105-0512. The Residential Refuse and Recycling Containers Contract permit its cooperative use by other governmental agencies including the City of Glendale. The Residential Refuse and Recycling Containers Contract are referred to as the Cooperative Purchasing Agreement.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a

contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. The cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2 -149 of the Glendale City Code, per review by Materials Management.

Materials Management has reviewed and approved the utilization of the cooperative purchasing agreement with The Town of Gilbert, Arizona for refuse and recycling containers as outlined herein. Materials Management concurs the cooperative purchases are in the best interest of the city.

Previous Related Council Action

On December 14, 2010, Council awarded a proposal for refuse containers to Rehrig Pacific Company for the purchase of residential refuse and recycling containers.

Community Benefit/Public Involvement

Implementing this agreement for residential containers will allow the city to provide quality containers to all Glendale residents. The refuse containers meet all health and quality standards set by Maricopa County health code regulations.

Cooperative purchasing produces the lowest possible volume prices and allows for the most effective use of available funding. The bids are publicly advertised and all Arizona firms have an opportunity to participate.

Budget and Financial Impacts

Funding is available in the fiscal year 2015-16 Public Works Department operating and maintenance budget. Expenditures with Rehrig Pacific Company, Inc., are not to exceed \$375,000 annually; and over the life of the agreement, including any extensions authorized by the City Manager, total expenditures are not to exceed \$1,875,000.

Cost	Fund-Department-Account
\$187,500	2480-17830-524400, Curb Service
\$187,500	2440-17740-524400, Recycling

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
REHRIG PACIFIC COMPANY, INC.**

THIS LINKING AGREEMENT (this "Agreement") is entered into as of this _____ day of _____, 2015, between the City of Glendale, an Arizona municipal corporation (the "City"), and Rehrig Pacific Company, Inc., a Delaware corporation authorized to do business in Arizona ("Contractor"), collectively, the "Parties."

RECITALS

- A. On February 19, 2015, under the Strategic Alliance for Volume Expenditures (SAVE) Cooperative Purchasing Agreement, the Town of Gilbert entered into a contract with Contractor to purchase the goods and services described in the Residential Refuse & Recycling Containers, Contract # 2015-4105-0512, which is attached hereto as Exhibit A. The Residential Refuse & Recycling Containers Contract permits its cooperative use by other governmental agencies including the City. The Residential Refuse & Recycling Containers Contract is hereinafter referred to as the Cooperative Purchasing Agreement.
- B. Section 2-149 of the City's Procurement Code permits the Materials Manager to procure goods and services by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. Section 2-149 also provides that Materials Manager may enter into such cooperative agreements without meeting the formal or informal solicitation and bid requirements of Glendale City Code Sections 2-145 and 2-146.
- D. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City's utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

1. Term of Agreement. The City is purchasing the supplies and/or services from Contractor pursuant to Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement award and rate sheet, which are attached hereto as part of Exhibit B, purchases can be made by governmental entities from the date of award, which was February 19, 2015, until the date the contract expires on June 30, 2018, unless the term of the Cooperative Purchasing Agreement is extended by the mutual agreement of the original contracting

parties. The Cooperative Purchasing Agreement, however, may not extend the contract beyond June 30, 2020. The initial period of this Agreement therefore is the period from the Effective Date of this Agreement until June 30, 2018. The City, however, may renew the term of this Agreement for two additional one-year periods until the Cooperative Purchasing Agreement expires on June 30, 2020. Renewals are not automatic and shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such a one-year renewal.

2. Scope of Work; Terms, Conditions, and Specifications.

- A. Contractor shall provide City the supplies and/or services identified in the Scope of Work attached hereto as Exhibit B.
- B. Contractor agrees to comply with all the terms, conditions and specifications of the Cooperative Purchasing Agreement. Such terms, conditions and specifications are specifically incorporate into and are an enforceable part of this Agreement.

3. Compensation.

- A. City shall pay Contractor compensation at the same rate and on the same schedule as the Cooperative Purchasing Agreement, unless the City and Contractor agree otherwise, as provided in Exhibit C hereto.
- B. The total purchase price for the supplies and/or services purchasing under this Agreement shall not exceed \$375,000 annually for a total not to exceed one million eight hundred seventy five thousand dollars (\$1,875,000). This is for the entire term of this Agreement, including the initial term and any renewals terms the City wishes to exercise in accordance with Paragraph 1 above.

4. Cancellation. This Agreement may be cancelled pursuant to A.R.S. § 38-511.

5. Non-discrimination. Contractor must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

6. E-verify. Contractor complies with A.R.S. § 23-214 and agrees to comply with the requirements of A.R.S. § 41-4401.

7. Notices. Any notices that must be provided under this Agreement shall be sent to the Parties' respective authorized representatives at the address listed below:

City of Glendale
c/o William Sterling
6210 W. Myrtle Avenue, Suite #111
Glendale, Arizona 85301
623-930-2619

and

Rehrig Pacific Company, Inc.
c/o Brad Gust
4010 E. 26th Street
Los Angeles, CA 90058
714-504-7690

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

"City"

"Contractor"


City of Glendale, an Arizona
municipal corporation

Rehrig Pacific Company, Inc.,
a Delaware corporation

By:

Richard A. Bowers
Acting City Manager

By:


Name: Brad Gust
Title: Environmental Sales Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

EXHIBIT A

Town of Gilbert -Contract # 2015-4105-0512-Residential Refuse & Recycling Containers

ATTACHMENT 5

PURCHASE CONTRACT Contract No. 2015-4105-0512

Contractor: Rehrig Pacific Company Attn: Brad Gust
Contractor Address: 4010 East 26th Street, Los Angeles, CA 90058
714-504-7690 | bgust@rehrigpacific.com

This Contract is entered into between Town of Gilbert, Arizona ("Municipal Party") and Rehrig Pacific Company ("Contractor") this 19 day of February, 2015.

1. Agreement to Purchase: Contractor agrees to offer to sell to Municipal Party, the Purchased Items described in Exhibit A ("Purchased Items") in accordance with all requirements of the General Conditions, Specifications and Design Standards and Contractor's bid. The General Conditions, Purchased Items Specifications and Design Standards and Contractor's bid are incorporated into this Contract as though fully set forth herein. Municipal Party will only purchase Purchased Items as and when needed.
2. Risk of Loss: Contractor shall bear all risks of loss, injury or destruction of goods and materials contracted for hereunder which occur prior to delivery of the Purchased Items to Municipal Party. Any such loss, injury, or destruction prior to delivery shall not release Contractor from any obligation owed hereunder.
3. Delivered Service Ready: The Purchased Items shall be delivered ready to be put into intended service.
4. Delivery Acceptance: The delivery date for Purchased Items shall be as set forth in each order. Prior to acceptance of the Purchased Items and payment of the invoice, Customer shall inspect the Purchased Items to confirm compliance with the requested Purchased Items specifications. The inspection may include testing where the nature of the Purchased Items cannot be adequately determined otherwise. The cost of testing shall be borne by Municipal Party, except where the goods are nonconforming. In such case, Municipal Party may recover the reasonable cost of inspection and testing from Contractor as part of its incidental damage caused by Contractor's breach.
5. Patent and Royalty Rights: Contractor agrees to defend Municipal Party at Contractor's own expense, in all suits, actions or proceedings in which Municipal Party is made a defendant for actual or alleged infringement of any United States of America or foreign patent resulting from Customer's use of the goods purchased from the Contractor. Contractor further agrees to pay and discharge any and all judgments or decrees that may be rendered in any such suit, action or proceedings against the Contractor. Contractor agrees to indemnify and hold harmless Customer from any and all royalty and proprietary licenses, fees or costs, including legal costs, which may arise out of Customer's purchase and use of Purchased Items supplied by Contractor. It is expressly agreed by Contractor that these patent and royalty covenants are irrevocable and perpetual.
6. Applicable Law: This Contract shall be governed by the laws of the State of Arizona without regard to any choice of law provisions thereof.


7. Compliance with Laws:

(a) Contractor represents that all goods and services, delivered pursuant to the Contract will be produced and supplied in compliance with all applicable state and federal laws and regulations, including the requirements of the Fair Labor Standards Act of 1938, as amended.

(b) Contractor shall be responsible for compliance with any federal, state and local laws and regulations applicable to its installation of the Purchased Items furnished hereunder, and will obtain any permits required for such installation.

8. Assignment: This Contract may not be assigned by Contractor without the prior written consent of Municipal Party, and any assignment without such consent shall be null and void.

9. Attorneys Fees: If any action at or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to reasonable attorney, accountant and other professional fees, costs and expenses in addition to any other relief to which such prevailing party may be entitled.

 10. Contract Term and Renewal: If funds for this Contract are not appropriated or budgeted by July 1, Municipal Party may terminate this contract by giving written notice to Contractor. Otherwise, the Contract commences upon execution by both parties and continues through June 30, 2018.

The contract or renewal pricing shall remain firm for 12-months. Any price adjustment must be requested in writing at least 60 days prior to annual anniversary of the contract effective date, March 1. Price adjustment shall be limited to any net percentage change in the Producer Price Index, Plastics Material and Resin Manufacturing (PCU325211), not seasonally adjusted, as published by the U.S. Department of Labor, Bureau of Labor Statistics, from December of the previous year to the most recent December.

~~The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.~~ The Contract may be renewed upon written approval of Municipal Party's Purchasing Officer if: 1) the Contract amount does not exceed \$100,000 (contract amount only applies to the Town of Gilbert); 2) the original prices remain in effect during the renewal term; or 3) the original prices are adjusted pursuant to the renewal terms of contract. The Municipal Party's Council or City Manager must approve renewal in all other cases, depending on the Municipal Party.

Any renewal shall be in writing and shall expressly state the prices for the Purchased Items during the renewal term. Any renewal shall be contingent on funds being appropriated or budgeted for the renewal term.

11. Entire Agreement: This Agreement (which includes the General Conditions, Purchased Items Specifications and Design Standards and Contractor's bid) constitutes the entire agreement between the parties, and any oral representations or terms set forth in a separate acceptance form or delivery slip shall not alter the terms and conditions of this Agreement.

Dated the year and date set forth above:

TOWN OF GILBERT


John W. Lewis, Mayor

CONTRACTOR: Rehig Pacific Company


By: Rajesh J. Lunar
Title: CFO

ATTEST:


Catherine A. Templeton, Town Clerk

APPROVED AS TO FORM:


L. Michael Hamblin, Town Attorney

EXHIBIT B
Scope of Work



Council Communication

TO: Honorable Mayor and Councilmembers

FROM: Steven Pietrzykowski, Environmental Services Manager, 480-503-6426

MEETING DATE: February 19, 2015

SUBJECT: New contracts #2015-4105-0512 and #2015-4105-0589 for Residential Refuse and Recycling Containers with Rehrig Pacific Company and Toter LLC, respectively.

STRATEGIC INITIATIVE: Community Livability

This action supports Gilbert's Community Livability Strategic Initiative by providing quality refuse and recycling containers to residents.

RECOMMENDED MOTION

Motion to approve contract for Residential Refuse and Recycling Containers with Rehrig Pacific Company, contract #2015-4105-0512, and with Toter LLC, contract #2015-4105-0589, in an amount combined not to exceed \$639,400 annually, effective upon award and terminating June 30, 2018, with option to renew, and authorize the mayor to execute the required documents.

BACKGROUND/DISCUSSION

The current Gilbert contract for refuse and recycling containers expires this month. The cities of Mesa and Queen Creek participated in the formal solicitation process with Gilbert as the lead agency.

The Town of Gilbert advertised a Request for Proposals (RFP) on December 12, 2014, in the Arizona Republic and emailed over 3,000 firms registered with ProcureAZ. The proposal deadline was 2:00PM on January 13, 2015, and Gilbert received proposals from three firms: Otto Environmental Systems, Rehrig Pacific Company, and Toter.

An evaluation committee representing the Town of Gilbert, City of Mesa, and Town of Queen Creek evaluated responses and recommends awarding the contract to multiple firms: Rehrig

Pacific Company and Toter LLC. Each municipality will select the firm(s) most favorable to their respective communities.

For bidding purposes, the quantities shown in the RFP were estimates only and the municipal parties involved gave no guarantee to the stated quantities that would be purchased.

The contract was reviewed for form by Attorney Michael Hamblin.

FINANCIAL IMPACT

The total amount of \$639,400 has been budgeted in FY16 for this recurring service as follows:

210301.41050102.5701 \$119,000

210301.41050102.5702 \$222,800

210301.41050104.5701 \$150,000

210301.41050104.5702 \$147,600

The financial impact was reviewed by Cris Parisot, Management and Budget Analyst.

STAFF RECOMMENDATION

Staff recommends approval of motion to approve both contracts for residential refuse and recycling containers, effective upon award and terminating June 30, 2018 with option to renew.

Respectfully submitted,

Steven Pietrzykowski
Environmental Services Manager

Attachments and Enclosures:
Contract 2015-4105-0512, Rehrig Pacific Company
Contract 2015-4105-0589, Toter LLC

Approved By**Approval Date**

Steven Pietrzykowski

2/4/2015 11:00 AM

Kenneth Morgan

2/4/2015 11:13 AM

Jack Vincent

2/4/2015 12:08 PM

Cris Parisot

2/5/2015 2:35 PM

Douglas Boyer

2/5/2015 6:02 PM

ATTACHMENT 5

PURCHASE CONTRACT **Contract No. 2015-4105-0512**

Contractor: Rehrig Pacific Company Attn: Brad Gust
Contractor Address: 4010 East 26th Street, Los Angeles, CA 90058
714-504-7690 | bgust@rehrigpacific.com

This Contract is entered into between Town of Gilbert, Arizona ("Municipal Party") and Rehrig Pacific Company ("Contractor") this 19 day of February, 2015.

1. **Agreement to Purchase:** Contractor agrees to offer to sell to Municipal Party, the Purchased Items described in Exhibit A ("Purchased Items") in accordance with all requirements of the General Conditions, Specifications and Design Standards and Contractor's bid. The General Conditions, Purchased Items Specifications and Design Standards and Contractor's bid are incorporated into this Contract as though fully set forth herein. Municipal Party will only purchase Purchased Items as and when needed.
2. **Risk of Loss:** Contractor shall bear all risks of loss, injury or destruction of goods and materials contracted for hereunder which occur prior to delivery of the Purchased Items to Municipal Party. Any such loss, injury, or destruction prior to delivery shall not release Contractor from any obligation owed hereunder.
3. **Delivered Service Ready:** The Purchased Items shall be delivered ready to be put into intended service.
4. **Delivery Acceptance:** The delivery date for Purchased Items shall be as set forth in each order. Prior to acceptance of the Purchased Items and payment of the invoice, Customer shall inspect the Purchased Items to confirm compliance with the requested Purchased Items specifications. The inspection may include testing where the nature of the Purchased Items cannot be adequately determined otherwise. The cost of testing shall be borne by Municipal Party, except where the goods are nonconforming. In such case, Municipal Party may recover the reasonable cost of inspection and testing from Contractor as part of its incidental damage caused by Contractor's breach.
5. **Patent and Royalty Rights:** Contractor agrees to defend Municipal Party at Contractor's own expense, in all suits, actions or proceedings in which Municipal Party is made a defendant for actual or alleged infringement of any United States of America or foreign patent resulting from Customer's use of the goods purchased from the Contractor. Contractor further agrees to pay and discharge any and all judgments or decrees that may be rendered in any such suit, action or proceedings against the Contractor. Contractor agrees to indemnify and hold harmless Customer from any and all royalty and proprietary licenses, fees or costs, including legal costs, which may arise out of Customer's purchase and use of Purchased Items supplied by Contractor. It is expressly agreed by Contractor that these patent and royalty covenants are irrevocable and perpetual.
6. **Applicable Law:** This Contract shall be governed by the laws of the State of Arizona without regard to any choice of law provisions thereof.


7. Compliance with Laws:

(a) Contractor represents that all goods and services, delivered pursuant to the Contract will be produced and supplied in compliance with all applicable state and federal laws and regulations, including the requirements of the Fair Labor Standards Act of 1938, as amended.

(b) Contractor shall be responsible for compliance with any federal, state and local laws and regulations applicable to its installation of the Purchased Items furnished hereunder, and will obtain any permits required for such installation.

8. Assignment: This Contract may not be assigned by Contractor without the prior written consent of Municipal Party, and any assignment without such consent shall be null and void.

9. Attorneys Fees: If any action at or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to reasonable attorney, accountant and other professional fees, costs and expenses in addition to any other relief to which such prevailing party may be entitled.

 10. Contract Term and Renewal: If funds for this Contract are not appropriated or budgeted by July 1, Municipal Party may terminate this contract by giving written notice to Contractor. Otherwise, the Contract commences upon execution by both parties and continues through June 30, 2018.

The contract or renewal pricing shall remain firm for 12-months. Any price adjustment must be requested in writing at least 60 days prior to annual anniversary of the contract effective date, March 1. Price adjustment shall be limited to any net percentage change in the Producer Price Index, Plastics Material and Resin Manufacturing (PCU325211), not seasonally adjusted, as published by the U.S. Department of Labor, Bureau of Labor Statistics, from December of the previous year to the most recent December.

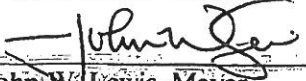
~~The Contract may be renewed for up to two (2) additional one-year terms upon mutual agreement of the parties.~~ The Contract may be renewed upon written approval of Municipal Party's Purchasing Officer if: 1) the Contract amount does not exceed \$100,000 (contract amount only applies to the Town of Gilbert); 2) the original prices remain in effect during the renewal term; or 3) the original prices are adjusted pursuant to the renewal terms of contract. The Municipal Party's Council or City Manager must approve renewal in all other cases, depending on the Municipal Party.

Any renewal shall be in writing and shall expressly state the prices for the Purchased Items during the renewal term. Any renewal shall be contingent on funds being appropriated or budgeted for the renewal term.

11. Entire Agreement: This Agreement (which includes the General Conditions, Purchased Items Specifications and Design Standards and Contractor's bid) constitutes the entire agreement between the parties, and any oral representations or terms set forth in a separate acceptance form or delivery slip shall not alter the terms and conditions of this Agreement.

Dated the year and date set forth above:

TOWN OF GILBERT


John W. Lewis, Mayor

CONTRACTOR: Rehrg Pacific Company


By: Rajesh J. Lohar
Title: CFO

ATTEST:


Catherine A. Templeton, Town Clerk

APPROVED AS TO FORM:


L. Michael Hamblin, Town Attorney

EXHIBIT A (revised 12/24/2014)
SUPPLIES AND PRICING LIST

FOB Destination: The supplies shall be FOB destination and delivered to:
Town of Gilbert, 4760 S. Greenfield Rd., Gilbert, AZ 85297

REFUSE/RECYCLING CONTAINERS

Item No.	Description	Estimated Annual Quantity	Unit Price*	Total Price*
1	32/35 gallon refuse/recycling containers per specifications Mfg. Model: <u>Rehrig Pacific Co. ROC-35MB</u>	600 Mesa**	34.73	\$ 17,365.00
2	48/52 gallon refuse/recycling containers per specifications Mfg. Model: <u>No Bid</u>	0		\$ 0
3	60/68 gallon refuse/recycling containers per specifications Mfg. Model: <u>Rehrig Pacific Co. ROC-65NB</u>	800 Gilbert 3,000 Mesa**	42.32 42.32	33,856.00 \$ 126,960.00
4	90/98 gallon refuse/recycling containers per specifications Mfg. Model: <u>Rehrig Pacific Co. ROC-NB or PA</u>	16,000 Gilbert 18,500 Mesa** 2,400 Queen Creek	48.86 48.86 48.86	781,760.00 \$ 903,910.00 117,264.00
5	90/98 gallon black lids labeled "Animal Waste Only"	50 Queen Creek	14.00	\$ 700.00
Total				\$ 1,981,815.00
*Unit prices shall include all freight (FOB destination), insurance, warranty costs, and any other applicable costs <u>excluding</u> taxes. All containers will be delivered, unloaded, assembled, and stacked as directed by the Solid Waste Department or designated representative. All unit prices shall include assembly, bolts, plates, hardware, and other incidental items necessary for delivery and ready for use product. **City of Mesa's estimated annual quantity and contract award effective 2/1/2016				

Buyback of Material (price per container)

Description	Medium Density (MDPE)	High Density (HDPE)
32/35 gallon	\$ 1.20	\$ 3.00
48/52 gallon	\$ 1.60	\$ 3.40
60/68 gallon	\$ 2.00	\$ 5.00
90/98 gallon	\$ 2.16	\$ 6.00

Delivery, as stated in Detailed Specifications, can be met. X Yes No

If no, specify number of days for delivery

Payment terms (not less than net 30 days): Net 30 Days

Prompt Payment Discount of 1 % if invoices are paid within 15 days of receipt.

OPTIONAL ITEMS	
Description	Price
Warranty Coverage (price per container – all sizes)	
10 year standard manufacturer warranty plus an additional 1 year warranty	\$ 1.06
10 year standard manufacturer warranty plus an additional 2 year warranty	\$ --
10 year standard manufacturer warranty plus an additional 3 year warranty	\$ --
10 year standard manufacturer warranty plus an additional 4 year warranty	\$ --
10 year standard manufacturer warranty plus an additional 5 year warranty	\$ --
RFID Tag (price per container – all sizes)	
The Contractor shall provide fully encapsulated RFID tag in the containers using customer-supplied numbers. The RFID tag must have minimal operational temperature rating of -35 degrees F to 185 degrees F (-35C to 85C) and a minimum read distance of ten (10) feet at an operating frequency of 860-960 MHz. Device must be Ultra High Frequency (UHF) Electronic Product Code (EPC) Class I Generation 2.	\$ 1.50
In-Mold Labeling (price per container – all sizes)	
Black Barrel Lid Labels, Trash	\$ 1.60
Blue Barrel Lid Labels, Recycle	\$ 1.60
Lid Hot Stamp (price per container – all sizes)	
Price per hot stamp.	\$ 0.0
110 Degree Lid Stop (price per container – all sizes)	
Lids shall open at a minimum 100 degrees and a maximum 110 degrees.	\$.25
Cotter Pin and Washer Wheel Attachment (price per container – all sizes)	
Galvanized washers and galvanized 1/8" cotter pins.	\$ 1.25

EXHIBIT B SPECIAL TERMS AND CONDITIONS

Contract Name: Residential Refuse and Recycling Containers
Solicitation No. 2015-4105-0512

The Town of Gilbert, the City of Mesa and any other Municipality, hereinafter referred to as "Municipal Parties", intends to enter into a contract with a Contractor(s) whereby Municipal Parties may purchase supplies during the term of the contract at the prices set forth in the contract. The supplies shall be delivered FOB Destination and shall be fully assembled and ready for use.

1. SAMPLE CONTAINERS. The bid evaluation requires three (3) sample containers of each size to be submitted with the bid to determine conformity to specification and/or testing purposes.

The sample refuse and recycling containers shall be furnished at no cost to the Municipal Parties and will be retained by the Municipal Parties after tests are completed. Sample containers must be delivered no later than the due date for this solicitation. All sample containers shall be clearly labeled with the name of the Contractor submitting the sample, and with the Request for Proposal (RFP) number of this solicitation. Sample containers shall be delivered or shipped directly to the Town of Gilbert Environmental Services Office located at 4760 S. Greenfield Rd., Gilbert, AZ 85297.

2. PERFORMANCE AND TESTING PROCEDURES. Contractors shall provide the average failure rate of the last three (3) years for the products they are bidding. Proof of performance test results conducted and certified by a third party may waive the test requirements shown below.

The Municipal Parties may test those containers which are being considered for award at their discretion. The containers of the lowest responsive and responsible bid will be tested first. Should the container fail the test, the container from the next lowest responsive and responsible bidder will be tested. Sample containers must pass all tests to be eligible for award.

- a. **PERFORMANCE/STABILITY.** The container shall be stable and self-balancing when in the upright position, when either loaded or empty. The containers will be tested for stability by lifting each into the hopper area of an automated side loader and then setting it down. Containers will be tested in the following positions, facing forward toward the truck, turned 45° to the front, turned 45° to the rear and facing backwards. There will be ten lifts for each position with the exception of the barrel backwards position, which will be done five times, (35 total). The container must not slip through the grippers into the hopper or slip to the wheels. Stability is defined as the state of remaining upright and immobile after the container is set in place. To pass the stability test, the barrel must remain upright after at least 33 of the 35 lifts. If the barrel is out of position in the arms while being set down, no attempt will be made by the operator to keep the barrel balanced and upright.
- b. **DROP TEST.** Containers shall be drop tested to examine the container's ability to withstand being dropped by a collection vehicle when loaded to its maximum recommended capacity of +/- 100 lbs for 32/35 gallon containers; +/- 200 lbs for 60/68 and 90/98 gallon containers. Test containers will be filled with sand bags, raised to a height of 6 to 7 feet and dropped. Failure is defined as damage occurring to the container that would prevent normal use, or failure to meet the conditions defined in the specifications. The Municipal Parties retain the exclusive right to determine normal use for a container.
- c. **RESIN WEIGHT TESTS.**

Measurements are to be completed by the Municipal Parties' staff. If discrepancies in measurements are found, an independent service will be utilized with certified scales/measuring devices. All measurements are made without hardware, wheels or axle. Failure to meet the weight or wall thickness requirement for the container shall be grounds for disqualification.

 - i. The container and lid of the 32/35 gallon test container shall weigh a minimum of 17 pounds without hardware and wheels and have a nominal wall thickness of 0.145 inch (rotational molded) or 0.150 inch (injection molded).

- ii. The container and lid of each 60/68 gallon test container shall weigh a minimum of 23 pounds without hardware and wheels and have a nominal wall thickness of 0.164 inch (rotational molded) or 0.170 inch (injection molded).
- iii. The container and lid of each 90/98 gallon test container shall weigh a minimum of 30 pounds without hardware and wheels and have a nominal wall thickness of 0.172 inch (rotational molded) or 0.170 inch (injection molded).
- d. **WATERTIGHT.** All test containers must remain watertight during and after liquid capacity check is completed. Failure to retain water shall be grounds for disqualification.

3. CONTAINER CAPACITY.

All containers will be filled with water while using a flowmeter to ensure volume measurement. Failure to meet the minimum requirements shall be grounds for disqualification. The Municipal Parties may also reject containers that are oversized or in a form not conducive to proper collection or use by customer.

- a. All 32/35 gallon containers shall hold a minimum of 32 U.S. liquid gallons of water in the barrel portion. Capacity shall not exceed 35 gallons.
- b. All 60/68 gallon containers shall hold a minimum of 59 U.S. liquid gallons of water in the barrel portion. Capacity shall not exceed 68 gallons.
- c. All 90/98 gallon containers shall hold a minimum of 89 U.S. liquid gallons of water in the barrel portion. Capacity shall not exceed 98 gallons.
- d. All test containers must remain watertight during and after the liquid capacity test is completed. Failure to retain water shall be grounds for disqualification.

4. COLOR

Bidder shall submit color chips with bid for each bid item shown below. The color must match existing barrel inventory. Color chip is not required for items identified as "no bid".

Recycling collection containers shall be blue, Pantone 287 C, containing a minimum of one-half (1/2) of one percent (1%) of UV stabilizer and one-half (1/2) of one percent (1%) color, hot compounded into material.

Refuse collection containers shall be black containing a minimum one-half (1/2) of one percent (1%) carbon black hot compounded material.

Refuse collection containers (Queen Creek only) shall be tan containing a minimum one-half (1/2) of one percent (1%) color hot compounded material or as determined by the Town of Queen Creek.

Green waste collection containers shall be green, Pantone 357 C, containing a minimum of one-half (1/2) of one percent (1%) of UV stabilizer and one-half (1/2) of one percent (1%) color, hot compounded into material.

5. DIMENSIONS

All dimensions shown in Exhibit D details are nominal and approximate.

32/35 gallon Details IC (blue) & ID (black): Ideal circumference at the grip point is 60" to 65".

60/68 gallon Details IA (blue) & IB (black): Ideal circumference at the grip point is 78" to 84".

90/98 gallon Detail I (blue, black): Ideal circumference at the grip point is 85" to 95".

6. LID

Each container shall be furnished with a lid molded from the same material as the container and shall be of such configuration that it shall not warp, bend, slump, or distort to such an extent that it no longer fits flush on the container properly or becomes otherwise unserviceable. The design shall assure that

the lid is durable and rigid. The lid must operate smoothly and not be a safety hazard, or potential maintenance problem. When closed, the lid must prevent entry of rain without latches. Lids shall fully open at 270 degrees or a minimum 100 degrees and a maximum 110 degrees with optional lid stop.

Lids for blue barrels will be hot stamped or otherwise have permanently affixed Recycling Information as per Exhibit D Details IA and IV and Design Specifications for all blue containers. All information will be white in coloring. Option: Exhibit D Detail IV- In-Mold Label 32/35, 60/68 and 90/95 Gallon container lids

Lids for black barrels will be hot stamped or otherwise have permanently affixed information as per Exhibit D Details IB and VI and Design Specifications. All information will be white in coloring. Option: Exhibit D Detail VII - In-Mold Label. Sort Your Stuff, 32/35, 60/68 and 90/95 Gallon container lids.

7. HARDWARE AND WHEELS

Each container shall be furnished with a 5/8" plated steel axle (minimum), two rotationally molded or blow molded, one (1) piece wheels from the same material resin as the container. Axles shall have snap on wheels. Alternate bid for flat washers between the wheel and the cotter pin may be submitted.

8. STABILITY AND HANDLING CHARACTERISTICS

The container shall be stable and self-balancing when in the upright position, when either loaded or empty and when the lid is open or closed. Maximum allowable fully opened position of lid is 270 degrees or maximum 110 degrees with optional lid stop, if applicable.

Container shall be designed to be handled easily by workers and users over a variety of distances and surfaces including sand, gravel, mud and grass. When the container is loaded with fifty (50 lbs.) pounds of sand, the force (applied directly downward on the handle) required to tilt the container in the "Roll Position," shall not exceed fifty (50 lbs.) pounds as measured by a pull scale.

9. COMPRESSION FORCE

Each container shall be capable of withstanding the compression force of the automated loading equipment of two-hundred (200 lbs.) pounds in the lifting and dumping process without permanent damage, deformation, or structural failure.

10. FINISH

Interior and exterior surfaces shall be smooth and have an even, continuous surface. Interior surfaces shall have a high gloss finish. Containers shall be completely deburred with no sharp edges or corners. Containers are to be manufactured to highest commercial standards.

11. LABELING

The container shall be labeled as shown in Specifications, molded or hot stamped in the location shown in Exhibit D details in accordance with minimum and maximum dimensions or as directed by the Municipal Parties. All labels are provided for informational purposes. Text and photographs may be modified to reflect change in phone number, web site address, etc.

12. EQUIPMENT COMPATIBILITY. Currently the Municipal Parties use the Curbtender and Scorpion model vehicle for automated collection.

13. CONTAINER IMPRINTING SPECIFICATION

- a. **BLUE, BLACK AND GREEN WASTE CONTAINERS.** Color of imprinting shall be different than the color of the lid. Molded in the top of the lid - letter size 1/2" minimum:
A, B, & C from list below for black containers

A & C only from list below for blue and green containers

- A. DO NOT USE FOR HOT ASHES, ROCKS, CONSTRUCTION DEBRIS, DIRT, CONCRETE, PAINT, CHEMICALS, AUTOPARTS, OR DEAD ANIMALS. NO MOTOR OIL. DO NOT OVERLOAD.
- B. USE FOR NORMAL BAGGED GARBAGE.

- C. CLEAN OUT WITH SOAP AND WATER. KEEP LID CLOSED. MATERIAL SHOULD NOT PROTRUDE FROM TOP OF CONTAINER. WEIGHT NOT TO EXCEED 200 POUNDS.

b. **ALL CONTAINERS.** The following items A through F shall be molded into the location specified:

- A. "REMOVE FROM CURB AFTER COLLECTION."
Molded into lid - Above letter size 3/4" minimum and 1-1/2" from lid edge.
- B. "Arrow" at curbside of lid facing street, size of arrow no less than 3" x 2" and no more than 2" from lid edge.
- C. No parking logo embossed, painted or decaled on left side of container facing curb, 8" in diameter Red circle, slash and P (see Exhibit D Details IA & IB).
- D. Identification Markings - In addition to other markings on containers, sequenced identification numbers, starting with a number to be specified by the Municipal Parties, will be embossed onto center of the body of the container with approximately 1-1/2" characters. Numbers will be white and stand out from the container surface to be read easily.
- E. The lid shall have molded into it the name of Municipal Party e.g., "City of Mesa" or "Town of Gilbert" as applicable. The character height shall be one and one-half inches (1-1/2").
- F. The container shall have molded into it the month and year manufactured and a manufacturer material identification code. This information may appear anywhere except on the bottom of the container.

14. **BIDDERS CAPABILITIES.** Upon request, the following information shall be immediately submitted for Municipal Parties review:

- A. Two (2) copies of the Contractor's most current audited financial statements.
- B. Two (2) copies of the Contractor's inspection and quality control policy and procedures manual.
- C. Name and address of distributor if other than Contractor.
- D. If the Contractor intends to subcontract production of the containers, either the full quantity or any portion thereof, the identity of the subcontractor shall be submitted with bid.
- E. Proof that the Contractor has experience in manufacturing containers of the size, design and material proposed with a minimum of providing 10,000 of the proposed containers in service, using side loading automated collection vehicles within the last five years to municipalities or other solid waste collection companies.

15. **WARRANTY.** A container is defined as a complete unit including hardware, wheels, and a full lid assembly. All containers delivered shall be warrantied for a minimum period of ten (10) years from the date of acceptance against any and all defects in material and workmanship. Defects include, but not limited to, cracking, chipping, peeling, distortion, failures at attachment, weathering degradation, defective or insufficient material, poor manufacturing, and low ultraviolet resistance.

At any time during the period, if a defect should occur in any item, item shall be repaired or replaced by the Contractor at no cost or obligation to the Municipal Parties. The Contractor shall not be responsible for damage or loss caused by fire, vandalism or theft, occurring after delivery, distribution, and acceptance by the Municipal Parties.

The Contractor shall, during the term of the contract period, cover the cost of replacing defective containers plus an \$8.00 handling fee per container. The \$8.00 handling fee covers costs incurred by the Municipal Parties, including staff time and equipment charges, incidental to exchanging defective containers for customers, and disposal of defective containers, lids and hardware. This fee may be applied towards the purchase of additional containers.

The Contractor expressly warrants all items to be new, free from defects in design, materials and workmanship, and to be fit and sufficient for their intended purpose. All warranties shall survive acceptance and payment by the Municipal Parties. The Municipal Parties will accept part for part warranty replacement for items not requiring full container replacement.

Containers and hardware which the Contractor is obligated to replace under warranty provision will have an opportunity to replace/repair containers within forty-five (45) days of written notice of defects. If the Contractor does not respond with replacement or repair the Municipal Parties will bill the Contractor to recover predetermined costs. If the Seller fails to replace/repair the refuse containers, including unloading, stacking, assembly and storage placement, within the time specified in these specifications, or any extension thereof, the actual costs incurred by the Municipal Parties for the delay will be difficult or impossible to determine. Therefore, in lieu of actual costs incurred, the Contractor shall pay to the Municipal Parties as fixed, agreed, and liquidated damages for each calendar day of delay, the amount of \$1.00 per container per calendar day for containers not received per the delivery schedule listed in the specifications.

The Contractor will arrange to have the containers stacked, picked up and removed from the Municipal Parties. Contractor will disassemble wheels and axles from containers. A defective container is any container, including any component part that:

- (1) Does not continuously perform in the intended manner as set forth in the bid specifications (including smooth maneuverability);
- (2) Does not comply with the minimum design requirements of the bid specifications;
- (3) Does not continuously perform in the intended manner within the warranty period.

Such container(s) shall then be considered to be defective in material, workmanship, and/or design and shall be covered by the terms of this warranty specification. In the event that containers or any component parts have been manufactured and supplied to the Contractor by a subcontractor, the Municipal Parties shall consider the Contractor as the manufacturer regarding product liability. The warranty terms set forth herein shall be applied in full to the Contractor.

16. **BUYBACK OF MATERIAL.** As barrels in our inventory are no longer covered by warranty or are past their useful life, the material remains valuable and can be recycled (high-density polyethylene HDPE or medium-density polyethylene MDPE). The Municipal Parties would like the option of having the bidder purchase these barrels. The buyback of these barrels will be issued to Municipal Parties in the form of a credit toward purchasing new barrels. The bidder will arrange to have the containers stacked, picked up and removed from Municipal Parties. Bidder will disassemble wheels and axles from containers.
17. **DELIVERY.** Delivery shall be made to the location(s) contained herein no longer than 30 calendar days after receipt of an order. Containers will be ordered as needed and shall be delivered and assembled within 30 calendar days after receipt of an order. Orders placed will be a minimum of a truckload.

All containers will be delivered, unloaded, assembled, and stacked as directed by the Solid Waste Department or designated representative.

















18. **LIQUIDATED DAMAGES.** If the Seller fails to deliver the refuse containers, including unloading, stacking, assembly and storage placement, within the time specified in these specifications, or any extension thereof, the actual damages to the Municipal Parties for the delay will be difficult or impossible to determine. Therefore, in lieu of actual damages, the Contractor shall pay to the Municipal Parties as fixed, agreed, and liquidated damages for each calendar day of delay, the amount of \$1.00 per container per calendar day for containers not received per the delivery schedule listed in the specifications. The Municipal Parties may also terminate this contract in whole or part as provided in the "Default" provision. In that event, the Contractor shall be liable for such liquidated damages accruing until such time as the Municipal Parties may reasonably

obtain delivery or performance of similar supplies and services. The Seller shall not be charged with liquidated damages when the delay arises without the fault or negligence of the Seller.

EXHIBIT C
TECHNICAL SPECIFICATIONS ACCEPTANCE

DESIGN SPECIFICATIONS




Bidder shall indicate whether the container bid complies with each specification or if there is any exception to the specification. The Municipal Parties must approve all exhibit designs before dies are cut.

SPECIFICATION	COMPLIES	EXCEPTION
Drop Test		
Resin Weight Test		
Container Capacity		
Color		
Dimensions		
Lid		
Hardware and Wheels		
Stability and Handling Characteristics		
Compression Force		
Finish		
Labeling		
Equipment Compatibility		
Container Imprinting		
Warranty		
Buyback of Material		
Delivery		

**MATERIAL PROPERTY SPECIFICATION
FOR THE 60/68 AND 90/98 GALLON CONTAINERS**

Bidder shall indicate whether the container bid complies with each specification or is an exception to the specification.

Note: bidder must check each item.

	COMPLIES	EXCEPTION
<p>a. <u>Rotationally or injection molded, cross-linked, or linear high or medium density, polyethylene.</u></p> <p>Polyethylene resin must be furnished by a recognized leading manufacturer of the material. Bidders should identify the manufacturer, material type and production method of the resin (blow molded containers are not acceptable).</p> <p>The container shall be molded from 100% high or medium density polyethylene virgin first quality materials produced by a national petrochemical manufacturer (ex: Exxon, Phillips, Mobil, Dow, DuPont, or equivalent), <u>mixed within 10% to 20% post-consumer high density (HDPE) or medium density (MDPE) resin.</u> Material must satisfy manufacturer's original specification for first quality material and cannot be "batch" produced by the bidder.</p> <p>Upon request, Bidder must supply a letter from the resin manufacturer certifying that the post-consumer resin is of like quality to 100% virgin resin.</p> <p>Bidder must state the source and percentage of particular grades of recycled material (post-consumer scrap) used in the resin for the proposed containers.</p> <p>Upon request, Bidder shall attach letter(s) from recycled and virgin resin suppliers certifying the actual source of resin and the bidder's assured capability of obtaining sufficient resin to complete the contract prior to bid award.</p> <p>Specify product offered, and the percentage of recycled content. Product: <u>HDPE</u> Percent Recycled Content <u>up to 30%</u></p>	<p></p> <p>Manufacturer: <u>Rehrig Pacific Company</u></p> <p>Resin: <u>HDPE</u></p> <p>Resin Supplier: <u>Dow and/or Exxon</u></p> <p>Production Method: <u>Injection Molding</u></p> <p><u>Rehrig Pacific</u> reclaims plastic containers from many sources, however the majority of PCR is obtained through the warranty and/or end of useful life of customer products. At time of manufacturer, <u>Rehrig</u> can supply source of material at the City's request. Please see Sustainability page for more info.</p> <p>We can incorporate up to 30% PCR at time of manufacturer.</p>	
<p>b. The resin shall meet or exceed the following A.S.T.M. molded property specification: Environmental Stress Crack Resistance (E.S.C.R.) Condition "A" for rotational molded containers. Condition "B" for injection molded containers.</p> <p>Bidder shall substantiate compliance with the above specification by attaching a copy of the actual resin Manufacturer's Published Specification Sheet.</p>	<p></p>	
<p>c. Bid must comply with the following additional container properties, performance standards, and certifications: Minimum 0.5% and Maximum of 1.0% color pigment, hot melt compounded into the resin.</p> <p>Bidder shall identify the specific hot melt compounding</p>	<p></p>	

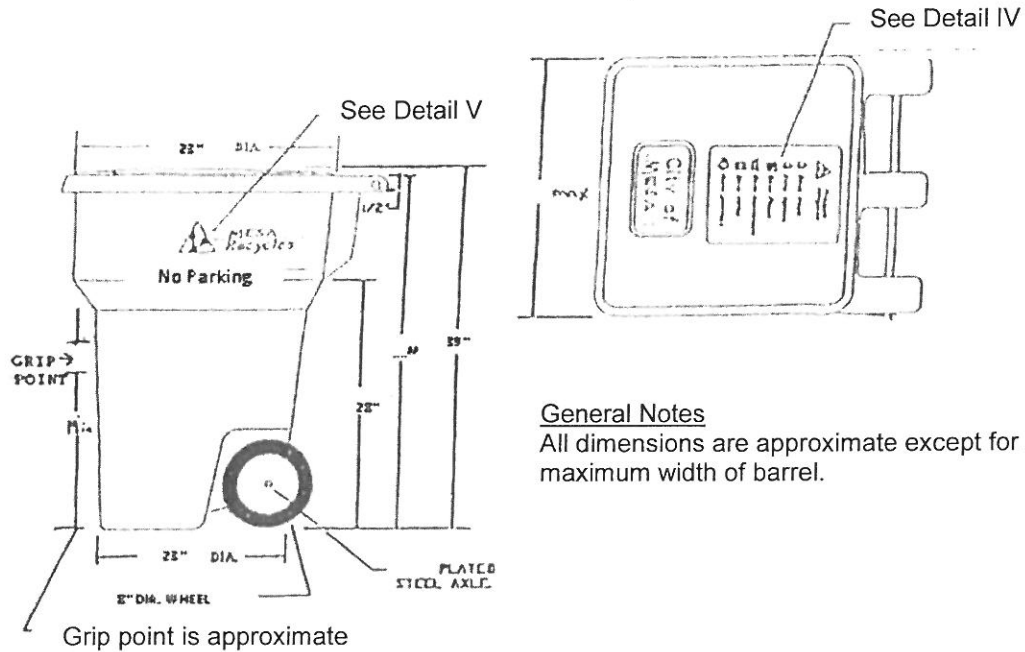
Bid Forms

	COMPLIES	EXCEPTION
<p>extruder herein by its manufacturer's model number, and provide the name and address of the facility where the extruder is located.</p> <p>Engel Machinery Inc. Serial # 166530</p> <p>Location: <u>4010 East 26th Street</u> <u>Los Angeles, CA 90058</u></p> <p>Resin shall contain an ultraviolet stabilizer, consisting of a minimum of Additive Type one-half (1/2) of one percent (1%). This stabilizer must be hot melt compounded into the resin. State additive manufacturer and type.</p> <p>Additive: <u>Techmer PM HALS</u></p> <p>Containers shall be designed to regularly receive and dump a minimum of 200 lbs. without permanent damage, deformation, structural failure.</p> <p>Container and all components shall be capable of withstanding temperature extremes ranging from -30 F to 150 F, when under 200 lbs. total compressing force, applied from opposite sides by the gripping arm.</p> <p>All plastic components will be recyclable into other polyethylene products of a similar nature. The Municipal Parties shall make the final determination as to recyclability. Bidder shall provide a statement of recyclability of the proposed container and components, and upon request shall supply certification of recyclability from the primary manufacturer of each component or raw material (i.e., resin, hardware, components, etc.) previous to bid award.</p> <p>Bidder shall state the number of containers currently in service utilizing the type of resin offered for this bid.</p> <p>Number of Containers: <u>Over 45 million out in the field</u></p> <p>All metal components shall be plated steel or stainless grade 304.</p>	✓	
<p>All containers to be compatible with current Municipal Parties lifting devices used on all Municipal Parties automated refuse equipment.</p>	✓	
<p>DURABILITY</p> <p>d. All containers shall remain durable in temperature variations of this region under loading conditions of 200 pounds of ballast. In addition, the container shall have a life expectancy of not less than ten (10) years during which time the container and its component parts shall maintain sufficient strength, shape, and appearance, and to be resistant to blows, kicks, and rodent penetration, such as to require no routine maintenance and, in general be maintenance free. Any component part, including but not limited to molded to or attached parts, such as frames or bars, or lids that fail during the ten (10) year warranty period shall constitute failure of the container, and will require replacement by a complete and new container (including shipping and disposal of failed containers) at no cost to the Municipal Parties. The Municipal Parties will accept part for part warranty replacement for items not requiring full container replacement.</p>	✓	

	COMPLIES	EXCEPTION
The Contractor may review warranty failures upon request. Resolution will be between the Municipal Parties and the Contractor.		
e. Seller shall maintain copies of all material, process and final inspections and testing reports which it performs or has performed and agrees to promptly furnish copies at no additional cost when requested by the Municipal Parties. Should the Seller refuse to provide the requested reports, samples, and available testing information, it shall be expressly understood and agreed this constitutes a breach of contract. The Municipal Parties may withhold any of its contractual rights, powers or remedies, or take whatever legal actions the Municipal Parties deems necessary to protect its best interests.	✓	
f. Acceptance Testing - Municipal Parties reserves the right to perform or have performed such inspection and testing as considered necessary to assure acceptability and suitability of the containers, lids and hardware. The Municipal Parties may, at its option, have testing performance done by an independent laboratory. The expense of these tests shall be borne by the Municipal Parties. The Municipal Parties will use ASTM Standards for purposes of evaluating such tests or inspections. Test or inspections performed under this reservation shall not be considered a waiver of any right or breach of warranty.	✓	
g. It is further agreed that the Municipal Parties' review, concurrence or approval of the Seller's documentation or product shall in no way relieve the Seller of its responsibilities for specification compliance nor shall it be construed as a waiver or abridgment of the Municipal Parties legal remedies, rights or powers.	✓	
h. Successful Bidder to furnish 1% spare parts with each shipment as part of the bid price. Consisting of handles and assemblies, wheels and assemblies, lid and hinge assemblies, plus all associated fasteners and brackets.	✓	

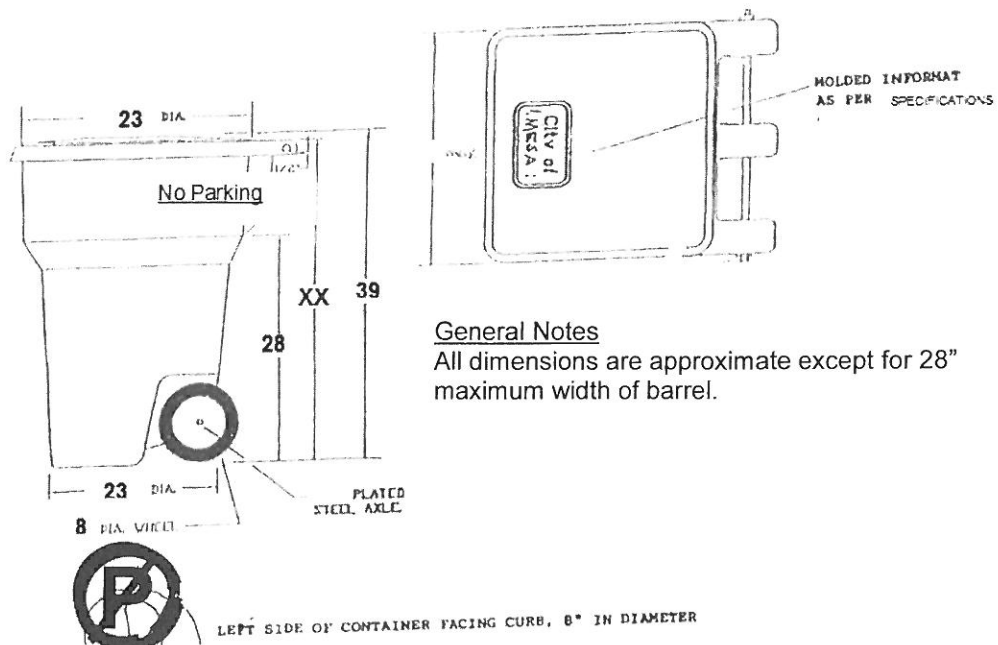
Exhibit D

Detail IC: 32/35 Gallon Recycle Container



LEFT SIDE OF CONTAINER FACING CURB, 8" IN DIAMETER

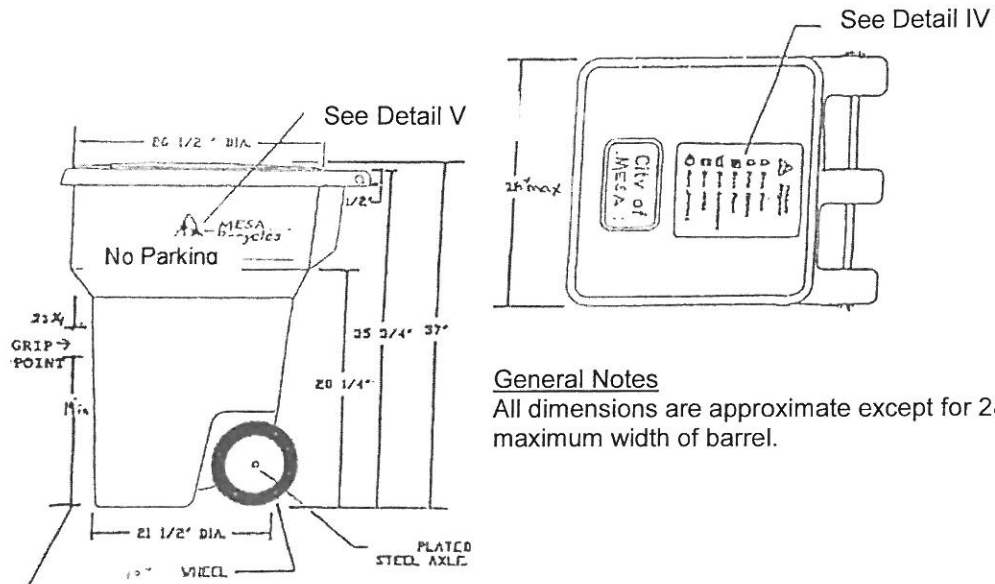
Detail ID: 32/35 Gallon Garbage Container



LEFT SIDE OF CONTAINER FACING CURB, 8" IN DIAMETER

Exhibit D

Detail IA: 60/68 Blue Recycling Container



General Notes

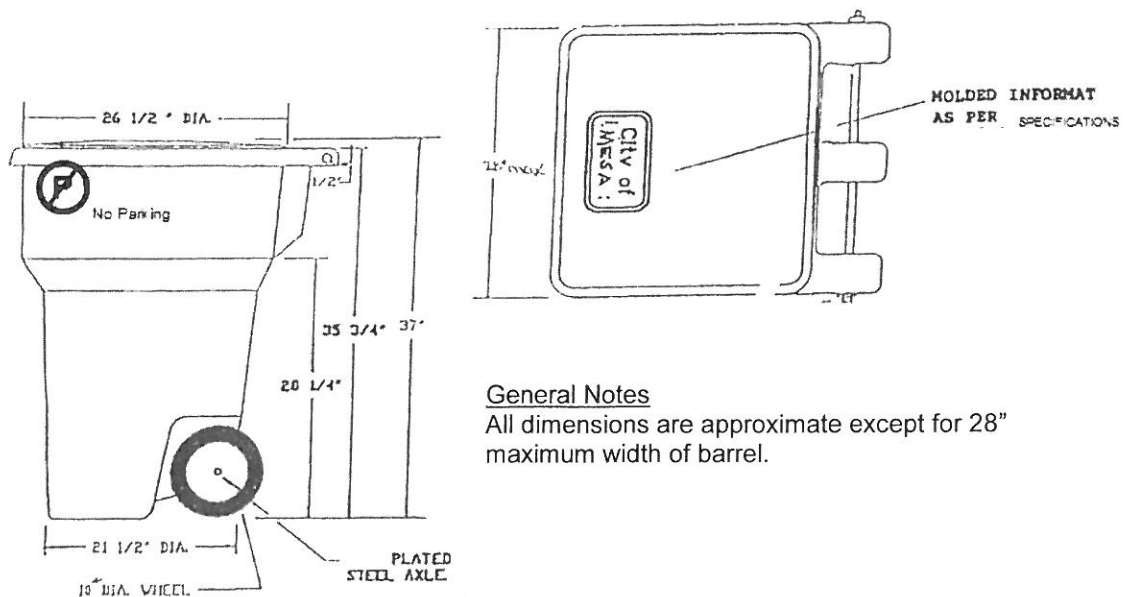
All dimensions are approximate except for 28" maximum width of barrel.

Grip point is approximate



LEFT SIDE OF CONTAINER FACING CURB, 8" IN DIAMETER

Detail IB: 60/68 Gallon Black Garbage Container



General Notes

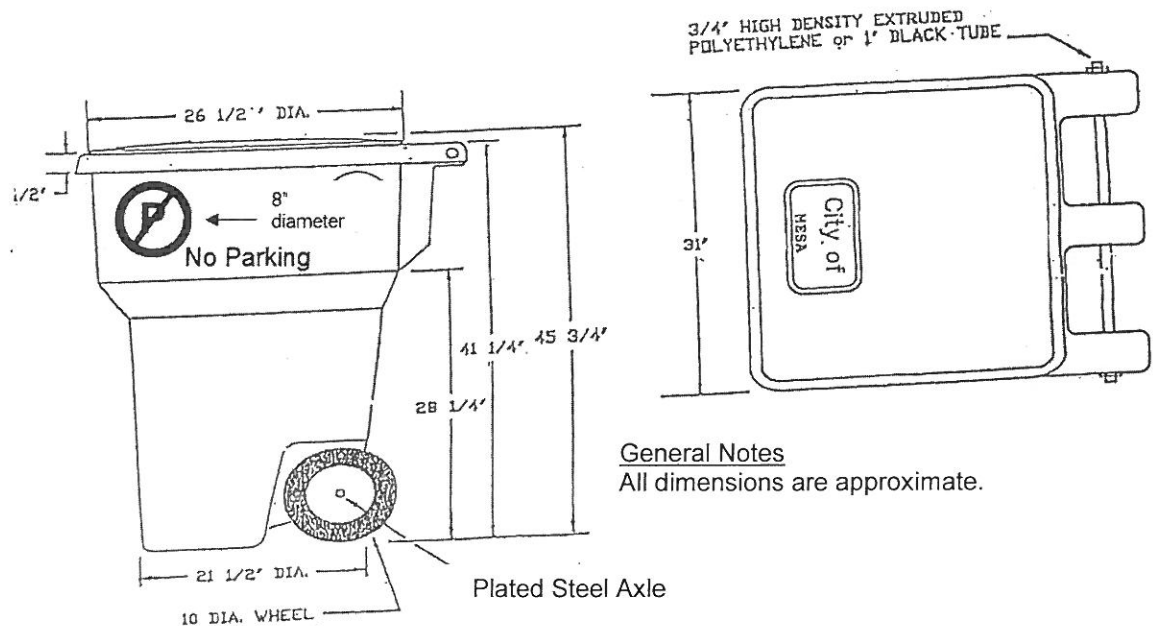
All dimensions are approximate except for 28" maximum width of barrel.



LEFT SIDE OF CONTAINER FACING CURB, 8" IN DIAMETER

Exhibit D

Detail I: 90/95 Gallon Black, Blue and Green Containers



Detail II: 90 Gallon Green Container Lid Information

Yard Waste Only
DO NOT BAG

Acceptable Items:

Yard Waste, Grass, Leaves,
Tree and Shrub Trimmings,
Garden Material and Flowers

Unacceptable Items:

Garbage, Metal, Rocks, Concrete,
Motor Oil, Plastic Bags, Lumber,
Food Waste, Dirt, Dead Animals,
or Hazardous Materials

For information call (480) 644-2221
www.mesarecycles.org

Exhibit D

Detail III: Green Waste Recycling Logo



Detail IV: Blue Container Lid Information

 Recycle these items only.			 STOP!	Please DO NOT place the following items in this container:
 <p>Plastic cups & containers • All #1, #2, #4, #5 plastic cups, containers, tubs, and other plastic containers</p>	 <p>Milk & juice cartons • Includes all cartons & juice boxes</p>	 <p>Metal cans • Food & beverage products only</p>	<p>• Plastic bags</p> <p>• Styrofoam</p> <p>• Yard waste</p> <p>• A/C filters</p> <p>• Diapers</p> <p>• Pet food bags</p> <p>• Food waste</p>	<p>• Fast food containers</p> <p>• Clothing/carpet/carpet padding</p> <p>• Paper towels/napkins/tissues</p> <p>• Light bulbs</p> <p>• Paper/plastic plates</p> <p>• Motor oil containers</p> <p>• Wood or construction materials</p>
 <p>Cardboard & Paperboard • Includes cereal, shoe & other boxes and boxes • Shredded boxes/wallboard • Boxes with tape, staples</p>	 <p>Glass bottles & jars • Food & beverage containers only</p>	 <p>Paper • Includes computer/writing paper, cardstock, copy paper, newsprint, newspaper, magazine & paper bags</p>		

All items should be loose, dry and relatively clean.

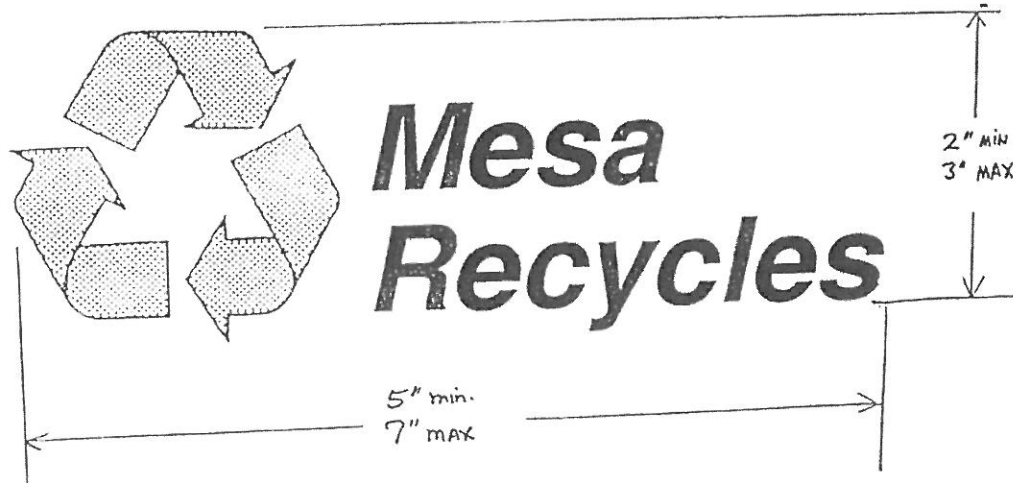

Customer Service - (480) 644-2221
www.mesorecycles.org

Revised 10/12

Dimensions - 60 90-gallon: 6" x 15.5"
35-gallon: 3" x 12"

Exhibit D

Detail V: Mesa Recycle Logo for Blue Barrel Sides



Detail VI: Bagging Instructions


Bag & Tie all Garbage
and Grass

For information call (480) 644-2221
www.mesaaz.gov/waste

Exhibit D

Detail VII: Optional In-Mold Label, Black Barrel


Items placed in this container will go to the landfill.



STOP!

Please help us to serve you better by remembering the following:

- Bag and tie all trash to prevent the breeding of flies and to comply with county health regulations.
- Do not overload the barrel. The lid should be properly closed to ensure collection. Extra trash barrels are available for an additional monthly fee.
- Have barrel in the gutter by 6 a.m. on scheduled collection day. Per City ordinance, barrels may be placed out for collection anytime after 6 p.m. the night before but must be removed by 6 a.m. the day after service. Barrels left out beyond this time frame are subject to potential fines.
- Allow a minimum space of 18" between barrels placed out for collection and keep barrels a minimum of 3' away from light poles, mailboxes, parked cars, etc.
- Do not place items on the ground around the barrel or on top of the barrel. Bulk item collection is available for an additional fee.
- Do not block barrels with parked cars.
- All barrels are collected on scheduled days including all holidays.




Help the planet!

Please remember to recycle in your blue barrel. It's easy & it can save you and your city money.

Questions?

City of Mesa Customer Service
(480) 644-2221

 www.mesaaz.gov/waste

Rev. (06/17)

Dimensions - 66 90-gallon, 6' x 15 5"
35-gallon, 3' x 12"

CONTRACT BOND

STATUTORY PERFORMANCE BOND PURSUANT TO
TITLE 34, CHAPTER 2, ARTICLE 2, OF THE ARIZONA REVISED STATUTES
(Penalty of this bond must be 100% of the CONTRACT amount)

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (hereinafter "Principal"),
and _____, a corporation organized and existing
under the laws of the State of _____, duly licensed in and holding a certificate of authority to
transact surety business in the State of Arizona issued by the Director of the department of Insurance
pursuant to Title 20, Chapter 2, Article 1, (hereinafter "Surety"), as Surety are held and firmly bound unto
Gilbert, County of Maricopa, State of Arizona in the amount of _____
Dollars (\$ _____), for the payment of which, the Principal and Surety bind themselves, and their
heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written CONTRACT with
_____ (municipality), entitled _____.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the
Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements
of the CONTRACT during the original term of the CONTRACT and any extension of the CONTRACT with
or without notice to the Surety, and during the life of the guaranty required under the CONTRACT, and also
performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of all duly
authorized modifications of the CONTRACT that may hereinafter be made, notice of which modifications to
the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this Bond is executed pursuant to the provisions of Title 34,
Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this Bond shall be determined in
accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the extent as if
it were copied at length in this Agreement.

The prevailing party in a suit on this Bond shall recover as part of the judgment reasonable
attorney fees that may be fixed by a judge of the court.

This Bond shall not be executed by an individual surety or sureties, even if the requirements
of A.R.S. Section 7-101 are satisfied.

Witness our hands this _____ day of _____, 20____.

PRINCIPAL SEAL
By _____

Address of Surety:

SURETY SEAL
By _____

AGENT OF RECORD
* attach Power of Attorney

AGENT ADDRESS

NOTE:

Pages 26-52 have been purposely omitted because they do not apply to this agreement.



December 18, 2014

ADDENDUM NUMBER ONE
Questions and Clarifications

RE: Request for Proposal (RFP) No. 2015-4105-0512
Residential Refuse & Recycling Containers
Total pages: One

QUESTIONS AND CLARIFICATIONS

The following questions were submitted via phone or email. We list them below, and their associated responses, for purposes of clarification:

1. **REVISION:** Bid opening has changed from January 6 to **January 13, 2015 at 2:00 PM.**
2. **REVISION: Exhibit B, section 1 has been revised as follows:**
 1. **SAMPLE CONTAINERS.** The bid evaluation requires three (3) sample containers of each size to be submitted with the bid to determine conformity to specification and/or testing purposes. The sample refuse and recycling containers shall be furnished at no cost to the Municipal Parties and will be retained by the Municipal Parties after tests are completed. Sample containers must be delivered no later than the due date for this solicitation. All sample containers shall be clearly labeled with the name of the Contractor submitting the sample, and with the Request for Proposal (RFP) number of this solicitation. Sample containers shall be delivered or shipped directly to:
Town of Gilbert
Attn: Brad Frisk
Environmental Services Division
4760 S. Greenfield Rd., Gilbert, AZ 85297
480-503-6432 | brad.frisk@gilbertaz.gov
3. **QUESTION: Are bonds required to be submitted with proposal?**
ANSWER: No. Though a Bid Bond is not required, a Performance Bond will be required concurrent with contract award.

All other specifications, terms and conditions of the solicitation shall remain unchanged.

Note: Please acknowledge your firm's receipt of this addendum in your proposal.

Jason Harris
Contract Specialist
Purchasing Division
(480) 503-6903 | jason.harris@gilbertaz.gov

Enclosures: None



December 24, 2014

ADDENDUM NUMBER TWO
Questions and Clarifications

RE: Request for Proposal (RFP) No. 2015-4105-0512

Residential Refuse & Recycling Containers

Total pages: Four

QUESTIONS AND CLARIFICATIONS

The following questions were submitted via phone or email. We list them below, and their associated responses, for purposes of clarification:

1. **REVISION:** Questions Due has changed from December 22 to **December 30 at 4:00 PM.** Inquiries received after this time may not be considered for a solicitation addendum.
2. **ADDITION:** Town of Queen Creek is participating in this cooperative solicitation. Exhibit B, section 4. Color has been revised to include the following:

Refuse collection containers (Queen Creek only) shall be tan containing a minimum one-half (1/2) of one percent (1%) color hot compounded material or as determined by the Town of Queen Creek.

Exhibit A Supplies and Pricing List has been revised, see attached. **Please submit this Exhibit A (revised 12/24/2014) with your proposal.**

3. **CLARIFICATION:** Exhibit B, section 1. Sample Containers may be returned to unsuccessful Offerors upon request within thirty (30) days after contract award and at Offeror's expense.
4. **QUESTION:** Can you provide artwork for the in-mold labels (IML)?
ANSWER: Two image files have been uploaded to the town's website: www.gilbertaz.gov/rfp
The IMLs are for the City of Mesa containers, as illustrated below. The other participating Municipal Parties do not use IMLs.

Black Container

Items placed in this container will go to the landfill.

STOP! Please help us to serve you better by remembering the following:

- Do not place items in the container that are not accepted for recycling.
- Do not place items in the container that are not accepted for recycling.
- Do not place items in the container that are not accepted for recycling.

Help the planet! Please remember to recycle in your blue barrel. It's easy & it can save you and your city money.

Questions?
City of Mesa Customer Service
(480) 644-2221
www.mesaaz.gov/waste

Blue Container

Recycle these items only.

- Paper, cardboard & paperboard
- Milk & juice cartons
- Metal cans
- Glass bottles & jars
- Paper

STOP! Please DO NOT place the following items in this container:

- Flammable liquids
- Aerosols
- Paints
- Oils
- Appliances
- Stoves
- Air conditioners
- Freezers
- Dishwashers
- Washers
- Dryers
- Radiators
- Boilers
- Water heaters
- Air conditioning units
- Freezers
- Dishwashers
- Washers
- Dryers
- Radiators
- Boilers
- Water heaters
- Air conditioning units

Questions?
City of Mesa Customer Service
(480) 644-2221
www.mesaaz.gov/waste

5. **QUESTION:** Will you consider my product to be offered as an option for the 48/52 gallon containers provided in Exhibit A?
ANSWER: Offeror is expected to specify make/model of each bid item and to indicate "No Bid" where applicable.

6. **QUESTION:** Exhibit A indicates City of Mesa's estimated annual quantity and contract award date effective 2/1/2016. Should this be 2/1/2015?
ANSWER: No, Mesa is under contract until then.
7. **QUESTION:** Exhibit A Supplies and Pricing List. Please confirm costs are to be provided without taxes for all Municipal Parties involved in this solicitation.
ANSWER: Pricing shown in Exhibit A shall exclude taxes.
8. **QUESTION:** Exhibit B Special Terms and Conditions. Will my product be considered if it does not meet the specifications for Resin Weight Tests, Container Capacity, Color, and Dimensions?
ANSWER: Yes. All Offerors shall submit Exhibit C Technical Specifications Acceptance with their proposal and shall indicate any exceptions to the specifications. Any exceptions should include supporting documentation such as reason for exception, product performance, third party/independent tests, etc.
9. **QUESTION:** Exhibit B, section 8 Stability and Handling Characteristics. The specifications require force to tilt container not to exceed fifty pounds. Can you amend this specification?
ANSWER: No. However, Offeror has the option to take exception. See answer to the previous question on item(s) to consider for any exceptions.
10. **QUESTION:** Exhibit B, section 13 Container Imprinting Specification, will you amend specs to allow for lettering on lid smaller than the specified 1/2" minimum?
ANSWER: 1/4" minimum lettering is approved for the Municipal Parties, except Mesa's lettering shall remain as specified 1/2" minimum.
11. **QUESTION:** Exhibit B, section 16 Buyback of Material. What quantity and frequency of broken containers will need to be broken down and removed? Also, will the City/Town provide staff to load the reclaimed carts?
ANSWER: Quantity and frequency are unknown. Offeror shall load and transport the reclaimed carts. The Municipal Parties will stack containers, except Mesa will not provide staff to stack the containers.
12. **QUESTION:** Exhibit D Details, will you amend specs as follows:
Hot stamp dimensions on the container base to be: 9.5" x 5.5" for 32/35 gal containers, and 10.5"x7.5" for 60/68 and 90/98 gal containers?
In-mold label dimensions to be: 8.5"x5.5" for 32/35 gal containers, and 14"x6" for 60/68 gal and 90/98 gal containers?
ANSWER: No, specifications will remain as written.
13. **QUESTION:** Exhibit D Details, will the Municipal Parties accept the names hot stamped into the containers instead of molded in?
ANSWER: Yes. Hot stamps are accepted, except for Exhibit D, detail IV for blue container lid information.
14. **QUESTION:** Will the Municipal Parties sign a warranty waiver for the red foil on the containers?
ANSWER: No.

All other specifications, terms and conditions of the solicitation shall remain unchanged.

Note: Please acknowledge your firm's receipt of this addendum in your proposal.

Jason Harris
Contract Specialist
Purchasing Division
(480) 503-6903 | jason.harris@gilbertaz.gov

Enclosures: Exhibit A (revised 12/24/2014) Supplies and Pricing List, 2 pages



January 5, 2015

ADDENDUM NUMBER THREE
Questions and Clarifications

RE: Request for Proposal (RFP) No. 2015-4105-0512

Residential Refuse & Recycling Containers

Total pages: 4

QUESTIONS AND CLARIFICATIONS

The following questions were submitted via phone or email. We list them below, and their associated responses, for purposes of clarification:

1. **QUESTION:** Would the municipalities that are currently participating in this RFP please provide their latest cart prices?
ANSWER:

Description	Current Unit Price (excluding taxes)
32/35 gallon refuse/recycling containers	Mesa \$32.76
48/52 gallon refuse/recycling containers	N/A
60/68 gallon refuse/recycling containers	Gilbert \$43.50 Mesa \$41.04
90/98 gallon refuse/recycling containers	Gilbert \$44.37 black \$45.32 blue Mesa \$46.58 Queen Creek \$54.95
In-Mold Labeling (price per container – all sizes)	Mesa \$ 1.60

2. **QUESTION:** Is the Performance Bond to be applicable through June 30, 2018?
ANSWER: The bond is applicable for the initial three-year term ending Feb 28, 2018.
3. **QUESTION:** Page 6, B. Qualifications Criteria: 1, c. – What Arizona Licenses will be required for the Bid? What licenses do Gilbert/Mesa consider “Applicable licenses”?
ANSWER: The Municipal Parties are not aware of any licenses applicable to this type of work.
4. **QUESTION:** Page 6, B Qualifications Criteria: 2, f. – Could you please define “self-performed work”.
ANSWER: This criteria has been omitted.
5. **QUESTION:** Page 4 at top (and other referenced in the RFP) requires carts to be delivered fully assembled and ready for use. Other references to the carts indicates that carts are to be assembled after received at the Participating Municipal Parties’ locations. Please indicate which of these assembly scenarios the Participating Municipal Parties will require?
ANSWER: Carts do not have to be shipped in a fully assembled state. Completed cart delivery is said to have been accomplished once all of the containers have been transported to the Municipal Parties’ designated delivery site, unloaded, assembled, and stacked as directed by the Solid Waste Department or designated representative. Unit pricing shall reflect carts delivered, assembled, and ready for use, see Exhibit A.
6. **QUESTION:** We read that the cover letter should be a maximum of 1 page, and we see items that are not considered to count toward the additional 5 page limit for other proposal

information. Please confirm the exact items that must constitute the 5 page proposal? For Example, pages 7-8, Item C. Appendix: 1.16.1, D – Will literature be considered part of the Offeror's Proposal?

ANSWER: Literature will be considered part of the proposal and counts toward the page limit. Unless otherwise indicated in section 1.16.1(D) (page limit exclusions), page limit applies to the required information necessary for the evaluation as described in section 1.16.5 Content of the Proposal.

CLARIFICATION: Exhibit C (Specification Acceptance) does NOT count toward page limit.

7. **QUESTION:** Please confirm that References from section 1.15.1 B.2.b on page 6 of the Instructions to Bidders can include the references required by same page 6, Item B.2.c. Section 1.16.5, page 9, "References" requires at least 3 references and the form provided by the Participating Municipal Parties leaves space for 3 references. Please clarify the reference requirements.

ANSWER: References per section 1.15.1 B.2.c should be from the communities listed in B.2b. Attachment 4 "References" can be reproduced if more than three references are to be considered with Offeror's Proposal.

8. **QUESTION:** Page 14 of Standard Terms and Conditions, Item 3.5 – requires the contractor to make any repairs resulting from warranty claims on parts and/or components. Standard industry roll cart warranties do not include this service, but separate agreements are typically set up as a maintenance contract to service a municipalities' fleet(s). We respectfully request that this service requirement be removed from the specifications, or required as a separate option item.

ANSWER: Warranty applicable to this contract is specified in Exhibit B, item 15 Warranty.

9. **QUESTION:** Please confirm that warranty parts and carts replacements have a 45 day delivery timeframe to be met.

ANSWER: Yes, per Exhibit B, item 15 Warranty.

10. **QUESTION:** Page 14, and other references in the RFP require that the supplies be delivered, unloaded, assembled, stacked as directed by the Solid Waste Department or designated representative and be ready to be put into intended service. Please confirm that it is the Contractor's responsibility to provide the services of unloading, assembly and stacked as needed, with the direction being provided by the Solid Waste Department or designated representative. Clarification would be appreciated on these issues.

ANSWER: See answer to Question 5.

11. **QUESTION:** Page 15, Item 4 of the Standard Terms and Conditions covers the Insurance requirements of the Participating Municipal Parties. Our insurance company's financial strength exceeds the specification of Item 4.1. However, the company is "non-admitted". Will the Participating Municipal Parties consider acceptance of companies that exceed this requirement in classification and strength?

ANSWER: Yes.

12. **QUESTION:** The American National Standards Institute, Inc. (ANSI) has established safety and compatibility standards for the waste container industry. This test method was adopted by ANSI and roll cart companies because simply filling the cart with water is known to be inaccurate. Will you accept this test method?

ANSWER: Yes, the contractor's third party tester may use the ANSI test method for capacity. Proof of performance test results conducted and certified by a third party may waive the test requirements shown in Exhibit B.

13. **QUESTION:** The specifications require extensive labeling, and each Proposer's carts have a different design, and different available space/locations. Would the Participating Municipal Parties allow Proposers to work with each Participating Municipal Party to vary placement of some markings?

ANSWER: Yes.

14. **QUESTION:** Bid Specifications page 9-10, Item 15 "Warranty" – What has been the annual number of warranty claims submitted by the Participating Municipal Parties for each of the past 5 years? What percent of each year's claims were allowed by the contractor? Was the handling fee paid for each allowed claim?

ANSWER: The Municipal Parties do not have this information available.

15. **QUESTION:** Bid Specifications page 9-10, Item 15 "Warranty" – requires unloading, stacking, assembly and storage placement. This is not a standard industry warranty requirement. Will the Participating Municipal Parties delete this requirement?

ANSWER: No, it will be the responsibility of the contractor to replace/repair the containers, including unloading, stacking, assembly and storage placement.

- 16. QUESTION:** Bid Specifications page 14 – Item “d” requires freight for warranty replacements to be paid by the contractor. Standard industry-wide warranties provide for replacement of parts at no cost to the customer, but do not provide that the seller should bear the cost of shipping those parts to the customer. We request that the Participating Municipal Parties delete this sentence from the specifications.

ANSWER: No. However, warranty replacements may be timed with regular orders to allow for full truckload deliveries, but cannot be guaranteed, as frequency and volume of replacements are unknown.

- 17. A) QUESTION:** Bid Specifications page 14 – Item “d” requires a complete cart be provided as warranty replacement if frames, bars or lids fail. This is contrary to industry practice which requires warranty replacement parts for failed parts and bodies for failed bodies. We respectfully request that this requirement be removed from the specifications.

ANSWER: No, see next answer shown below.

B) QUESTION: The Participating Municipal Parties have suggested in the next sentence of the specification that the “part for part warranty replacement” method may be used. Please confirm that “part for part warranty replacement” is acceptable to the Participating Municipal Parties.

ANSWER: Yes, the Municipal Parties will accept part for part warranty replacement for items not requiring full container replacement as stated in Exhibit C, item d. Durability.

- 18. QUESTION:** Exhibit C, item f. Acceptance Testing – Please indicate the cost that will be required for this testing. Also, would the Participating Municipal Parties provide a list of the tests that will be performed, with a description of each?

ANSWER: No.

- 19. QUESTION:** Exhibit B, items 2.c.i and ii –We respectfully request that the 32/35 gallon carts have a minimum resin weight of 16 pounds, and the 60-68 gallon carts at a minimum of 22 pounds.

ANSWER: Specification will remain as shown in solicitation. Offerors shall submit Exhibit C Technical Specifications Acceptance with their proposal and shall indicate any exceptions to the specifications. Any exceptions should include supporting documentation such as reason for exception, product performance, third party/independent tests, etc.

- 20. QUESTION:** Please confirm that Attachment 5, “Purchase Contract” is included in the document as an example of a contract that may result from award of the RFP, and that Proposers are not required to execute the Purchase Contract with our proposals.

ANSWER: Proposers are not required to execute the Purchase Contract (Attachment 5) with their proposal. However, Exhibits A & C within Attachment 5 are required to be submitted with proposal and will become part of the successful Offeror’s purchase contract.

- 21. QUESTION:** Attachment 5, item 10 requires the use of Producer Price Index (PPI) for price adjustment calculations. In lieu of PPI, would the Municipal Parties consider the more current reporting Plastics News and/or Chemical Data, and/or copies of actual resin supplier invoices, and or resin supplier price change letters for documentations?

ANSWER: No.

- 22. QUESTION:** When does Queen Creek desire delivery of carts?

ANSWER: Queen Creek anticipates contract award within Feb/Mar 2015 with delivery expected per the instructions shown in Exhibit B, Item 17 Delivery.

- 23. QUESTION:** Do the Participating Member Agencies intend to place subsequent orders of carts in truckload quantities with all carts in each truckload shipped to a single location?

ANSWER: The Municipal Parties plan to order a majority of their carts in truckload quantities with all carts in each truckload shipped to a single location. The Municipal Parties may mix and match cart sizes and styles to complete a truckload quantity, but reserve the right to order less than truckload quantities in some instances, but not limited to, warranty replacements.

- 24. QUESTION:** Exhibit B Special Terms and Conditions, Item 5 Dimensions requires circumference at grip points. Would the Participating Member Agencies allow a grip point of 81.6 for 96 gallon carts?

ANSWER: All dimensions shown in Exhibit D details are nominal and approximate. Ideal circumference at the grip point is an approximate range based on existing vehicle fleet. All containers are to be compatible with current Municipal Parties lifting devices used on all Municipal Parties automated refuse equipment.

25. QUESTION: Do the Participating Municipal Parties need for the Contractor to do/offer distribution services, where the Contractor delivers carts to residents?

ANSWER: No.

All other specifications, terms and conditions of the solicitation shall remain unchanged.

Note: Please acknowledge your firm's receipt of this addendum in your proposal.

Jason Harris
Contract Specialist
Purchasing Division
(480) 503-6903 | jason.harris@gilbertaz.gov

Enclosures: None.

NOTICE & REQUEST FOR PROPOSALS TOWN OF GILBERT, CITY OF MESA

Supplies: Residential Refuse & Recycling Containers
Solicitation Number: 2015-4105-0512
Proposal Opening: January 6, 2014 at 2:00 PM (local time)
Location: Town Clerk's Office, 50 East Civic Center Drive, Gilbert, AZ 85296
Staff Contact: Jason Harris, 480-503-6903
Contract Documents available at: Bid documents may be downloaded from www.gilbertaz.gov/rfp

Sealed proposals will be received by the Town of Gilbert Clerk's Office, Municipal Center, 50 East Civic Center Drive, Gilbert, Arizona 85296 until the time and date cited above.

Proposals must be submitted in a sealed envelope clearly marked on the outside with the name of the services and the solicitation number. Any proposal received after the time specified will be returned unopened. It is the Offeror's responsibility to assure proposals are received at the above location on or before the specified time.

Proposals will be opened and the names of offerors publicly read aloud immediately after the deadline for receiving proposals.

Supplies Sought: Term supply contract for 32/35 gallon, 48/52 gallon, 60/68 gallon, and 90/98 gallon plastic refuse and recycling containers for residential use.

Proposal Requirement: Each proposal will be in accordance with the proposal requirements, set forth in the Request for Proposals, which may be downloaded from www.gilbertaz.gov/rfp or obtained by contacting staff contact shown above. Any proposal which does not conform in all material respects to the Request for Proposals will be considered non-responsive.

Right to Reject Bids: Gilbert and Mesa ("Municipal Parties") reserve the right to reject any or all bids, waive any informality in a bid or to withhold the Award for any reason the Municipal Parties determine.

Equal Opportunity: The Municipal Parties are equal opportunity employers. Minority and women's business enterprises are encouraged to submit bids on this solicitation.

Issue Date: 12/12/2014

TOWN OF GILBERT, ARIZONA

Publications Date(s)

12/12, 12/19, 12/26, 1/02

_____, Town Clerk

TABLE OF CONTENTS

	Page
Notice of Formal Solicitation	1
Table of Contents	2
Offeror's Check List	3
Instructions to Offerors	4
Standard Terms and Conditions	12

The following attachments are templates:

- Attachment 1 – Offeror's Proposal
- Attachment 2 – Authorized Signature Form
- Attachment 3 – Authorization for Release of Performance Information
- Attachment 4 – References
- Attachment 5 – Contract
 - Exhibit A – Supplies and Pricing List
 - Exhibit B – Special Terms and Conditions
 - Exhibit C – Technical Specifications Acceptance
 - Exhibit D – Refuse and Recycling Container & Lid Information
- Bond Form(s)

**IMPORTANT
OFFEROR'S CHECKLIST**

- [] 1. Attachments 1, 2, and 3 are signed and included in the Proposal. Proposals not signed in this section will not be considered.
- [] 2. Attachments 1, 2, 3, 4, Exhibits A (Pricing) and C (Specification Acceptance), and Offeror's Checklist have been completed and enclosed. Attachment 5 (Contract) is for reference only and is not to be submitted.
- [] 3. Any addenda have been included/noted in Offeror's Section, Attachment 1.
- [] 4. The delivery/shipment information has been included in Exhibit A.
- [] 5. Any required descriptive literature or other information have been included.
- [] 6. The proposal prices offered have been reviewed and submitted in both hard copy and electronic format (USB drive or compact disc).
- [] 7. Bid security ☐ Yes \$ 0 ☒ No
Bid security, if applicable, in the amount specified must be submitted with the bid.
- [] 8. Bid Package/Envelope has been identified with solicitation number and title.
The mailing envelope/package has been addressed to:

Town Clerk's Office
50 East Civic Center Drive
Gilbert, Arizona 85296

- [] 9. The proposal is submitted and stamped in by Clerk's Office representative no later than specified time on designated date. Otherwise, the proposal cannot be considered.
- [] 10. Exceptions taken to the provisions or specifications in this solicitation, confidential and additional materials shall be indicated below and submitted with the Proposal.

Exceptions (mark one)

- ___ No Exceptions
___ Exceptions taken, see attached page(s)

Confidential/Proprietary Material (mark one)

- ___ No confidential/proprietary materials have been included
___ Confidential/Proprietary material included, see attached page(s)

Additional Material (mark one)

- ___ No additional materials have been included
___ Additional materials included, see attached page(s)

REQUEST FOR PROPOSAL
Residential Refuse and Recycling Containers
TOWN OF GILBERT AND CITY OF MESA, ARIZONA

The cities of Gilbert and Mesa ("Municipal Parties") intend to enter into a contract with a Contractor(s) whereby Municipal Parties may purchase supplies during the term of the contract at the prices set forth in the contract. The supplies shall be delivered FOB Destination and shall be fully assembled and ready for use.

INSTRUCTIONS TO OFFERORS

1.0 **Proposal Opening Date and Location: 2:00 PM (local time), January 6, 2015**

Proposals will be received in the office of the Town Clerk, Municipal Center, 50 East Civic Center Drive, Gilbert, Arizona 85296, until date/time shown above, at which time the names of the offerors will be publicly read. Proposal prices will not be read. Late proposals will not be considered.

1.1 **Questions Due: 1:00 PM (local time), December 22, 2014**

Inquiries should be emailed to: Jason Harris, jason.harris@gilbertaz.gov

1.2 **Bid Documents Available:** Documents may be downloaded from www.gilbertaz.gov/rfp. The Bid Documents consist of four parts: I. Instructions to Offerors, II. General Conditions, III. Specifications and Design Standards, and IV. Offeror's Proposal (form).

1.3 **Incorporation of Bid Documents:** All of the Bid Documents apply to and become a part of the terms and conditions of the Bidder's bid.

1.4 **Proposal Form:** Proposals must be submitted only on the proposal form. All proposals must be submitted in a sealed envelope clearly marked "**Solicitation #2015-4105-0512: Residential Refuse & Recycling Containers**"

1.5 **Pre-Proposal Conference:** N/A

1.6 **Municipal Parties' Right to Reject Proposals:** The Municipal Parties reserve the right to reject any and all proposals and to waive technicalities in the bidding.

1.7 **Late Proposals:** Late submittals and/or unsigned Proposals will not be considered under any circumstances. Envelopes containing Bids with insufficient postage will not be accepted by the Town of Gilbert. It is the sole responsibility of the Bidder to see that his/her Proposal is delivered and received by the proper time and at the proper place.

1.8 **Proposal Amendment or Withdrawal:** A Proposal may be withdrawn anytime before the Proposal due date and time. A Proposal may not be amended or withdrawn after the due date and time except as otherwise provided by applicable law.

1.9 Public Record: All Proposals submitted in response to this solicitation and all evaluation related records shall become property of the Municipal Parties and shall become a matter of public record for review, subsequent to bid opening. Request for nondisclosure of data such as trade secrets and other proprietary data, must be made known in writing to the Municipal Parties in Bids submitted, and the information sought to be protected clearly marked as proprietary. The Municipal Parties will not insure confidentiality of any portion of the bid that is submitted in the event that a public record request is made. The Municipal Parties will provide 48 hours notice before releasing materials identified by the bid as confidential or proprietary in order for the bid to apply for a court order blocking the release of the information.

1.10 Persons with Disabilities: Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Clerk's Office. Requests shall be made as early as possible to allow time to arrange the accommodation.

1.11 Proposal Acceptance Period: All bids shall remain open for ninety (90) days after the day of the opening of bids. No Bidder may withdraw his Bid during this period without written permission from the Municipal Parties.

1.12 Addendum: This Request for Proposals may only be modified by a written Addendum. Potential Offerors are responsible for obtaining all addenda. See Section 1.13.

1.13 Offeror Registration: Offerors shall register via the on-line Vendor Registration system ProcureAZ at www.https://procure.az.gov, in order to automatically receive notification of addenda to this Solicitation or notice of other solicitation opportunities. An Offeror who is not registered with ProcureAZ must email the Gilbert representative shown above to make other arrangements to receive notice of addenda to this solicitation. All addenda will be posted on the Gilbert website at www.gilbertaz.gov/rfp.

~~1.14 Bid Security: Each Proposal will be submitted on the Proposal Form(s) included in the Contract Documents and will be accompanied by a certified check, cashier's check, or proposal bond for ten percent (10%) of the amount of the proposal, made payable to the Town of Gilbert.~~

1.15 General Evaluation Standards:

1.15.1 The Municipal Parties seek to obtain the supplies ready for regular and normal use as described in **Exhibit A**. The Municipal Parties wish to obtain the most reliable and productive supplies. The Municipal Parties will evaluate proposals on the selection criteria set forth below. The Municipal Parties will be the sole judge of whether the supplies offered are acceptable. Offerors are encouraged to organize their submissions in such a way as to follow the general evaluation criteria listed below. Information included within the proposal may be used to evaluate your firm as part of any criteria regardless of where that information is found within the proposal.

A. Cover Letter (maximum 1-page) containing at a minimum:

1. Company name, contact name, address, phone number, and email address
2. Acknowledge receipt of all addenda

B. Qualifications Criteria:

1. General Information

- a. Description of firm/team
- b. Legal company organization; organization chart with names
- c. List of applicable Arizona licenses

2. Relevant Firm Experience (10 points)

- a. Offeror's overall reputation, service capabilities and quality as it relates to this contract.
- b. List and briefly describe up to five (5) comparable Arizona communities currently serviced by your firm. For each community, include: firm's role, contract value, contract administrator's name and title, address, telephone number, and email address, if available.
- c. A minimum of three references from other agencies/owners. If possible, references should be from the communities listed above in 2b.
- d. List and describe any litigation; arbitration; claims filed by your firm against any project owner as a result of a contract dispute; any claim filed against your firm; termination from a project.
- e. Offeror's capacity and intent to proceed without delay if selected for this work.
- f. Type and amount of self-performed work.

3. Conformity to Design and Performance Specifications (25 points)

- a. Completeness of Proposal, including Attachments and Exhibits.
- b. Little or no deviations from desired specifications.

4. Warranty (15 points)

- a. No deviations from warranty specifications.
- b. Consideration of optional warranty coverage.

5. Cost & Delivery (40 points)

- a. Provide costs for each item desired.
- b. Overall total cost of ownership.

6. Overall Response to RFP (10 points)

- a. Completeness of proposal.
- b. Willingness to abide by the standard form Agreements with few or no objections or changes.
- c. Provide statement regarding your assurance that this engagement will not result in a conflict of interest.
- d. Relevant factors impacting the quality and value of work.

C. Appendix (Required items to be included in Proposal do NOT count toward page limit):

- 1. Attachment 1: "Offeror's Proposal" form shall be completed, signed, and included in Proposal.

2. Attachment 2: "Authorized Signature Form" shall be completed, signed, and included in Proposal.
3. Attachment 3: "Authorization for Release of Performance Information" form shall be completed, signed and included in the Proposal.
4. Attachment 4: "References" form shall be completed and included in the Proposal.
5. Offeror's Checklist: Checklist shall be included in Proposal along with exceptions, confidential and additional materials, if applicable.

1.15.2 Deviations from Specifications. Any deviations from General Conditions and Specifications and Design Standards may render the bid non-responsive.

1.15.3 Disqualification. A Bidder (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity may have its Bid rejected.

1.15.4 Clarifications. The Municipal Parties reserve the right to obtain Bidder clarifications where necessary to arrive at full and complete understanding of Bidder's product, service, and/or solicitation response. Clarification means a communication with a Bidder for the sole purpose of eliminating ambiguities in the Bid and does not give Bidder an opportunity to revise or modify its bid.

1.15.5 Waiver and Rejection Rights. The Municipal Parties reserve the right to reject any or all Bids or to cancel the solicitation altogether, to waive any informality or irregularity in any Bid received, and to be the sole judge of the merits of the respective Bids received.

1.16 Proposal Preparation:

1.16.1 Format.

A. Proposal may not exceed 5 single-sided pages (maximum 8½" x 11") with a minimum of 10 pt. type. Submissions exceeding the page limit will be considered non-responsive and will be returned to the Offeror without further evaluation.

B. Offerors shall submit their Proposal in a sealed envelope with an original, three (3) copies, and a PDF document on one (1) disc or USB drive, and shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document must be legible and contain the same information requested on the forms.

C. Do not include a table of contents. Tab dividers must not contain any evaluation information or pictures. Submittals may be stapled or plastic spiral bound only, do NOT use binders of any kind. Pages having photos, charts, and/or graphs that provide additional evaluation information, will be counted towards the maximum number of pages.

D. The following information is NOT included in the page limit:

- Proposal Cover (optional) – must not contain information that can be evaluated
- Cover letter

- Attachment 1 – Offeror’s Proposal
- Attachment 2 – Authorized Signature Form
- Attachment 3 – Authorization for Release of Performance Information
- Attachment 4 – References
- Offeror’s Checklist
- Exceptions taken or confidential/proprietary material, if applicable

1.16.2 No Facsimile or Electronic Mail Bids. Bids may not be submitted in facsimile or electronically. A facsimile or electronic mail Bid shall be rejected.

1.16.3 Typed or Ink Corrections. The Bid shall be typed or in ink. Erasures, interlineations or other modifications in the Bid shall be initialed in ink by the person signing the Bid.

1.16.4 No Modifications. Modifications shall not be permitted after Bids have been opened except as otherwise provided under applicable law.

1.16.5 Content. The Proposal shall contain all of the following information:

Prices. Unit Prices shall be listed in Exhibit A. The purchases of certain items or materials by the Municipal Parties are exempt from the federal excise tax. The Municipal Parties will furnish an exemption certificate upon presentation by the Successful Bidder at the time of purchase, if so requested by the Successful Bidder.

Taxes. Sales/use tax will be determined by Town. Tax will not be used in determining lowest unit price.

Prompt Payment Terms. Bidder shall indicate prompt payment terms in the areas provided in the Bid Section.

Delivery. The bid shall indicate Bidder’s promised delivery schedule, in the areas indicated in the Bid Section. As applicable, the bidder shall meet or exceed the delivery terms listed in the contract.

Descriptive Literature. All Bids shall include complete manufacturer’s descriptive literature regarding the equipment they propose to furnish. Literature shall be sufficient in detail to allow full and fair evaluation of the Bid submitted. Failure to include this information may result in the Bid being rejected.

Brief description of the Bidder, including legal organization. Include name, address, phone, e-mail, and location of the firm’s principal and local office.

Tax ID Number. Bidder shall provide its Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided in the Bid Section. A Town of Gilbert Sales Tax Number, and/or City of Mesa Sales Tax Number if applicable, must also be supplied.

Licenses. Please list all applicable licenses and numbers.

Disclosure. If the firm, business or person submitting this Bid has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Bidder shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Bid. The Bidder shall include a letter with its Bid setting forth the name and address of the governmental entity, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

Multiple Award Contract. The Municipal Parties reserve the right to make separate awards or to make an aggregate award, whichever is deemed most advantageous to the Municipal Parties involved.

Local Parts Supply. The Bidder shall indicate as part of the Bidder's bid one or more well-established local parts supply and service facilities in the Phoenix Metropolitan Area which will be able to supply any parts and services needed. If requested by the Municipal Parties, the Bidder shall furnish inventory records from the local parts supply store to show that parts are readily available for the supplies.

Options and Alternatives. Bidder is requested to provide price quotes for any special options or alternatives available for its supplies, which may not have been covered in the bid specification. The option and/or alternative prices may be considered in the bid evaluation process. Also, the Municipal Parties may or may not elect to purchase these options or alternatives.

Manufacturer's Representative. Dealers who submit a Bid as a manufacturers' representative shall supplement the Bid with a letter from each manufacturer involved certifying that the Bidder is a bona fide dealer for the specific equipment presented, that the Bidder is authorized to submit a Bid on such equipment, and guarantees contract performance should the dealer fail to satisfactorily fulfill any obligations established as a result of the anticipated contract awards.

Suppliers. Bidder shall list all major suppliers.

References. Bidder shall list, in the Bid Section, at least three references of other governmental agencies to which Bidder has supplied similar supplies within the last ten (10) years, including names, addresses and telephone numbers.

Financial Statement. Offerors shall furnish, upon request, three (3) copies of the Offeror's most recent financial statement and/or other evidence of his qualifications as may be requested by the Municipal Parties. If an Offeror fails to furnish in a timely

manner the information requested, it shall be considered sufficient grounds for rejection of such Offeror's entire Proposal.

Other information required to be supplied with Bid:

1.16.6 Solicitation Addendum Acknowledgement. Each Solicitation Addendum shall be acknowledged in the Bid Section, which shall be submitted together with the Bid on the Bid due date and time. Failure to note a Solicitation Addendum may result in rejection of the Bid.

1.16.7 Evidence of Intent to be Bound. The Bid form submitted shall include a signature by a person authorized to sign the Bid. The Authorized Signature Form shall be submitted. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Bid.

1.16.8 Non-Collusion and Non-Discrimination. By signing and submitting the Bid, the Bidder certifies that:

- A. The Bidder did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Bid; and
- B. The Bidder does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, age, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

1.17 Inquiries

1.17.1 Duty to Examine. It is the responsibility of each Bidder to examine the entire Solicitation, seek clarification (inquiries), and examine its Bid for accuracy before submitting the Bid. Lack of care in preparing a Bid shall not be grounds for modifying or withdrawing the Bid after the Bid due date and time, nor shall it give rise to any Contract claim.

1.17.2 Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation should be directed solely to the Contact person listed on the cover page of the Solicitation. The Bidder shall not contact or direct inquiries concerning this Solicitation to any other Municipal Parties' employee unless the Solicitation specifically identifies a person other than the Contact Person as a contact.

1.17.3 Submission of Inquiries. All inquiries shall be submitted in writing and shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Bid and not be opened until after the Bid due date and time. The Municipal Parties shall consider the relevancy of the inquiry but is not required to respond in writing.

1.17.4 Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as

possible and should be submitted at least ten (10) days before the Bid due date and time for review and determination by the Municipal Parties. Failure to do so may result in the inquiry not being considered for a Solicitation Addendum.

1.17.5 No Right to Rely on Verbal Responses. A Bidder shall not rely on the Municipal Parties' verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the Solicitation.

1.17.6 Protests. Pursuant to the Municipal Code Section 2-366

A. An unsuccessful Offeror or bidder may protest a solicitation or a contract award by filing a protest in writing with the purchasing officer not less than 72 hours before the closing date and time of the solicitation, or within 72 hours after issuance of a notice of apparent low responsive and responsible bidder, or a notice of intent to award. The protest shall include the following information:

- 1) The name, address and telephone number of the protester;
- 2) The signature of the protester or its authorized representative;
- 3) A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents.

B. The purchasing officer shall evaluate the protest. Protests in connection with a solicitation or an award of a contract shall be determined by the purchasing officer or the City Manager.

1.17.7 Best and Final Offers. The Municipal Parties may request best & final offers if deemed necessary, and will determine the scope and subject of any best & final request. However, the Offerors should not expect that the Municipal Parties will ask for best & final offers. Therefore, Offerors must submit their best offer based on the terms and conditions set forth in this solicitation.

STANDARD TERMS AND CONDITIONS

Excluding the performance bond, each municipality shall utilize its own standard contract terms and conditions. The standard terms and conditions for each municipality can be located at the website(s) identified below. Please note that this includes the insurance requirements. Submission of your proposal indicates that you have read and understand these terms and conditions.

Standard Terms and Conditions by Municipality

Municipality	Website
Mesa	http://www.mesaaz.gov/purchasing/forms/standardterms.pdf
Gilbert	Not available. See standard terms and conditions shown below.

2.1 Contract Term; Renewal.

The Contract commences upon execution of the Contract. If funds for the Contract are not appropriated or budgeted by July 1, the Municipal Parties may terminate the contract by giving written notice to Contractor. Otherwise, the Contract commences upon execution by both parties and continues through expiration date.

The Contract may be renewed, if specified in contract, upon mutual agreement of the parties and upon written approval of the Municipal Parties' Purchasing Officer if: 1) the Contract amount does not exceed \$100,000 (contract amount only applies to the Town of Gilbert); 2) the original prices remain in effect during the renewal term; or 3) the original prices are adjusted pursuant to the renewal terms of contract. The Municipal Parties' Council or City Manager must approve renewal in all other cases, depending on the Municipal Party.

The contract or renewal pricing shall remain firm for 12-months. Any price adjustment must be requested at least 60 days prior to annual anniversary of the contract effective date. Any renewal shall be in writing and shall expressly state the prices for the supplies during the renewal term. Any renewal shall be contingent on funds being appropriated or budgeted for the renewal term.

2.2 Bonds:

2.2.1 Bonds Required. Concurrently with the execution of the Contract, the Contractor shall furnish municipality the following Bonds, which shall become binding upon the award of the Contract to the Contractor:

A Performance Bond in an amount equal to one-hundred percent (100%), unless specified elsewhere, of the Contract amount conditioned upon the faithful performance of the Contract in accordance with Plans, Specifications and conditions thereof. Such Bond shall be solely for the protection of municipality.

2.2.2 Form. Bond forms to be executed are included with the Contract Documents. Each such Bond shall include a provision allowing the prevailing party in a suit on such Bond to recover as a part of this judgment such reasonable attorney's fees as may be fixed by a judge of the court. Each such bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1 of the Arizona Revised Statutes and any amendments thereto. The Bonds shall be made payable and acceptable to municipality. The Bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this State and the Bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official.

2.2.3 Contingent Award. Submittal of the required bonds as set forth in this paragraph is a condition precedent to this contract becoming effective.

2.3 Cooperative Use of Contract: Upon written approval of the successful Offeror, this Contract may be tendered for use by other municipalities and government agencies. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency.

3. SCOPE OF WORK

Offeror shall provide those services described in Attachment 5, "Purchase Contract" attached hereto and made a part hereof by reference.

3.1 General Supplies Requirements: The Proposal Documents are intended to provide the Municipal Parties with new supplies ready for regular and normal use. Upon award by the Municipal Parties, Contract Documents, including the Offeror's bid, shall become a valid and binding contract between the Successful Offeror and the Municipal Parties to provide the supplies specified herein. The term "supplies" shall mean the items listed in Attachment 5, "Purchase Contract."

3.2 New and Compatible Supplies: All supplies, components, and parts shall be new and unused. All supplies, components and parts shall be the manufacturer's latest model and design proven in use by municipalities. All components shall be integrated in design and construction to work effectively together.

3.3 Standard Make and Model: The Offeror shall state the make and model number of the unit it is offering. The unit shall be equipped with the manufacturer's standard accessories which are included as standard in the advertised and published literature for the unit. No such accessory shall be removed or omitted for the reason that it was not specified in the Proposal Documents or Bidder's Bid. Standard items may be removed only where necessary to install other items in lieu thereof to comply with the General Conditions and Specifications and Design

Standards; and, any such removal or substitution shall be listed in writing as part of the Offeror's proposal.

3.4 National and State Standards and Regulations: All supplies shall be certified as meeting all federal and state laws and safety regulations, including required accessories and items.

3.5 Warranty: The Offeror hereby warrants, for a period of at least twelve (12) months (unless specified elsewhere) from the date the supplies are accepted by the Municipal Parties, to replace all defective parts and/or components, and to make any repairs resulting from defective design, materials, or workmanship. These repairs shall be made at the Offeror's own expense and without any cost to the Municipal Parties, and within a reasonable time frame as determined by industry standards. The Offeror shall be obligated to the Municipal Parties as the single-source provider of the supplies, and is required to honor all warranties, given or implied.

3.6 Parts and Service Availability: During the lifetime of the supplies, Offeror must be able to provide all parts needed for service and repair of the supplies within 48 hours (unless specified elsewhere) after request or upgrade the order status to the highest shipping priority available at no additional cost to the Municipal Parties.

3.7 Authorized Parts: All replacement parts and components shall be authorized by the supplies manufacturer.

3.8 Risk of Loss: The Successful Offeror shall ensure all supplies until delivery to and final acceptance of supplies by the Municipal Parties. The Successful Offeror shall bear all risks of loss, injury or destruction of goods and materials contracted for hereunder which occur prior to delivery of the supplies to the Municipal Parties. Any such loss, injury, or destruction prior to delivery shall not release the Successful Offeror from any obligation owed hereunder.

3.9 FOB Destination: The supplies shall be FOB destination and delivered to the Municipal Parties unless specified otherwise in Contract.

3.10 Delivered Service Ready: The supplies shall be delivered, unloaded, assembled, stacked as directed by the Solid Waste Department or designated representative and be ready to be put into intended service.

3.11 Delivery Acceptance: The supplies shall be delivered to the Municipal Parties within time agreed upon by the Municipal Parties' Representative. The supplies shall be in compliance with the General Conditions and supplies Specifications and Design Standards, at the time of delivery. Prior to acceptance of the supplies and payment of the invoice, the Municipal Parties shall inspect the supplies against the General Conditions and Requirements for Offerors and the Specifications and Design Standards incorporated in the Successful Offeror's proposal, and against any other specifications or warranties expressly provided for in the Successful Offeror's proposal. The supplies must meet or exceed all such requirements agreed to in the Successful Offeror's proposal.

3.12 Invoice and Payment: All invoices for supplies delivered shall be submitted within thirty (30) days from delivery. Payment for the supplies shall be made by the Municipal Parties within thirty (30) days after delivery and acceptance of the supplies. Supplies that do not comply with the supplies Specifications and Bid Documents and bid shall be rejected. Invoices for the month of June shall be dated in the month of June and be submitted on or before August 1st.

3.13 Patent Rights: Bidder agrees to defend the Municipal Parties at Bidder's own expense, in all suits, actions or proceedings in which a Municipal Party is made a defendant for actual or alleged infringement of any United States of America or foreign patent resulting from the Municipal Parties' use of the goods purchased from the Bidder. Bidder further agrees to pay and discharge any and all judgments or decrees that may be rendered in any such suit, action or proceedings against the Municipal Parties.

3.13.1 Royalty Rights: Bidder agrees to indemnify and hold harmless the Municipal Parties from any and all royalty and proprietary licenses, fees or costs, including legal costs, which may arise out of the Municipal Parties' purchase and use of goods supplied by the Bidder.

3.13.2 Covenant Clause: It is expressly agreed by Bidder that these patent and royalty covenants are irrevocable and perpetual.

4. INSURANCE REPRESENTATIONS AND REQUIREMENTS

4.1 General. Contractor agrees to comply with all Municipal Parties' ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to the Municipal Parties. Failure to maintain insurance as specified may result in termination of this Agreement at the Municipal Parties' option.

4.2 No Representation of Coverage Adequacy. By requiring insurance herein, the Municipal Parties do not represent that coverage and limits will be adequate to protect Contractor. The Municipal Parties reserve the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but have no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

4.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Municipal Parties, its agents, representative, officers,

directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

4.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by the Municipal Parties, unless specified otherwise in this Agreement.

4.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of the Municipal Parties as an Additional Insured.

4.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

4.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against the Municipal Parties, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Municipal Parties. Contractor shall be solely responsible for any such deductible or self-insured retention amount. Municipal Parties, at their option, may require Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

4.9 Use of Subcontractors. If any Services under this Agreement are subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting the Municipal Parties and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

4.10 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish the Municipal Parties with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance and reliance by the Municipal Parties on a Certificate of Insurance shall not waive or alter in any way the insurance

requirements or obligations of this Agreement. Such Certificate(s) shall identify the Agreement and be sent to the Municipal Parties' Risk Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

4.10.1 Municipal Parties, their agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

4.10.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

4.10.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against the Municipal Parties, their agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

4.10.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

4.11 Required Coverage:

4.11.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Municipal Parties, their agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of

this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

4.11.2 Professional Liability: When applicable, Contractor shall maintain Professional Liability insurance covering errors and omissions arising out of the Services performed by Contractor, or anyone employed by Contractor, or anyone for whose acts, mistakes, errors and omissions Contractor is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claims and \$2,000,000 all claims. Professional Liability coverage specifically shall contain contractual liability insurance covering the contractual obligations of this Agreement. In the event the Professional Liability insurance policy is written on a “claims made” basis, coverage shall extend for three (3) years past completion and acceptance of the Services, and Contractor shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

4.11.3 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a limit of \$1,000,000 each occurrence on Contractor’s owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor’s Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code “1” any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, the Municipal Parties, their agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

4.11.4 Workers’ Compensation Insurance: Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor’s employees engaged in the performance Services under this Agreement and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

5. INDEMNIFICATION

5.1 To the fullest extent permitted by law, the Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless the Municipal Parties, their agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor’s subcontractors related to the Services in the performance of this Agreement. Contractor’s duty to defend, hold harmless and indemnify the Municipal Parties, their agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of

resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Services in the performance of this Agreement including any employee of the Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable including the Municipal Parties. Such indemnity does not extend to the Municipal Parties' negligence.

5.2 Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

6. TERMINATION OF THIS AGREEMENT

6.1 Termination. Municipal Parties may, by written notice to the Contractor, terminate this Agreement in whole or in part with seven (7) days notice, either for the Municipal Parties' convenience or because of the failure of the Contractor to fulfill his contract obligations. Upon receipt of such notice, the Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Municipal Parties copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor in performing this Agreement, whether completed or in process. This Agreement may be terminated in whole or in part by the Contractor in the event of substantial failure by the Municipal Parties to fulfill their obligations.

6.2 Force Majeure. Failure by either party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, riots, fire, explosion, legislation, and governmental regulation. The party whose performance is so affected shall within five (5) days notify the other party of all pertinent facts and identify the force majeure event. The party whose performance is so affected shall also take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so, or to minimize or eliminate the effect thereof. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay, provided however, under no circumstances shall delays caused by a force majeure extend beyond one hundred-twenty (120) days from the scheduled delivery or completion date of a task.

6.3 Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. The parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.

6.4 Surviving Provisions. Notwithstanding any completion, termination, or other expiration of this Agreement, all provisions which, by the terms of reasonable interpretation thereof, set forth rights and obligations that extend beyond completion, termination, or other expiration of

this Agreement, shall survive and remain in full force and effect. Except as specifically provided in this Agreement, completion, Termination, or other expiration of this Agreement shall not release any party from any liability or obligation arising prior to the date of termination.

6.5 Payment to Contractor upon Termination. If the Agreement is terminated, the Municipal Parties shall pay the Contractor for the services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

7. ASSURANCES

7.1 Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the Contractor for Services to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Agreement and any Regulations relative to nondiscrimination on the grounds of race, color or national origin.

7.2 Examination of Records. The Contractor agrees that duly authorized representatives of the Municipal Parties shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this Agreement.

7.3 Ownership of Document and Other Data. Original documents and other data prepared or obtained under the terms of this Agreement or any change order are and will remain the property of the Municipal Parties unless otherwise agreed to by both parties. The Municipal Parties may use such documents for other purposes without further compensation to the Contractor; however, any reuse without written verification or adaptation by Contractor for the specific purpose intended will be at the Municipal Parties' sole risk and without liability or legal exposure to Contractor. Any verification or adaptation of the documents by Contractor for other purposes than contemplated herein will entitle Contractor to further compensation as agreed upon between the parties.

7.4 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this Agreement, that all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

7.5 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that the Contractor will be an independent contractor and not the Municipal Parties' employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. The Contractor agrees that it is a separate and independent enterprise from the Municipal Parties, that it has a full opportunity to

find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and the Municipal Parties, and the Municipal Parties will not be liable for any obligation incurred by the Contractor, including but not limited to unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

7.6 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Contract, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. The Municipal Parties at their option may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). The Municipal Parties retain the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

7.7 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the work. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). Contractor shall protect and indemnify the Municipal Parties and their representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

7.8 Exclusive Use of Services - Confidentiality. The services agreed to be provided by Contractor within this Agreement are for the exclusive use of the Municipal Parties and Contractor shall not engage in conflict of interest nor appropriate the Municipal Parties' work product or information for the benefit of any third parties without the Municipal Parties' consent.

7.9 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

7.10 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

GILBERT:
Town Manager
Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296

CONTRACTOR:

The address may be changed from time to time by either party by serving notices as provided above.

7.11 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

8. SUSPENSION OF WORK

8.1 Order to Suspend. Municipal Parties may order the Contractor, in writing, to suspend all or any part of the Services for such period of time as he may determine to be appropriate for the convenience of the Municipal Parties.

8.2 Adjustment to Contract Fee. If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of the Municipal Parties in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance was suspended or delayed for any other cause, including the fault or negligence of the Contractor, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this Agreement.

9. INTERESTS AND BENEFITS

9.1 Interest of Contractor. The Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

9.2 Interest of City/Town Members and Others. No officer, member or employee of the Municipal Parties and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be

performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

9.3 Notice Regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

10. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of the Municipal Parties thereto.

11. SPECIFICATIONS AND DESIGN STANDARDS

11.1 Description: Each Bidder shall submit sufficient descriptions, technical detail specifications and information, so that the Municipal Parties may fairly and completely evaluate the product offered. Failure to comply may render a bid non-responsive. Any omission from these written Specifications and Design Standards shall not relieve the Successful Offeror from the responsibility of furnishing an operational unit complete and ready to operate at its intended use.

11.2 Indicate Compliance: The following Specifications and Design Standards are the minimum acceptable unless otherwise noted. The Offeror shall indicate compliance, list any deviations, and/or list any modifications needed to meet the Specifications and Design Standards, and/or list all data requested in the space provided.

EACH BIDDER IS REQUIRED TO FILL IN EVERY BLANK AS DESCRIBED IN EXHIBIT A, SUPPLIES & PRICING LIST, INCLUDING "NO BID", WHEN APPROPRIATE. FAILURE TO DO SO CAN BE THE BASIS FOR REJECTION OF THE BID.

EXHIBIT C

Rehrig Pacific Company, Inc- Price Sheet

EXHIBIT A (revised 12/24/2014)
SUPPLIES AND PRICING LIST

FOB Destination: The supplies shall be FOB destination and delivered to:
Town of Gilbert, 4760 S. Greenfield Rd., Gilbert, AZ 85297

REFUSE/RECYCLING CONTAINERS

Item No.	Description	Estimated Annual Quantity	Unit Price*	Total Price*
1	32/35 gallon refuse/recycling containers per specifications Mfg. Model: <u>Rehrig Pacific Co. ROC-35MB</u>	500 Mesa**	34.73	\$ 17,365.00
2	48/52 gallon refuse/recycling containers per specifications Mfg. Model: <u>No Bid</u>	0		\$ 0
3	60/68 gallon refuse/recycling containers per specifications Mfg. Model: <u>Rehrig Pacific Co. ROC-65NB</u>	800 Gilbert 3,000 Mesa**	42.32 42.32	33,856.00 \$ 126,960.00
4	90/98 gallon refuse/recycling containers per specifications Mfg. Model: <u>Rehrig Pacific Co. ROC-NB or FA</u>	16,000 Gilbert 18,500 Mesa** 2,400 Queen Creek	48.86 48.86 48.86	781,760.00 \$ 903,910.00 117,264.00
5	90/98 gallon black lids labeled "Animal Waste Only"	50 Queen Creek	14.00	\$ 700.00
Total				\$ 1,981,815.00
<p>*Unit prices shall include all freight (FOB destination), insurance, warranty costs, and any other applicable costs <u>excluding</u> taxes. All containers will be delivered, unloaded, assembled, and stacked as directed by the Solid Waste Department or designated representative. All unit prices shall include assembly, bolts, plates, hardware, and other incidental items necessary for delivery and ready for use product.</p> <p>**City of Mesa's estimated annual quantity and contract award effective 2/1/2016.</p>				

Buyback of Material (price per container)

Description	Medium Density (MDPE)	High Density (HDPE)
32/35 gallon	\$ 1.20	\$ 3.00
48/52 gallon	\$ 1.60	\$ 3.40
60/68 gallon	\$ 2.00	\$ 5.00
90/98 gallon	\$ 2.16	\$ 6.00

Delivery, as stated in Detailed Specifications, can be met. X Yes No
If no, specify number of days for delivery

Payment terms (not less than net 30 days): Net 30 Days
Prompt Payment Discount of 1 % if invoices are paid within 15 days of receipt.

OPTIONAL ITEMS	
Description	Price
Warranty Coverage (price per container – all sizes)	
10 year standard manufacturer warranty plus an additional 1 year warranty	\$ 1.06
10 year standard manufacturer warranty plus an additional 2 year warranty	\$ --
10 year standard manufacturer warranty plus an additional 3 year warranty	\$ --
10 year standard manufacturer warranty plus an additional 4 year warranty	\$ --
10 year standard manufacturer warranty plus an additional 5 year warranty	\$ --
RFID Tag (price per container – all sizes)	
The Contractor shall provide fully encapsulated RFID tag in the containers using customer-supplied numbers. The RFID tag must have minimal operational temperature rating of -35 degrees F to 185 degrees F (-35C to 85C) and a minimum read distance of ten (10) feet at an operating frequency of 860-960 MHz. Device must be Ultra High Frequency (UHF) Electronic Product Code (EPC) Class I Generation 2.	\$ 1.50
In-Mold Labeling (price per container – all sizes)	
Black Barrel Lid Labels, Trash	\$ 1.60
Blue Barrel Lid Labels, Recycle	\$ 1.60
Lid Hot Stamp (price per container – all sizes)	
Price per hot stamp.	\$ 0.0
110 Degree Lid Stop (price per container – all sizes)	
Lids shall open at a minimum 100 degrees and a maximum 110 degrees.	\$.25
Cotter Pin and Washer Wheel Attachment (price per container – all sizes)	
Galvanized washers and galvanized 1/8" cotter pins.	\$ 1.25



Legislation Description

File #: 15-363, Version: 1

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH ENVIRONMENTAL EARTHSCAPES, INC., DOING BUSINESS AS THE GROUNDSKEEPER, FOR LANDSCAPE MAINTENANCE SERVICES

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into an agreement with Environmental Earthscapes, Inc., doing business as (dba) The Groundskeeper, for Landscape Maintenance Services in an amount not to exceed \$48,096 per fiscal year. The initial term of the contract is for two years upon approval of the City Council. This request also authorizes the City Manager to renew the agreement annually, at the City Manager's discretion, for an additional three years in an amount not to exceed \$240,480 over the term of the contract.

Background

The Streets right of way (ROW) landscaping division is responsible for landscape maintenance of 500 acres of developed ROW and undeveloped city-owned property. The division also maintains 16,000 trees; repairs all landscape water-lines, controllers and irrigation related items in the ROW, and conducts weed abatement activities. This assures aesthetically pleasing streetscapes for Glendale residents and visitors, and mitigates liability concerns.

A Request for Proposals (RFP) 15-26 for Landscape Maintenance Services was advertised on February 12, 2015. The RFP included the following evaluation criteria: Experience and Qualifications, Method of Approach, and Pricing Structure. Six proposals were received and The Groundskeeper, offered the most responsive, responsible proposal for streets right of way landscaping.

Analysis

The City utilizes service options such as contracted landscape maintenance. This agreement is for landscape maintenance services for 3 miles of landscaped medians located on 67th and 75th Avenues, from Union Hills to Beardsley Roads; and Union Hills Road from 67th to 75th Avenues. Landscape maintenance services will include: turf mowing; shrub, plant and groundcover maintenance; trash collection; pest control; and irrigation system maintenance. The city contracts for grass mowing services to supplement operations as needed, and for emergency repair services required to maintain the aging irrigation systems.

Additionally, the proper maintenance and repair of the ROW irrigation system is necessary to stay in compliance with the city's directive to not waste water (Ordinance No. 1659, Chapter 30, Article 1, Section 30-4) in order to preserve this precious natural resource.

Previous Related Council Action

The previous vendor Mariposa Landscape was administratively awarded the contract on April 1, 2008 in an amount of \$30,821.78.

Community Benefit/Public Involvement

Well maintained public right of way aide in creating civic and community pride. If the efforts to maintain the appearance of the landscaping are diminished, the high standards that Glendale citizens have come to expect will be lessened.

Budget and Financial Impacts

Funding is available in the fiscal year 2015-16 Public Works Department operating and maintenance budget. Expenditures with The Groundskeeper, are not to exceed \$48,096 per fiscal year, and \$240,480 over the term of the contract contingent upon Council budget approval.

Cost	Fund-Department-Account
\$48,096	1340-16710-518200, Right-of-Way Maintenance

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

**AGREEMENT FOR
LANDSCAPE MAINTENANCE SERVICES
City of Glendale Solicitation No. RFP 15-26**

This Agreement for Landscape Maintenance Services ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Environmental Earthscapes, Inc., dba The Groundskeeper, an Arizona corporation, authorized to do business in Arizona, (the "Contractor"), as of the ____ day of _____, 2015.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, pursuant to Solicitation No. RFP 15-26 (the "Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project attached hereto;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Key Personnel; Sub-contractors.

- 1.1 Services. Contractor will provide all services necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors or consultants, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, complete the Project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement;
 - (2) The City must approve the designated Project Manager; and
 - (3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Contractor.
 - c. Discharge, Reassign, Replacement.
 - (1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in the response to the Project's solicitation.

- (2) Contractor will not discharge, reassign or replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Contractor, in which event the substitute must first be approved in writing by City.
- (3) Contractor will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties or if the acts or omissions of that person are detrimental to the development of the Project.

d. Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Contractor's Work.**

3.1 Standard. Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Contractor warrants that:

- a. Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- b. Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- c. For projects not involving Coordinating Project Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- a. Ownership. Upon receipt of payment for services furnished, Contractor grants to City, and will cause its Sub-contractors to grant to the City, the exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Contractor warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Contractor will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Contractor, the City agrees to indemnify and hold Contractor harmless from any claim arising out of the Work Product.
 - (3) In such case, City shall also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$48,096 per fiscal year, or a maximum of \$240,480, over five (5) years, as specifically detailed in **Exhibit B** (the "Compensation").

4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified.

- a. Adjustments to the Compensation require a written amendment to this Agreement and may require City Council approval.
- b. Additional services which are outside the scope of the Project contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.
- c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in

the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

5. Billings and Payment.

5.1 Applications.

- a. Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month or as specified in the solicitation.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its Sub-contractors; and
 - (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 30 days following the date of delivery.

- a. Contractor will be equitably compensated for Goods or Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages, in accordance with the provision of § 5.
- b. If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages of more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.**

8.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):

- a. Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Contractor's Policies"), until each Party's obligations under this Agreement are completed.
- b. General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate for each property damage and contractual property damage.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- c. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and \$1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- d. Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- e. Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- f. Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.

- (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under the Agreement.
- g. Other Contractors or Vendors.
 - (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- h. Policies. Except with respect to workers' compensation and employer's liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Sub-contractors.

- a. Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- c. Contractor and Sub-contractors must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.

- c. Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

- 9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under subsection 9.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 9.1 above.
- 9.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 9.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
 - a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested); and
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice; and
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Contractor. Contractor's representative (the "Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Environmental Earthscapes, Inc., dba The Groundskeeper
c/o Paul Tripp
620 North Golden Key
Gilbert, AZ 85233

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Max Morales
6210 West Myrtle Avenue
Glendale, Arizona 85301
623-930-2671

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- d. Changes. Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

- 12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums

and the response or any excerpts attached as Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

12.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

12.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be deemed reformed to conform to applicable law.

12.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

13¹ **Term.** The term of this Agreement commences upon the effective date and continues for a two (2)-year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional three (3) years, renewable on an annual basis. Contractor will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period and will be a determining factor for renewal. There are no automatic renewals of this Agreement.

14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

(Signatures appear on the following page.)

The parties enter into this Agreement as of the effective date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

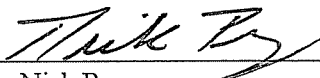
ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

Environmental Earthscapes, Inc., dba The
Groundskeeper, an Arizona corporation



By: Nick Perez
Its: Acting Branch Manager

EXHIBIT A
LANDSCAPE MAINTENANCE SERVICES
PROJECT

[See attached]



CITY OF GLENDALE MATERIALS MANAGEMENT REQUEST FOR PROPOSAL

SOLICITATION NUMBER: RFP 15-26

DESCRIPTION: LANDSCAPE MAINTENANCE SERVICES

OFFER DUE DATE AND TIME: FEBRUARY 12, 2015, AT 2:00 P.M. LOCAL TIME

PRE-OFFER CONFERENCE: FEBRUARY 4, 2015, 2:00 P.M.

A pre-offer conference will be held at City of Glendale, 5850 W. Glendale Avenue – Municipal Building, Third Floor, Conference Room 3A, Glendale, AZ 85301 at 2:00 P.M. local time.

Proposals must be in the actual possession of Materials Management on or prior to the time and date, and at the location indicated below. Materials Management is located on the third floor of the Glendale Municipal Office Complex (City Hall) behind the Engineering Department. Proposals are accepted from the hours of **8:00 a.m. and 5:00 p.m.**, Monday through Friday, unless otherwise indicated for a holiday. All proposals will be time stamped at the Engineering Department's front counter. Late proposals will not be considered.

Offer Opening and Submittal Location: City of Glendale
Attn: Materials Management
5850 W. Glendale Avenue, Suite 317
Glendale, Arizona 85301

Proposals must be submitted in a sealed envelope with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope. See Section 4 for additional instructions for preparing an offer.

Proposals shall be opened publicly at the time, place and location designated on this page. Only the name of each Offeror shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing Offeror's.

OFFEROR'S ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

For questions regarding this solicitation contact:

Connie Schneider, C.P.M.
Purchasing & Materials Management
623-930-2868
CSchneider@glendaleaz.com

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

TABLE OF CONTENTS

Section

1	OVERVIEW	3
2	SCOPE OF SERVICES	5
3	SPECIAL TERMS AND CONDITIONS	12
4	SPECIAL INSTRUCTIONS	19
5	OFFER SHEET	25
6	PRICE SHEET	26
7	EXHIBIT A – Landscaping Schedule	27
8	EXHIBIT B – Notice of Deficiency to Contractor	28

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

1. OVERVIEW

1.1 BACKGROUND

The City of Glendale (City) currently uses multiple contracts that cover landscaping services throughout the City. The City is combining two departmental areas that have ongoing landscaping needs in multiple locations. The departments include Rights-of-Way (ROW) and Glendale Community Housing (GCH) or **Area of Service (AOS)**. The specific locations for these services are detailed below.

Name of AOS	Locations	
ROW	1) Union Hills Road from 67th Avenue to 75th Avenue	
	2) 75th Avenue and Union Hills to Beardsley (Does not include 1st Median south of Beardsley.)	
	3) 67th and Union Hills to Beardsley	
GCH		Number of Units
Glendale Homes	5215 W. Ocotillo Road Glendale, AZ 85301	70
Lamar Homes and Administrative office	6842 W. Lamar Road Glendale, AZ 85301	51
Cholla Vista Apartments	5320 W. Maryland Avenue Glendale, AZ 85301	34

1.2 PURPOSE

The City of Glendale (City) is soliciting proposals from qualified individuals to provide landscape maintenance services described herein. The primary emphasis of the solicitation is to implement and ensure the City has quality lawn care and a landscaping maintenance program provided by one or more experienced and qualified Contractor(s). Services shall be for ongoing landscaping needs. Below is a listing for the City AOS along with the City AOS Contact pertaining to those area(s):

1.3 AREAS OF SERVICE (AOS):

Dept.	Area of Service (AOS)	AOS City Contact & Title	Address	Phone	Email
GCH	Glendale Community Housing	Fred Abraham Maintenance Supervisor	6842 N. 61st Ave. Glendale, AZ 85301	623-930-3707	Fabraham@glendaleaz.com
ROW	Rights-of-Way	Eddie Sandoval Contract Manager	6210 W. Myrtle Glendale, AZ 85301	623-930-2639	ESandoval@Glendaleaz.com

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

1.4 DEFINITION OF TERMS

- 1.4.1 **Arrowhead Ranch** - Arrowhead Ranch Amenities, Inc. is a non-profit corporation that governs the usage of effluent water usage for the Arrowhead Ranch area.
- 1.4.2 **Litter** – Organic plant material including leaves, limbs, twigs, animal feces, etc.
- 1.4.3 **MSDS** - Material Safety Data Sheet.
- 1.4.4 **Policing/Cleaning** – Act of removing all manmade trash from contracted rights-of-way areas.
- 1.4.5 **Rights-of-Way (ROW)** – City easements between curb, sidewalks, and residential walls. Includes contracted shoulders, bike and pedestrian paths, and medians.
- 1.4.6 **SASPPC** – State of Arizona Structural Pest Control Commission.
- 1.4.7 **Trash** – All man-made material including paper, cardboard, bottles, broken glass, cans, etc.
- 1.4.8 **Weeding Out** – Process of mechanically removing weeds.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

SPECIFICATIONS

- 2 SCOPE OF SERVICES** – Contractor shall provide Landscaping Maintenance services as requested by the City. All services performed shall be per a scheduled timeline as defined by the City AOS contact, or on an as needed basis.

2.1 GENERAL LANDSCAPING REQUIREMENTS –Contractor shall:

- 2.1.1** Furnish all supervision, labor, materials, tools, supplies, fertilizers, herbicides, post and pre-emergent, equipment, any incidentals, vehicles necessary to provide landscape maintenance; and incidental and customary work necessary to fully and adequately provide landscape maintenance services;
- 2.1.2** Provide services that include, but not limited to, sidewalks, bridle paths, shoulders, right of way, bike and pedestrian paths, medians, around building foundations and HVAC units;
- 2.1.3** Perform all work during daylight hours. No work will be performed on weekends without prior approval from the City AOS Contact;
- 2.1.4** Use only chemicals registered and approved by the Environmental Protection Agency;
- 2.1.5** Provide materials, techniques and processes that comply with Federal, State, local laws, regulations, standards and ordinances pertaining to health, safety and environmental protection;
- 2.1.6** Maintain a local office with contact availability during normal working hours of Monday through Friday, 8am to 5pm;
- 2.1.7** Not disturb posted political signs while performing services under this Contract;
- 2.1.8** Accomplished all work with a minimum of traffic interruption or pedestrian impediment;
- 2.1.9** Not allow any person that is not an employee in the work area unless prior approval is given by the City AOS Contact; and
- 2.1.10** Ensure all its employees have a legal right to work.

2.2 IRRIGATION REQUIREMENTS – Contractor shall:

- 2.2.1** Maintain irrigation system from the valve out. Bleeding the valve is not permitted;
- 2.2.2** Coordinate an appropriate water cycle with the ROW Contact or representative;
- 2.2.3** Adjust sprinkler heads to achieve maximum coverage and minimum overspray;
- 2.2.4** Meet **Arrowhead Ranch** amenities allocations;
- 2.2.5** Visually inspect the irrigation system each week for proper operation and provide notification of such to the City AOS Contact; Inspection includes the furnishing of all labor and parts to replace missing emitters and bubblers;
- 2.2.6** Plug all emitters not delivering water to plant material at the Contractor's expense;
- 2.2.7** Program clocks to City specifications. If timing adjustments are required, Contractor shall notify AOS contact or representative in writing where and when adjustments are needed;
- 2.2.8** Manually turn irrigation systems on if battery controller is removed for repair;

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

- 2.2.9 Repair control valves and control clocks on irrigation system at the direction of the City AOS Contact or representative. Raise valve boxes to the level of the ground surface if needed when directed by the City AOS Contact or representative;
- 2.2.10 Complete all repairs within 48 hours of identifying areas in need of repair;
- 2.2.11 Test all spray heads after each mowing; and
- 2.2.12 Water by hand or use any other means in accordance with plant and vegetation needs; if an irrigation system is out of service due to Contractor's neglect.

2.3 PLANT MATERIAL (TREES, SHRUBS, & GROUNDCOVERS) – Contractor shall:

- 2.3.1 Prune all shrubs and ground covers limited to symmetrical (rounded) shapes;
- 2.3.2 Trim all shrubs to a tapered base so as not to allow accumulation of debris at the base of shrub;
- 2.3.3 Prune / trim to include the containment of vegetative growth four inches (4") to the inside of the curb line;
- 2.3.4 Remove dead, dying, diseased and broke portions of each plant;
- 2.3.5 Perform pruning in such a way that plant material does not create a visibility obstruction to vehicular traffic;
- 2.3.6 Not blow or rake landscaping debris into street or parking lot;
- 2.3.7 Shall limit tree pruning to skirting, keeping tree branches out of street at a minimum of thirteen feet (13') high horizontal clearances, out of pedestrian walkways and view corridors at a minimum of eight feet (8') high vertical clearances; and
- 2.3.8 Remove all tree suckers and water sprouts.
- 2.3.9 Prune up to eighty (80) trees located at **GCH facilities ONLY** on an annual basis. This would include deciduous and evergreen, and exclude all palms.

2.4 TURF MAINTENANCE (INCLUDES EDGING AND WEEDING) – Contractor shall:

- 2.4.1 Ensure mowing areas are clean and free of all debris (paper, stones, bottles, tree limbs, etc.);
- 2.4.2 Mow Bermuda and Rye grass during their growing seasons once a week;
- 2.4.3 Perform mowing and edging together on the same day and shall be scheduled in accordance with irrigation schedules;
- 2.4.4 Apply post emergent as necessary to keep areas weed free at full label directed rate;
- 2.4.5 Ensure care is given to control dust while mowing for compliance with Maricopa County Environmental Services Department Air Quality Division regulations;
- 2.4.6 Ensure that mowing height of turf does not exceed 2 ½ inches;
- 2.4.7 Ensure mowing equipment operates at optimum speed to produce clean cutting results;
- 2.4.8 Equip all mowers with skirt guards;
- 2.4.9 Remove mowed clippings from property and dispose properly;
- 2.4.10 Edge turf with a mechanical edger along walkways, curbs and headers to maintain a neat appearance and ensure proper coverage and operation of sprinkler heads;
- 2.4.11 Inform the City AOS contact of delays in schedule due to excessive ground moisture, standing water, etc.;

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

- 2.4.12 Provide an alternate schedule when delays in mowing occur; and
- 2.4.13 Keep all contracted areas, including adjacent sidewalks and curbs, and bull noses as applicable, free of weeds and grasses;
- 2.4.14 Lower (scalp) Bermuda grass to ½ inch or less the last week of September; and
- 2.4.15 Rake, retrieve, remove, and dispose from the site all bare areas dressed with decomposed granite and bare ground areas. This includes the gathering and removal of all trash organic material (litter), as well as dog and horse feces and organic material that was not generated by the contract area.

2.5 TRASH/LITTER DISPOSAL – This Section excludes GCH Area of Service. Contractor shall:

- 2.5.1 Remove and dispose of all trash and litter handled and/or generated from contracted sites the same day in performance of the contract;
- 2.5.2 Fully cover all open bed trucks used for transporting of waste;
- 2.5.3 Dispose of all debris and any other matter removed from the contracted area in compliance with Federal, State, County and City regulations; and
- 2.5.4 Be solely responsible for any disposal fees (dumping charges) incurred;

2.6 PEST, DISEASED PLANTS AND INSECT CONTROL – This Section excludes GCH Area of Service. Contractor shall:

- 2.6.1 Have the knowledge to diagnose and recommend proper procedures to remediate any pest, insect infestations, and plant diseases;
- 2.6.2 Immediately inform the City AOS contact of any pest, insect infestations, and plant diseases;

2.7 SOIL / TURF CONDITIONING – Contractor shall:

- 2.7.1 Notify AOS at least two (2) weeks prior to the date of performing soil/turf conditioning such as turf fertilization, and chemical weed control;
- 2.7.2 Apply 3 times a year (Applications and associated rates must be approved by Contract Manager two weeks prior to application);
 - a. May – Ammonium sulfate at a rate of 1 pound per 1,000 square feet;
 - b. July – Urea at a rate of 1 pound per 1,000 square feet;
 - c. September - Phosphate at a rate of 1 pound per 1,000 square feet;
- 2.7.3 Apply Perennial Rye seed at the rate of 12-15 pound per 1,000 square feet over scalped areas in the month of September no later than one(1) day after scalping; and
- 2.7.4 Apply starter fertilizer and the area top dressed with mulch;

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

2.8 PERFORMANCE SCHEDULE AND REQUIREMENTS – Exhibit A reflects the landscaping schedule and associated Contractor requirements.

2.8.1 Weekly Schedules of Service shall be submitted to AOS contact or representative no later than Wednesday 12:00 noon prior to the upcoming week; and

2.8.2 Skipping a scheduled weekly mowing without AOS contact approval will result in a deduction of \$250 from the Contractor invoice for that week and a first offense letter of non-compliance.

2.9 CONTRACTOR RESPONSIBILITIES – Failure to comply shall be sufficient grounds for non-payment and immediate termination of Contract. Contractor shall:

2.9.1 Monitor and inspect landscaping AOS weekly during daylight hours to ensure compliance;

2.9.2 Maintain landscaped areas with proper mechanical and chemical application as necessary to ensure contracted areas are free of weeds and unwanted grass;

2.9.3 Treat all unwanted grasses and weeds with appropriate herbicide prior to mechanical removal;

2.9.4 Be accountable for any material damaged as a result of his/her service;

2.9.5 Be accountable for the replacement of plants that die from lack of care, and inappropriate use of pesticides or chemicals;

2.9.6 Be accountable for insufficient watering; if Contractor caused disruption of water delivery system or did not notify Operations Coordinator or staff of irrigation problem;

2.9.7 Be responsible for the replacement of damage to, or destruction of, trees, shrubs, and groundcover resulting from performance or lack thereof in accomplishing the scope of the contract;

2.9.8 Not be responsible for damage to or destruction of plant material that is the result of vandalism or damage caused by others;

2.9.9 Be responsible for the re-staking, when needed, all trees that are staked at the beginning of the contract;

2.9.10 Submit a list of proposed chemicals complete with current Material Safety Data Sheet (MSDS), copies of chemical specimen labels for products used for contracted services, and specific application rates when requested;

2.9.11 Not waste water as wasting water is a violation of City Ordinance No. 1659, Chapter 30, Article 1, Section 30-4; and

2.9.12 Not use blowers on high pollution advisory days.

2.10 CITY RESPONSIBILITIES - Prior to commencement of work, the City AOS Contact shall:

2.10.1 Schedule a kick-off meeting with Contractor(s) and their Supervisor to discuss the operational plan for the contracted work. Discussions shall include:

- Walk-through contracted site(s);

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

- Finalize Work Schedules with Contractor (shall include tasks, frequency of work, number of workers performing each task);
- 2.10.2** Monitor every facet of Services described and to be performed in the Scope of Work;
- 2.10.3** AOS Contact shall be available for questions and respond to issues raised by landscaping Contractor as needed; and
- 2.10.4** City shall furnish all water for the irrigation.

2.11 **CONTRACTOR COMPLIANCE/ NOTICE OF DEFICIENCY –**

2.11.1 Contractor shall be considered non-compliant and shall be provided notice of deficiency report, **Exhibit B**, based on the criteria listed below. Contractor shall have up two (2) days to resolve notice of deficiency. If Contractor receives more than three (3) documented notices in one calendar year, they may be terminated if any of the following items exists upon inspection:

2.11.1.1 Trees, shrubs or ground covers not pruned or pruned in an unacceptable manner (i.e. improper stubs, ripped or torn bark, etc.)

2.11.1.2 Litter and or trash still exists in areas that should have been removed;

2.11.1.3 Weeds still exist in areas;

2.11.1.4 Damage to trees and shrubs caused by mower and line trimmer

2.11.1.5 Turf not mowed as per contract specifications;

2.11.1.6 Turf areas are brown, yellow or devoid of turf (bare);

2.11.1.7 When damages to City property occurs as a result of Contractor's negligence, the City will arrange for repairs to be made and the costs for making repairs to the areas will be deducted from final payments to the Contractor.

2.11.1.8 In the event the Contractor's performance does not meet one or more of the performance standards described herein, the Contractor will be given written notice setting forth the deficiencies to be corrected by the City AOS contact(s).

2.11.1.9 In the event the Contractor has been notified of a deficiency and the deficiency is not corrected, the City may perform the services using city personnel or by a separate contract. The cost for follow-up inspections and of the services performed may be deducted from the Contractor's monthly invoice.

2.11.1.10 Failure to correct the deficiency within a reasonable timeframe may result in termination of the contract for default.

2.11.1.11 Revoked, terminated, surrendered, or lapse of Contractor's certification(s) required by the City (SASPCC, WCISA, ISA, for the Term of the Contract.

2.12 **SAFETY – Contractor shall:**

2.12.1 Use barricades and caution tape in areas under repair that are not constantly supervised by Contractor;

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

- 2.12.2** Provide and maintain all barricades when approved by Area Operation Coordinator;
- 2.12.3** Not restrict travel lanes or sidewalks on arterial roadways between the hours of 6am-8:30am & 4pm-6pm;
- 2.12.4** Use city approved barricades, warning lights, and notices and in accordance with the latest edition of the "City of Phoenix Barricade Manual for Traffic Control" manual;
- 2.12.5** Utilize turn-bays or deceleration lanes when possible for temporary parking of vehicles and equipment. If this isn't possible, Contractor shall pull vehicle completely off of roadway, and not on or across the sidewalk;
- 2.12.6** Use 28 inch cones to warn, and restrict traffic from entering area where equipment is stored;
- 2.12.7** Have appropriately licensed, insured, and clearly identified vehicles with a vehicle number, name of the company, and phone number on each side of the vehicle. Lettering shall be at least three (3) inches high and of proportionate width;
- 2.12.8** Use a barricade company that is certified in the city of Glendale to set and pick all lane restrictions that are longer than 45 minutes;
- 2.12.9** Use arrow boards when work groups are working in lanes of traffic, and may utilize a 'rolling lane closure' as long as vehicles aren't stopped for longer than 30 minutes; and
- 2.12.10** All employees in work area must wear a Type II reflective vest.

2.13 LOCAL OFFICE - Contractor shall maintain a local office with a competent contractor representative who can be contacted during normal business hours of Monday through Friday, 6:00am to 5:00pm. *(An electronic address, fax, and a mobile telephone number will fulfill this requirement).*

2.14 CHANGES TO SCOPE OF SERVICE

- 2.14.1** The City reserves the right to expand or delete landscaping service requirements and / or Areas of Service (AOS) at any time during the contract period when it is deemed to be in the City's best interest. Any changes shall be done with an Amendment agreed to by both parties;
- 2.14.2** In the event of a substitution or deletion, the City will provide the Contractor ten (10) days written notice prior to the date of discontinuance or maintenance services and responsibilities;
- 2.14.3** In the event of additional service requirements and/or Areas of Service (AOS), the City and Contractor shall agree upon changes in writing by completing an Amendment to the Agreement;
- 2.14.4** In the event the City and the Contractor cannot agree on additional service charges, the City reserves the right to perform the additional services with City personnel, or other outside contract services;
- 2.14.5** The City reserves the right to make changes to the landscape schedule(s) when it is deemed to be in the City's best interest; and

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

2.14.6 The Contractor shall not be compensated for the loss of work due to deletions or substitutions to the Contract.

2.15 **END OF CONTRACT CONDITIONS** – During the last month of the contract, the City AOS contact or representative shall make a final inspection to determine the condition of all landscape areas. Items found to be improperly maintained by the current Contractor will be listed and evaluated by the City AOS Contact or authorized representative for that AOS. The City AOS contact shall arrange for any repairs to be made and the costs for such repairs shall be deducted from final payment.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

3 SPECIAL TERMS AND CONDITIONS

3.1 INCORPORATION BY REFERENCE All responses shall incorporate by reference the Scope/Specifications, terms and conditions, general instructions and conditions and any attachments. The Standard Terms and Conditions applicable to this solicitation are posted on the Internet. They are available for review and download at the City's Materials Management Internet home page, www.glendaleaz.com/purchasing. Offeror's are advised to review all provisions of the General Instructions and Conditions for this solicitation.

3.2 PERMITS AND LICENSES The Contractor and Subcontractors shall be responsible for determining and securing, at his/her expense, any and all licenses and permits that are required by any statute, ordinance, rule or regulation of any regulatory body having jurisdiction in any manner connected with providing operations and maintenance of the facility. Such fees shall be included in and are part of the total proposal cost. During the term of the contract, the Contractor shall notify the City in writing, within two (2) working days, of any suspension, revocation or renewal.

3.3 TERM OF AGREEMENT The initial term of the contract shall be two (2) years upon approval by the City Council.

3.4 OPTION TO EXTEND The City may, at its option and with the approval of the Contractor, extend the term of this agreement three (3) additional years in one (1) year increments based on satisfactory Contractor performance. Contractor shall be notified in writing by the City Materials Manager of the City's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period. Price adjustments will only be reviewed during contract renewal.

3.5 INSURANCE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence, \$2,000,000 aggregate. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

2. **Automobile Liability:** Insurance covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of Arizona, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

If the contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the contractor.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City, its officers, officials, employees, and volunteers are to be covered as additional insured's on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations.

Primary Coverage

For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received by the Contract Administrator and approved by the City before work commences. **DO NOT SEND CERTIFICATES TO RISK MANAGEMENT.** However, failure to obtain the required documents prior to the work

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

3.5.1 WORKERS' COMPENSATION Contractor shall be in full compliance with the provisions of the Arizona Workers' Compensation Law (Title 23, Chapter 6, Arizona Revised Statutes) as amended, and all rules and regulations of the Industrial Commission of Arizona made in pursuance thereof. Contractor shall secure payment of compensation to employees by insuring the payment of such compensation with the State Compensation Fund or any insurance company authorized by the Insurance Department of Arizona to transact business in the State of Arizona.

Contractor further agrees that he shall require any and all subcontractors performing work under the agreement to comply with said Workers' Compensation Law. It is expressly understood and agreed that all persons employed directly or indirectly by the Contractor, or any of his subcontractors, shall be considered the employees of such Contractor, or his subcontractor(s), and not the employees of the City.

3.6 INDEMNIFICATION CLAUSE:

To the extent allowed by law, Contractor shall defend, indemnify, and hold harmless the City of Glendale, and its departments, boards, commissions, officers, officials, agents, employees and volunteers (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the City of Glendale, its officers, officials, agents, employees and volunteers for losses arising from the work performed by the Contractor for the City of Glendale.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

- 3.7 CONFLICT OF INTEREST** The Contractor covenants that no public or private interest exists and none shall be acquired directly or indirectly which would conflict in any manner with the performance of Contractor's contract.
- 3.8 ESTIMATED QUANTITIES** The Quantities listed are the City's best estimate and do not obligate the City to order or accept more than City's actual requirements during the period of this agreement as determined by actual needs and availability of appropriated funds. It is expressly understood and agreed that the resulting contract is to supply the City with its complete actual requirements for the contract period, except that the estimated quantity shown for each proposal item shall not be exceeded by 100% without the express written approval of the Materials Manager. Any demand or order made by any employee or officer of the City, other than the Materials Manager, for quantities in the excess of the estimated quantities shall be void if the written approval of the Materials Manager was not received prior to the Contractor's performance.
- 3.9 COOPERATIVE USE OF CONTRACT** This agreement may be extended for use by other governmental agencies and political subdivisions of the State, including all members of SAVE (Strategic Alliance for Volume Expenditures). Any such usage by other entities must be in accord with the ordinances, charter, rules and regulations of the respective entity and the approval of the Contractor and City. For a list of SAVE members, click on the following link: <http://www.maricopa.gov/Materials/save.aspx>.
- 3.10 CONFIDENTIAL INFORMATION** The City of Glendale is obligated to abide by all public information laws. If a Contractor believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the Contractor submits a formal written objection.
- 3.11 PUBLIC RECORD** Contractor acknowledges that the City is a public agency and must comply with all Public Records laws. All proposals submitted in response to the Solicitation shall become the property of the City and, subsequent to award recommendation, become a matter of public record available for review pursuant to Arizona Public Records Law.

If a Contractor believes that a specific section of its Proposal response is confidential, that should be withheld from the public record, Contractor shall isolate the pages and mark each page confidential in a specific and clearly labeled section of its Proposal response. The Contractor shall include a written statement as to the basis for considering the marked pages confidential including the specific harm or prejudice if disclosed. The City Materials Management Division will review the material and make a determination as to the confidentiality of any of the information and/or material contained within the Submittal. In

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

the event of a public records request for documents Contractor deems confidential, the City will notify Contractor of the request and if Contractor claims such documents are confidential, it shall be the Contractor's sole responsibility, including sole cost, to take appropriate action, including legal action, to protect such documents.

3.12 CERTIFICATION By signature on the Offer page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Contractor certifies:

The submission of the offer did not involve collusion or other anti-competitive practices. The Contractor shall not discriminate against any employee or applicant for employment in violation of Federal or State law.

The Contractor has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.

The Contractor hereby certifies that the individual signing the submittal is an authorized agent for the Contractor and has the authority to bind the Contractor to the Contract.

3.13 KEY PERSONNEL Contractor shall assign specific individuals to the key positions in support of the Contract. Once assigned to work under the Contract, key personnel shall not be removed or replaced without the prior written approval of the City. Upon the replacement of any key personnel, Contractor shall submit the name(s) and qualifications of any new key personnel to the City Contract Administrator or Designee. With the concurrence of the Contract Administrator or Designee, the City shall amend the Contract to reflect the name(s) of any replacement key personnel. Upon any unplanned departure of key personnel, Contractor shall immediately notify the Contract Administrator or Designee.

For this purpose, a primary and secondary emergency contact name and phone number are required from the Contractor. It is critical to the City that the contractor's emergency contact information remains current. The Materials Management staff member, identified on page 1, is to be contacted by E-mail with any change to a contact name or phone number.

All products or services provided to meet an emergency phone request are to be supplied as per the contract prices, terms and conditions. The Contractor may provide the fee (pricing) for an after-hours emergency opening of the business separate from the Price Sheet (Section 5.0). In general, the order will be placed using a City Procurement Card. The billing is to include the emergency opening fee, if applicable.

3.14 PRICE All prices quoted shall be firm and fixed for the specified contract period.

3.15 PUBLIC RECORD Contractor acknowledges that the City is a public agency and must comply with all Public Records laws. All proposals submitted in response to the Solicitation shall become the property of the City and, subsequent to award recommendation, become a matter of public record available for review pursuant to Arizona Public Records Law.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

If a Contractor believes that a specific section of its proposal response is confidential, that should be withheld from the public record, Contractor shall isolate the pages and mark each page confidential in a specific and clearly labeled section of its Proposal response. The Contractor shall include a written statement as to the basis for considering the marked pages confidential including the specific harm or prejudice if disclosed. The City Materials Management Division will review the material and make a determination as to the confidentiality of any of the information and/or material contained within the Submittal. In the event of a public records request for documents Contractor deems confidential, the City will notify Contractor of the request and if Contractor claims such documents are confidential, it shall be the Contractor's sole responsibility, including sole cost, to take appropriate action, including legal action, to protect such documents.

- 3.16 ADDITIONS OF PRODUCTS OR SERVICES** The City reserves the right to add additional products or services to this contract when deemed necessary by the City. If this occurs, the Contractor will be requested to submit a negotiable quotation for the additions. Upon approval and authorization by the Materials Manager such additions will be added to and become a part of the contract through properly executed forms.
- 3.17 TYPE OF AWARDS** The City reserves the right to make multiple awards or to award by individual line items, by group of line items, or to make an aggregate award, whichever is deemed most advantageous to the City. If the City determines that an aggregate award to one offeror is not in the City's best interest, "all or none" offers shall be rejected.
- 3.18 DEFAULT** In case of default by the contractor, the City may, by written notice, cancel this contract and repurchase from another source and may recover the excess costs by (1) deduction from an unpaid balance due; (2) collection against the bid and/or performance bond; or (3) a combination of the aforementioned remedies or other remedies as provided by law.
- 3.19 TERMINATION FOR CONVENIENCE** The City reserves the right to terminate any order or contract upon thirty days written notice. The City will be responsible only for those standard items which have been delivered and accepted. If the items are unique and not saleable or useable for any other application, the City will reimburse the Seller for actual labor, material, and burden costs, plus a profit not to exceed 8%. Title to all materials, work-in-process, and completed but undelivered goods will pass to the City after costs are claimed and allowed.
- 3.20 REMEDIES** City shall have, in addition to the remedies provided herein, all remedies afforded by the Uniform Commercial Code as adopted by the State of Arizona. Contractor shall have, subject to the limitation imposed by the terms of this agreement, all remedies afforded by the Uniform Commercial Code as adopted by the State of Arizona.
- 3.21 ASSIGNMENT** Neither an order nor monies due thereunder shall be assigned in whole or in part without the City's prior written consent.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

3.22 IMMIGRATION LAW COMPLIANCE Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program. Any breach of warranty described above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement. City of Glendale ("City") retains the legal right to inspect the papers of Contractor or subcontractor employee who performs work under this Agreement to ensure that Contractor or any subcontractor is compliant with the warranty described above. City may conduct random inspections, and upon request of the City, Contractor shall provide copies of papers and records demonstrating continued compliance with the warranty described above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section. Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon itself and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City. Contractor's warranty and obligations under this Section I to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement. The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

4. SPECIAL INSTRUCTIONS

- 4.1 RETURN OF OFFER** The Offeror shall submit three (3) hardcopies marked as "Copies". The offeror shall submit a complete proposal on a CD or flash drive as one file folder. The folder shall be identified as "RFP 15-26 – *Original - Name of Offeror.*" (For example: RFP 15-26 – Original - ABC Company.)

The proposal responses and copies shall be submitted in bound format (three (3) ring loose-leaf binders, spiral and/or report covers). Proposals should be divided by tab sections according to items listed in the **Preparation of Offer Package** of these Special Instructions. This will assist the evaluation panel in identifying items and information submitted within the proposal. Offerors may reproduce the forms and recreate information, but all of the required information must be presented in the order requested.

The Offeror shall complete all sections of the solicitation in the format given in the space provided. If additional space is needed than what is given, enter "See attachment for detail." Offers that do not conform to the above format may be rejected.

- 4.2 PREPARATION OF OFFER PACKAGE** The following items shall be completed and returned. Failure to include all the items may result in an offer being rejected. Offer packages shall be submitted in the following order:

- 4.2.1** OFFER SHEET, Section 5.0
- 4.2.2** PRICE SHEET, Section 6
- 4.2.3** ADDENDUM, Return all addenda (if applicable).
- 4.2.4** SPECIFICATIONS, Section 2
- 4.2.5** SUBMISSION REQUIREMENTS, Section 4.0

- 4.3 EVALUATION CRITERIA** The criteria is listed below with their relative weights.

- | | | |
|---------------------|-------------------------------|-----|
| <u>4.3.1</u> | Experience and Qualifications | 45% |
| <u>4.3.2</u> | Method of Approach | 30% |
| <u>4.3.3</u> | Cost | 25% |

- 4.4 ALTERNATE OFFERS/EXCEPTIONS**

Offers submitted as alternates, or on the basis of exceptions to specific conditions of purchase and/or required specifications, must be submitted as an attachment referencing the specific paragraph number(s) and adequately defining the alternate or exception submitted. Detailed product brochures and/or technical literature, suitable for evaluation, must be submitted with the Offer. If no exceptions are taken, City will expect and require complete compliance with the specifications and all conditions of purchase.

- 4.5 SITE INSPECTION** Offeror shall visit the site(s) to become familiar with any conditions which may affect the performance and pricing. Submission of an Offer will be prima facie evidence that the Offeror did, in fact, make a site inspection and is aware of all conditions.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

- 4.6 INQUIRIES** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An Offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such; otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.
- 4.7 EVALUATION PANEL** Offeror submittals will be evaluated by an evaluation panel. Award shall be made to the responsive, responsible Offeror whose proposal is determined to be the most advantageous to the City.
- 4.8 PANEL CONTACT** Offerors shall have no exclusive meetings, conversations or communications with an individual evaluation panel member on any aspect of the RFP, after submittal.
- 4.9 INTERVIEWS** The City reserves the right to conduct interviews with some or all of the Offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the Offeror for the costs associated with the interview process.
- 4.10 ADDITIONAL INVESTIGATIONS** The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any Offeror submitting a proposal.
- 4.11 PRIOR EXPERIENCE** Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.
- 4.12 BEST AND FINAL OFFERS** The City may request best and final offers if deemed necessary, and will determine the scope and subject of any best and final request.
- 4.13 PROPOSAL EVALUATION** The City reserves the right to secure additional information from the Offeror in various forms and or to award based on submitted information.
- 4.14 DISCUSSIONS AND REVISIONS TO PROPOSAL** Discussions may be conducted with responsible Offerors who submit proposals determined to be reasonably susceptible of being selected for award; and may obtain pertinent information for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Should the

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

City elect to call for 'best and final' offers, Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Offerors. The purposes of such discussions shall be to:

4.14.1 Determine in greater detail such Offeror's qualifications, and

4.14.2 Explore with the scope and nature of the project, the Offeror's proposed method of performance, and the relative utility of alternate methods of approach;

4.14.3 Determining that the Offeror will make available the necessary personnel and facilities to perform within the required time;

4.14.4 Agreeing upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

4.15 EVALUATION LITERATURE (Note: This is not applicable to this RFP)

Proposals submitted for products considered by the seller to be equal to or better than the brand names or manufacturer's catalog references specified herein, must be submitted with technical literature and/or detailed product brochures with written statements if the literature or brochure is not specific as to the specification for the City's use to evaluate the product(s) offered. Proposals submitted without this product information may be considered as non-responsive and rejected.

4.16 NOTICE OF INTENT TO AWARD AND PROTEST PERIOD Information about the recommended award for this solicitation will be posted on the Internet. The information will be available for review on the City's Materials Management Internet home page www.glendaleaz.com/purchasing immediately after the City has completed its evaluation process of the offers received. If you have any questions, or would like further information about an intended award, contact the contract analyst immediately. Any protest must be submitted to the Materials Manager no later than seven (7) calendar days from the date of posting on the Internet. Please go to: <http://www.glendaleaz.com/Purchasing/doingbusinesswithglendale.cfm> for information and instructions on how to file a protest with the City of Glendale.

4.17 WITHDRAWAL OF PROPOSAL At any time prior to the specified solicitation due date and time, an Offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.

4.18 OFFER ERRORS OMISSIONS AND CORRECTIONS The City will not be responsible for any offeror errors or omissions. All prices and notations shall be written in ink or typed.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

Changes or corrections made on the offer form must be initialed in ink by the individual signing the offer. No corrections will be permitted after the offers have been opened.

4.19 DISCUSSIONS The City reserves the right to conduct discussions with Offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.

4.20 COMPETITIVE NEGOTIATIONS Exclusive or concurrent negotiations may be conducted with responsible Offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful Offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified offeror(s).

4.21 NO CONTACT, NO INFLUENCE DURING THE RFP PROCESS The City is conducting a competitive RFP process for the contract, free from improper influence or lobbying. There shall be no contact concerning this RFP from Offerors submitting a Proposal with any member of the City Council, RFP Evaluation Committee Members, or anyone connected with the process for or on behalf of the City. Contact includes direct or indirect contact by the Offeror, its employees, attorneys, lobbyists, surrogates, etc. in an attempt to influence the RFP process.

From the time the RFP is issued until the expiration of the protest period or the resolution of any protest, whichever is later (the "Black-Out Period"), Offerors, directly or indirectly through others, are restricted from attempting to influence in any manner the decision making process through, including but not limited to, the use of paid media; contacting or lobbying the City Council or City Manager or any other City employee (other than Material Management employees); the use of any media for the purpose of influencing the outcome; or in any other way that could be construed to influence any part of the decision-making process about this RFP. This provision shall not prohibit an Offeror from petitioning an elected official or engaging in any other protected first amendment activity after the protest period has run or any protest has been resolved, whichever is later.

Violation of this provision will cause the proposal or offer of the Offeror to be found in violation and to be rejected.

4.22 PROPRIETARY INFORMATION An Offeror shall clearly mark any proprietary information contained in its bid with the words "Proprietary Information." Offeror shall not mark any Solicitation Form as proprietary. Pricing data shall not be considered proprietary. Marking all, or nearly all, of a bid as proprietary may result in rejection of the bid.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

Offeror's acknowledge that the City is required by law to make certain records available for public inspection. In the event that the City receives a request for disclosure of Proprietary Information by any person, court, agency or administrative body, or otherwise has a reasonable belief that it is obligated to disclose the Proprietary Information to any such person or authority, the City will provide Offeror with prompt written notice so that Offeror may seek a protective order or other appropriate remedy. The Offeror, by submission of materials marked Proprietary Information, acknowledges and agrees that the City will have no obligation to advocate for non-disclosure in any forum or any liability to the Offeror in the event that the City must legally disclose the Proprietary Information.

4.23 SUBMISSION REQUIREMENTS (Refer to Evaluation Criteria, Item 4.3)

Offeror's should provide written, narrative responses for each item requested within the criteria below. When applicable, supporting documents should be attached and reference the appropriate criterion. Offeror's, at a minimum must submit the following:

4.23.1 EXPERIENCE AND QUALIFICATIONS.....(45%)

4.23.1.1 Offeror's proposal should include:

- Company profile that details company history;
- Organization chart;
- Business locations; and
- Number of years in business.

4.23.1.2 Offeror shall provide names and years' of experience of key personnel, names of any subcontractors used and years' of experience.

4.23.1.3 Offeror's shall demonstrate their firm's knowledge of equipment, labor assignment capacity, and success in providing landscaping services.

4.23.1.4 Offeror shall identify all appropriate licenses held by company, key personnel and subcontractors.

4.23.1.5 Offeror shall demonstrate their knowledge of materials, techniques and processes that comply with Federal, State, local laws, regulations, standards and ordinances pertaining to health, safety and environmental protection;

4.23.1.6 Offeror's should provide details of projects undertaken that are of similar nature and size based on the City's Specifications.

4.23.1.7 Is your firm a current member of and in good standing with the Associated Landscape Contractors of America (ALCA)?

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

4.23.1.8 Offeror shall list other industry association memberships. If none, respond with "NONE".

4.23.1.9 Offeror's shall submit with their offer a list of three (3) references, preferably letters of reference from companies for whom Offeror has provided landscaping services and clearly identify the types of properties maintained in the last three years. Include:

- Company name, address, phone number;
- Contract person, email address;
- A description landscaping services provided, number of personnel used, dates of services provided;

4.23.2 METHOD OF APPROACH.....(30%)

4.23.2.1 Offeror shall clearly provide their written understanding of the City's requirements, specifications, meeting the terms and conditions of the RFP and matching the proposed methods to accomplish work and timelines.

4.23.2.2 Offeror's shall provide a communication plan between key personnel and the City of Glendale Area of Service contact or representative.

4.23.2.3 Offeror shall describe method and approach for inspecting work performed by its employees and the process involved for correcting work not performed satisfactorily.

4.23.3 PRICING STRUCTURE.....(25%)

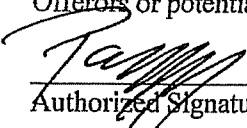
4.23.3.1 Offeror's shall bid in accordance with the pricing structure as outlined in Section 6. While cost is a significant factor in the determination of award, it is not the only factor. The award will not be based on price alone, nor will it be based solely upon the lowest fees submitted.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

5

OFFER SHEET

5.1 **OFFER** Offeror certifies that they have read, understand, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror also certifies that the prices offered were independently developed without consultation with any of the other Offerors or potential Offerors.

 _____ Authorized Signature	Enviromental Earthscaper DBA The Groundskeeper _____ Company's Legal Name
Paul Tripp _____ Printed Name	620 N. Golden Key _____ Address
Landscape Consultant _____ Title	Gilbert AZ 85233 _____ City, State & Zip Code
480-545-0456 _____ Telephone Number	480-545-0016 _____ FAX Number
pault@groundskeeper.com _____ Authorized Signature Email Address	2/11/2015 _____ Date

For questions regarding this offer: (If different from above)

_____ Contact Name	_____ Phone Number	_____ Fax Number
_____ Email Address		

FEDERAL TAXPAYER ID NUMBER: 86-0679262

Arizona Sales Tax No. 10-075660 Tax Rate N/A

Offeror certifies it is a: Proprietorship _____ Partnership _____ Corporation X

Minority or woman owned business: Yes _____ No X

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

6.0 COST

6.1 Enter Cost below based on Areas of Service as stated in the Scope of Services.

	Area of Service		For Both ROW and GCH Areas of Service	DISCOUNT % (Provide discount applied if applicable)
	ROW	GCH	ROW & GCH	ROW & GCH
WEEKLY	\$ 925.00	\$1,900.0	\$ 2,825.00	\$ 0
MONTHLY	\$4,008.0	\$8,233.0	\$12,241.00	\$ 0
OTHER (PROVIDE DETAILS BELOW)	\$	\$	\$	\$
TOTALS	\$4,933.0	\$10,133.0	\$15,066.00	

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

7. EXHIBIT A

LANDSCAPING SCHEDULE

(Current Schedule Needs)

FREQUENCY	AREA OF SERVICE	ACTIVITY	REQUIREMENTS
WEEKLY	ROW and as requested by GCH.	PLANT MATERIAL	See Section 2.3
	ALL	WEEDING	See Section 2.4
	ALL	TURF MAINTENANCE	See Section 2.4 (Weekly Schedules of Service shall be submitted to AOS contact or representative no later than Wednesday 12:00 noon prior to the upcoming week.)
	ROW	TRASH / LITTER DISPOSAL	See Section 2.5
	ROW	PEST, DISEASED PLANTS AND INSECT CONTROL	See Section 2.6
MONTHLY	ALL	RAKING	See Section 2.4
SEASONAL	ROW	OVERSEEDING	1. September - lower (scalp) Bermuda grass to ½ inch or less. 2. Apply Perennial rye seed at the rate of 12-15 Lbs. per 1,000 square feet. 3. Apply starter fertilizer and dress the top area with mulch. 4. Coordinate appropriate water cycle with AOS contact or representative to establish winter rye grass.
	ROW	SOIL / TURF CONDITIONING	1. May – Ammonium sulfate at a rate of 1 Lb. 1000 square feet; 2. July – Urea at a rate of 1 Lb. 1000 square feet; 3. September - Phosphate at a rate of 1 Lb. 1000 square feet.
ANNUAL	GHC	PLANT MATERIAL (TREES, SHRUBS, & GROUNDCOVERS)	See Section 2.3.9

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

8 EXHIBIT B - NOTICE OF DEFICIENCY TO CONTRACTOR

- ☐ Trees, shrubs or ground covers not pruned or pruned in an unacceptable manner (i.e. improper stubs, ripped or torn bark, etc.)
- ☐ Litter and or trash still exists in areas that should have been removed;
- ☐ Weeds still exist in areas;
- ☐ Damage to trees and shrubs caused by mower and line trimmer;
- ☐ Turf not mowed as per contract specifications;
- ☐ Turf areas are brown, yellow or devoid of turf (bare);
- ☐ When damages to City property occurs as a result of Contractor's negligence, the City will arrange for repairs to be made and the costs for making repairs to the areas will be deducted from final payments to the Contractor;
- ☐ Contractor's performance does not meet one or more of the performance standards described in Contract specifications, the Contractor will be given written notice setting forth the deficiencies to be corrected by the City AOS contact(s);
- ☐ Contractor has been notified of a deficiency and the deficiency is not corrected, the City may perform the services using city personnel or by a separate contract. The cost for follow-up inspections and of the services performed may be deducted from the Contractor's monthly invoice;
- ☐ Failure to correct the deficiency within a reasonable timeframe may result in termination of the contract for default;
- ☐ Revoked, terminated, surrendered, or lapse of Contractor's certification(s) required by the City (SASPCC, WCISA, ISA, for the Term of the Contract.

City Comments: (Provide detailed information on areas of deficiency and corrective action.)

EXHIBIT B
LANDSCAPE MAINTENANCE SERVICES
COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Method of payment is provided in Section 4.1 of this Agreement. The amount of monthly compensation for landscape services rendered, is provided in City of Glendale Final Pricing document for Solicitation No. RFP 15-26, which is attached.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$240,480.

DETAILED PROJECT COMPENSATION

Contractor shall provide Landscaping Maintenance services as requested by the City. Services shall include, but are not limited to the following: mowing, debris collection, irrigation, vegetation maintenance and trimming, sweeping, cleaning and maintenance of sidewalks, parking lots and roadways, medians, tree trimming, pruning, planting and removal of trees or plants, maintaining water systems and features, ground cover, weed control, fertilization, and soil conditioners and additives.

CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
LANDSCAPE MAINTENANCE SERVICES

6.0 COST

6.1 Enter Cost below based on Areas of Service as stated in the Scope of Services.

	Area of Service		For Both ROW and GCH Areas of Service	DISCOUNT % (Provide discount applied if applicable)
	ROW	GCH	ROW & GCH	ROW & GCH
WEEKLY	\$ 925.00	\$1,900.0	\$ 2,825.00	\$ 0
MONTHLY	\$4,008.0	\$8,233.0	\$12,241.00	\$ 0
OTHER (PROVIDE DETAILS BELOW)	\$	\$	\$	\$
TOTALS	\$4,933.0	\$10,133.0	\$15,066.00	

EXHIBIT C
LANDSCAPE MAINTENANCE SERVICES
DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the parties may agree, in writing, that the Dispute will be decided by binding arbitration in accordance with Commercial Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 10 years experience, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.

2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.

2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.

4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.

4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

EVALUATION CONSENSUS RFP 15-26, LANDSCAPE MAINTENANCE SERVICES				
	Experience and Qualifications 45%	Method of Approach 30%	Cost 25%	MAXIMUM POINTS AWARDED
TOTAL POINTS AWARDED FOR EACH CATEGORIES	450	300	250	1000
The Groundskeeper	378	298	136	813
Lawns by Les	310	148	248	707
Mariposa Landscape	357	185	250	792
Landscape Maintenance Goodwill	253	245	126	625
Artistic Land Management	360	277	113	750
Somerset Landscape	342	265	151	758
AWARD DETERMINATION				

Award is recommended to:

The Groundskeeper is deemed to be responsible and responsive offeror's whose proposal is determined in writing to be the most advantageous to the City and best meets the overall needs of the City taking into consideration the evaluation factors set forth in the request for proposals.



Legislation Description

File #: 15-382, Version: 1

AWARD OF CONTRACT FOR LANDSCAPE SERVICES FOR COMMUNITY HOUSING

Staff Contact: Erik Strunk, Director, Community Services

Purpose and Recommended Action

This is a request for City Council to authorize the Acting City Manager to enter into a three-year service agreement with Lawns by Les, LLC, not to exceed \$39,520 per year, with an option to administratively extend it for two additional, one-year options. This service agreement will allow the Glendale Community Housing Division to perform ongoing grounds landscaping and maintenance at all three of its public housing rental communities.

Background

The Community Housing Division maintains three public housing rental communities at three separate locations. There are 51 apartments at Lamar Homes, located at 6100 West Lamar Road; 70 apartments at Glendale Homes, located at 5215 West Ocotillo Road; and 34 apartments at Cholla Vista Apartments, located at 5320 West Maryland Avenue. In addition, the Community Housing Division is responsible for grounds landscaping and maintenance at the administrative office building located at 6842 North 61st Avenue. These three communities are funded with federal public housing monies from the U.S. Department of Urban Development (HUD).

As a part of the federal rules and regulations that apply to the three public housing rental communities, the City is required to maintain their visual appeal to the highest possible standard. Doing so meets the federal requirement of providing affordable housing in a safe, decent and sanitary manner.

Analysis

Through FY 2011-12, all landscaping and maintenance services at public housing were overseen by the Housing Maintenance Division. Since then, a decision was made to outsource this function, which has resulted in a savings to the City, all the while maintaining the grounds properly in compliance with HUD rules and regulations.

Earlier this year, a Request for Proposals (RFP) was issued and a total of nine bid responses were received and tabulated. All proposals were reviewed by an internal committee and based on the highest score. Lawns by Les, LLC was selected and has been deemed qualified.

Community Benefit/Public Involvement

The three public housing communities' landscape areas are in very good condition due to ongoing

maintenance and capital improvement programs funded by the federal Public Housing Capital Fund Program and Community Development Block Grant (CDBG) awards. This contract approval will allow Community Housing to continue to maintain the grounds for the low income residents of Glendale's three public housing communities.

Budget and Financial Impacts

Annually, funds in the amount of \$39,520 are available, contingent on Council appropriation, to maintain the lawns and landscaping at the three Public Housing rental communities and the administrative office through the professional and contractual fund (2500-17910-518200). These are federal funds and do not impact the General Fund.

Cost	Fund-Department-Account
\$39,520	2500-17910-518200, Professional and Contractual

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

AGREEMENT WITH LAWN BY LES, LLC
FOR
LANDSCAPE SERVICES FOR COMMUNITY HOUSING

City of Glendale Solicitation No. 15-26

This Agreement for Landscape Services for Community Housing ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Lawns by Les, LLC, an Arizona limited liability company (the "Contractor"), as of the ____ day of _____, 2015.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, pursuant to Solicitation No. 15-26 (the "Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project attached hereto;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Key Personnel; Sub-contractors.

- 1.1 Services. Contractor will provide all services necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors or consultants, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, complete the Project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement;
 - (2) The City must approve the designated Project Manager; and
 - (3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Contractor.
 - c. Discharge, Reassign, Replacement.
 - (1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in the response to the Project's solicitation.

- (2) Contractor will not discharge, reassign or replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Contractor, in which event the substitute must first be approved in writing by City.
- (3) Contractor will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties or if the acts or omissions of that person are detrimental to the development of the Project.

d. Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Contractor's Work.**

3.1 Standard. Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Contractor warrants that:

- a. Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- b. Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- c. For projects not involving Coordinating Project Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

4. **Compensation for the Project.**

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$39,520.00 annually for services; a total of three (3) years with two (2) one (1)-year options for a maximum total of five (5) years, as specifically detailed in **Exhibit B** (the "Compensation").

4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified.

- a. Adjustments to the Compensation require a written amendment to this Agreement and may require City Council approval.
- b. Additional services which are outside the scope of the Project contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.
- c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

5. **Billings and Payment.**

5.1 Applications.

- a. Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month or as specified in the solicitation.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its Sub-contractors; and
 - (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

- 6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 30 days following the date of delivery.
- a. Contractor will be equitably compensated for Goods or Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
 - b. Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with project closeout and delivery of the required items to the City.
- 6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.
- a. Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages, in accordance with the provision of § 5.
 - b. If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages of more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. Insurance.

- 8.1 Requirements. Contractor must obtain and maintain the following insurance ("Required Insurance"):
- a. Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Contractor's Policies"), until each Party's obligations under this Agreement are completed.
 - b. General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate for each property damage and contractual property damage.
 - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.

- (4) These limits may be met through a combination of primary and excess liability coverage.
- c. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and \$1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- d. Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- e. Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
 - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- f. Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
 - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
 - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under the Agreement.
- g. Other Contractors or Vendors.
 - (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
 - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- h. Policies. Except with respect to workers' compensation and employer's liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.
 - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Sub-contractors.

- a. Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this Agreement.
- c. Contractor and Sub-contractors must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- c. Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

- 9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under subsection 9.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 9.1 above.
- 9.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 9.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City.

Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.

- 9.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- a. The Notice is in writing; and
- b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested); and
- c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- d. The burden of proof of the place and time of delivery is upon the Party giving the Notice; and
- e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Contractor. Contractor's representative (the "Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Lawns by Les, LLC
c/o Les Coates - Owner
12830 W. Denton
Litchfield Park, AZ 85340

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Fred Abraham - Maintenance Supervisor for Community Housing
6842 North 61st Ave.
Glendale, Arizona 85301
623-930-3707

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

d. Changes. Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. Financing Assignment. City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. Entire Agreement; Survival; Counterparts; Signatures.

12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums and the response or any excerpts attached as Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

- 12.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.
- 12.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.
- 12.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be deemed reformed to conform to applicable law.
- 12.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
13. **Term**. The term of this Agreement commences upon the effective date and continues for a three (3)-year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional two years, renewable on an annual basis. Contractor will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period and will be a determining factor for renewal. There are no automatic renewals of this Agreement.
14. **Dispute Resolution**. Each claim, controversy and dispute (each a "Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.
15. **Exhibits**. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.
- | | |
|-----------|--------------------|
| Exhibit A | Project |
| Exhibit B | Compensation |
| Exhibit C | Dispute Resolution |

(Signatures appear on the following page.)

The parties enter into this Agreement as of the effective date shown above.

City of Glendale,
an Arizona municipal corporation

By: Richard A. Bowers
Its: Acting City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

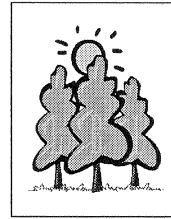
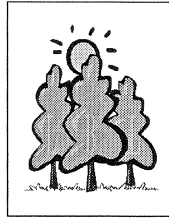
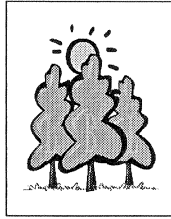
Michael D. Bailey, City Attorney

Lawns by Les, LLC,
an Arizona limited liability company

By: Les Coates
Its: Owner

EXHIBIT A
LANDSCAPE SERVICES FOR COMMUNITY HOUSING
PROJECT

[See attached]



CITY OF GLENDALE
Materials Management
Solicitation Number: RFP 15-26
Landscape Maintenance Services

BEST & FINAL

<u>Location</u>	<u>Per Stop Charge</u>	<u>Minimum Stops</u>	<u>Maximum Stops</u>
Glendale Homes	\$325	24	52
Lamar Homes & Admin	\$325	24	52
Cholla Vista Apts	\$110	24*	52
*based on current conditions			

EXHIBIT B
LANDSCAPE SERVICE CONTRACT FOR COMMUNITY HOUSING ANNUAL "MAXIMUM"
COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Monthly billings to be provided for services rendered by Lawns by Les, LLC, an Arizona limited liability company to the City of Glendale Community Housing for services performed up to the maximum amount of the annual contract of \$39,520 plus sales tax. Any work outside the scope of the annual contract service amount must be agreed upon through a written amendment by both parties for those services.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$39,520 plus sales tax annually for three years with two(2) one (1)-year options for a maximum total of five years.

DETAILED PROJECT COMPENSATION

See the attached RFP 15-26 solicitation, addenda (s), price sheet and notice of deficiency to contractor for a detailed breakdown of compensation weekly, monthly for the contract services to be performed as well as labor rates of key personnel for additional services that may be needed through an amendment or change order process.

EXHIBIT C
LANDSCAPE SERVICES CONTRACT FOR COMMUNITY HOUSING
DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the parties may agree, in writing, that the Dispute will be decided by binding arbitration in accordance with Commercial Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 10 years experience, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.

- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

- 4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.
- 4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.



Legislation Description

File #: 15-380, Version: 1

AMENDMENT NO. 1 TO INTERGOVERNMENTAL AGREEMENT BETWEEN THE MARICOPA COUNTY LIBRARY DISTRICT AND THE CITY OF GLENDALE FOR THE LIBRARY ASSISTANCE PROGRAM

Staff Contact: Erik Strunk, Director, Community Services

Purpose and Policy Guidance

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the Acting City Manager to enter into an agreement for the Library Assistance Program (previously known as the Reciprocal Borrowing Agreement) between the Glendale Public Library and the Maricopa County Library District (MCLD) for a three-year period, beginning July 1, 2015.

Background

The City of Glendale initially joined the "Reciprocal Borrowing Program" (RBP) in Fiscal Year 2012-13. The name of this program was changed to the "Library Assistance Program" (LAP) in FY 13-14. The LAP is funded with a portion of property tax that is exclusively collected by the MCLD to provide library services and materials. The program is coordinated by the MCLD and allows any Maricopa County resident - regardless of the municipal jurisdiction in which they live - to get a library card at any municipal and/or county library throughout Maricopa County. The participating libraries submit lists of cardholders that received cards, but do not live within their jurisdictions, to the MCLD. The Library District compiles all submitted lists and calculates the net number of LAP cardholders each library system has. Each library system is reimbursed on a rate times the number of net LAP cardholders. In the past several years, this rate has fluctuated based on the portion of property tax that was collected and the per capita library operating costs.

In exchange for its participation, in FY 14-15 the City received a total value of \$223,395 in library materials through the LAP (\$145,000); access to the "Rocket Languages" learning database (\$3,100); access to the "Heritage Quest" ancestry database (\$5,295); access to "Freegal", which is a service providing free music downloads for Glendale Library (\$37,000); and a Polaris maintenance support fee of \$33,000. Earlier this year, the Library was notified by the MCLD that it will receive an \$11,000 increase in FY 15-16 as a result of its participation in the LAP.

If approved by City Council for FY2015-16, the Library will continue to receive access to the aforementioned library databases, various library materials and services, which are valued at \$234,395.

Analysis

As a part of the FY 12-13 budget preparation, the City Council provided staff with direction to enter into the LAP with the MCLD. This program is funded with a portion of property tax that is exclusively collected by the MCLD to provide library services in areas of Maricopa County that are unincorporated and/or incorporated

but with a population of 50,000 residents or less. The program has been in place since the mid-1980s and since then, has branched out to partner with every municipal library system in the Valley to provide free services and programs via the LAP program.

Since joining, the City has received approximately \$640,000 in materials and services from the MCLD. Additionally, the MCLD purchased a much needed \$347,000 library operating system (known as "Polaris") in FY 12-13 for the City of Glendale at no charge. Through its involvement with the LAP program, the MCLD has subsequently agreed to cover all annual operations and maintenance costs associated with the Polaris system - something that saves the City an additional \$33,000 each year. Under this renewal of the IGA, the MCLD will continue to provide this service free of charge to Glendale.

Previous Related Council Action

On August 13, 2013, the City Council approved Resolution No. 4712 New Series authorizing and directing the entering into of an Intergovernmental Agreement with the MCLD for the Library Assistance Program. At the June 26, 2012, Council meeting, the City Council approved the resolution for the City Manager to enter into a reciprocal borrowing agreement with MCLD. At the City Budget Workshop on February 28, 2012, and again on April 17, 2012, staff was directed to enter into the reciprocal borrowing program with MCLD.

Community Benefit/Public Involvement

The citizens of Glendale will have access to more library materials, which will supplement the library's book materials budget that has been impacted due to previous fiscal year budget reductions. These additional materials will enhance the three libraries' collections and assist in meeting the diverse informational and recreational needs of residents. Glendale residents will also be able to freely utilize all other municipal and MCLD library services, should they chose to frequent the facilities.

The LAP was previously discussed with the Library Advisory Board at its February 16, 2012, and November 17, 2011, meetings.

Budget and Financial Impacts

There is no impact to the General Fund as there is no direct exchange of funds for this program. Rather, the MCLD will provide the Glendale Public Library with a \$234,395 "credit" against which it can continue to provide the listed programs and services. This is an increase of \$11,000 for 2015-16, over the last fiscal year.

Capital Expense? No

Budgeted? Not Applicable

Requesting Budget or Appropriation Transfer? No
If yes, where will the transfer be taken from?

RESOLUTION NO. 4960 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AMENDMENT NO. 1 TO AN INTERGOVERNMENTAL AGREEMENT WITH THE MARICOPA COUNTY LIBRARY DISTRICT FOR THE LIBRARY ASSISTANCE PROGRAM.

WHEREAS, on August 13, 2013, the Council of the City of Glendale approved Resolution No. 4712 New Series authorizing and directing the entering into of an Intergovernmental Agreement with the Maricopa County Library District for the Library Assistance Program; and

WHEREAS, Maricopa County Library District and the City wish to amend the Agreement and extend for an additional three (3) years.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That it is deemed in the best interest of the City of Glendale and the citizens thereof that Amendment No. 1 to the Intergovernmental Agreement with the Maricopa County Library District for the Library Assistance Program (City of Glendale Contract No. C-8560) be entered into, which agreement is now on file in the office of the City Clerk of the City of Glendale, Arizona.

SECTION 2. That the City Manager or designee and the City Clerk be authorized and directed to execute and deliver said amendment on behalf of the City of Glendale.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this ____ day of _____, 2015.

MAYOR

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager
iga_library_library district.doc

AMENDMENT NO. 1
TO
INTERGOVERNMENTAL AGREEMENT
BETWEEN THE
MARICOPA COUNTY LIBRARY DISTRICT
AND THE CITY OF GLENDALE
FOR
THE LIBRARY ASSISTANCE PROGRAM
(Agenda No. C-65-14-012-M-00, Contract C-8560)

This Amendment No. 1 ("Amendment") to the Intergovernmental Agreement C-65-14-012-M-00 ("Agreement") is made this ____ day of _____, 2015, by and between the City of Glendale ("City") and the Maricopa County Library District ("Library District").

RECITALS

WHEREAS, A.R.S. §§ 48-3901 and 11-903 allow a City to elect to become a part of, or participate in a county library district, which is a political taxing subdivision of this state for purposes of providing library services to district residents; and

WHEREAS, the City is a member of the Library District program and wishes to participate in the Library Assistance Program of the Library District;

WHEREAS, pursuant to its charter and A.R.S. § 9-411 et seq., the City has established and provided for a City library and library facilities and services which are owned and funded by the City and its governing body; and

WHEREAS, the Library District has established a Library Assistance Program for the benefit of its members in order to expand the availability of Library Services; and

WHEREAS, the City and the Library District are authorized to act and enter into this intergovernmental agreement regarding the Library Assistance Program pursuant to A.R.S. § 11-952; and

WHEREAS, the City wishes to have its municipal library participate and benefit from the Library Assistance Program by purchasing library materials in an amount to be determined based on the percentage of assessed valuation and the percentage of cards issues for the use of its library and library services by Non-Residents of the City who are entitled to the benefits of the Maricopa County Library District.

NOW, THEREFORE, in consideration of the covenants hereinafter set forth, the parties agree as follows:

AGREEMENT

1. The term of the Agreement is extended for a three (3)-year period from July 1, 2015 to June 30, 2018, unless otherwise terminated or canceled as provided by the Agreement. All other provisions of the Agreement except as set forth in this Amendment shall remain in their entirety.

2. Section II, paragraph 3 of the original Agreement shall be amended to require the assessed valuation allocation to be based on the primary net assessed value for all participating municipal libraries as opposed to secondary net assessed valuation.
3. City and Library District hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

IN WITNESS WHEREOF, the City of Glendale and the Maricopa County Library District have executed this Agreement effective on the date first above written.

CITY OF GLENDALE

MARICOPA COUNTY LIBRARY DISTRICT

By: _____
Richard A. Bowers
Acting City Manager

By: _____
Chairman, Board of Directors
Maricopa County Library District

ATTEST:

ATTEST:

By: _____
City Clerk Date

By: _____
Clerk of the Board Date

The foregoing Agreement has been reviewed by the undersigned counsel who has determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona.

By: _____
Michael D. Bailey Date
City Attorney

By: _____
Attorney Date
Maricopa County Library District



Legislation Description

File #: 15-395, Version: 1

AUTHORIZATION TO APPLY FOR AND ACCEPT REVENUE SHARING FUNDS FROM THE TOHONO O'ODHAM NATION

Staff Contact: Tom Duensing, Interim Assistant City Manager

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the Acting City Manager to apply for and accept approximately \$2,155,954 in revenue sharing funds from the Tohono O'odham Nation.

Background

In 2002, Arizona voters passed Proposition 202, known as the "Indian Gaming Preservation and Self-Reliance Act," which requires Native American communities that derive revenue from gaming to set aside 12% for a state-shared revenue program for distribution to cities, towns, or counties for government services that benefit the general public including public safety, mitigation of the impacts of gaming, or promotion of commerce and economic development. The Tohono O'odham Nation developed a revenue-sharing program that is also open to applications from local governments. The City has identified 10 grant funding opportunities for a variety of programs that match the Tohono O'odham priority areas of education, health care, public safety, child advocacy, economic development, and/or cultural and environmental development and protection. All grant proposals must be postmarked no later than June 12, 2015 and all successful applicants will be notified in August-September 2015.

Analysis

A total of 10 city applications are being submitted for consideration by the Tohono O'odham Nation. A short synopsis by city department of the applications is as follows:

City Court: One request totaling \$25,000

X-Ray Inspection Machine: Glendale City Court is requesting \$25,000 to purchase an x-ray inspection system. This security system is designed to screen for weapons, explosives, drugs, organic substances and other contraband. The Court's fulltime security staff utilizes the electronic imaging provided by this inspection system to scan all purses, briefcases, backpacks, mail, packages and other items brought into the court facility. The x-ray inspection system enhances the safety of Court customers which include defendants, victims, witnesses, police and staff by insuring business is conducted in a secure environment. The Court's current x-ray scanning system is more than ten years old. According to the system's preventative maintenance contractor, the device has outlasted its performance expectancy and is at risk for operational failure. **Cost:**

\$25,000

Fire: Two requests totaling \$1,028,669

2nd Set Turn Out Gear: To reduce firefighter exposure, Glendale Fire Department is in need of 156 sets of firefighter turnout gear, to provide each firefighter with a second set. Providing each Glendale firefighter with a spare set of turnout gear would allow them to exchange the contaminated gear with a clean set to use for the balance of their shift. Doing this would limit the immediate inhalation exposure to our firefighters who currently have to wear their contaminated gear until their 24 hour shift ends. **Cost: \$984,149**

Terrorism Liaison Officers Pay: This funding will alleviate the need for using on-duty staffing for TLO operations, and instead use off-duty personnel by compensating them with stand-by pay and overtime. This has a two-fold positive affect. First it dramatically improves the response time of the TLOs because they will not be delayed by other regular staffing duties, and second, it maintains optimal staffing on each fire apparatus by keeping the full, four member paramedic crews intact to run calls. **Cost: \$44,520**

Police: Three requests totaling \$939,285

FAAC Driving Training Simulator Purchase: The City of Glendale Police Department in conjunction with the Glendale Fire Department is submitting a funding proposal for \$245,520 to the Tohono O’odham Nation for the purchase of a public safety driving simulator. The purchase will consist of software and hardware to simulate the driving of current police and fire department fleets in a controlled environment. **Cost: \$245, 520**

AED Purchase: The City of Glendale Police Department is submitting a funding proposal to the Tohono O’odham Nation for the purchase of Automatic External Defibrillators (AED’s) to be distributed among officers working patrol districts for 30 units. **Cost: \$45,210**

Creation of Civilian Accident Investigators: The City of Glendale Police Department is submitting a funding proposal for \$648,555 to the Tohono O’odham Nation for the launching of a new initiative to utilize civilian accident investigators. The grant funds would be utilized to hire 6 new employees (5 investigators, 1 supervisor) and equip them for responding to traffic accidents and processing the incidents thereby freeing up sworn personnel for higher priority crime response and prevention functions. **Cost: \$648,555**

Parks and Recreation and Neighborhood Services- Four requests totaling \$163,000

Aquatics: Staff will submit a grant to engage a contractor to install additional shade at Rose Lane Aquatic Facility and replace existing landscape. The landscape reduction provides cleaner decks and water, and will likely reduce the chemical consumption. **Cost: \$44,000**

Neighborhood Services: This area is responsible for community outreach and would like to purchase a 15’ tandem axle box trailer, with decals, to transport supplies to the various programs that may occur on any given day. Having the additional mobile storage allows Neighborhood Services to be more versatile and address citizen needs more promptly. Additionally, they will include the purchase of additional tools to accommodate the high volume of volunteer programs. **Cost: \$24,500**

Parks: This area will apply for a grant to replace the dugout fencing at the Paseo Sports Complex. This is a

four diamond complex that has received extensive use (nearly 25 years) by the Valley youth slow and fast pitch teams and tournaments. The fencing requires a heavier gauge of fabric/wire to sustain itself through the next 25 - 30 years. **Cost: \$46,500**

Sahuaro Historic Area: The buildings in the Sahuaro Ranch Historic Area are over 100 years old and require periodic restoration. In 2008, the City engaged Motley Design Group to conduct a structural and aesthetic assessment of the historic buildings in the historic area. In their assessment they identified several issues with the buildings and recommended a method/process to address those issues. Staff continues to use the Motley report to guide the restoration process of the historic buildings. This funding will be used towards this ongoing restoration. **Cost: \$48,000**

Previous Related Council Action

Actions related to tribal grant funding in city Departments in Fiscal Year 2013/2014 and Fiscal Year 2013/2014:

On June 10, 2014, the Glendale City Council adopted a resolution authorizing the City Manager to apply for and accept approximately \$765,771.67 in revenue sharing funds from the Tohono O'odham Nation. There were two grants awarded as a result of this request: Glendale Parks and Recreation in the amount of \$43,056 for the Youth Sports Program. And Glendale Police Department in the amount of \$60,164.62 for 10 Mobile Data Computers

On November 26, 2013, the City Council adopted a resolution authorizing the City Manager to accept a \$425,000 for the purchase of a new fire truck and \$2,442.33 for distribution to the Fighter Country Foundation for programs to support men, women and families of Luke Air Force Base.

Actions related to tribal grants funding local non-profits in which the city acts as a pass-through agent:

On October 24 2014, the City Council adopted a resolution supporting a grant in aid agreement with the Tohono O'odham Nation for \$24,000 on behalf of the New Life Community Church for providing healthy alternatives to redirect the "at risk" children, youth and their families through the New Life Community Church programs.

On October 22, 2013, Council adopted a resolution of support to accept grant funds in the amount of \$45,360 from the Tohono O'odham Nation for the Glendale Youth Project to operate neighborhood-based, after-school programming in Glendale.

On June 11, 2013, Council adopted a resolution of support for a grant request in the amount of \$112,100 by the non-profit AGUILA Youth Leadership Institute from the Tohono O'odham Nation for a new college preparatory initiative to take place in Glendale.

On June 11, 2013, Council adopted a resolution of support (No. 4691 New Series) for a grant request in the amount of \$100,000 by the non-profit Heart for the City from the Tohono O'odham nation for a childhood obesity prevention program in Glendale.

Community Benefit/Public Involvement

Cities, Towns and Counties statewide benefit because they receive 12% of a tribe's total annual contribution of net gaming win every year. 12% money is contributed in addition to the revenue in the Arizona Benefits Fund. 12% money is used for government services that benefit the general public, including public safety, mitigation of impacts of gaming, and promotion of commerce and economic development.

Budget and Financial Impacts

There are no ongoing General Fund or Enterprise Fund costs to the City if these grant requests are approved. Under no circumstances will any of the funds be used for personnel. If all are approved, the total amount to be received by the City would be \$2,155,954. As necessary, the proper appropriation authority would be granted to the department upon receipt of grant monies from the Tohono O'odham Nation.

RESOLUTION NO. 4961 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE SUBMITTAL OF TEN (10) APPLICATIONS IN THE APPROXIMATE AMOUNT OF \$2,155,954 FOR INDIAN GAMING REVENUE SHARING GRANTS TO THE TOHONO O'ODHAM NATION; AND AUTHORIZING THE ACCEPTANCE, IF AWARDED, ON BEHALF OF THE CITY OF GLENDALE.

WHEREAS, the Tohono O'odham Nation, through its state-shared revenue program, provides grant monies to support deserving Education, Health Care, Public Safety, Child Advocacy, Economic Development and Cultural and Environmental Development and Protection programs in Arizona cities and towns; and

WHEREAS, the City of Glendale is seeking to expand the Glendale Parks and Recreation services; and

WHEREAS, the City of Glendale is seeking to expand and improve its public safety through its Police and Fire departments and City Court; and

WHEREAS, the City of Glendale will be able to further improve its services by securing grant funding from the Tohono O'odham Nation through its state-shared revenue program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City Council hereby authorizes the submission of this Resolution and the following ten (10) applications to the Tohono O'odham Nation:

1. Glendale City Court
Amount: \$25,000
Program: Court Security X-Ray Inspection System

2. Glendale Fire Department
Amount: \$984,149
Program: 2nd Set Turn Out Gear

3. Glendale Fire Department
Amount: \$44,520
Program: Terrorism Liaison Officers Pay

4. Glendale Police Department
Amount: \$245,520
Program: FAAC Driving Training Simulator Purchase

5. Glendale Police Department
Amount \$45,210
Program: AED Purchase

6. Glendale Police Department
Amount: \$648,555
Program: Creation of Civilian Accident Investigators

7. Glendale Parks and Recreation
Amount: \$44,000
Program: Aquatics

8. Glendale Parks and Recreation
Amount: \$24,500
Program: Neighborhood Services

9. Glendale Parks and Recreation
Amount: \$46,500
Program: Parks

10. Glendale Parks and Recreation
Amount: \$48,000
Program: Sahuaro Historic Area

SECTION 2. That the City Manager or designee is hereby authorized to execute the ten (10) applications, in the forms attached hereto, on behalf of the City of Glendale.

SECTION 3. That the City Manager or designee is directed to submit the ten (10) applications, along with this Resolution, to the Tohono O'odham Nation.

SECITON 4. That the City Manager or designee is authorized to accept any grant funds awarded from the Tohono O'odham Nation as a result of said applications.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager
g_grants_to.doc



Legislation Description

File #: 15-396, Version: 1

RESOLUTION OF SUPPORT FOR A GRANT REQUEST BY THE 1st LT. FRANK LUKE JR. MEMORIAL MUSEUM AND RESEARCH CENTER

Staff Contact: Tom Duensing, Interim Assistant City Manager

Purpose and Recommended Action

This is a request for City Council to waive reading beyond title and adopt a resolution of support for a grant request in the amount of \$59,320 by the 1st Lt. Frank Luke, Jr. Memorial Museum and Research Center from the Tohono O'odham Nation for partial funding for a complex adjacent to Luke AFB in Glendale to house the museum.

Background

In 2002, Arizona voters passed Proposition 202 which requires Native American communities that derive revenue from gaming to set aside 12% for a state-shared revenue program for distribution to "cities, towns, or counties for government services that benefit the general public including public safety, mitigation of the impacts of gaming, or promotion of commerce and economic development." The Tohono O'odham Nation developed a revenue-sharing program that is also open to applications from local governments or non-profits, provided there is support by the local government. The city recently received a request from the Lt. Frank Luke, Jr. Memorial Museum and Research Center seeking City Council support of an \$59,320 grant request that if funded, would be used to fund a complex adjacent to Luke AFB in Glendale to house the museum. The Museum is currently operating in Goodyear, Arizona in a temporary facility. All grant proposals must be postmarked no later than June 12, 2015 and all successful applicants will be notified by August through September 2015.

Analysis

This funding proposal is addressing community education. It is aligned with the Tohono O'odham's funding priorities. The 1st Lt. Frank Luke, Jr. Memorial Museum and Research Center board is a non-profit organization. The city of Glendale is a partner and strong supporter of Luke AFB.

Previous Related Council Action

Actions related to tribal grants funding local non-profits in which the city acts as a pass-through agent:

On October 24 2014, the City Council adopted a resolution supporting a grant in aid agreement with the Tohono O'odham Nation for \$24,000 on behalf of the New Life Community Church for providing healthy alternatives to redirect the "at risk" children, youth and their families through the New Life Community Church programs.

On October 22, 2013, Council adopted a resolution of support to accept grant funds in the amount of \$45,360 from the Tohono O'odham Nation for the Glendale Youth Project to operate neighborhood-based, after-school programming in Glendale.

On June 11, 2013, Council adopted a resolution of support for a grant request in the amount of \$112,100 by the non-profit AGUILA Youth Leadership Institute from the Tohono O'odham Nation for a new college preparatory initiative to take place in Glendale.

On June 11, 2013, Council adopted a resolution of support (No. 4691 New Series) for a grant request in the amount of \$100,000 by the non-profit Heart for the City from the Tohono O'odham nation for a childhood obesity prevention program in Glendale

Community Benefit/Public Involvement

The funding proposal from the Lt. Frank Luke, Jr. Memorial Museum and Research Center seeking City Council support of an \$59,320 grant provides an opportunity for enhancing community education and supporting Luke AFB and military service persons.

Budget and Financial Impacts

If the grant is awarded to the Lt. Frank Luke, Jr. Memorial Museum and Research Center seeking City the total amount of the award would be \$59,320, all of which would be distributed to the Society upon receipt of grant monies from the Tohono O'odham Nation.

RESOLUTION NO. 4962 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR AN INDIAN GAMING REVENUE SHARING GRANT TO TOHONO O'ODHAM NATION ON BEHALF OF THE 1ST LT. FRANK LUKE JR. MEMORIAL MUSEUM AND RESEARCH CENTER IN THE AMOUNT OF \$59,320.

WHEREAS, the Tohono O'odham Nation, through their state-shared revenue program, provides grant monies to support deserving Education, Health Care, Public Safety, Child Advocacy, Economic Development and Cultural and Environmental Development and Protection programs in Arizona cities and towns; and

WHEREAS, the City of Glendale wishes to assist 1st Lt. Frank Luke Jr. Memorial Museum and Research Center by acting as a pass-through agency, allowing for partial funding for a complex adjacent to Luke AFB in Glendale to house the museum; and

WHEREAS, the City of Glendale and 1st Lt. Frank Luke Jr. Memorial Museum and Research Center can further their goals of providing opportunities for enhancing community education for Glendale by securing funds from the Tohono O'odham Nation through its grants program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That 1st Lt. Frank Luke Jr. Memorial Museum and Research Center is hereby authorized to submit the application materials attached hereto, together with this Resolution, to Tohono O'odham Nation.

SECTION 2. That the City Manager is hereby authorized to execute the application, in the form attached hereto, on behalf of the 1st Lt. Frank Luke Jr. Memorial Museum and Research Center.

SECTION 3. That within then ten (10) days of the City's receipt of any grant funds from the Tohono O'odham Nation as result of said application materials, City staff is directed to distribute all of the grant funds so received to the 1st Lt. Frank Luke Jr. Memorial Museum and Research Center.

SECTION 4. That the City, by virtue of this Resolution, is acting as a financial conduit between the Tohono O'odham Nation and 1st Lt. Frank Luke Jr. Memorial Museum and Research Center, and is not:

(a) Agreeing or obligating itself to monitor or report on the expenditure of any grant funding distributed to or on behalf of the 1st Lt. Frank Luke Jr. Memorial Museum and Research Center; or

(b) Guaranteeing or warranting the accuracy, completeness or truthfulness of the information set forth in the application materials prepared by the 1st Lt. Frank Luke Jr. Memorial Museum and Research Center; or

(c) Supervising, or taking any responsibility regarding, the actions or activities undertaken by 1st Lt. Frank Luke Jr. Memorial Museum and Research Center; or

(d) Representing 1st Lt. Frank Luke Jr. Memorial Museum and Research Center either has, or does not have, other sources of funding relating to the intended use of grant funding set forth in this Resolution, including funding from grant applications made on the 1st Lt. Frank Luke Jr. Memorial Museum and Research Center's behalf to other Indian tribes.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager

May 19, 2015

Chairman Ned Norris, Jr.
Tohono O'odham Nation

Dear Chairman Norris,

We, the board members of Lt. Frank Luke, Jr. Memorial Museum and Research Center, are asking for your careful consideration of our Request for Proposal relating to funding of our museum and other entities. Please see below for our response to your application requests.

- a. The need which we want to address in developing this project is to educate the general public, but especially targeting elementary and high school students about the history and accomplishments of the American military in the 20th and 21st centuries. Unfortunately, currently in our public schools, history and specifically America's military history, as well as geography, is not being highlighted or even minimally taught in most cases. An additional attribute would be to focus on STEM (science, technology, engineering, math) in our presentations. We also want to honor 1st Lt. Frank Luke, Jr., a Phoenix native, born in 1898, as he was the first recipient as a pilot, of the Medal of Honor—America's highest military award. Also, because Luke Air Force Base is the largest fighter-pilot training base in the world, and one of the only military installations without a museum, we want to fill that void.
1. Land: We need to acquire a 40-acre parcel of land adjacent to the south gate entrance to Luke AFB. We have been in contact with the property's owner since May 2014. The asking price is \$1,500,000.
2. Museum building would contain the following:
 - a. Eight state-of-the-art theatres dedicated to each of the eight wars/conflicts beginning with WWI through Afghanistan, with an appropriate vehicle, lectern, re-enactors
 - b. Electric map showing where each was/is located
 - c. 250-seat 4-D theatre/auditorium
 - d. Chaplaincy display
 - e. Native-American involvement
 - f. Women's involvement
 - g. Military service animals/military pet cemetery
 - h. Community meeting rooms
 - i. Gift shop
 - j. Small café
3. Restoration center: A major focus of the project is to help PTSD/TBI veterans. We hope to facilitate this by training returning vets so that they can transition from the military into productive civilian life. To that end, we want to include the following:
 - a. Classrooms
 - b. Non-fixed wing aircraft

- c. Restoration center
- d. Storage building
- e. Painting building
- 4. Aircraft hangar: This would be located on a small hill and would house either:
 - a. President Dwight D. Eisenhower's plane—named Columbine II—which is the only privately held Air Force One still in existence
 - b. Replica of Lt. Frank Luke's Spad VIII; the plane he flew in 1918
- 5. Meditative areas

b. The population who would benefit from the complex we have envisioned is potentially worldwide! All nationalities and all ages would learn from and be able to honor the sacrifices and memory of the millions of American men and women who have given so much so that we can remain free. We see this complex as a destination point attracting people to the Valley of the Sun and Arizona.

c. Budget: Projected 12-month:

- 1. Personnel--\$25,000 (one full-time employee)
- 2. Electricity--\$1620
- 3. Water--\$900
- 4. Real estate taxes--\$7500
- 5. Building maintenance--\$1800
- 6. Display maintenance--\$6000
- 7. Landscaping--\$600
- 8. Security--\$1200
- 9. Phone--\$1200\
- 10. Computer\$2500
- 11. Site improvements--\$10,000

Total--\$59,320

Please understand the following: We currently have an interim museum open and operating in Goodyear, Arizona, entitled 1st. Lt. Frank Luke Jr. Memorial Museum and Research Center. The museum is located at 1045 S. Camino Oro. This is an initial, temporary location until our proposed large complex can be built adjacent to Luke AFB. We have military vehicles, WWI-Iraq equipment, uniforms, written information, and documents available for viewing. We anticipate adding two historic military helicopters to this display.

d. At this date, we have not requested any funding from any entity, other than this request from the Tohono O'odham Nation. We have only asked for advice. We have received a small amount in cash donations at military events in which we have participated.

e. Our board, nor anyone connected with us, has received any monies from your nation or any other tribe.

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****1ST. LT. FRANK LUKE JR. MEMORIAL MUSEUM & RESEARCH CENTER*****

a domestic nonprofit corporation organized under the laws of the State of Arizona, did incorporate on October 6, 2014.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Nonprofit Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-3122, 10-3123, 10-3125, & 10-11622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 26th Day of December, 2014, A. D.




Jodi A. Jerich, Executive Director

By: 1165911



Legislation Description

File #: 15-397, Version: 1

RESOLUTION OF SUPPORT FOR A GRANT REQUEST BY THE GLENDALE HISTORIC PRESERVATION SOCIETY

Staff Contact: Tom Duensing, Interim Assistant City Manager

Purpose and Recommended Action

This is a request for City Council to waive reading beyond title and adopt a resolution of support for a grant request in the amount of \$ 32,800, by the Glendale Arizona Historical Society from the Tohono O'odham Nation for funding to re-roof and repair water damaged ceilings in the historical 1897 Manistee Ranch House.

Background

In 2002, Arizona voters passed Proposition 202 which requires Native American communities that derive revenue from gaming to set aside 12% for a state-shared revenue program for distribution to "cities, towns, or counties for government services that benefit the general public including public safety, mitigation of the impacts of gaming, or promotion of commerce and economic development." The Tohono O'odham Nation developed a revenue-sharing program that is also open to applications from local governments or non-profits, provided there is support by the local government. The city recently received a request from Glendale Arizona Historical Society seeking City Council support of a \$32,000 grant request that if funded, would be used to re-roof and repair water damaged ceilings in the historical 1897 Manistee Ranch House. All grant proposals must be postmarked no later than June 12th, 2015 and all successful applicants will be notified by August through September 2015.

Analysis

The Glendale Arizona Historical Society considers the Manistee Ranch house to be a major historical resource in the city of Glendale. It was acquired using Heritage grant funds in 1996 by the Society. The house and ranch office building are open to the public for tours, group meetings, school tours and historical society meetings and social activities.

Previous Related Council Action

On October 28, 2014, Council adopted a resolution (No.4886 New Series supporting a grant in aid agreement with the Tohono O'odham Nation for \$24,000 on behalf of the New Life Community Church for providing healthy alternatives to redirect the "at risk" children, youth and their families through the New Life Community Church programs.

On June 24, 2014, Council adopted a resolution of support (No. 4814 New Series) for grant requests in the amount of \$77,745 from the Tohono O'odham Nation for the Glendale Youth Project (GYP) to operate neighborhood-based, after-school programming in Glendale.

On June 10, 2014, Council adopted a resolution of support (No. 4811 New Series) for grant requests in the amount of \$765,771.67 from the Tohono O'odham Nation for various projects in the Police Department, Fire Department and the Parks and Recreation Department.

On October 22, 2013, Council adopted a resolution of support (No. 4741 New Series) to accept grant funds in the amount of \$45,360 from the Tohono O'odham Nation for the GYP to operate neighborhood-based, afterschool programming in Glendale.

On June 11, 2013, Council adopted a resolution of support (No. 4690 New Series) for a grant request in the amount of \$112,100 by the non-profit AGUILA Youth Leadership Institute from the Tohono O'odham Nation for a new college preparatory initiative to take place in Glendale.

On June 11, 2013, Council adopted a resolution of support (No. 4691 New Series) for a grant request in the amount of \$100,000 by the non-profit Heart for the City from the Tohono O'odham Nation for a childhood obesity prevention program in Glendale.

Community Benefit/Public Involvement

The city of Glendale supports and advocates historic preservation in the community, therefore if funded the Glendale Arizona Historical Society will continue this mission. The entire state of Arizona benefits as this property is state treasure listed on the National Register of Historic Places.

Budget and Financial Impacts

If the grant is awarded to the Glendale Arizona Historical Society, the total amount of the award would be \$32,800, all of which would be distributed to the Society upon receipt of grant monies from the Tohono O'odham Nation.

RESOLUTION NO. 4963 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR AN INDIAN GAMING REVENUE SHARING GRANT TO TOHONO O'ODHAM NATION ON BEHALF OF THE GLENDALE ARIZONA HISTORICAL SOCIETY IN THE AMOUNT OF \$32,800.

WHEREAS, the Tohono O'odham Nation, through their state shared revenue program, provides grant monies to support deserving Education, Health Care, Public Safety, Child Advocacy, Economic Development and Cultural and Environmental Development and Protection programs in Arizona cities and towns; and

WHEREAS, the City of Glendale wishes to assist Glendale Arizona Historical Society by acting as a pass-through agency, allowing the Society to re-roof and repair water damages ceilings in the historical 1897 Manistee Ranch House; and

WHEREAS, the City of Glendale and Glendale Arizona Historical Society can further their goals of providing more services and opportunities for Glendale by securing funds from the Tohono O'odham Nation through its grant program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That Glendale Arizona Historical Society is hereby authorized to submit the application materials attached hereto, together with this Resolution, to Tohono O'odham Nation.

SECTION 2. That the City Manager is hereby authorized to execute the application, in the form attached hereto, on behalf of the Glendale Arizona Historical Society.

SECTION 3. That within ten (10) days of the City's receipt of any grant funds from the Tohono O'odham Nation as result of said application materials, City staff is directed to distribute all of the grant funds so received to the Glendale Arizona Historical Society.

SECTION 4. That the City, by virtue of this Resolution, is acting as a financial conduit between the Tohono O'odham Nation and Glendale Arizona Historical Society, and is not:

- (a) Agreeing or obligating itself to monitor or report on the expenditure of any grant funding distributed to or on behalf of the Glendale Arizona Historical Society; or
- (b) Guaranteeing or warranting the accuracy, completeness or truthfulness of the information set forth in the application materials prepared by the Glendale Arizona Historical Society; or

(c) Supervising, or taking any responsibility regarding, the actions or activities undertaken by Glendale Arizona Historical Society; or

(d) Representing that Glendale Arizona Historical Society either has, or does not have, other sources of funding relating to the intended use of grant funding set forth in this Resolution, including funding from grant applications made on the Glendale Arizona Historical Society's behalf to other Indian tribes.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this ____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

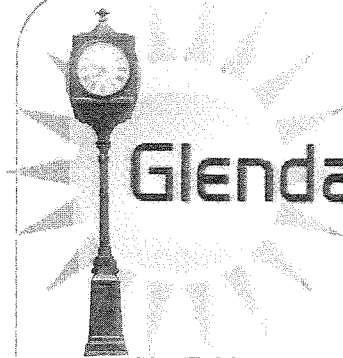
APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager

g_grants_az historic society.doc



Glendale Arizona Historical Society

"preservation of the past"

May 7, 2015

Chairman Ned Norris Jr.
Tohono O'odham Nation
P.O. Box 837
Sells, AZ 85634

Dear Chairman Norris:

Attached is the Glendale Arizona Historical Society funding proposal of \$32,800 for fiscal year 2015. The proposal is to fund the re-roofing and repair of water damaged ceilings of historical 1897 Manistee Ranch house. The wood shingle roof is in poor condition and has already resulted in leaks and water damage to the ceiling of the house. This ranch house building is a major historical resource for the City of Glendale. It was acquired using Heritage Grant funds in 1996 by the Glendale Arizona Historical Society and the City of Glendale acquired, using Heritage Grant funds, the date palm area in front of the ranch house. The house and ranch office building are open to the public for tours, group meetings, school tours and historical society monthly meetings and social activities.

This funding proposal is being coordinated with the City of Glendale, Arizona for the city, as part of an agreement with the Glendale Arizona Historical Society, to accept the grant funding. The Society appreciates the help and assistance from the City of Glendale. The granting the of funding proposal would have a major impact on the community, since Manistee Ranch, located at 5127 W. Northern Avenue, Glendale, Arizona, is a beloved historical site and one used by residents and visitors throughout the year.

Please contact me with any questions at rnshort@andiamo-tel.com or 602-527-0115.

Sincerely,

Ronald N. Short
President
Glendale Arizona Historical Society



FUNDING PROPOSAL

HISTORIC 1897 MANISTEE RANCH HOUSE RESTORATION

GLENDALE ARIZONA HISTORICAL SOCIETY

Purpose of the Funding Proposal

The historic 1897 Manistee Ranch house is a major historic asset for the city of Glendale. It was bought by the Historical Society in 1996 to save it from being demolished for a shopping center development. The historic building requires considerable attention to keep it in good repair. However, in the past several months, the ceiling in the kitchen is bowing and nearly ready to fall. Then the ceiling in the master bath is water stain and deteriorating. Both are the result of leaks in the wood shingle roof. It is a serious situation and the Board of Directors authorized funding \$17,200 to re-roof two small flat areas of the roof. This covers about 17% of the total roof needs. The contractor, Diamond Roofing, Inc., who is an expert on historic wood shingle roofs, will do the work in June 2015. The total estimated cost to re-roof the entire structure is \$46,000, plus the cost of restoring the damaged ceilings. The total estimated cost is \$50,000 of which the funding request is \$32,800 for the unfunded portion. The purpose of the funding proposal is to preserve and protect one of Glendale's most significant historic assets.

Priority Area

The Glendale Arizona Historical Society is an educational 501C-3 non-profit organization that has been in operation since 1973 and 501C-3 since 1978. The Manistee Ranch House restoration of the roof and ceiling project is a **Cultural and Environmental Development and Protection priority area**. The house is listed on the National Register of Historic Places. It is located at 5127 W. Northern Avenue, Glendale, Arizona, 85301

Need for Project

The 1897 historic ranch house was built by Mr. Herbert Hamilton. He later sold the house and ranch property to Louis Sands in 1907. Mr. Sands was a successful lumber baron from Manistee, Michigan. Mr. Sands married the same year and raised three children in the house over the years. The Sands family sold the Manistee Ranch property to the Glendale Arizona Historical Society in 1996. The Historical Society re-roofed the house but the roofing has deteriorated to the point that leaks are appearing at various locations causing damage to the interior of the house. The project will re-roof the entire house and repair the damaged ceilings. The roofer will warranty the roof for ten (10) years.

Population Benefit

The entire state of Arizona benefits from the project, since Manistee Ranch is a state treasure listed on the National Register of Historic Places. The citizens of Glendale, AZ have a direct benefit, because Manistee Ranch is a point of pride for the community. The historic building is open to the public for tours from October to May on alternate Saturdays. The Historical Society holds their monthly meetings at Manistee Ranch and other meetings are held at the ranch.

Project Budget

The re-roofing project would include:

South and East side roof (Funded)

Breather fabric	\$1,800
Install cedar shingles	
At 4" spacing	\$15,420
Total Sub Cost	\$17,200 (Board approved and funded. Work to be done June 2015)

Unfunded

North and West portions of the roof with same Specifications as the South and East portions.	\$28,800
Restore water damaged ceilings	\$ 4,000
Total project cost	\$50,000

Request project funding **\$32,800**

The Board of Directors has made a general request for funding to the membership for funds to restore the historic building. There has been no other grant request.

The Glendale Arizona Historical Society has not received a 12% distribution from the Tohono O'oham Nation or other Arizona tribes.

The contact person for this funding request and project is:

Ronald N. Short

President

Glendale Arizona Historical Society

rnshort@andiamo-tel.com

602-527-0115 cell

P.O. Box 5606

Glendale, AZ 85312

Alternate

Carol St. Clair

Vice-President

Glendale Arizona Historical Society

7300 N. 51st Avenue Lot F154

Glendale, AZ 85301

623-939-6440 cell

The proposed project falls under the Cultural and Environmental Development and Protection priority area.

The City of Glendale would be the city for the Nation to make the agreement with for receiving the funds on behalf of the Glendale Arizona Historical Society.



Legislation Description

File #: 15-373, Version: 1

PUBLIC HEARING AND APPROVAL OF FISCAL YEAR 2015-16 PROPERTY TAX LEVY AND TRUTH IN TAXATION NOTICE (PUBLIC HEARING REQUIRED)

Staff Contact: Tom Duensing, Interim Assistant City Manager

Purpose and Policy Guidance

This is a request for City Council to conduct a public hearing on the proposed Fiscal Year 2015-2016 (FY15-16) property tax levy and by a roll call vote, approve a motion to increase the proposed property tax levy that will be assessed by ordinance on June 23, 2015 for the proposed primary tax levy increase of 2%.

Background

The primary property tax rate will increase from \$0.4896 per \$100 of assessed valuation for FY 2014-2015 (FY14-15) to \$0.4898 of assessed valuation for FY15-16. The secondary property tax rate will increase from \$1.6605 per \$100 of assessed valuation for FY14-15 to \$1.7067 per \$100 of assessed valuation for FY15-16. The total property tax rate will increase from \$2.1501 to \$2.1965. Adoption of the FY15-16 property tax levy is scheduled for the June 23, 2015 City Council Meeting.

Arizona state law requires Council to set the property tax levy by the third Monday in August.

Arizona's property tax system consists of two tiers - Primary and Secondary. The primary property tax levy has state mandated maximum limits; however, it can be used by a city for any purpose. The primary property tax revenue is included in the General Fund's operating budget. The secondary property tax levy is not limited; however, it can be used only to retire the principle, interest, and related fees on voter authorized bonds used to finance city's capital improvement plan.

Arizona Revised Statutes (ARS) Section 42-17107 requires a Truth in Taxation public hearing if the proposed primary tax levy (total amount of revenue raised by the primary tax rate), excluding amount attributable to new construction, is greater than the amount levied by the city in the previous year. A Truth in Taxation hearing is required for FY15-16 as the City is proposing an increase in the primary property taxes of \$108,385 or 2%.

A public Truth in Taxation notice must be published in a newspaper of general circulation according to standards established in the state statutes. All Truth in Taxation requirements of A.R.S. 42-17107 have been met.

Prior to FY15-16, the secondary property tax levy was based upon the full cash value of Glendale properties. Due to the passage of Proposition 117, FY15-16 is the first fiscal year in which the secondary property tax levy is based on limited property value of Glendale properties which is the basis for the primary property tax levy.

The proposed secondary property tax rate increases from \$1.6605 to \$1.7067 which would increase the total levy from \$19,065,274 million to \$19,268,783. This \$203,509 increase represents the approximate values of new construction.

Previous Related Council Action

City Council reviewed the FY15-16 Tentative Budget and adopted a resolution formally approving the tentative operating, capital, debt service, and contingency appropriation budget at the May 26, 2015 voting meeting. At that time, Council also gave notice of the date for the June 9, 2015 Public Hearing on:

- The FY15-16 Final Budget,
- The FY15-16 Property Tax Levy and Truth in Taxation notice, and
- The June 23, 2015 date the adoption of the FY15-16 Property Tax Levy

In compliance with State Budget Law, public notices regarding this information were published in the Glendale Star on May 28 and June 4, 2015. Truth in Taxation public notices were published in the Glendale Star on May 21, 2015 and the Arizona Republic on May 30, 2015.

On May 5, 2015 a Budget Workshop was held to discuss follow up items and receive policy guidance on outstanding budget issues.

On April 14, 2015 a Budget Workshop was held to present the Department's FY15-16 budget request.

On March 24, 2015 a Budget Workshop was held to present and review the City's 10-year Capital Improvement Plan. Employee compensation and benefit proposals were also presented. Council guidance was sought on various policy items relative to the FY15-16 budget development.

On March 17, 2015, a Budget Workshop was held seeking policy direction on various items relative to FY15-16 budget development.

On February 3, 2015, a Budget Workshop was held reviewing various items including the budget calendar, process, legal requirements, major budget components, and future discussion items.

On December 16, 2014, a Council Workshop was held and the General Fund and Major Operating Funds Five-Year Financial Forecast was presented which initiated the FY15-16 budget process.

Community Benefit/Public Involvement

The community benefit of the City's budget process, policy direction, and budgetary decisions demonstrates sound financial decisions are made through a transparent and public process. Ultimate budgetary decisions align with the strategic direction of the City and provide the public with information on service provided and Council priorities.

Budget and Financial Impacts

Budget and financial impacts are based on Council feedback.



Legislation Description

File #: 15-385, Version: 1

PUBLIC UTILITY EASEMENT AND ROADWAY ABANDONMENT OF CHERYL DRIVE

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt an ordinance authorizing the Acting City Manager to approve the abandonment of a public utility easement along Cheryl Drive between Citrus Road and 175th Avenue and to vacate the portion of the adjacent roadway in that location.

Background

Maricopa County Municipal Water Conservation District Number One (MWD), a quasi-governmental entity, originally platted Zanjero Pass, located at the northeast corner of Olive Avenue and Citrus Road, in 2008. The plat dedicated an 8 foot wide public utility easement between Citrus Road and 175th Avenue, adjacent to a roadway platted as Cheryl Drive. Cheryl Drive was never constructed or paved, although it has been used as an unpaved access road by the utilities and adjacent landowners since 2008.

On February 10, 2015, the City annexed Zanjero Pass, including the public utility easement and roadway. MWD, the dominant landowner, has requested that the easement be abandoned by the City. All affected utility companies have confirmed they do not need the easement for their facilities. MWD has also requested the roadway be abandoned since there is no public access from the Zanjero Pass development to Cheryl Drive. By operation of law, once the roadway is vacated and abandoned, all ownership, maintenance and liability should revert to underlying adjacent landowner.

City staff has determined that the easement and roadway are of little benefit to the City or its residents and the City wishes to relinquish any responsibility for maintenance and liability to the adjacent landowner. It is City staff's understanding that once MWD obtains the easement and roadway by operation of law, it intends to deed the roadway to the adjacent residential landowners so that they can maintain the property's current use and character as an undeveloped, unpaved tract.

Analysis

There are no objections to the abandonment of the public utility easement from the utility companies or from City departments. The adjacent landowners have requested ownership and control over the roadway, and they will own and maintain the unpaved road in the future. Staff recommends the City both abandoning the public utility easement and vacating the roadway. There will be no impact on City departments, staff or service levels as a result of this action. There are no costs incurred to the City for this action. The requisite notice was also posted at Glendale City Hall for 12 consecutive days prior to Council action.

Previous Related Council Action

City Council took action to annex Zanjero Pass per Ordinance No. 2928 passed, adopted and approved by City Council on February 10, 2015.

Community Benefit/Public Involvement

The City has determined it is in the public's interest to abandon this public utility easement and vacate the adjacent roadway since they are no longer needed for the health, welfare and safety of its citizens.

ORDINANCE NO. 2940 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE ABANDONMENT OF A PUBLIC UTILITY EASEMENT BETWEEN CITRUS ROAD AND 175TH AVENUE AND AUTHORIZING THE VACATION OF THE ROADWAY BETWEEN CITRUS ROAD AND 175TH AVENUE KNOWN AS CHERYL DRIVE; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

WHEREAS, the Maricopa County Municipal Water Conservation District Number One dedicated an 8 foot wide public utility easement over and across certain real property and as described in Exhibit A, attached hereto and incorporated herein by reference, as part of the Zanjero Pass final plat, recorded in the records of the Maricopa County Recorder's Office on March 31, 2008, at Docket 979, Page 26 entitled Final Plat of Zanjero Pass Parcel 1-3 Phase 2-4.

WHEREAS, on February 10, 2015, the City Council authorized the annexation of Zanjero Pass, located at the northeast corner of Citrus Road and Olive Avenue, pursuant to Ordinance No. 2928 New Series, known as Annexation Area No. 197; and

WHEREAS, the City has determined it is the public interest to abandon this easement because it is not needed for the health, welfare and safety of its citizens; and

WHEREAS, the City has determined that portion of the public roadway adjacent to the public easement between Citrus Road and 175th Avenue known as Cheryl Drive is not necessary for public use as a roadway; and

WHEREAS, the City has determined that the portion of the public roadway being vacated has little or no market value, and that the person taking the portion of the public roadway between Citrus Road and 175th Avenue known as Cheryl Drive, Maricopa County Municipal Water Conservation District Number One (MWD), has agreed to assume the costs of maintain such public roadway and the liability for such public roadway.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That any interest the City of Glendale may have in a public utility easement located between Citrus Road and 175th Avenue, as described in Exhibit A, and as recorded in the records of the Maricopa County Recorder's Office on March 31, 2008 at Docket 979 Page 26 entitled Final Plat of Zanjero Pass Parcel 1-3 Phase 2-4, is hereby abandoned to the underlying property owner. Such abandonment shall take effect immediately upon the City Council's passage of this ordinance. Title to the property shall vest as provided by law on the date upon which this ordinance is recorded.

SECTION 2. That, in accordance with A.R.S. §28-7202, the City Council has hereby determined that the portion of public roadway owned by Glendale between Citrus Road and 175th Avenue known as Cheryl Drive, as described in the attached Exhibit B, is not necessary for public use as a roadway. The City Council is therefore vacating and disposing of such roadway by vacating title to such roadway. Such vacation shall take effect immediately upon the City Council's passage of this ordinance. Title to the property shall vest as provided by A.R.S. §28-7205 on the date upon which this ordinance is recorded.

SECTION 3. The City Manager is authorized to execute any documents necessary to effectuate the transfer of the abandoned easement and the vacated roadway.

SECTION 4. The City Clerk is accordingly instructed and authorized to forward a certified copy of this ordinance and any related real property transfer documents to the Maricopa County Recorder's Office for recording.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this ____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager
o_cheryl drive abandon.doc

EXHIBIT A



ZANJERO PASS PUBLIC UTILITY EASEMENT ABANDONMENT

**LEGAL DESCRIPTION
ZANJERO PASS PARCEL 1-3 PHASE 2-4
P.U.E. ABANDONMENT**

A portion of the 8.00 foot wide Public Utility Easement abutting the south line of West Cheryl Drive as shown on the Final Plat of Zanjero Pass Parcel 1-3 Phase 2-4, as filed in Book 979, Page 26, Records of Maricopa County, Arizona, being situated within the Northwest quarter of Section 26, Township 3 North, Range 2 West of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at a found rebar accepted as the Northwest corner of said Section 26 from which a found aluminum cap accepted as the West quarter corner thereof bears South 00°23'50" West, 2637.37 feet,

Thence along the west line of said Northwest quarter, South 00°23'50" West 1702.90 feet;

Thence leaving said west line, South 89°36'10" East, 65.00 feet to the **POINT OF BEGINNING**;

Thence along said southerly right-of-way line the following 3 courses:

Thence North 45°11'53" East, 42.57 feet;

Thence North 89°59'57" East, 2482.92 feet;

Thence South 44°46'23" East, 35.21 feet, to a line that is parallel with and 40.00 feet west of the east line of said Northwest quarter;

Thence leaving said southerly right-of-way line and along said parallel line, South 00°27'16" West, 3.33 feet;

Thence leaving said parallel line, North 89°32'44" West, 8.00 feet;

Thence along said southerly public utility easement line the following 3 courses:

Thence North 44°46'23" West, 28.55 feet;

Thence South 89°59'57" West, 2476.29 feet;

Thence South 45°11'53" West, 35.98 feet;

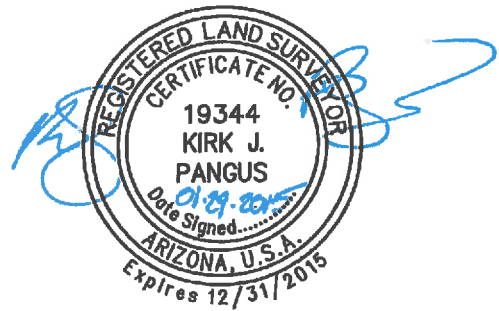
Thence North 89°36'10" West, 8.00 feet to a line that is parallel with and 65.00 feet east of the west line of said Northwest quarter;

Thence along last said parallel line, North 00°23'50" East, 3.30 feet to the **POINT OF BEGINNING**.

Said portion of land containing 20,433 s.f., or 0.4691 acres, more or less.

This description shown hereon is not to be used to violate subdivision regulations of the state, county and/or municipality of any other land division restrictions.

Prepared by: HilgartWilson
2141 E Highland Ave., Suite 250
Phoenix, AZ 85016
Project No. 1066
Date: January 28, 2015



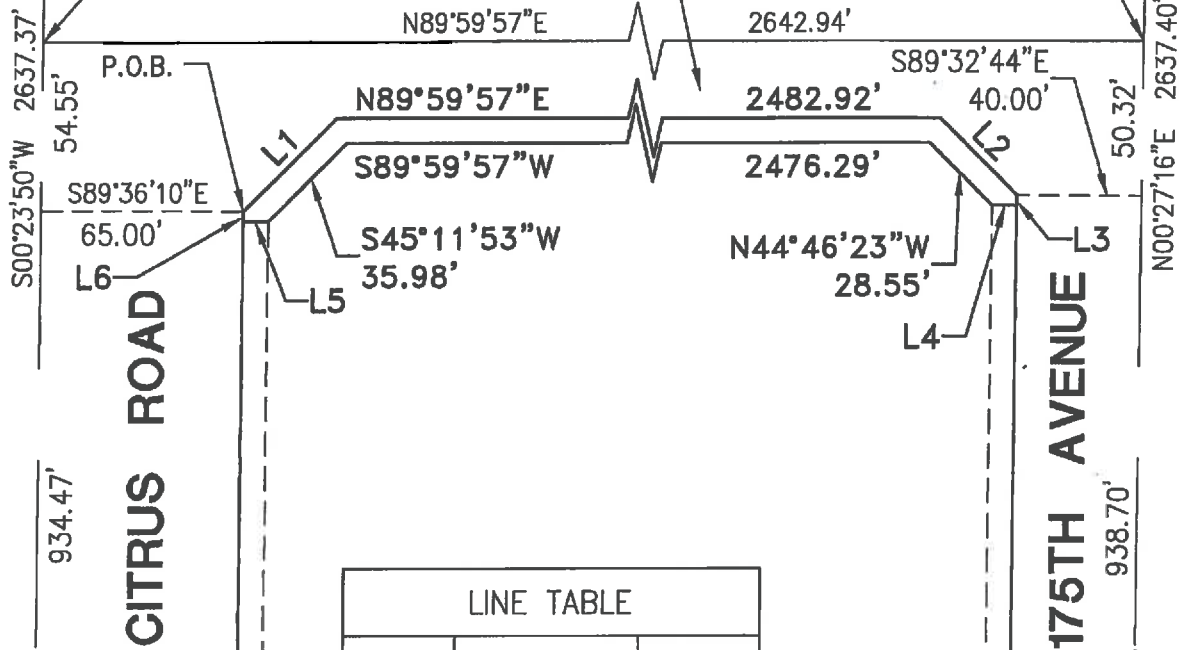
NORTHWEST CORNER
SECTION 26, T3N, R2W
FOUND REBAR
P.O.C.

NORTH QUARTER CORNER
SECTION 26, T3N, R2W
FOUND REBAR

W. CHERYL DRIVE

NORTHWEST CORNER OF
BOOK 979, PAGE 26, M.C.R.

NORTHEAST CORNER
OF BOOK 979,
PAGE 26, M.C.R.



LINE TABLE

LINE #	DIRECTION	LENGTH
L1	N45°11'53"E	42.57'
L2	S44°46'23"E	35.21'
L3	S00°27'16"W	3.33'
L4	N89°32'44"W	8.00'
L5	N89°36'10"W	8.00'
L6	N00°23'50"E	3.30'



WEST QUARTER CORNER
SECTION 26, T3N, R2W
FOUND ALUMINUM CAP

CENTER OF SECTION
SECTION 26, T3N, R2W
CALCULATED POSITION

PROJ.NO.: 1066

DATE: 01/28/15

SCALE: 1"=60'

DRAWN BY: JDL

CHECKED BY: KJP

ZANJERO PASS PARCEL 1-3 PHASE 2-4

P.U.E. ABANDONMENT
MARICOPA COUNTY, ARIZONA

EXHIBIT "B"

HILGARTWILSON
2141 E. HIGHLAND AVE., STE. 250
PHOENIX, AZ 85016
P: 602.490.0535 / F: 602.368.2436



February 26, 2015

Mr. Mark Ivanich, PE
Senior Civil Engineer
Engineering Division
5850 W Glendale Ave Suite 315
Glendale, AZ 85301

RE: CHERYL DRIVE

Dear Mr. Ivanich:

Maricopa County Municipal Water Conservation District Number One (MWD) hereby requests that the City of Glendale abandon the South half of Cheryl Drive including the 8' PUE from Citrus Road to 175th Ave. per the attached legal description's and sketches.

As you know this right of way was dedicated by MWD with the final plat for Zanjero Pass Parcel 1-3 Phase 2-4. This was done some time ago within Maricopa County. As we have now been annexed into the City of Glendale, the Cheryl Drive dedication made on that final plat has become City right-of-way.

We have worked very closely with the Maricopa County residents who live on the north side of Cheryl Drive. At their request, we eliminated any vehicular access from Zanjero Pass to Cheryl Drive so as not to add traffic to their rural lifestyle. Our Zanjero Pass neighborhood design directs traffic to Citrus Road and Olive Avenue. There is a Private Roadway easement and Public Utility easement north of the centerline of Cheryl Drive that allows current access and utilities to the County residents. It is the neighborhood's desire that no urban improvements be made to the south side of Cheryl Drive. They have made this known in our neighborhood meetings and at the public hearings. They have requested that there be no pavement, sidewalk or lighting.

If you abandon Cheryl Drive, it is our intent to quitclaim the land to the individual land owners to the north of Cheryl Drive.

It is also in the City's best interest to abandon Cheryl Drive because the roadway will effectively lie outside of the Zanjero Pass neighborhood (which is now in the City of Glendale) and will only be utilized by Maricopa County residents. The City would be obligated to provide maintenance and other City services and assume some level of liability if Cheryl Drive remains City right-of-way.



Letter to Mark Ivanich
February 26, 2015
Page 2 of 2

With this request we are also submitting letters from all affected utilities acknowledging their concurrence with this abandonment.

Please regard my signature as written consent of MWD to abandon the Cheryl Drive right-of-way.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Glen Vortherms', followed by a long horizontal flourish.

Glen Vortherms
General Manager, MWD



February 5th, 2015

To: David Maguire
Land Solutions Inc.
2051 W. Northern Ave., Suite 102
Phoenix, AZ 85021

RE: *Public Utility Easement Abandonment*

Dear Mr. Maguire:

Per your request for Arizona Public Service Company's (APS) concurrence to abandon Cheryl Drive and the 8-foot Public Utility Easement (PUE), located south of the centerline of Cheryl Drive, from Citrus Road to 175th Avenue. The following information is provided:

I have researched our records and found that the subject property is situated within the APS service territory. Our records indicate that there are no APS, service or primary overhead or underground electric lines in the area of said PUE. APS has no objection to the abandonment of Cheryl Drive and the 8-foot PUE, located south of the centerline of Cheryl Drive, from Citrus Road to 175th Avenue.

Should you have further questions concerning this matter, please contact me at (602) 371-5207 or jason.ramsey@aps.com.

Sincerely,

A handwritten signature in blue ink that reads "Jason Ramsey". The signature is fluid and cursive, with the first name "Jason" and last name "Ramsey" clearly distinguishable.

Jason Ramsey
Land Agent II
Land Services Department
Arizona Public Service Company



SOUTHWEST GAS CORPORATION

February 2, 2015

David Maguire
Land Solutions Inc.
4121 W. Oraibi Dr
Glendale, AZ 85308

SUBJECT: Public Utility Easement Abandonment
Cheryl Drive from Citrus Road to 175th Ave

Dear Mr. Maguire,

After reviewing the plans for the above-referenced project, it has been determined that there are **no apparent conflicts** between the Southwest Gas system and your proposed abandonment of the public utility easement. Southwest Gas would like to recommend abandonment of the public utility easement located at the above-referenced location.

Thank you for your cooperation on this project. Please contact me if you have any questions or require additional information.

Sincerely,

Greg Cooper
Supervisor/Right-of-Way
Mail Station 420-588
(602) 484-5276



2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027 USA
epcor.com

February 24, 2015

David Maguire
Land Solutions, Inc
4121 W. Oraibi Drive
Glendale, AZ 85308

RE: Abandonment of PUE on South side of Cheryl Drive for Zanjero Pass

Mr. Maguire,

EPCOR Water Arizona reviewed and performed field inspections of the South Right-of-Way on Cheryl Drive. Our Operations Manager, Frank Metzler has confirmed with his staff we have no existing facilities within this location.

EPCOR Water has no objection to the abandonment of the existing PUE, as requested on the South Right-of-Way of Cheryl Drive. If you have any further requests please feel free to contact me at 623.780.3777 or by email at kdotray@epcor.com

Regards,
Kimberly Dotray
Real Property Manager

cc: Frank Metzler
cc: GIS



Capacity Provisioning
Engineering
5025 N. Black Canyon Hwy
Room 119
Phoenix, AZ 85015
February 24, 2015

Land Solutions - David Maguire
4121 W Oraibi Dr
Glendale, AZ 85308

CenturyLink Tracking #
A1506260

Response to request for abandonment

This is in response to your request of January 29, 2015 for the abandonment of Public Utility Easement on the property located at Cherly Dr and N. Citrus Rd as described / illustrated in your letter. A review of our existing facilities has been made in reference to the area involved. CenturyLink has no objection to the abandonment as described above.

If you have any questions or need additional information, please contact Mary Hutton on 602-630-7778.

A handwritten signature in black ink, appearing to read "Mary Hutton", written in a cursive style.

Yours truly,

Mary Hutton
ROW Engineer



February 24, 2015

David Maguire
Land Solutions Inc.

RE: Abandonment Request for Zanjero Pass - Cheryl Dr.

Mr. Maguire,

I have reviewed the abandonment request for Zanjero Pass - Cheryl Dr., in Glendale, {Maricopa County}, AZ. Based upon the supplied drawings/exhibits that you've submitted, it has been determined that COX has no facilities within the PUE and therefore we approve your request to abandon.

Please note that although Cox Communications approves this abandonment we do so with the understanding that we will not assume any construction, relocation and/or repairs costs associated or in result of this abandonment.

If I can be of further assistance, please contact me using the contact information below.

Kenny Hensman

Kenny Hensman

COX Communications
Permitting Group
Right of Way Agent II
kenny.hensman@cox.com

EXHIBIT B



**CHERYL DRIVE
R.O.W. ABANDONMENT**

**LEGAL DESCRIPTION
ZANJERO PASS PARCEL 1-3 PHASE 2-4
R.O.W. ABANDONMENT**

A portion of West Cheryl Drive as shown on the Final Plat of Zanjero Pass Parcel 1-3 Phase 2-4, as recorded in Book 979, Page 26, Records of Maricopa County, Arizona, being situated within the Northwest quarter of Section 26, Township 3 North, Range 2 West of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at a found rebar accepted as the Northwest corner of said Section 26 from which a found aluminum cap accepted as the West quarter corner thereof bears South 00°23'50" West, 2637.37 feet,

Thence along the west line of said Northwest quarter, South 00°23'50" West 1648.35 feet to the northwest corner of said Final Plat;

Thence leaving said west line and along the north line of said Final Plat, North 89°59'57" East, 65.00 feet to the **POINT OF BEGINNING**;

Thence continuing along said north line, North 89°59'57" East, 2537.94 feet, to a line that is parallel with and 40.00 west of the east line of said Northwest quarter;

Thence leaving said north line and along said parallel line, South 00°27'16" West, 50.00 feet to the southerly right-of-way line of said West Cheryl drive;

Thence along said southerly right-of-way line the following 3 courses:

Thence North 44°46'23" West, 35.21 feet;

Thence South 89°59'57" West, 2482.92 feet;

Thence South 45°11'53" West, 42.57 feet, to a line that is parallel with and 65.00 feet east of the west line of said Northwest quarter;

Thence along last said parallel line, North 00°23'50" East, 55.00 feet, to the **POINT OF BEGINNING**.

Said portion of land containing 64,211 s.f., or 1.4741 acres, more or less.

This description shown hereon is not to be used to violate subdivision regulations of the state, county and/or municipality of any other land division restrictions.

Prepared by: HilgartWilson
2141 E Highland Ave., Suite 250
Phoenix, AZ 85016
Project No. 1066
Date: March 31, 2015



NORTHWEST CORNER
SECTION 26, T3N, R2W
FOUND REBAR
P.O.C.

NORTH QUARTER CORNER
SECTION 26, T3N, R2W
FOUND REBAR

W. CHERYL DRIVE

NORTHWEST CORNER OF
BOOK 979, PAGE 26, M.C.R.

NORTHEAST CORNER
OF BOOK 979,
PAGE 26, M.C.R.

S00°23'50"W 2637.37'

989.02'

CITRUS ROAD

P.O.B.

65.00'

L3

N89°59'57"E

N89°59'57"E
S89°59'57"W

2642.94'

2537.94'
2482.92'

L1

40.00'

989.02'

175TH AVENUE

S00°27'16"W 2637.40'

LINE TABLE

LINE #	DIRECTION	LENGTH
L1	S00°27'16"W	50.00'
L2	N44°46'23"W	35.21'
L3	S45°11'53"W	42.57'
L4	N00°23'50"E	55.00'



WEST QUARTER CORNER
SECTION 26, T3N, R2W
FOUND ALUMINUM CAP

CENTER OF SECTION
SECTION 26, T3N, R2W
CALCULATED POSITION



PROJ.NO.: 1066

DATE: 03/31/15

SCALE: 1"=60'

DRAWN BY: JDL

CHECKED BY: KJP

ZANJERO PASS PARCEL 1-3 PHASE 2-4

R.O.W. ABANDONMENT
MARICOPA COUNTY, ARIZONA

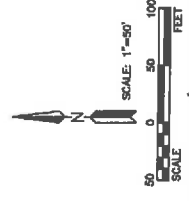
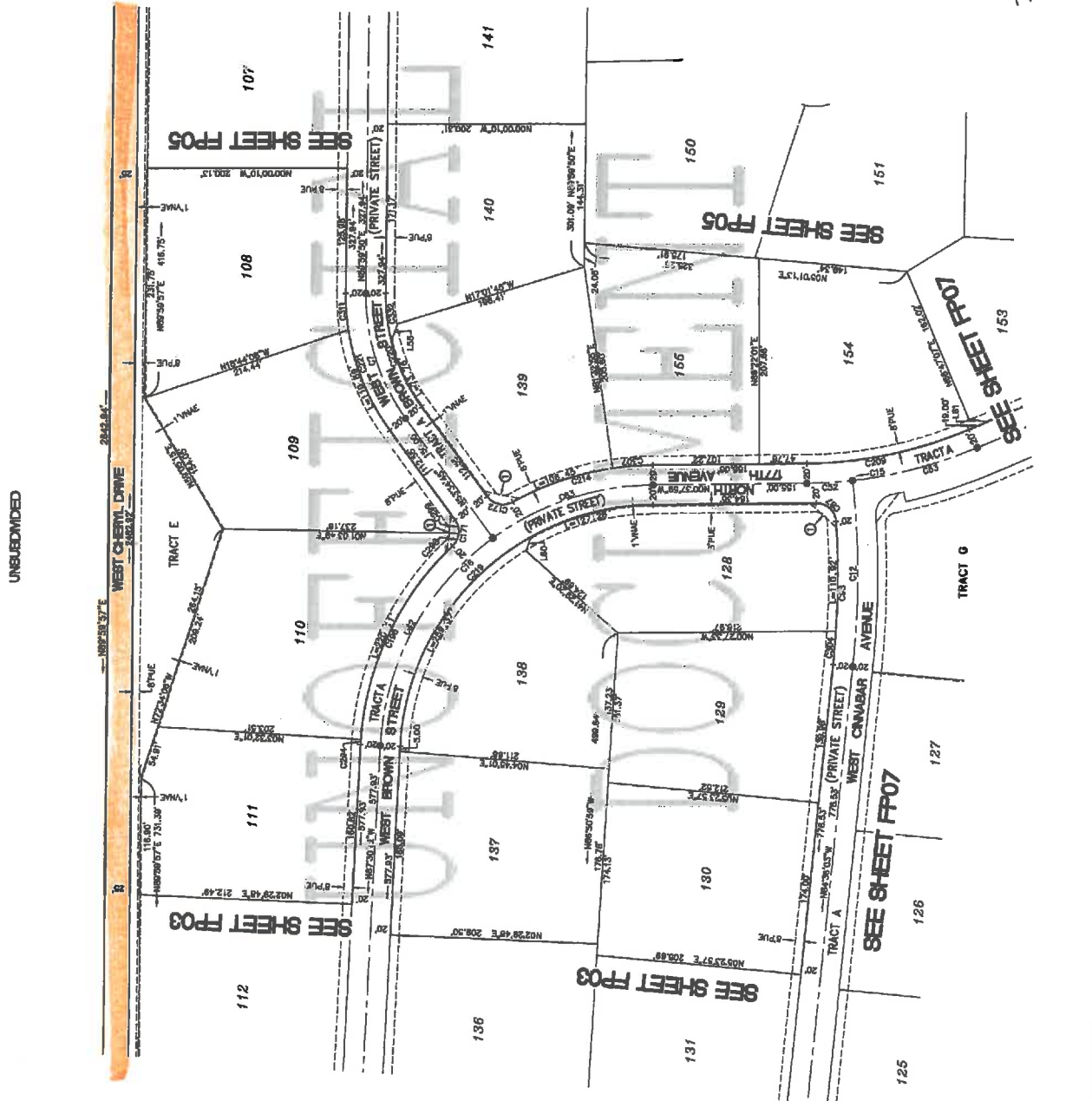
EXHIBIT "B"

HILGARTWILSON
2141 E. HIGHLAND AVE., STE. 250
PHOENIX, AZ 85016
P: 602.490.0535 / F: 602.368.2436

COUNTY RECORDER
 BOOK 879 PAGE 26
 OFFICIAL RECORD OF
 MARICOPA COUNTY RECORDER
 HILARY PINNELL
 2008 - 0281595
 0010006
 02-17 PM

CASE NO. 98006065

107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------



COUNTY RECORDER

BOOK 979 PAGE 28

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER

2008-0281586 HAZEN FUNNELL

10/25/2010



SEE SHEET P08

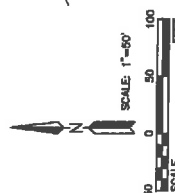
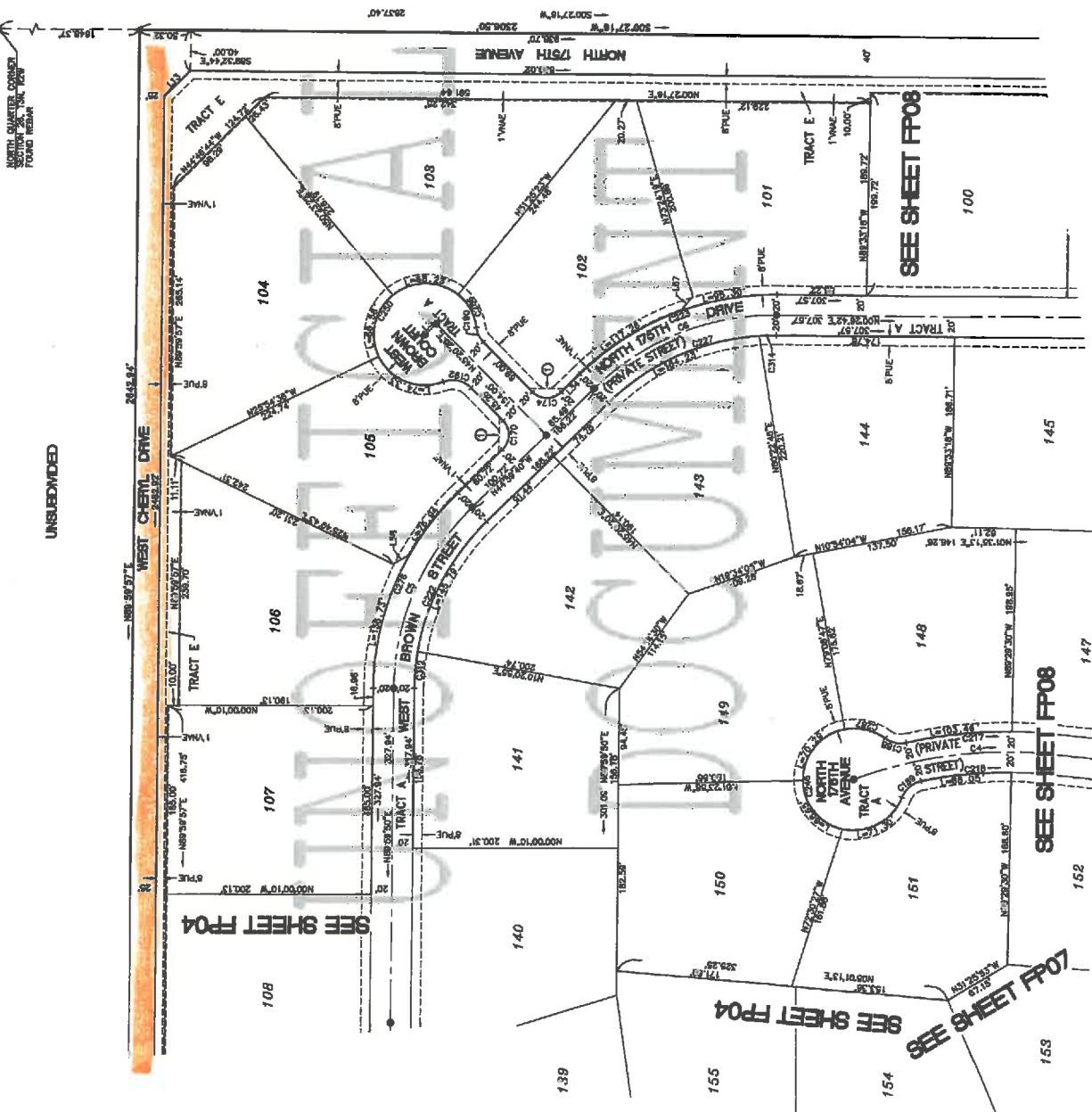
804 SHEET FP08

35

04

UNSUBSIDIZED

NEEDNED



PHOENIX OFFICE
7740 N. 18TH ST. STE. 100
PHOENIX, ARIZONA 85020
PH (602) 593-1800
FAX (602) 593-1801



Zanfero Pass Parcel 1-3 Phase 2-4
N. CITRUS ROAD & W. OLIVE AVENUE
MARICOPA COUNTY, ARIZONA
FINAL PLAT

DWG. NO. **FP08**
SHT. 3 OF 13
DATE: DEC. 2007
SCALE: 1"=50'
DESIGNED: CMX
DRAWN: CMX
APPROVED: BJB

COUNTY RECORDER
BOOK 978 PAGE 25
OFFICIAL RECORDS OF
MARICOPA COUNTY, ARIZONA
2008-02281585
REVISION 02/28/08
CASE NO. S2008096

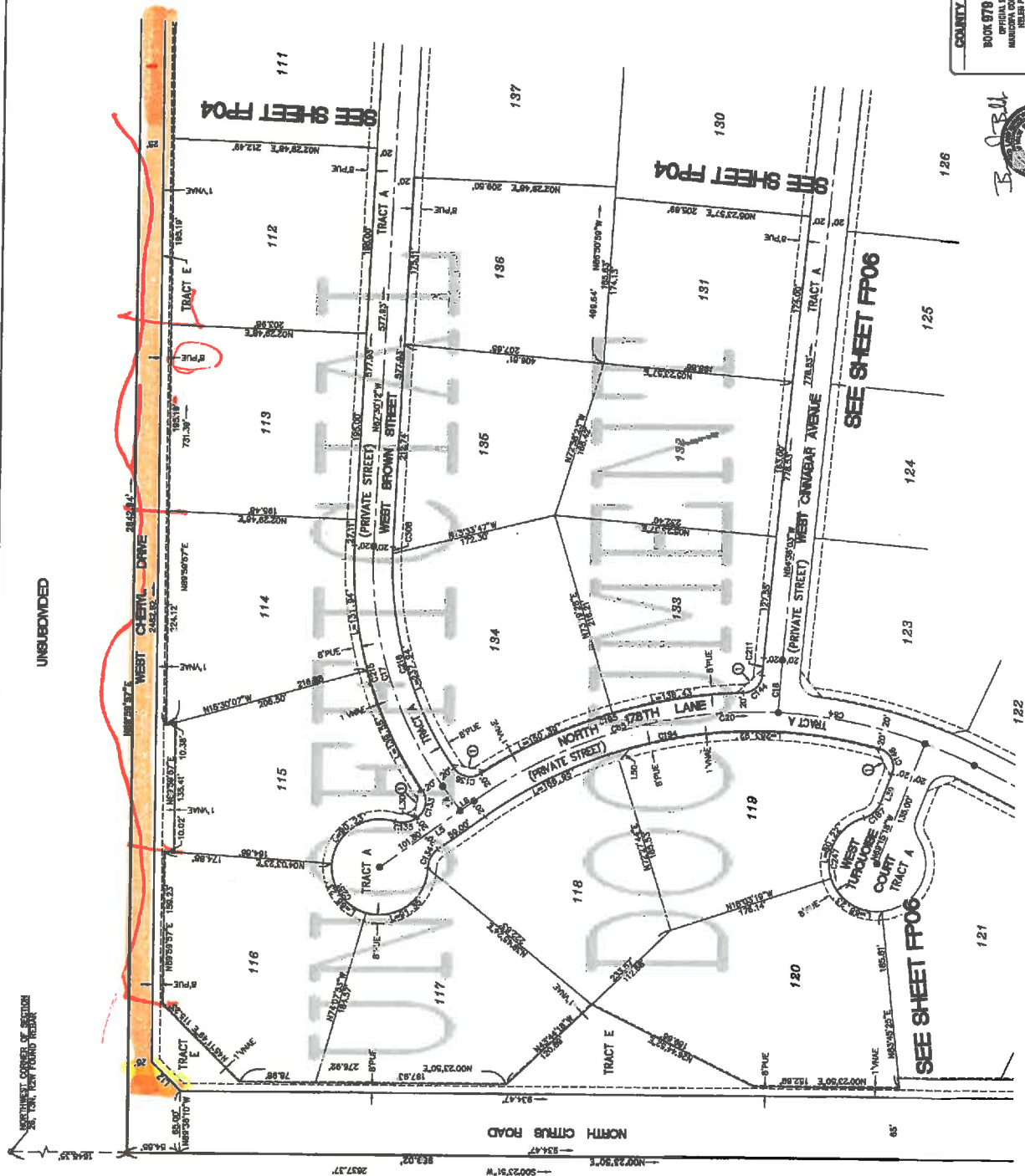


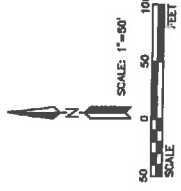
TABLE 1: AREA DATA

TRACT	AREA (AC)	PERCENT
111	1.11	1.11
112	1.12	1.12
113	1.13	1.13
114	1.14	1.14
115	1.15	1.15
116	1.16	1.16
117	1.17	1.17
118	1.18	1.18
119	1.19	1.19
120	1.20	1.20
121	1.21	1.21
122	1.22	1.22
123	1.23	1.23
124	1.24	1.24
125	1.25	1.25
126	1.26	1.26

TABLE 2: DISTANCE DATA

TRACT	DISTANCE (FEET)
111	111
112	112
113	113
114	114
115	115
116	116
117	117
118	118
119	119
120	120
121	121
122	122
123	123
124	124
125	125
126	126

CORTESIA
BOOK 730, PAGE 11 MCR.





Legislation Description

File #: 15-375, Version: 1

AUTHORIZATION TO ENTER INTO LEASE AGREEMENT AMENDMENT NO. 1 WITH HOPE FOR HUNGER CORPORATION

Staff Contact: Erik Strunk, Director, Community Services

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt an ordinance authorizing the Acting City Manager to enter into a two-year renewal option for agreement C-7874, Amendment No. 1, with the Hope For Hunger Corporation, retroactive to December 13, 2014, for the purpose of warehousing and distributing food to low and moderate income persons at the city-owned facility located at 5605 N. 55th Avenue.

Background

The Hope For Hunger Corporation, which was founded by a Glendale firefighter, operates under a mission of providing supplemental and emergency food through a coalition of partners from both the corporate and private sectors, community groups and individuals. In tandem, they focus on providing nutritional assistance with the dignity and respect to each person they serve.

Hope for Hunger initially entered lease agreement C-7874 with the City on December 13, 2011, after a previous tenant had closed the facility in June of 2010. The food bank officially opened its doors in May 2012 and is beginning its fourth year of operation. The food bank continues to serve disadvantaged residents in Glendale with emergency assistance food boxes, which can be received once a month and contain a three-day supply of nutrition and nourishment for those in a crisis situation.

Analysis

In 2014, the food bank distributed 1,500 metric tons of food to 31,000 families utilizing 18,000 volunteer hours while being funded by grants, individual and business/corporation donations and fundraisers. The facility has addressed a need in our community for local access to emergency food distribution services for 25 years. It has continued to serve as a very important presence in the Glendale community after the St. Mary's Food Bank consolidated and relocated its services to the Thomas Road location in 2010.

In order to continue this important service to Glendale residents, Council is requested to renew the lease agreement for the facility to Hope for Hunger for \$1.00 each year, for two additional years. Hope for Hunger will continue to be responsible for all utilities and operating expenses of the facility.

Community Benefit/Public Involvement

The adoption of this ordinance will allow the food bank to continue its operations and to serve Glendale residents in need of sustenance.

Budget and Financial Impacts

Although the City continues to be responsible for the building structure (it is owned by the City), there are no ongoing operations or maintenance costs associated with the lease renewal and no impact to the City's General Fund.

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

ORDINANCE NO. 2941 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO AMENDMENT NO. 1 TO THE FOOD BANK LEASE AGREEMENT WITH HOPE FOR HUNGER CORPORATION FOR THE PURPOSE OF WAREHOUSING AND DISTRIBUTING FOOD TO LOW AND MODERATE INCOME PERSONS; AUTHORIZING A TWO-YEAR EXTENSION OF THE LEASE; AND ORDERING THAT A CERTIFIED COPY OF THIS ORDINANCE BE RECORDED.

WHEREAS, on December 13, 2011, City Council authorized and directed the City Manager by Ordinance No. 2790 New Series to enter into a Food Bank Lease Agreement with Hope for Hunger Corporation for the purpose of warehousing and distributing food to low and moderate income persons; and

WHEREAS, the Food Bank Lease Agreement, Contract No. C-7874, had an initial three (3) year term with one two-year renewal option; and

WHEREAS, the City desires to renew the Food Bank Lease Agreement with Hope for Hunger Corporation for the additional two-year renewal option retroactive to December 13, 2014, as provided in the original Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City Manager and the City Clerk are hereby authorized and directed to execute Amendment No. 1 extending the term of the Food Bank Lease Agreement with Hope for Hunger Corporation for the property located at 5605 North 55th Avenue for an additional two-year term. A copy of said document is on file with the City Clerk of the City of Glendale.

SECTION 2. That the City Clerk be instructed and authorized to forward a certified copy of this ordinance along with the Amendment No. 1 to the Food Bank Lease Agreement for recording to the Maricopa County Recorder's Office.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of
Glendale, Maricopa County, Arizona, this _____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager

l_amend 1_food bank.doc

AMENDMENT NO. 1

FOOD BANK LEASE AGREEMENT
(City of Glendale Solicitation RFP 12-15, Contract No. C-7874)

This Amendment No. 1 ("Amendment") to the Food Bank Lease Agreement (Agreement) is made to be effective the _____ day of _____, 2015 ("Effective Date"), by and between the City of Glendale, an Arizona municipal corporation ("City") and Hope for Hunger Corporation, an Arizona non-profit corporation ("Lessee").

RECITALS

- A. City and Lessee previously entered into a Food Bank Lease Agreement, Contract No. C-7874, dated December 13, 2011 ("Agreement"); and
- B. The Agreement had an initial three (3) year term beginning December 13, 2011 through December 13, 2014 and provided the option to extend the term for an additional two-year term; and
- B. City and Lessee wish to modify and amend the Agreement subject to and strictly in accordance with the terms of this Amendment.

AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Lessee hereby agree as follows:

- 1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.
- 2. **Term.** The term of the Agreement is extended for a two-year period from December 13, 2014 through December 12, 2016, unless otherwise terminated or canceled as provided by the Agreement.
- 3. **Scope of Work.** The Scope of Work is unchanged.
- 4. **Insurance Certificate.** The existing insurance certificate is expiring and a new certificate applying to the extended term is required and must be received by the Contract Specialist prior to the execution of this Amendment.

5. **Ratification of Agreement.** City and Lessee hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

CITY OF GLENDALE, an Arizona
municipal corporation

Richard A. Bowers, Acting City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael D. Bailey, City Attorney

Hope for Hunger Corporation,
an Arizona non-profit corporation
5605 N. 55th Avenue
Glendale, AZ 85301
Phone: 602-472-1018
randy@hopeforhungerfb.org

By: _____

Its: _____

Randy Edrington
President



Legislation Description

File #: 15-377, Version: 1

AMENDMENT TO FISCAL YEAR 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT ANNUAL ACTION PLAN (PUBLIC HEARING REQUIRED)

Staff Contact: Erik Strunk, Director, Community Services

Purpose and Recommended Action

This is a request for City Council to conduct a public hearing and waive reading beyond the title and adopt a resolution authorizing the Acting City Manager to approve an amendment to the Fiscal Year 2014-2015 Community Development Block Grant (CDBG) Annual Action Plan. The amendment will allow the City to accept an additional \$200,000 in HOME Investment partnerships funds through the Maricopa County HOME Consortium ("Consortium"). If approved, this amendment will further continue the partnership between the City and Habitat for Humanity Central Arizona to use reallocated HOME funds for the acquisition, rehabilitation, and resale of homes in Glendale.

Background

Earlier this year, the Consortium (of which Glendale is a member) announced that it was seeking proposals to spend HOME funds being returned to it by the City of Scottsdale and from Maricopa County HOME program income. These funds total over \$1.8 million and must be committed and under contract before July 1, 2015. The City of Glendale, in partnership with Habitat for Humanity Central Arizona, applied for \$200,000 of these funds to supplement four housing units currently under contract and environmentally cleared. As the additional funds would be used for new infill "ready to go" projects in Glendale, meet the completion deadlines for the Consortium, and result in high-quality housing that adds value to our neighborhoods, the Consortium notified the City it would could receive the extra HOME funds, upon City Council approval.

If approved, the \$200,000 in funds would be in addition to the \$330,290 in HOME funds received by the City in FY 14-15. To date, the City of Glendale has been able to rehabilitate or reconstruct 42 homes through its partnership with Habitat for Humanity Central Arizona.

Analysis

Habitat for Humanity Central Arizona continues to be an important partner in helping the city meet its housing goals under the HOME Program and the Neighborhood Stabilization Program. Without this partnership, the City would have had great difficulty in meeting the statutory expenditure deadlines of these grants. By approving this amendment, the City will continue to acquire and renovate homes which become available and provide affordable homebuyer opportunities to low-to-moderate income families in our community.

Previous Related Council Action

On May 13, 2014, Council approved the FY 2014-2015 Annual Action Plan that included \$330,290 for Habitat for Humanity Central Arizona to acquire vacant properties to rehabilitate and resell to eligible homebuyers within the city limits of Glendale.

Community Benefit/Public Involvement

The acquisition, rehabilitation, and resale of single-family homes continues to help stabilize neighborhoods and improve the quality of life for the existing homeowners. The use of federal funds to rehabilitate older homes and construct new infill homes by partnering with a non-profit organization is cost effective and central to neighborhood revitalization and the provision of affordable housing.

Budget and Financial Impacts

Since this is a federally-funded program, there will be no fiscal impact on the city. No General Funds will be used for this amendment.

Cost	Fund-Department-Account
\$200,000	1300-30001-518200- HOME Professional and Contractual

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

RESOLUTION NO. 4964 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, APPROVING AND AUTHORIZING SUBMISSION OF AN AMENDMENT TO THE ANNUAL ACTION PLAN FOR FISCAL YEAR 2014-2015 TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THROUGH THE MARICOPA COUNTY HOME CONSORTIUM AND ACCEPTING HOME INVESTMENT PARTNERSHIPS PROGRAM REALLOCATION IN THE AMOUNT OF \$200,000.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the Amendment of the City's Annual Action Plan for FY 2014-2015 is hereby approved. Said document is on file in the office of the City Clerk of the City of Glendale.

SECTION 2. That the City Manager is hereby authorized and directed to submit the Amendment of the Annual Action Plan to the U.S. Department of Housing and Urban Development through the Maricopa County HOME Consortium and execute any and all necessary documents on behalf of the City of Glendale.

SECTION 3. That the City Council accepts the HOME Investment Partnerships Program reallocation from the Maricopa HOME Consortium for FY 2014-2015 in the amount of \$200,000.

SECTION 4. That the City Manager or designee is hereby authorized and directed to execute all agreements and documents necessary to effectuate the allocation of funds received under the above programs to the approved entity, Habitat for Humanity Central Arizona, so long as the allocations are consistent with the Council-approved Amended Annual Action Plan and compliant with the National Environmental Policy Act (NEPA), and all applicable environmental regulations.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this ____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager
r_comm_amend action plan.doc



MARICOPA HOME CONSORTIUM

APPLICATION FOR REALLOCATED FUNDS
of the HOME Investment Partnerships Grant

Submittal Deadline:
Thursday, March 25, 2015 – 9:30 a.m.

Maricopa County Human Services Department
Community Development Division
234 North Central, Third Floor
Phoenix, AZ 85004
Phone: (602) 506-5911
FAX: (602) 372-2292
TDD: (602) 506-4802



MARICOPA HOME CONSORTIUM NOTICE OF FUNDING AVAILABILITY

APPLICATION SCHEDULE:

- Applications available for distribution March 12, 2015
- Deadline for application submittal March 25, 2015
- Funding recommendation Special Meeting
9:00 am 3rd Floor, Sun Room at 234 N. Central Ave . April 2, 2015
- Deadline to Commit Funds to Activities (IDIS #s)
internal deadline July 1, 2015

FUNDING AVAILABLE:

Approximately \$2,000,000 is expected to be available to fund HOME activities, as well as limited administrative funds.

SUMMARY OF REQUIREMENTS:

The Consortium Member must certify the following:

- underwriting has been reviewed;
- developer capacity has been assessed;
- program is fiscally sound and financing is secured;
- neighborhood market conditions have been examined to ensure adequate need;
- proposed activities must address a priority need/goal of the jurisdiction as identified in the Five-Year Consolidated Plan (CP) for FY 2015
- contracts must be approved by City Council no later than May 15, 2015
- back up applications will be reviewed, if any of the above conditions are not met.

BACKGROUND:

According to the HUD HOME Deadline Compliance Status Report issued February 28, 2015, the Maricopa County HOME Consortium is facing a commitment shortfall on August 31, 2015 of approximately \$2,000,000. In order to avoid these funds being returned to HUD, Maricopa County is issuing this Notice of Funding Availability to “shovel-ready” projects to HOME Consortium members that will meet the commitment deadline. A portion of the reallocated funds are contingent on Scottsdale City Council approval pending April 28, 2015.

Commit to a specific local project is required in IDIS. The definition of commit means that if the project consists of rehabilitation or new construction, the Consortium Member and the project owner have executed a written legally binding agreement under which HOME assistance will be provided to an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within 12 months of the agreement date. If the project is for acquisition for resale or rental, the Consortium Member and the property owner have executed a legally binding contract for sale and the property will be transferred to the beneficiary within 6 months of the date of the contract. If the project is for TBRA, the Consortium Member has entered into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR 92.209.

FUNDING DECISIONS:

Reallocations are based on a majority vote of the Consortium Members. When there is a need to reallocate funds to another member of the consortium, in Intergovernmental Agreement (IGA)

between the members affected by the reallocation must be executed. A sample IGA is included. An IGA must be in place prior to a commitment of funds on, or before June 1, 2015. The HOME Consortium will consider the following criteria when making funding recommendations:

- an application's feasibility analysis score (see below)
- the current needs and priorities addressed by the application
- the guiding principles (see below)

The Consortium will rank all applications according to a feasibility analysis and allocate funds based on a majority vote on April 2, 2015 at a Special HOME Public Consortium Meeting.

Feasibility Analysis:

Are all barriers that might hinder implementation or activity completion identified and addressed? Consider if ERR, zoning, site control, relocation, and other issues are resolved. (Maximum 20 points)	
Is the proposal cost effective and does it have all financing secured? Evaluate the activity scope with other known activities of similar size. Is the cost per household assisted suitable for this type of activity? Can the activity remain affordable for the required period? (Maximum 20 points)	
Is the proposed implementation schedule reasonable? Consider the type of activity being undertaken and the indicated timetable. (Maximum 20 points)	
Does the budget appear reasonable for activity completion? Evaluate the viability of other funding sources. (Maximum 20 points)	
Does the applicant appear to have the capacity and experience to carry out the activity as described by July 1, 2015? Evaluate staffing, organization and past performance. (Maximum 20 points)	
TOTAL SCORE	

Guiding Principles

The guiding principles for use of HOME Funds are as follows:

- Serve a new or previously underserved clientele in the jurisdiction;
- Distribute funds as seed or gap financing money and not as an ongoing entitlement;
- Distribute funds equitably throughout the Consortium's geographic areas;
- Consider the recipients' current urgency of need;
- Address the current needs and priorities as determined by the 5 Year Consolidated Plan.

Final funding recommendations will be made by majority vote April 2, 2015.



MARICOPA HOME CONSORTIUM
Application for Reallocated Funds

CONSORTIUM
MEMBER/CITY:

City of Glendale Community Revitalization

CONTACT PERSON:

Gilbert Lopez/ Charyn Palmisano

TITLE: Manager/Supervisor

ACTIVITY SITE ACQUIRED: ☐ Yes ☒ No

AMOUNT OF FUNDING REQUESTED:

REQUESTED HOME AMOUNT	CASH MATCH AMOUNT	OTHER RESOURCES AMOUNT	TOTAL BUDGET
\$200,000	\$50,000	\$387,800	\$637,800

1. ACTIVITY DESCRIPTION: (in accordance with the provisions of 24 CFR Part 92.504(c)(1))

HOME funds will be used for: (indicate number of HOME assisted units in applicable category)

X Homebuyer Activities Rental Housing Multi-Family Rental (over 5 units)

For rental housing activities: HOME assisted units will be: ☐ Fixed ☐ Floating

For homeownership activities: The Consortium Member will secure affordability period through:
☐ Resale Provisions ☒ Recapture Provisions

Activity Type: (Check one applicable category)

- | | | |
|---|---|---|
| <input type="checkbox"/> Acquisition Only | <input type="checkbox"/> Acquisition/New Construction | <input checked="" type="checkbox"/> New Construction only |
| <input type="checkbox"/> TBRA | <input type="checkbox"/> Homebuyer Assistance | <input checked="" type="checkbox"/> Rehabilitation only |
| <input type="checkbox"/> Acquisition/Rehabilitation | <input type="checkbox"/> Other (specify) | |

Describe the specific activity in detail indicating any issues that may impact timely implementation. State if this is a new activity or an ongoing activity. Indicate if HOME funding has been previously used in this activity. Describe necessary site and any zoning issues. Elaborate on total funding including sources of additional funding. If this is a multi-family rental activity (over five units), describe how the Project Rule will be met. How quickly can a HOME Set-Up Report be submitted to the County (after all HUD requirements have been met?)

The City of Glendale will partner with Habitat for Humanity Central Arizona (HFHCAZ) to rehabilitate and/or build new homes in the 85301, 85302 and 85303 zip codes. The project will be an ongoing activity with HFHCAZ. The City of Glendale awarded HFHCAZ \$330,290 in HOME funds for this type of activity in January of 2015. The City of Glendale would like to supplement this award with an additional \$200,000 of the reallocated HOME funds.

Set up reports have already been submitted for 4 projects which can be revised to use the reallocated funding if awarded. All site and zoning issues have already been addressed and the projects are "shovel ready".

Beneficiaries:	Total Number of Households to be served	
Households by Income Level:	At or below 30% of median	
	At or below 50%	
	At or below 60%	4
	At or below 80%	
Households by Service Group:	Elderly _____ Family <u>4</u> Disabled _____	
	Other (Specify) _____	

Beneficiaries income eligibility will be verified by:

All HFHCAZ families are low-to-moderate income families that earn 30-60% of the Area Median Income as defined by HUD. This is verified through orientation sessions, application screenings, employment history, credit checks and home visits.

Definition of income to be used:

Income will be based upon the Area Median Income guidelines as defined by HUD.

2. PERFORMANCE MEASUREMENT SYSTEM INFORMATION

A. OBJECTIVES AND OUTCOMES: Check appropriate box below.

OBJECTIVES	OUTCOMES		
	AVAILABILITY/ ACCESSIBILITY	AFFORDABILITY	SUSTAINABILITY
DECENT HOUSING	<input checked="" type="checkbox"/> Housing Rehab or Emergency Rehab	<input checked="" type="checkbox"/> Homebuyer Activities or Rental Housing	<input type="checkbox"/> Housing Activities in a targeted revitalization area

B. LOGIC MODEL PERFORMANCE INDICATORS:

OUTPUTS				
INPUTS/RESOURCES	ACTIVITIES	PARTICIPATION	OUTCOMES	OBJECTIVES
Resources we have include a great team of people skilled in the construction, family services and mortgage servicing arena – Resources Needed - Funding	Rehabilitation or new construction of up to 4 homes.	Low-to-moderate income families earning between 30-60% AMI	4 low-to-moderate income families become homeowners of affordable housing.	4 low-to-moderate income families will become first time homeowners.

C. Is there a contract in place?

Date: January 1, 2015 Entity: Habitat for Humanity Central
Arizona Contract Amount: \$ \$330,290

PERFORMANCE REPORTING GOALS

Scheduled activity completion date: June 2017

Schedule of implementation:

TASKS	START DATES	COMPLETION DATES
Application submitted		3/25/15
Publish amendment to annual action plan for 15 day comment period		4/1/2015
Comment Period to end		4/15/2015
City council approval to amend current annual action plan and		May 2015
Sign development amendment		May 2015
Commence with Projects		June 2015
Projects Complete		June 2016
Completion Report submitted to County		June 2016

3. ACTIVITY BUDGET SUMMARY:

	HOME REQUEST AMOUNT	CASH MATCH * AMOUNT	OTHER RESOURCES AMOUNT	TOTAL ACTIVITY BUDGET
Acquisition				
Demolition				
New Construction	\$125,000	\$31,250	\$133,750	\$290,000
Rehabilitation	75,000	\$18,750	\$201,250	\$295,000
Relocation				
Development Costs ^(b)				
Staff Costs ^(b)				
Services ^(b)				
Administration Costs				
Development Fees				
Other (Specify) Volunteer Labor			\$52,800	\$52,800
TOTALS (for each column)	\$200,000	\$50,000	\$387,800	\$637,800

- (a) Provide information if match will be in the form of cash and will be used in this project only. Do not include non-cash match in this budget.
- (b) These costs must be address specific; otherwise, these costs must be considered administrative costs.

4. ACTIVITY MATCH:

AMOUNT	FORM OF MATCH	SPECIFIC SOURCE
\$50,000	Cash	Home Sponsorships
TOTAL \$50,000		

5. **PROGRAM INCOME:** Will program income be generated? NO If so,
Estimated amount of program income:

Program income will be expended for:

6. PROJECT VIABILITY:

If grant funds cannot be provided at the amount requested:

A. Are other funds available to cover the resulting shortfall in the budget?

☒ Yes ☐ No

If yes, list funding source and amount: Home Sponsors, HFHCAZ General Funds, Fund for Humanity
Mortgage Pool and/or line of credit _____

B. Can the project be scaled back? ☒ Yes ☐ No

If yes, what is the minimum amount of HOME funds needed to complete a viable project? Describe the scope of work for a minimum-sized project?

The funds will be used to supplement the current HOME contract and to complete additional projects.

C. If additional funds are not available and project cannot be scaled back, describe how budget shortfall will be handled.

If funds are not awarded the project will continue as planned with completing the original number of projects intended.

D. Will the project meet the commitment deadline of July 1, 2015? How will the Consortium Member ensure that this deadline will be met? Yes

MARICOPA HOME CONSORTIUM GRANT CONDITIONS

- A. Funding will be subject to the execution of contracts under which the selected Consortium Member will accept all grant mandated obligations. These obligations include, but are not limited to, equal opportunity, Davis-Bacon, Federal Funding Accountability & Transparency Act (FFATA), lead-based paint hazards, accounting, procurement, performance reporting and all other applicable federal and County requirements and regulations required in the management of the HOME Investment Partnerships Program (24 CFR Part 92).
- B. All funding commitments are conditioned on the activities obtaining environmental clearance before any funds are committed; including prior environmental clearance of every activity site by address. In addition, the Consortium Member is to refrain from making any expenditure on that site until a new environmental clearance has been completed. Failure to meet these conditions will mean that requested funds would not be disbursed for any expenditure on that property.
- C. The enabling legislation for the HOME program establishes a 25% match requirement for any activity funded under this program. To be considered eligible as match, a contribution must be made from nonfederal sources and must be a permanent contribution to a HOME activity or to HOME match-eligible housing.
- D. HUD has statutory commitment and expenditure deadlines. In an effort to ensure timely implementation of these activities, the Consortium Members will ensure that the amount of funding granted will meet the commitment deadline of July 1, 2015.

Maricopa County HOME Consortium
Market Study, Underwriting Assessment, Developer Capacity and Fiscal
Soundness for Each Project Certification

To the best of our knowledge, all data contained in this report is correct to the extent that the local, State of Arizona, and federal recording agencies and demographic suppliers accurately record and publish this data. All projections are based on current professionally accepted methodology.

The market analyst made a physical inspection of the market area, reviewed all relevant data, conducted personal interviews with local apartment managers (where applicable), government officials, local real estate professionals, and service providers in order to establish the conclusions for this report.

An underwriting assessment, developer capacity and fiscal soundness have been conducted and found reasonable, and are located in each project file.

Roger G Schwierjohn
(Print Name and Title)

Habitat for Humanity Central Arizona
(Organization) (Date)


(Signature)

For Market Study

For Official Use Only

Market Demand Study Certified By:

Charyn Eirich- Palmisano Supervisor
(Print Name and Title)

City of Glendale AZ 3/25/2015
(City / Town Agency) (Date)


(Signature)



Legislation Description

File #: 15-378, Version: 1

PUBLIC HEARING AND ADOPTION OF FISCAL YEAR 2015-2016 FINAL BUDGET (RESOLUTION) (PUBLIC HEARING REQUIRED)

Staff Contact: Tom Duensing, Interim Assistant City Manager

Purpose and Policy Guidance

This is a request for City Council to waive reading beyond the title and review the Fiscal Year 2015-2016 (FY15-16) final budget, conduct a public hearing on the final budget, and convene a special meeting to adopt a resolution formally approving the final operating, capital, debt service, and contingency appropriation budget.

Background

Arizona state law requires the governing board of cities, towns, and counties to conduct a public hearing and then convene a special meeting to adopt a resolution approving the final annual budget. The regular voting meeting does not need to be adjourned to convene and conduct the special meeting required for the budget adoption.

Council approval of the tentative budget at the May 26, 2015 meeting set the maximum level of expenditure for FY15-16. Adjustments and reallocation of appropriation authority may be made after adoption of the tentative budget, although the total amount of appropriation cannot be increased.

In addition, special legislation requires cities to publish a notice of *Truth in Taxation* if the proposed primary tax levy, excluding amounts attributable to new construction, is greater than the amount levied by the city in previous year. All Truth in Taxation requirements of A.R.S. 42-17107 have been met.

The FY15-16 budget process included a five-year financial forecast of the operating funds, a review of the proposed ten-year Capital Improvement Plan, and a review of the detailed budget request for each of the department which included both operating funds and the capital outlay. To inform and deliberate on current budget issues and financing opportunities, several Budget Workshops were focused on specific budget and financial strategies for FY15-16 and future fiscal years. To date, a total of six public meetings were held relative to the FY15-16 budget process;

- Workshop - December 16 (General Fund and Major Operating Funds Five-Year Financial Forecast)
- Budget Workshop - February 3 (Overview of Budget Process and Policy Discussion)
- Budget Workshop - March 17 (Continue Policy Discussion and Financial Strategies)
- Budget Workshop- March 24 (Employee Benefits and Compensation and Review of the Ten-Year Capital Improvement Plan)
- Budget Workshop- April 17 (Presentation and Review of the FY15-16 Department Budget Requests)
- Budget Workshop- May 5 (Follow-up Discussion Budget Requests and Consideration for Policy Items)

Analysis

The FY15-16 Final Budget totals \$632 million. This represents a 2% decrease over the prior FY14-15 Budget. The planned spending reduction is mainly attributed to a decrease in Debt Service payments, as the result of a recent bond refinancing. A reduction in capital project carryover funding is also impacting the budget variance over the prior year.

The City's Annual Budget can be broken down into four major components; revenues, operations, capital, and debt service. As the General Fund is the largest operating fund in the City, this was the primary focus for much of the discussions over the past several months.

Overall the goal of the FY15-16 budget is to improve service delivery by leveraging technology, retaining dedicated staff, and continuing to improve the City's financial stability. The objectives and assumptions used in preparing the proposed budget center around the following;

- Improving the General Fund financial position
- Enhancing operations through advanced technology and innovation projects such as electronic plan review and permit system replacement, implementation of business intelligence (BI) solutions, and on-officer cameras
- Absorbing increases in MOU costs
- Absorbing 2.5 % non-represented employee pay increases
- Absorbing increases in Public Safety Personnel Retirement System (PSPRS) costs which includes additional contributions consistent with the League of Arizona Cities and Towns recommendations
- Consolidating the General Fund Sub-Funds

Operations

The total FY15-16 operating budget totals \$383.9 million, which represents a 4% increase over the FY14-15 operating budget of \$368.5 million. Large portions of this increase are due to the following:

- Internal Service Fund, technology project
- Absorbed increases in MOU costs
- Absorbed 2.5% increases in non-represented employee pay
- Absorbed increases in employee benefits and retirement costs
- Public Safety Personnel Retirement System increases and prepayments

Revenues

Total revenues for FY15-16 are estimated at \$511.2 million. The General Fund represents the largest revenue source at \$202.9 million, \$202.7 million of which represents the Primary General Fund. These revenues are primarily used for general government operations. Key General Fund revenues are sales taxes (\$98.7 million), property taxes (\$5.5 million) and State Shared Revenues (\$57.9 million). Enterprise Funds represent the next largest source of revenue to the city at \$122.4 million. These revenues are mainly from user fees and charges for services such as water and sewer services or landfill charges.

Capital Improvement Projects

Each year, a Capital Improvement Plan (CIP) is developed which is the roadmap for creating, maintaining, and paying for Glendale's present and future infrastructure needs. The CIP outlines project costs, funding sources and estimated future operating cost associated with each capital improvement. The plan is designed to ensure that capital improvements will be made when and where they are needed, and that the City will have the funds to pay for and maintain them.

The FY15-16 to FY21-25, Ten-Year CIP was presented to the council at the March 24, 2015 workshop. The total Ten-Year CIP is estimated at \$792.6 million, which includes \$51.9 million of carryover appropriation from FY14-15 into FY15-16 for multi-year projects. The largest single project in the Ten-Year plan is the Westgate Parking Garage at \$46.4 million. The Ten-Year capital plan for Enterprise projects totals \$230.7 million and another \$199.4 million is dedicated to Transportation and Streets.

The first year of plan, the FY15-16 CIP totals \$125.3 million. Of this amount, \$51.9 million is requested carryover appropriation for prior year projects that are not yet complete and \$73.4 million represents new funding for CIP projects. Transportation and Street Improvement projects (\$45.3 million) represent the largest portion of the FY15-16 CIP budget at 36% of the total, followed by Water/Sewer budget (\$28.9 million) at 23% of the total.

Debt Service

Budgeted Debt Service for FY15-16 totals \$77.9 million. The largest type of debt service is General Obligation (GO) Bonds totaling \$24.3 million or 31% of total debt service. GO debt is serviced through the secondary property tax levies. Other debt includes Municipal Property Corporation Debt (MPC) debt service totaling \$18.7 million and Excise Tax Debt Service totaling \$5.6 million. MPC and Excise Tax debt is serviced directly from General Fund revenues.

Inter-Fund Transfers

Appropriated inter-fund transfers are a necessary mechanism for one fund to appropriately support the operations of other funds. For example, a budgeted transfer from the Transportation Sales Tax Operating Fund to the Transportation Capital Projects Fund is necessary to fund related capital outlay. As requested by council, the FY15-16 budget also includes maintenance of effort transfers of \$600,000 from the General Fund to the Enterprise Funds to support their operations. Inter-Fund Transfers for the FY15-16 budget total \$100.5 million.

Contingency

Contingency is included in the budget for unforeseen or unplanned expenditures. The FY15-16 budget includes \$44.8 million in contingency appropriation with the largest appropriation request residing in the Capital Projects Funds and totaling \$12.4 million. For this fund type, contingency appropriation allows the city to program available project funds for any unforeseen expenditures that may arise. The General Fund contingency totals \$5 million which represents 2.4% of total General Fund revenues. It is important to note that the use of contingency appropriation requires city council approval.

Previous Related Council Action

On May 26, 2015, Council adopted the FY15-16 Tentative Budget and gave notice for the Truth in Taxation

and Final FY15-16 Budget Public Hearings. Adoption of the Tentative Budget set the maximum limits for expenditures.

On May 5, 2015, a Budget Workshop was held to discuss follow up items and receive policy guidance on outstanding budget issues.

On April 14, 2015 a Budget Workshop was held to present the Department's FY15-16 budget request.

On March 24, 2015, a Budget Workshop was held to present and review the city's 10-year Capital Improvement Plan. Employee compensation and benefit proposals were also presented. Council guidance was sought on various policy items relative to the FY15-16 budget development.

March 17, 2015, a Budget Workshop was held seeking policy direction on various items relative to FY15-16 budget development.

On February 3, 2015, a Budget Workshop was held reviewing various items including the budget calendar, process, legal requirements, major budget components, and future discussion items.

On December 16, 2014, a Council Workshop was held and the General Fund and Major Operating Funds Five-Year Financial Forecast was presented which initiated the FY15-16 budget process.

Community Benefit/Public Involvement

The community benefit of the City's budget process, policy direction, and budgetary decisions demonstrates sound financial decisions are made through a transparent and public process. Ultimate budgetary decisions align with the strategic direction of the City and provide the public with information on service provided and Council priorities.

Budget and Financial Impacts

Budget and financial impacts are based on Council feedback. Adoption of the Final Budget is required by Arizona State budget law.

The annual budget (all funds) for the city is divided into four major components that include all appropriations. The total budget, including all four components, is \$632 million for FY 15-16. The four components and their respective total amounts for FY 15-16 are as follows:

- The *operating budget* finances the day-to-day provision of city services and totals \$383.9 million.
- The *capital improvement budget (CIP)* funds the construction and repair of city assets including roads, public amenities and other infrastructure throughout the city. The capital improvement budget totals \$125.3 million.
- The *debt service budget* is used to repay money borrowed by the city, primarily for capital

improvements, and amounts to \$77.9 million.

- The final component of the budget is the *contingency appropriation*, which is made up of fund reserves and is available to cover emergency expenses or revenue shortages should they arise during the fiscal year. The contingency appropriation for this fiscal year totals \$44.8 million.

RESOLUTION NO. 4965 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING THE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF GLENDALE FOR THE FISCAL YEAR 2015-16; ADOPTING A FINAL BUDGET; AND SETTING FORTH THE REVENUE AND THE AMOUNT TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES.

WHEREAS, pursuant to the provisions of the laws of the United States, the State of Arizona, and the charter and ordinances of the City of Glendale, the Council must adopt a final budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016; and

WHEREAS, the tentative budget has been advertised in the City's newspaper of records; and

WHEREAS, the tentative budget was approved by Council on May 26, 2015, by Resolution No. 4958 New Series; and

WHEREAS, as of this date the City Council has conducted a public hearing and entered a special meeting in connection with the adoption of the final budget; and

WHEREAS, it appears that the sums to be raised by taxation, as specific therein, do not in the aggregate, exceed the amount for primary property taxes as computed in A.R.S. §42-17051(A); and

WHEREAS, the proposed expenditures of the Housing Fund are necessary in the efficient and economical operation of the housing program for the purpose of serving low-income families; and

WHEREAS, the financial plan of the Housing Fund is reasonable in that: (a) it includes a source of funding adequate to cover all proposed expenditures; (b) it does not provide for use of federal funding in excess of that payable under the Performance Funding System regulations; (c) that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract; and (d) that no public Housing Authority employee, reflected in the budget, is serving in a variety of positions which will exceed 100% allocation of his/her time.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the schedules herein contained are hereby adopted for the purpose as hereinafter set forth as the final budget for the City of Glendale for the fiscal year 2015-16.

SECTION 2. That the Council will set the property tax levy on June 23, 2015.

SECTION 3. That upon the recommendation by the City Manager and with the approval of the City Council, expenditures may be made from the appropriation for contingencies; and the transfer of any sums within any specific appropriations may be made only upon approval of the City Council. The City Manager may use their discretion in utilizing an appropriation that is authorized for a single department so long as the utilization is consistent with the purpose of the appropriation set forth in the budget.

SECTION 4. That money from any fund may be used for any and all of these appropriations, except monies specifically restricted by Federal and State law, City Charter and ordinances.

SECTION 5. That all sums contained in said estimate expenditures shall be considered as specific appropriation and authority for the expenditures thereof, as provided for and in said budget, the laws of the United States Government, the State of Arizona, the charter and ordinances of the City of Glendale.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this ____ day of _____, 2015.

M A Y O R

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

Acting City Manager

Budget Document

Section 1 – Financial Policies

This section includes the financial policies that are key to financial stability and long-term planning. The financial policies will be included in the FY15-16 Annual Budget book and cover four major areas;

1. Fiscal Planning and Budgeting
2. Expenditure Control
3. Capital Asset and Debt Management
4. Fund Reserves and Structure

Section 2 - Schedule One

This section includes Schedule One, a summary of the FY15-16 budgeted revenues and expenditures by fund. Schedule One is included in every annual budget document and provides a quick fund level summary of expected inflows (such as revenues) and outflows (such as expenditures) for each fund and, at a broader level, fund grouping (such as General Fund Group, Debt Service Fund Group, Internal Service Fund Group, etc.).

Schedule One shows a total budget of \$632.0 million for FY15-16 with an operating budget of \$383.9 million, a capital improvement budget of \$125.3 million, a debt service budget of \$77.9 million, and a contingency appropriation of \$44.8 million. Schedule One also shows a total revenue budget of \$511.2 million and a total transfer budget of \$100.5 million.

Section 3 - State of Arizona's Auditor General Budget Schedules

This section includes all of the State of Arizona's Office of the Auditor General's (AG) budget schedules. These schedules are labeled A through G and are identified in the following bullet points:

- Schedule A - Summary Schedule of Estimated Revenues and Expenditures/Expenses
- Schedule B - Tax Levy and Tax Rate Information
- Schedule C - Revenues Other Than Property Taxes
- Schedule D - Other Financing Sources/Uses and Interfund Transfers
- Schedule E - Expenditures/Expenses by Fund
- Schedule F - Expenditures/Expenses by Department
- Schedule G - Full-Time Employees and Personnel Compensation

Section 1

Financial Policies

FINANCIAL POLICIES

A key component of the Fiscal Year 2015-16 (FY15-16) budget is the adoption of the Council's financial policies. This budget document includes the Council's financial policies that were approved in the FY13-14 budget adoption process and revised in FY14-15.

While established financial policies existed, those financial policies needed to be expanded during the prior year. As the City focuses on long-term financial stability in its financial planning, it will become necessary to again revise the financial policies in FY15-16 to ensure the policies align with the expectations of the Council.

Council's financial policies serve as the foundation for moving forward with a strong, sustainable financial plan. Council's financial policies also provide a roadmap for the City's recovery to a more sustainable financial future. The policies provide broad policy guidance related to **Fiscal Planning and Budgeting**, **Expenditure Control**, **Capital Asset and Debt Management**, and **Fund Reserves and Structure**. All four key financial policy areas are discussed on the following pages.

FISCAL PLANNING AND BUDGETING

Fiscal planning is the process of identifying resources and allocating them among numerous and complex competing purposes. The primary vehicle for this planning is the preparation, monitoring and analysis of the budget. It is essential to incorporate a long-term perspective and to monitor the performance of the programs that are competing to receive funding.

The City Manager will submit to the Council a proposed annual budget, based on Council's established goals, and will execute the budget as finally adopted, pursuant to Title 42, Chapter 17, Article 3, Section 17105 of the Arizona Revised Statutes, as amended.

1. Revenue and expenditure forecasts will be prepared annually and will include a Five-Year Forecast for each major operating fund (General Fund, Enterprise Funds, and certain Special Revenue Funds). These Five-Year Forecasts will be prepared at the beginning of the operating budget process and 1) provide a long-term view of current year budget decisions affecting the City and 2) provide an estimate of the fund balance and sensitivity to revenue and expenditures changes over the forecast period.
 - a. The budget will be balanced, by fund, when all projected ongoing revenue sources do not exceed all ongoing expenses proposed for the current FY and for the upcoming FY. Use of the unassigned fund balance will occur only as authorized by Council and to address one-time costs, not ongoing costs or planned utilization of fund balance.
 - b. Revenues will not be dedicated for specific purposes unless approved by Council or required by law. All non-restricted revenues will be deposited in the General Fund and appropriated through the annual budget process.

2. To ensure ongoing General Fund stability, the primary property tax levy will be set each year at the maximum allowable amount.
3. Any proposed new service or program initiative will be developed to reflect current Council policy directives and shall be considered in the context of balancing ongoing anticipated revenues against ongoing anticipated expenses. Proposals will follow all related Council Financial Policies.
4. To ensure compliance with existing policy, all grant programs and any programs supplemented by outside funding will include a sunset provision consistent with the projected end of funding. Personnel paid with these funds will be considered temporary with no certainty of continued employment beyond the life of the funding unless otherwise approved by Council. Equipment and technology purchases with these kinds of funds are subject to the policies for the replacement funds.
5. The City Manager's recommended budget presented to Council will contain, at a minimum, the following elements:
 - a. Revenue projections by major category, by fund;
 - b. Expenditure projections by program levels and major expenditure category, by fund, including support provided to or received from other funds;
 - c. Debt service principal and interest amounts;
 - d. Proposed inter-fund transfers;
 - e. Projected fund balance by fund;
 - f. Proposed personnel staffing levels;
 - g. Detailed schedule of capital projects;
 - h. Any additional information, data, or analysis requested by Council.
6. The operating budget will be based on the principle that current ongoing operating expenditures, including debt service and support for other funds, will be funded with current ongoing revenues. The enterprise funds (water/sewer, sanitation and landfill) and the transportation sales tax fund will pay the indirect cost charges for services provided other funds. Additional funds may be added upon Council approval.
7. The budget will not use one-time (non-recurring) sources to fund continuing (recurring) expenditures.
8. Addition of personnel will be requested only to meet existing program initiatives and policy directives after service needs have been thoroughly examined and only if increased net ongoing revenue is substantiated.
9. The Finance and Technology Department and Human Resources Department will work together to manage position control. The number of full-time and regular part-time employees on the payroll will not exceed the total number of full-time equivalent positions that Council authorizes and adopts with the annual budget.

10. Benefits and compensation will be administered in accordance with Council policy direction.
 - a. Total compensation will be evaluated periodically for competitiveness.
 - b. A cost containment strategy means total costs for health insurance premiums will be shared between the employer, employees and retirees. Total premiums will be evaluated on an annual basis to ensure they are reasonable, competitive and expected to address anticipated claims plus the maintenance of an adequate reserve for the Employee Benefits Fund. Funding will be based on an annual actuarial report and its 75% confidence funding level recommendation.
 - c. A policy will be developed regarding the continuation of retiree health insurance after the completion of a comprehensive evaluation of the impact of GASB 67 and the presentation of results to Council.
11. Ideas for improving the efficiency and effectiveness of the city's programs and the productivity of its employees will be considered during the budget process.
12. Carryover of unspent appropriation from one fiscal year to the next is not automatic. The Finance and Technology Department staff will evaluate carryover requests and make recommendations to the City Manager. Recommended requests will be included in the City Manager's budget presented to Council.
13. Salary savings will be retained to the greatest extent possible to build fund balance. Salary savings may be used for expenses upon City Manager approval if within the same fund/department. Salary savings may be used for expenses between funds/departments upon Council approval within the last three months of the fiscal year.
14. Total fund appropriation changes must be approved by the Council. These changes must also comply with the city's Alternative Expenditure Limitation in accordance with Article IX, Section 20, Constitution of Arizona and A.R.S. § 41-563 where final budget adoption sets the maximum allowable appropriation for the upcoming fiscal year.
 - a. Council must approve use of any fund's contingency appropriation.
 - b. The City Manager may authorize a transfer of unencumbered appropriation balance within an individual city office, department or agency at any time during the fiscal year.
 - c. Council must approve any inter-departmental appropriation transfers during the last three months of the fiscal year.
 - d. Council must approve any inter-fund cash and appropriation transfers (i.e., transfers between funds) during the last three months of the fiscal year.
 - e. Procedures for requesting Council approval of appropriation transfers and delegation of budget responsibility will be set by the City Manager.

- f. If a budget appropriation is restricted to the last three months of the fiscal year for a necessary expenditure in the first nine months of a fiscal year, staff will seek approval from Council to exceed budget appropriation with a corresponding transfer in the last three months of the fiscal year. In order to maintain budgetary control, staff may seek Council approval to reduce budgetary appropriation, throughout the fiscal year, in order to ensure adequate funding exists to process the transfer within the last three months of the fiscal year.
 - g. For restricted fund transfers, the Council shall be provided with a) justification that such transfers are consistent with restricted fund purposes, b) assurance that the transfer has been legally reviewed by the City Attorney, and c) assurance that the transfer meets the restrictions set out in this transfer policy.
 - h. There may be emergency situations where a transfer is required before it is possible to obtain formal Council approval. In such cases, the Finance and Technology Department will advise the City Manager of the emergency condition and request approval. Upon approval, the Finance and Technology Department will seek Council ratification at the first possible Council meeting.
- 15. The replacement of General Fund capital equipment and related support for technology, vehicles and telephonic equipment [except cell phones] will be accomplished through the use of a “rental rate structure” that is revised annually as part of the annual budget process.
 - a. Any equipment purchased with grant funding will be considered for ongoing replacement and ongoing replacement premium funding only if specifically authorized by the City Manager and noted in the budget submittal.
 - b. The ongoing replacement costs for new technology and new vehicle purchases will be incorporated into the upcoming fiscal year’s rental rate structure regardless of whether they are initially purchased through a lease or pay-as-you-go funding.
 - c. Replacements will be based on equipment lifecycle analyses by the Public Works Department for City vehicles, or the Finance and Technology Department for technology and telephonic systems.
- 16. The City Council supports economic development objectives that support the creation and retention of quality jobs (25% greater than the median average wage in Maricopa County), add revenue, and enhance the quality of life in Glendale. City Council will consider incentives when the circumstances of the economic development opportunity warrant them necessary and appropriate for the opportunity and in the best interest of the City.

EXPENDITURE CONTROL

Management will ensure compliance with the City Council adopted budget.

1. Expenditures will be controlled by an annual appropriated budget. Council will establish appropriations through the budget process. Council may transfer these appropriations as necessary through the budget amendment process as previously described.
2. The purchasing system will provide commodities and services in a timely manner to avoid interruptions in the delivery of services. All purchases will be made in accordance with the procurement code, purchasing policies, guidelines and procedures and applicable state and federal laws. The city may join various cooperative purchasing agreements to obtain supplies, equipment and services at the best value.
3. A system of internal controls and procedures using best practices will be maintained for the procurement and payment processes.
4. The State of Arizona sets a limit on the expenditures of local jurisdictions. Compliance with these expenditure limitations is required. The city will submit an audited expenditure limitation report as defined by the Uniform Expenditure Reporting System (A.R.S. Section 41-1279.07) along with audited financial statements to the State Auditor General within the required timeframe.

CAPITAL ASSET AND DEBT MANAGEMENT

Long term debt is used to finance capital projects with long useful lives. Financing capital projects with debt provides for an “intergenerational equity” because the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the costs of the asset.

The city will not give or loan its credit in aid of, nor make any donation, grant, or payment of any public funds, by subsidy or otherwise, to any individual, association, or corporation, except where there is a clearly identified public purpose and the city either receives direct consideration substantially equal to its expenditure or provides direct assistance to those in need.

Long-term debt will not be used to fund current operations or smaller projects that can be financed from current revenues or resources.

1. A 10-year Capital Improvement Plan (CIP) will be updated annually as part of the budget process. It will include projected life cycle costing. Only the first year of the plan will be appropriated. The remainder will be projections to be addressed in subsequent years.
 - a. Life cycle costing is a method of calculating the total cost of a physical asset throughout its life. It is concerned with all costs of ownership and takes into

account all of the costs incurred by an asset from its acquisition to its disposal, including design, installation, operating, and maintenance costs.

2. The 10-year CIP will address capital needs in the following order:
 - a. to improve existing assets;
 - b. to replace existing assets;
 - c. to construct new assets.
3. All projects will be evaluated annually by a multi-departmental team regarding
 - a. accuracy of the projected costs;
 - b. consistency with the General Plan and Council policy goals;
 - c. long-range master plans;
 - d. ability to finance initial capital costs;
 - e. ability to finance life cycle costs;
 - f. ability to cover the associated additional ongoing operating costs.
4. All projects funded with general obligation bonds will be undertaken only with voter approval as required through a bond election.
 - a. General Obligation debt is supported by secondary property tax revenues. The secondary property tax revenues assessed are based upon the ability to finance the City's debt service obligations and the rate is dependent upon the revenue requirements and the assessed valuation of taxable property. At a minimum, the general obligation debt service fund balance will be at least 10% of the next fiscal year's property tax supported debt service.
5. Non-voter approved debt supported by General Fund revenues such as Municipal Property Corporation (MPC) bonds, excise tax bonds, and lease obligations will be used only when a dedicated ongoing revenue source is identified to pay the associated debt service obligations. This type of debt service will not exceed 10% of the 5-year average of the General Fund's operating revenue available to support the debt service obligations.
 - a. For FY15-16, debt service is 11.75% of the FY15-16 General Fund operating revenue as defined above.
6. For non-voter approved debt, the following considerations will be made prior to the pledging of projected revenues for the ongoing payment of associated ongoing debt service obligations:
 - a. The project requires ongoing revenue not available from other sources.
 - b. Matching monies are available that may be lost if not applied for in a timely manner.
 - c. Catastrophic conditions.

7. Short-term borrowing or lease/purchase contracts should be considered for financing major operating capital equipment only when:
 - a. The repayment term does not exceed the expected useful life of the equipment to be purchased;
 - b. An ongoing revenue source is identified to pay the annual debt service; and
 - c. The Finance and Technology Director, along with the city's financial advisors, determine that this is in the city's best financial interest.
8. These policies are in addition to the policies incorporated in the Debt Management Plan.

FUND RESERVES AND STRUCTURE

Fund balance is an important indicator of the City's financial position. Adequate fund balances are maintained to allow the City to continue to providing services to the community in case of economic downturns and/or unexpected emergencies or requirements. To ensure the continuance of sound financial management of public resources, committed, assigned, or unassigned General Fund, fund balance will be maintained to provide resources to address emergencies, sudden loss of revenue, or unexpected downturns in the economy. Use of fund balances will be limited to address unanticipated, non-recurring needs and planned future one-time or non-recurring obligations. Unassigned balances may, however, be used to allow time to restructure operations and must be approved by the City Council.

1. The minimum unrestricted (*the total amount of the committed, assigned, and unassigned*) fund balance in the General Fund shall total 25% of projected annual ongoing revenues. For the other major governmental operating funds, the total minimum restricted fund balance shall be 10% of projected revenues.
 - a. If a situation arises where fund balance at the end of the current fiscal year is less than the Council approved fund balance level, the deficiency should be replenished in the coming fiscal years, not to exceed a total of five consecutive years.
 - b. Inclusive in the 25% General Fund unrestricted fund balance, an assigned Budget Stabilization Reserve will be maintained at 10% of the General Fund operating revenues to be used in the event of unexpected revenue shortfalls if needed, and to be adjusted at year end.
 - c. Inclusive in the 25% General Fund unrestricted fund balance, an assigned Operating Reserve will begin to be established in FY14-15 for amounts over the General Fund Budget Stabilization Reserve and which will increase incrementally each year until it reaches at least 15% of the General Fund operating revenues by FY19-20, which is the ensuing five fiscal years. Any usage of this reserve must be approved by the majority of the City Council, and the City shall strive to replenish the Operating Reserve the following fiscal year. Examples of potential usage would be to provide funding to deal

with fluctuations in fiscal cycles and Council approved operating requirements.

- d. The City Manager may establish additional assigned fund balance reserves for certain anticipated obligations or other purposes.
2. Any balance in excess of the fund balance reserves may be used to support one-time expenditures. Council approval is required to use these funds to supplement "pay as you go" capital outlay, one-time operating expenditures, or to prepay existing debt.
3. The fund balance for the various Trust Funds will be based on annual actuarial reports and the target funding level must be at the 75% confidence funding level.
4. Separate fund balance operating reserves may be required by bond issuance documents for those funds with outstanding bonded debt. These requirements will not be viewed as additional fund balance needs unless they are greater than those established by these goals.

Section 2

Schedule One

Fund Balance Analysis

SCHEDULE ONE

FY2016 Fund Balance Analysis

		Beginning Fund Balance	Projected Revenues	Transfer In	Transfer Out	Operations	Capital Outlay	Debt Service	Contingency	Total Appropriation	Ending Fund Balance
General Fund											
1000	General	\$26,821,078	\$202,743,071	\$24,144,445	(\$21,817,014)	(\$194,114,097)	(\$2,540,398)	\$0	(\$5,000,000)	(\$201,654,495)	\$30,237,085
1120	Vehicle Replacement	\$5,943,646	\$256,000	\$0	\$0	(\$4,500,000)	\$0	\$0	\$0	(\$4,500,000)	\$1,699,646
Sub-Total General Fund		\$32,764,724	\$202,999,071	\$24,144,445	(\$21,817,014)	(\$198,614,097)	(\$2,540,398)	\$0	(\$5,000,000)	(\$206,154,495)	\$31,936,731
Special Revenue Funds											
1200	Utility Bill Donation	\$82,973	\$155,400	\$0	\$0	(\$200,000)	\$0	\$0	\$0	(\$200,000)	\$38,373
1220	Arts Commission Fund	\$870,461	\$281,112	\$0	\$0	(\$188,226)	(\$200,000)	\$0	\$0	(\$388,226)	\$763,347
1240	Court Security/Bonds	\$167,424	\$729,595	\$0	\$0	(\$539,755)	\$0	\$0	\$0	(\$539,755)	\$357,264
1300	Home Grant	\$0	\$1,674,204	\$0	\$0	(\$1,674,204)	\$0	\$0	\$0	(\$1,674,204)	\$0
1310	Neighborhood Stabilization Pgm	\$0	\$926,259	\$0	\$0	(\$926,259)	\$0	\$0	\$0	(\$926,259)	\$0
1311	N'hood Stabilization Pgm III	\$0	\$1,100,000	\$0	\$0	(\$1,100,000)	\$0	\$0	\$0	(\$1,100,000)	\$0
1320	C.D.B.G.	\$0	\$3,637,151	\$0	\$0	(\$3,637,151)	\$0	\$0	\$0	(\$3,637,151)	\$0
1340	Highway User Gas Tax	\$23,058,009	\$14,169,119	\$0	(\$21,609,851)	(\$9,357,635)	\$0	\$0	(\$650,000)	(\$10,007,635)	\$5,609,642
1650	Transportation Grants	\$0	\$19,134,936	\$0	\$0	(\$1,000,000)	(\$18,134,936)	\$0	\$0	(\$19,134,936)	\$0
1660	Transportation Sales Tax	\$28,133,304	\$24,470,223	\$900,000	(\$32,795,441)	(\$13,512,235)	\$0	\$0	\$0	(\$13,512,235)	\$7,195,851
1700	Police Special Revenue	\$7,427,075	\$15,045,955	\$0	(\$16,305,055)	\$0	\$0	\$0	\$0	\$0	\$6,167,975
1720	Fire Special Revenue	\$465,000	\$7,576,332	\$0	(\$7,839,390)	\$0	\$0	\$0	\$0	\$0	\$201,942
1760	Airport Special Revenue	\$0	\$545,779	\$92,868	\$0	(\$638,647)	\$0	\$0	\$0	(\$638,647)	\$0
1820	CAP Grant	\$0	\$1,302,025	\$25,794	\$0	(\$1,303,723)	\$0	\$0	\$0	(\$1,303,723)	\$24,096
1830	Emergency Shelter Grants	\$0	\$208,992	\$0	\$0	(\$208,992)	\$0	\$0	\$0	(\$208,992)	\$0
1840	Grants	\$0	\$16,776,589	\$0	\$0	(\$6,579,040)	\$0	\$0	(\$10,197,549)	(\$16,776,589)	\$0
1860	RICO Funds	\$1,703,162	\$1,015,000	\$0	\$0	(\$2,481,886)	\$0	\$0	\$0	(\$2,481,886)	\$236,276
1880	Parks & Recreation Self Sust	\$154,552	\$1,094,167	\$0	\$0	(\$1,162,922)	\$0	\$0	\$0	(\$1,162,922)	\$85,797
1885	Parks & Recreation Designated	\$124,619	\$9,300	\$0	\$0	(\$81,818)	\$0	\$0	\$0	(\$81,818)	\$52,101
2120	Airport Capital Grants	\$0	\$4,838,303	\$0	\$0	\$0	(\$4,838,303)	\$0	\$0	(\$4,838,303)	\$0
2530	Training Facility Revenue Fund	\$129,983	\$1,624,992	\$0	\$0	(\$1,624,992)	\$0	\$0	\$0	(\$1,624,992)	\$129,983
Sub-Total Special Revenue Fund		\$62,316,563	\$116,315,433	\$1,018,662	(\$78,549,737)	(\$46,217,485)	(\$23,173,239)	\$0	(\$10,847,549)	(\$80,238,273)	\$20,862,648
Debt Service Funds											
1900	G.O. Bond Debt Service	\$9,447,867	\$19,841,880	\$209,713	\$0	\$0	\$0	(\$24,337,128)	\$0	(\$24,337,128)	\$5,162,332
1920	HURF Debt Service	\$34,956	\$0	\$1,975,800	\$0	\$0	\$0	(\$1,975,800)	\$0	(\$1,975,800)	\$34,956
1930	PFC Debt Service	\$98,159	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,159
1940	M.P.C. Debt Service	\$7,049,167	\$0	\$14,287,862	\$0	\$0	\$0	(\$18,737,313)	\$0	(\$18,737,313)	\$2,599,716
1950	Excise Tax Deb Service	\$6,585	\$0	\$5,600,000	\$0	\$0	\$0	(\$5,575,770)	\$0	(\$5,575,770)	\$30,815
1970	Transportation Debt Service	\$6,476	\$0	\$7,147,999	\$0	\$0	\$0	(\$7,147,999)	\$0	(\$7,147,999)	\$6,476
Sub-Total Debt Service Funds		\$16,643,210	\$19,841,880	\$29,221,374	\$0	\$0	\$0	(\$57,774,010)	\$0	(\$57,774,010)	\$7,932,454

SCHEDULE ONE

FY2016 Fund Balance Analysis

	Beginning Fund Balance	Projected Revenues	Transfer In	Transfer Out	Operations	Capital Outlay	Debt Service	Contingency	Total Appropriation	Ending Fund Balance
Capital Project Funds										
1380 DIF Library Bld	\$1,753,687	\$6,333	\$0	\$0	\$0	\$0	\$0	(\$1,760,020)	(\$1,760,020)	\$0
1421+ DIF-Fire Protection Facilities	\$803,992	\$2,000	\$0	\$0	\$0	\$0	\$0	(\$805,992)	(\$805,992)	(\$0)
1441+ DIF-Police Facilities	\$1,631,826	\$6,403	\$0	\$0	\$0	\$0	\$0	(\$1,638,229)	(\$1,638,229)	\$0
1461+ DIF-Citywide Parks	\$331,395	\$40,318	\$0	\$0	\$0	\$0	\$0	(\$371,713)	(\$371,713)	\$0
1481+ DIF-Citywide Recreation Fac	\$1,298,338	\$5,356	\$0	(\$209,713)	\$0	\$0	\$0	(\$1,093,981)	(\$1,093,981)	(\$0)
1501+ DIF-Libraries	\$2,926,325	\$12,290	\$0	\$0	\$0	(\$1,064,630)	\$0	(\$1,873,985)	(\$2,938,615)	\$0
1520 DIF-Citywide Open Spaces	\$503,021	\$2,000	\$0	\$0	\$0	\$0	\$0	(\$505,021)	(\$505,021)	(\$0)
1541+ DIF-Parks Dev Zone 1	\$235,535	\$700	\$0	\$0	\$0	(\$114,000)	\$0	(\$122,235)	(\$236,235)	(\$0)
1561+ DIF-Parks Dev Zone 2	\$178,163	\$1,123	\$0	\$0	\$0	(\$163,497)	\$0	(\$15,789)	(\$179,286)	\$0
1581+ DIF-Parks Dev Zone 3	\$84,732	\$383	\$0	\$0	\$0	(\$33,000)	\$0	(\$52,115)	(\$85,115)	\$0
1601+ DIF-Roadway Improvements	\$4,055,891	\$11,800	\$0	\$0	\$0	(\$925,555)	\$0	(\$3,142,136)	(\$4,067,691)	(\$0)
1620 DIF-General Government	\$161,323	\$667	\$0	\$0	\$0	\$0	\$0	(\$161,990)	(\$161,990)	\$0
1980 Streets Constr. - 1999 Auth	\$2,698,299	\$1,500	\$0	\$0	\$0	(\$2,655,486)	\$0	(\$44,313)	(\$2,699,799)	(\$0)
2000 Hurf Street Bonds	\$18,827	\$1,500	\$20,634,051	\$0	\$0	(\$20,654,378)	\$0	\$0	(\$20,654,378)	(\$0)
2040 Public Safety Construction	\$1,929,386	\$200	\$0	\$0	(\$855)	(\$1,928,731)	\$0	\$0	(\$1,929,586)	\$0
2060 Parks Construction	\$83	\$0	\$0	\$0	(\$83)	\$0	\$0	\$0	(\$83)	\$0
2070 General Gov Capital Projects	\$2,234,438	\$0	\$0	\$0	\$0	(\$2,234,438)	\$0	\$0	(\$2,234,438)	\$0
2180 Flood Control Construction	\$2,553,401	\$200	\$0	\$0	(\$2,415)	(\$1,677,743)	\$0	(\$873,443)	(\$2,553,601)	\$0
2210 Transportation Capital Project	\$0	\$0	\$24,647,442	\$0	\$0	(\$24,647,442)	\$0	\$0	(\$24,647,442)	\$0
Sub-Total Capital Fund	\$23,398,662	\$92,773	\$45,281,493	(\$209,713)	(\$3,353)	(\$56,098,900)	\$0	(\$12,460,962)	(\$68,563,215)	(\$0)
Permanent Funds										
2280 Cemetery Perpetual Care	\$5,647,617	\$22,000	\$0	\$0	\$0	\$0	\$0	(\$5,669,617)	(\$5,669,617)	\$0
Sub-Total Permanent Funds	\$5,647,617	\$22,000	\$0	\$0	\$0	\$0	\$0	(\$5,669,617)	(\$5,669,617)	\$0
Enterprise Funds										
2360+ Water and Sewer	\$71,653,215	\$81,199,487	\$225,000	\$0	(\$50,670,513)	(\$28,922,685)	(\$20,158,683)	(\$8,637,424)	(\$108,389,305)	\$44,688,397
2440 Landfill	\$11,027,537	\$10,796,290	\$315,000	\$0	(\$9,578,913)	(\$11,138,288)	\$0	(\$600,000)	(\$21,317,201)	\$821,626
2480 Sanitation	\$2,454,021	\$14,953,000	\$60,000	\$0	(\$13,467,271)	(\$3,455,446)	\$0	(\$200,000)	(\$17,122,717)	\$344,304
2500 Pub Housing Budget Activities	\$2,400,000	\$15,494,940	\$310,490	\$0	(\$15,891,384)	\$0	\$0	\$0	(\$15,891,384)	\$2,314,046
Sub-Total Enterprise Funds	\$87,534,773	\$122,443,717	\$910,490	\$0	(\$89,608,081)	(\$43,516,419)	(\$20,158,683)	(\$9,437,424)	(\$162,720,607)	\$48,168,373
Internal Service Funds										
2540 Risk Management Self Insurance	\$1,776,276	\$3,032,950	\$0	\$0	(\$2,934,598)	\$0	\$0	(\$1,400,000)	(\$4,334,598)	\$474,628
2560 Workers Comp. Self Insurance	\$7,025,499	\$2,335,777	\$0	\$0	(\$2,201,956)	\$0	\$0	\$0	(\$2,201,956)	\$7,159,320
2580 Benefits Trust Fund	\$210,992	\$25,239,376	\$0	\$0	(\$25,450,368)	\$0	\$0	\$0	(\$25,450,368)	\$0
2590 Fleet Services	\$24,979	\$9,000,000	\$0	\$0	(\$9,007,510)	\$0	\$0	\$0	(\$9,007,510)	\$17,469
2591 Technology	\$200,187	\$6,655,283	\$0	\$0	(\$6,650,551)	\$0	\$0	\$0	(\$6,650,551)	\$204,919
2592 Technology Projects	\$0	\$3,234,800	\$0	\$0	(\$3,234,800)	\$0	\$0	\$0	(\$3,234,800)	\$0
Sub-Total Internal Service Funds	\$9,237,933	\$49,498,186	\$0	\$0	(\$49,479,783)	\$0	\$0	(\$1,400,000)	(\$50,879,783)	\$7,856,336
TOTAL	\$237,543,482	\$511,213,060	\$100,576,464	(\$100,576,464)	(\$383,922,799)	(\$125,328,956)	(\$77,932,693)	(\$44,815,552)	(\$632,000,000)	\$116,756,542

Section 3

Auditor General Schedules (A thru G)

CITY OF GLENDALE
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2016

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2015	ACTUAL EXPENDITURES/ EXPENSES** 2015	FUND BALANCE/ NET POSITION*** July 1, 2015**	PROPERTY TAX REVENUES 2016	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2016	OTHER FINANCING 2016		INTERFUND TRANSFERS 2016		TOTAL FINANCIAL RESOURCES AVAILABLE 2016	BUDGETED EXPENDITURES/ EXPENSES 2016
						SOURCES	<USES>	IN	<OUT>		
1 General Fund	\$ 223,816,035	\$ 210,570,704	\$ 32,764,724	Primary: \$ 5,529,882	\$ 197,469,189	\$	\$	\$ 24,144,445	\$ 21,817,014	\$ 238,091,226	\$ 206,154,495
2 Special Revenue Funds	71,006,735	50,196,630	62,316,563		116,315,433			1,018,662	78,549,737	101,100,921	80,238,273
3 Debt Service Funds Available	66,840,371	65,046,956	16,643,210	Secondary: 19,268,783	573,097			29,221,374		65,706,464	57,774,010
4 Less: Amounts for Future Debt Retirement								-			
5 Total Debt Service Funds	66,840,371	65,046,956	16,643,210	19,268,783	573,097			29,221,374		65,706,464	57,774,010
6 Capital Projects Funds	74,948,943	7,297,897	23,398,662		92,773			45,281,493	209,713	68,563,215	68,563,215
7 Permanent Funds	5,655,870		5,647,617		22,000					5,669,617	5,669,617
8 Enterprise Funds Available	170,832,088	123,283,544	87,534,773		122,443,717			910,490		210,888,980	162,720,607
9 Less: Amounts for Future Debt Retirement								-			
10 Total Enterprise Funds	170,832,088	123,283,544	87,534,773		122,443,717			910,490		210,888,980	162,720,607
11 Internal Service Funds	28,899,958	28,899,958	9,237,933		49,498,186					58,736,119	50,879,783
12 TOTAL ALL FUNDS	\$ 642,000,000	\$ 485,295,689	\$ 237,543,482	\$ 24,798,665	\$ 486,414,395	\$	\$	\$ 100,576,464	\$ 100,576,464	\$ 748,756,542	\$ 632,000,000

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

2015	2016
\$ 642,000,000	\$ 632,000,000
642,000,000	632,000,000
\$ 642,000,000	\$ 632,000,000
\$ 528,312,730	\$ 542,088,977

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

CITY OF GLENDALE
Tax Levy and Tax Rate Information
Fiscal Year 2016

	2015	2016
1. Maximum allowable primary property tax levy. A.R.S.	\$ <u>5,364,136</u>	\$ <u>5,529,882</u>
2. Amount received from primary property taxation in	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>5,364,136</u>	\$ <u>5,529,882</u>
B. Secondary property taxes	<u>19,065,274</u>	<u>19,268,783</u>
C. Total property tax levy amounts	\$ <u>24,429,410</u>	\$ <u>24,798,665</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>5,324,339</u>	
(2) Prior years' levies	<u>39,797</u>	
(3) Total primary property taxes	\$ <u>5,364,136</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>18,951,838</u>	
(2) Prior years' levies	<u>113,436</u>	
(3) Total secondary property taxes	\$ <u>19,065,274</u>	
C. Total property taxes collected	\$ <u>24,429,410</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.4896</u>	<u>0.4898</u>
(2) Secondary property tax rate	<u>1.6605</u>	<u>1.7067</u>
(3) Total city/town tax rate	<u>2.1501</u>	<u>2.1965</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating _____ special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus

CITY OF GLENDALE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
GENERAL FUNDS			
Local taxes			
City Sales Tax	\$ 96,060,623	\$ 96,060,623	\$ 98,695,608
Arena Fees	440,826	440,826	749,618
Licenses and permits			
Gas/Electric Franchise Fees	2,733,977	\$ 2,733,977	\$ 2,828,000
Cable Franchise Fees	1,572,061	1,572,061	1,572,061
Building Permits	1,106,000	1,106,000	1,124,802
Fire Department Other Fees	873,968	873,968	995,600
Sales Tax Licenses	660,542	660,542	665,564
Right-of-Way Permits	345,000	255,000	331,000
Fire Dept CD Fees	318,643	318,643	355,220
Liquor Licenses	201,400	201,400	182,700
Planning/Zoning	180,000	180,000	235,300
Bus./Prof. Licenses	110,770	110,770	110,770
Miscellaneous CD Fees	110,000	110,000	142,881
Business Licenses	80,560	80,560	80,560
Arena Fees	71,794	71,794	182,828
Engineering Plan Check Revenue	9,000	9,000	9,000
Plan Check Fees	4,000	4,000	4,068
Intergovernmental			
State Income Tax	\$ 27,444,369	\$ 27,444,369	\$ 27,297,178
State Shared Sales Tax	20,486,143	20,486,143	21,659,358
Motor Vehicle In-Lieu	8,016,651	8,016,651	8,960,744
Partner Revenue	-	-	-
Arena Fees	211,676	211,676	350,000
Miscellaneous	132,250	132,250	103,020
Charges for services			
Internal Charges	\$ 10,412,222	\$ 10,412,222	\$ -
Staff & Adm Chargebacks	9,700,000	9,700,000	9,700,000
Arena Fees	6,129,615	6,129,615	5,773,830
Facility Rental Income	1,921,310	1,921,310	1,858,164
Recreation Revenue	1,355,120	1,355,120	1,400,408
Partner Revenue	-	-	-
Security Revenue	733,203	733,203	740,535
Plan Check Fees	700,000	700,000	711,900
Miscellaneous	488,509	488,509	485,985
Fire Department Other Fees	439,695	439,695	484,805
Right-of-Way Permits	310,000	200,000	250,000
City Property Rental	303,120	320,646	329,527
Engineering Plan Check Revenue	155,191	155,191	130,191
Health Care Revenue	61,250	61,250	61,863
Court Revenue	61,000	56,000	56,000
Camelback Ranch Rev - Fire	53,000	53,000	53,530
Traffic Engineering Plan Check	30,210	30,210	30,660
Equipment Rental	25,000	25,000	25,250

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF GLENDALE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
Fines and forfeits			
Court Revenue	\$ 3,041,705	\$ 3,406,077	\$ 2,707,580
Miscellaneous	250,100	250,250	252,750
Library Fines/Fees	122,000	122,000	131,844
Interest on investments			
Interest	\$ 265,414	\$ 265,387	\$ 402,080
Contributions			
SRP In-Lieu	\$ 278,315	\$ 278,315	\$ 278,315
Miscellaneous			
Miscellaneous	\$ 2,329,885	\$ 2,329,885	\$ 2,827,481
Fire Department Other Fees	987,785	987,785	987,785
City Property Rental	342,768	322,256	350,180
Lease Proceeds	210,200	210,200	404,000
Cemetery Revenue	185,000	185,000	185,000
Library Fines/Fees	131,000	131,000	133,646
Other	75,500	75,500	80,000
Total General Fund	\$ 202,268,370	\$ 202,424,879	\$ 197,469,189
SPECIAL REVENUE FUNDS			
Community Services Funds			
Recreation Revenue	\$ 976,861	\$ 976,861	\$ 1,002,667
Facility Rental Income	115,000	115,000	100,500
Interest	300	300	300
Miscellaneous	-	-	-
	\$ 1,092,161	\$ 1,092,161	\$ 1,103,467
Human Services Grants			
Grants	\$ 8,946,755	\$ 8,835,261	\$ 7,853,601
Miscellaneous	646,067	646,067	995,030
	\$ 9,592,822	\$ 9,481,328	\$ 8,848,631
Other Grants			
Grants	\$ 15,992,136	\$ 15,992,136	\$ 16,267,162
Miscellaneous	-	-	509,427
	\$ 15,992,136	\$ 15,992,136	\$ 16,776,589
Public Safety Funds			
City Sales Tax	\$ 12,992,893	\$ 12,992,893	\$ 13,305,446
City Sales Tax - PS .4	8,906,707	8,906,707	9,316,841
State Forfeitures	1,000,000	1,000,000	1,000,000
Federal Forfeitures	15,000	15,000	15,000
	\$ 22,914,600	\$ 22,914,600	\$ 23,637,287

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF GLENDALE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
Transportation/HURF Funds			
City Sales Tax	\$ 23,432,936	\$ 24,322,500	\$ 24,206,223
Grants	17,741,847	329,819	15,532,681
Highway User Revenues	12,903,286	12,903,286	14,147,499
Miscellaneous	2,011,000	2,011,000	8,526,097
LTAF - Lottery	666,707	666,707	-
Airport Fees	467,925	467,925	481,860
Transit Revenue	128,807	128,807	124,000
Interest	80,000	143,000	140,000
	<u>\$ 57,432,508</u>	<u>\$ 40,973,044</u>	<u>\$ 63,158,360</u>
Charges for services			
Partner Revenue	\$ 1,172,308	\$ 1,172,308	\$ 1,285,654
	<u>\$ 1,172,308</u>	<u>\$ 1,172,308</u>	<u>\$ 1,285,654</u>
Intergovernmental			
Partner Revenue	\$ 315,392	\$ 315,392	\$ 339,338
Miscellaneous	-	-	30,250
	<u>\$ 315,392</u>	<u>\$ 315,392</u>	<u>\$ 369,588</u>
Fines and forfeits			
Court Revenue	\$ -	\$ -	\$ 698,497
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 698,497</u>
Interest on investments			
Interest	\$ -	\$ -	\$ 4,387
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,387</u>
Miscellaneous			
Miscellaneous	\$ -	\$ -	\$ 432,973
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,973</u>
Total Special Revenue Funds	<u>\$ 108,511,927</u>	<u>\$ 91,940,969</u>	<u>\$ 116,315,433</u>
DEBT SERVICE FUNDS			
Miscellaneous	\$ 633,413	\$ 633,413	\$ 573,097
SRP In-Lieu	-	-	-
	<u>\$ 633,413</u>	<u>\$ 633,413</u>	<u>\$ 573,097</u>
Total Debt Service Funds	<u>\$ 633,413</u>	<u>\$ 633,413</u>	<u>\$ 573,097</u>
CAPITAL PROJECTS FUNDS			
Development Impact Fee Funds			
Development Impact Fees	\$ 1,653,291	\$ 531,377	\$ 39,177
Interest	47,792	51,862	50,196
	<u>\$ 1,701,083</u>	<u>\$ 583,239</u>	<u>\$ 89,373</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF GLENDALE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
G.O. Bond Funds			
Interest	\$ 2,696	\$ 3,590	\$ 400
Miscellaneous	-	4,600	1,500
	\$ 2,696	\$ 8,190	\$ 1,900
Other Capital Funds			
Interest	\$ 21,406	\$ 1,464	\$ 1,500
	\$ 21,406	\$ 1,464	\$ 1,500
Total Capital Projects Funds	\$ 1,725,185	\$ 592,893	\$ 92,773
PERMANENT FUNDS			
Cemetery Perpetual Care			
Interest	\$ 20,000	\$ 24,410	\$ 22,000
	\$ 20,000	\$ 24,410	\$ 22,000
Total Permanent Funds	\$ 20,000	\$ 24,410	\$ 22,000
ENTERPRISE FUNDS			
Water/Sewer Funds			
Water Revenues	\$ 48,694,016	\$ 46,153,361	\$ 46,187,528
Sewer Revenue	33,051,526	32,570,000	32,733,679
Miscellaneous	1,022,203	1,445,633	1,310,080
Water Development Impact Fees	990,086	1,040,086	360,000
Sewer Development Impact Fees	125,000	153,515	235,000
Interest	120,000	220,185	220,200
Staff & Adm Chargebacks	82,000	82,000	82,000
City Property Rental	65,000	65,000	65,000
Facility Rental Income	6,000	6,000	6,000
	\$ 84,155,831	\$ 81,735,780	\$ 81,199,487
Landfill			
Tipping Fees	\$ 5,174,760	\$ 4,786,090	\$ 4,844,590
Recycling Sales	2,478,380	2,171,500	2,688,000
Internal Charges	2,204,800	2,646,000	2,570,000
Staff & Adm Chargebacks	525,000	431,000	431,000
Miscellaneous	489,703	464,960	113,700
Other	102,000	102,000	104,000
Interest	40,000	47,076	45,000
	\$ 11,014,643	\$ 10,648,626	\$ 10,796,290
Sanitation			
Residential Sanitation	\$ 10,630,000	\$ 10,630,000	\$ 10,630,000
Commercial Sanitation Frontload	3,400,000	3,400,000	3,400,000
Commercial Sanitation Rolloff	600,000	600,000	600,000
Miscellaneous	145,588	145,588	101,000
Internal Charges	115,000	115,000	115,000
Miscellaneous Bin Service	100,000	100,000	100,000
Interest	4,000	7,000	7,000
	\$ 14,994,588	\$ 14,997,588	\$ 14,953,000

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF GLENDALE
Revenues Other Than Property Taxes
Fiscal Year 2016

SOURCE OF REVENUES	ESTIMATED REVENUES 2015	ACTUAL REVENUES* 2015	ESTIMATED REVENUES 2016
Pub Housing Budget Activities			
Grants	\$ 15,522,294	\$ 15,522,294	\$ 15,494,940
	\$ 15,522,294	\$ 15,522,294	\$ 15,494,940
Total Enterprise Funds	\$ 125,687,356	\$ 122,904,288	\$ 122,443,717
INTERNAL SERVICE FUNDS			
Risk Management Self Insurance			
Internal Charges	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000
Security Revenue	24,750	24,750	24,750
Interest	8,200	8,200	8,200
	\$ 2,532,950	\$ 2,532,950	\$ 3,032,950
Workers Comp. Self Insurance			
Internal Charges	\$ 1,894,001	\$ 1,894,001	\$ 2,299,827
Security Revenue	24,750	24,750	24,750
Interest	11,200	11,200	11,200
	\$ 1,929,951	\$ 1,929,951	\$ 2,335,777
Benefits Trust Fund			
City Contributions	\$ 13,726,767	\$ 13,726,767	\$ 15,003,357
Employee Contributions	5,118,861	5,118,861	5,594,915
Retiree Contributions	4,154,143	4,154,143	4,540,477
Miscellaneous	90,000	90,000	98,370
Right-of-Way Permits	1,394	1,394	1,524
Interest	671	671	733
	\$ 23,091,836	\$ 23,091,836	\$ 25,239,376
Fleet Services			
Internal Charges	\$ -	\$ -	\$ 9,000,000
	\$ -	\$ -	\$ 9,000,000
Technology			
Internal Charges	\$ -	\$ -	\$ 6,652,283
Miscellaneous	-	-	3,000
	\$ -	\$ -	\$ 6,655,283
Technology Projects			
Internal Charges	\$ -	\$ -	\$ 3,234,800
	\$ -	\$ -	\$ 3,234,800
Total Internal Service Funds	\$ 27,554,737	\$ 27,554,737	\$ 49,498,186
TOTAL ALL FUNDS	\$ 466,400,988	\$ 446,075,589	\$ 486,414,395

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF GLENDALE
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2016

FUND	OTHER FINANCING 2016		INTERFUND TRANSFERS 2016	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
1000 - General	\$	\$	\$ 24,144,445	\$ 21,817,014
Total General Fund	\$ -	\$ -	\$ 24,144,445	\$ 21,817,014
SPECIAL REVENUE FUNDS				
1340 - Highway User Gas Tax	\$	\$	\$ -	\$ 21,609,851
1660 - Transportation Sales Tax			900,000	32,795,441
1700 - Police Special Revenue			-	16,305,055
1720 - Fire Special Revenue			-	7,839,390
1760 - Airport Special Revenue			92,868	-
1820 - CAP Grant			25,794	-
Total Special Revenue Funds	\$ -	\$ -	\$ 1,018,662	\$ 78,549,737
DEBT SERVICE FUNDS				
1900 - G.O. Bond Debt Service	\$	\$	\$ 209,713	\$ -
1920 - HURF Debt Service			1,975,800	-
1940 - M.P.C. Debt Service			14,287,862	-
1950 - Excise Tax Debt Service			5,600,000	-
1970 - Transportation Debt Service			7,147,999	-
Total Debt Service Funds	\$ -	\$ -	\$ 29,221,374	\$ -
CAPITAL PROJECTS FUNDS				
1481+ - DIF-Citywide Recreation Fac	\$	\$	\$ -	\$ 209,713
2000 - Hurf Street Bonds			20,634,051	-
2210 - Transportation Capital Project			24,647,442	-
Total Capital Projects Funds	\$ -	\$ -	\$ 45,281,493	\$ 209,713
PERMANENT FUNDS				
	\$	\$	\$	\$
Total Permanent Funds	\$ -	\$ -	\$ -	\$ -
ENTERPRISE FUNDS				
2360+ - Water and Sewer	\$	\$	\$ 225,000	\$ -
2440 - Landfill			315,000	-
2480 - Sanitation			60,000	-
2500 - Pub Housing Budget Activities			310,490	-
Total Enterprise Funds	\$ -	\$ -	\$ 910,490	\$ -
INTERNAL SERVICE FUNDS				
	\$	\$	\$	\$
Total Internal Service Funds	\$ -	\$ -	\$ -	\$ -
TOTAL ALL FUNDS	\$ 0	\$ 0	\$ 100,576,464	\$ 100,576,464

CITY OF GLENDALE
Expenditures/Expenses by Fund
Fiscal Year 2016

12828793 FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
GENERAL FUND				
City Attorney	\$ 2,881,214	\$	\$ 2,881,214	\$ 2,944,274
City Auditor	301,079		301,079	337,879
City Clerk	718,680		718,680	566,826
City Court	4,573,803		4,214,595	3,878,094
City Manager	872,264		872,264	917,044
Communications	3,287,119		3,287,119	3,474,896
Community Services	13,828,523		13,655,361	13,951,698
Council Districts&Of	1,066,101		1,066,101	930,478
Development Services	4,221,737		4,221,737	4,231,931
Economic Development	941,088	-	929,533	924,260
Finance & Technology	31,779,531	12,828,670	40,529,531	21,721,378
Fire Services	39,207,074	635,000	39,207,074	41,665,248
HR & Risk Mgt	1,736,121		1,736,121	1,776,967
Intergovt. Relations	477,640		477,640	512,016
Mayor's Office	281,127		281,127	391,288
Non-Departmental	1,485,704		1,485,704	10,026,202
Police Services	74,775,765	432,752	74,775,765	78,014,087
Public Works	22,292,453	1,999,302	19,930,059	14,889,929
Carryover Reserve		-	-	-
Contingency	5,330,000	(2,136,712)	-	5,000,000
Total General Fund	\$ 210,057,023	\$ 13,759,012	\$ 210,570,704	\$ 206,154,495
SPECIAL REVENUE FUNDS				
City Court	\$	\$	\$ -	\$ 539,755
Community Services	1,299,684		1,299,684	1,632,966
Community Services Grants	450,000		450,000	450,000
Fire Grants	5,001,610	(635,000)	4,366,610	5,158,123
Fire Services			-	787,230
Human Services Grants	9,555,459		9,554,071	8,850,329
Misc. Capital Grants	2,000,000	(191,260)	-	-
Misc. Grants	3,293,649		3,293,649	5,447,549
Non-Departmental			-	200,000
Police Grants	5,246,877	(432,752)	4,814,125	5,720,917
Police RICO	2,445,733		2,445,733	2,481,886
Police Services			-	359,377
Public Works	21,680,888		21,680,888	23,986,902
Public Works Grants	12,919,409	(250,000)	430,308	4,838,303
Transportation Grants	6,822,438		1,861,562	19,134,936
Contingency	1,800,000		-	650,000
Total Special Revenue Funds	\$ 72,515,747	\$ (1,509,012)	\$ 50,196,630	\$ 80,238,273

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF GLENDALE
Expenditures/Expenses by Fund
Fiscal Year 2016

12828793 FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
DEBT SERVICE FUNDS				
General Obligation	\$ 26,072,628	\$ -	\$ 26,072,628	\$ 24,337,128
Excise Tax Bonds		1,793,415	-	5,575,770
Highway User (HURF)	1,958,000		1,958,000	1,975,800
Municipal Property Corp	31,478,662	(1,793,415)	29,685,247	18,737,313
Transportation Obligation	7,331,081		7,331,081	7,147,999
Total Debt Service Funds	\$ 66,840,371	\$ -	\$ 65,046,956	\$ 57,774,010
CAPITAL PROJECTS FUNDS				
Community & Econ Dev	\$ -	\$ -	\$ -	\$ -
Community Services	1,275,876		91,228	1,390,127
Economic Development	726,528		-	2,530,400
Finance & Technology	3,818		3,818	3,353
Fire Services	2,101		-	-
Police Services	536,587		368,703	1,928,731
Public Works	66,242,740	(12,250,000)	6,834,148	50,249,642
Contingency	18,411,293		-	12,460,962
Total Capital Projects Funds	\$ 87,198,943	\$ (12,250,000)	\$ 7,297,897	\$ 68,563,215
PERMANENT FUNDS				
Contingency	\$ 5,655,870	\$ -	\$ -	\$ 5,669,617
Total Permanent Funds	\$ 5,655,870	\$ -	\$ -	\$ 5,669,617
ENTERPRISE FUNDS				
Development Services	136,798		136,798	140,647
Finance & Technology	2,904,338		2,904,338	3,029,403
Human Services Grants	15,884,596		15,884,596	15,891,384
Public Works	38,336,336		27,856,241	37,639,918
Water Services	82,591,655		51,023,206	76,423,148
Water Services Debt	25,478,365		25,478,365	20,158,683
Contingency	5,500,000		-	9,437,424
Total Enterprise Funds	\$ 170,832,088	\$ -	\$ 123,283,544	\$ 162,720,607
INTERNAL SERVICE FUNDS				
HR & Risk Mgt	\$ 28,899,958	\$ -	\$ 28,899,958	\$ 30,586,922
Finance & Technology			-	9,885,351
Public Works			-	9,007,510
Contingency			-	1,400,000
Total Internal Service Funds	\$ 28,899,958	\$ 0	\$ 28,899,958	\$ 50,879,783
TOTAL ALL FUNDS	\$ 642,000,000	\$ 0	\$ 485,295,689	\$ 632,000,000

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City of Glendale
Expenditures/Expenses by Department
Fiscal Year 2016**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
City Attorney				
1000 - General	\$ 2,881,214	\$	\$ 2,881,214	\$ 2,944,274
City Attorney Total	<u>\$ 2,881,214</u>	<u>\$ -</u>	<u>\$ 2,881,214</u>	<u>\$ 2,944,274</u>
City Auditor				
1000 - General	\$ 301,079	\$	\$ 301,079	\$ 337,879
City Auditor Total	<u>\$ 301,079</u>	<u>\$ -</u>	<u>\$ 301,079</u>	<u>\$ 337,879</u>
City Clerk				
1000 - General	\$ 718,680	\$	\$ 718,680	\$ 566,826
City Clerk Total	<u>\$ 718,680</u>	<u>\$ -</u>	<u>\$ 718,680</u>	<u>\$ 566,826</u>
City Court				
1000 - General	\$ 3,742,767	\$	\$ 3,742,767	\$ 3,878,094
1240 - Court Security/Bonds	531,036		471,828	539,755
City Court Total	<u>\$ 4,273,803</u>	<u>\$ -</u>	<u>\$ 4,214,595</u>	<u>\$ 4,417,849</u>
City Manager				
1000 - General	\$ 872,264	\$	\$ 872,264	\$ 917,044
City Manager Total	<u>\$ 872,264</u>	<u>\$ -</u>	<u>\$ 872,264</u>	<u>\$ 917,044</u>
Communications				
1000 - General	\$ 1,909,338	\$	\$ 1,909,338	\$ 3,474,896
1281 - Stadium Event Operations	13,494		13,494	-
1750 - City Sales Tax-Bed Tax	655,695		655,695	-
1870 - Marketing Self Sust	708,592		708,592	-
Communications Total	<u>\$ 3,287,119</u>	<u>\$ -</u>	<u>\$ 3,287,119</u>	<u>\$ 3,474,896</u>
Community Services				
1000 - General	\$ 12,727,793	\$	\$ 12,727,793	\$ 13,951,698
1220 - Arts Commission Fund	473,162		189,912	388,226
1260 - Library	120,000		120,000	-
1280 - Youth Sports Complex	233,000		233,000	-
1300 - Home Grant	1,625,895		1,625,895	1,674,204
1310 - Neighborhood Stabilization Pgm	1,320,000		1,320,000	926,259
1311 - N'hood Stabilization Pgm III	600,000		600,000	1,100,000
1320 - C.D.B.G.	4,549,500		4,358,200	3,637,151
1460 - DIF-Citywide Parks	234		-	-
1480 - DIF-Citywide Recreation Fac	234		-	-
1500 - DIF-Libraries	373,817		90,735	1,064,630
1520 - DIF-Citywide Open Spaces	351,822		-	-
1540 - DIF-Parks Dev Zone 1	121,056		-	114,000
1560 - DIF-Parks Dev Zone 2	132,863		-	163,497
1580 - DIF-Parks Dev Zone 3	42,929		-	33,000
1740 - Civic Center	574,568		574,568	-

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City of Glendale
Expenditures/Expenses by Department
Fiscal Year 2016**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
1820 - CAP Grant	1,299,684		1,299,684	1,303,723
1830 - Emergency Shelter Grants	208,992		208,992	208,992
1840 - Grants	450,000		450,000	450,000
1880 - Parks & Recreation Self Sust	1,135,704		1,135,704	1,162,922
1885 - Parks & Recreation Designated	115,368		115,368	81,818
2060 - Parks Construction	252,921		493	-
2500 - Pub Housing Budget Activities	15,884,596		15,884,596	15,891,384
Community Services Total	\$ 42,594,138	\$ -	\$ 40,934,940	\$ 42,151,504

Contingency

1000 - General	\$ 5,000,000	\$ (2,136,712)	\$ -	\$ 5,000,000
1010 - National Events	330,000		-	-
1340 - Highway User Gas Tax	600,000		-	650,000
1380 - DIF Library Bldg	1,755,130		-	1,760,020
1420 - DIF-Fire Protection Facilities	737,391		-	805,992
1440 - DIF-Police Facilities	1,719,834		-	1,638,229
1460 - DIF-Citywide Parks	380,559		-	371,713
1480 - DIF-Citywide Recreation Fac	720,885		-	1,093,981
1500 - DIF-Libraries	2,871,254		-	1,873,985
1520 - DIF-Citywide Open Spaces	151,036		-	505,021
1540 - DIF-Parks Dev Zone 1	73,178		-	122,235
1560 - DIF-Parks Dev Zone 2	50,941		-	15,789
1580 - DIF-Parks Dev Zone 3	67,280		-	52,115
1600 - DIF-Roadway Improvements	3,432,993		-	3,142,136
1620 - DIF-General Government	161,637		-	161,990
1660 - Transportation Sales Tax	1,200,000		-	-
1980 - Streets Constr. - 1999 Auth	504,582		-	44,313
2040 - Public Safety Construction	1,561,451		-	-
2060 - Parks Construction	18,747		-	-
2080 - Gov't Facilities - 1999 Auth	4,864		-	-
2100 - Economic Dev. Constr-1999 Auth	395,670		-	-
2130 - Cultural Facility Bond Fund	262,088		-	-
2140 - Open Space/Trails Constr-99 Au	587,700		-	-
2180 - Flood Control Construction	2,954,073		-	873,443
2280 - Cemetery Perpetual Care	5,655,870		-	5,669,617
2360+ - Water and Sewer	4,200,000		-	8,637,424
2440 - Landfill	600,000		-	600,000
2480 - Sanitation	700,000		-	200,000
2540 - Risk Management Self Insurance	-		-	1,400,000
Contingency Total	\$ 36,697,163	\$ (2,136,712)	\$ -	\$ 34,618,003

* Grant Contingency Allocated to Department

Council Districts&Of

1000 - General	\$ 1,066,101	\$ -	\$ 1,066,101	\$ 930,478
Council Districts&Of Total	\$ 1,066,101	\$ -	\$ 1,066,101	\$ 930,478

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City of Glendale
Expenditures/Expenses by Department
Fiscal Year 2016**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
Development Services				
1000 - General	\$ 4,103,318	\$	\$ 4,103,318	\$ 4,231,931
1010 - National Events	118,419		118,419	-
2360+ - Water and Sewer	136,798		136,798	-
Development Services Total	\$ 4,358,535	\$ -	\$ 4,358,535	\$ 4,231,931
Economic Development				
1000 - General	\$ 916,088	\$	\$ 904,533	\$ 924,260
1010 - National Events	25,000		25,000	-
2100 - Economic Dev. Constr-1999 Auth	726,528		-	-
Economic Development Total	\$ 1,667,616	\$ -	\$ 929,533	\$ 924,260
Finance & Technology				
1000 - General	\$ 8,409,473	\$ 12,250,000	\$ 17,659,473	\$ 21,721,378
1100 - Telephone Services	1,178,404		1,178,404	-
1140 - PC Replacement	4,174,223	578,670	4,174,223	-
1282 - Arena Event Operations	16,001,610		15,501,610	-
1790 - Stadium City Sales Tax - AZSTA	2,015,821		2,015,821	-
1900 - G.O. Bond Debt Service	26,072,628		26,072,628	24,337,128
1940 - M.P.C. Debt Service	31,478,662	(1,793,415)	29,685,247	18,737,313
2040 - Public Safety Construction	855		855	855
2060 - Parks Construction	83		83	83
2100 - Economic Dev. Constr-1999 Auth	465		465	-
2180 - Flood Control Construction	2,415		2,415	2,415
2360+ - Water and Sewer	2,904,338		2,904,338	3,029,403
2591 - Technology	-		-	6,650,551
2591 - Technology Projects	-		-	3,234,800
1950 - Excise Tax Debt Service	-	1,793,415	-	5,575,770
Finance & Technology Total	\$ 92,238,977	\$ 12,828,670	\$ 99,195,562	\$ 83,289,696
Fire Services				
1000 - General	\$ 37,365,811	\$ 635,000	\$ 37,365,811	\$ 41,665,248
1010 - National Events	392,000		392,000	-
1281 - Stadium Event Operations	362,138		362,138	-
1282 - Arena Event Operations	260,297		260,297	-
1283 - Camelback Ranch Event Operations	55,852		55,852	-
1420 - DIF-Fire Protection Facilities	2,101		-	-
1840 - Grants	5,001,610	(635,000)	4,366,610	5,158,123
2530 - Training Facility Revenue Fund	722,386		722,386	787,230
2538 - Glendale Health Center	48,590		48,590	-
Fire Services Total	\$ 44,210,785	\$ -	\$ 43,573,684	\$ 47,610,601

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City of Glendale
Expenditures/Expenses by Department
Fiscal Year 2016**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
HR & Risk Mgt				
1000 - General	\$ 1,716,121	\$	\$ 1,716,121	\$ 1,776,967
1190 - Employee Groups	20,000		20,000	-
2540 - Risk Management Self Insurance	4,000,000		4,000,000	2,934,598
2560 - Workers Comp. Self Insurance	1,608,000		1,608,000	2,201,956
2580 - Benefits Trust Fund	23,291,958		23,291,958	25,450,368
HR & Risk Mgt Total	\$ 30,636,079	\$ -	\$ 30,636,079	\$ 32,363,889
Intergovt. Programs/Relations				
1000 - General	\$ 477,640	\$	\$ 477,640	\$ 512,016
Intergovt. Programs/Relations Total	\$ 477,640	\$ -	\$ 477,640	\$ 512,016
Mayor's Office				
1000 - General	\$ 281,127	\$	\$ 281,127	\$ 391,288
Mayor's Office Total	\$ 281,127	\$ -	\$ 281,127	\$ 391,288
Misc. Grants & Misc Capital Grants				
1840 - Grants	\$ 5,293,649	\$ (441,260)	\$ 3,293,649	\$ 5,447,549
Misc. Grants & Misc Capital Grants Total	\$ 5,293,649	\$ (441,260)	\$ 3,293,649	\$ 5,447,549
Non-Departmental				
1000 - General	\$ 1,285,704	\$	\$ 1,285,704	\$ 10,026,202
1200 - Utility Bill Donation	200,000		200,000	200,000
Non-Departmental Total	\$ 1,485,704	\$ -	\$ 1,485,704	\$ 10,226,202
Police Services				
1000 - General	\$ 70,907,376	\$ 432,752	\$ 70,907,376	\$ 78,014,087
1010 - National Events	899,852		899,852	-
1281 - Stadium Event Operations	1,802,557		1,802,557	-
1282 - Arena Event Operations	832,035		832,035	-
1440 - DIF-Police Facilities	1,004		-	-
1840 - Grants	5,246,877	(432,752)	4,814,125	5,720,917
1860 - RICO Funds	2,445,733		2,445,733	2,481,886
2040 - Public Safety Construction	535,583		368,703	1,928,731
2530 - Training Facility Revenue Fund	333,945		333,945	359,377
Police Services Total	\$ 83,004,962	\$ -	\$ 82,404,326	\$ 88,504,998

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City of Glendale
Expenditures/Expenses by Department
Fiscal Year 2016**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2015	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2015	ACTUAL EXPENDITURES/ EXPENSES* 2015	BUDGETED EXPENDITURES/ EXPENSES 2016
Public Works				
1000 - General	\$ 7,936,691	\$ 1,403,552	\$ 7,445,529	\$ 10,389,929
1010 - National Events	325,000		325,000	-
1040 - General Services	9,175,021		8,320,615	-
1120 - Vehicle Replacement	2,452,791	250,000	2,452,791	4,500,000
1280 - Youth Sports Complex	50,000		50,000	-
1281 - Stadium Event Operations	864,738		864,738	-
1282 - Arena Event Operations	14,991		14,991	-
1283 - CamelbackRanch EventOperations	1,001,945	345,750	456,395	-
1340 - Highway User Gas Tax	8,471,957		8,471,957	9,357,635
1600 - DIF-Roadway Improvements	701,240		30,000	925,555
1620 - DIF-General Government	306		-	-
1650 - Transportation Grants	6,822,438		1,861,562	19,134,936
1660 - Transportation Sales Tax	12,485,025		12,013,749	13,512,235
1760 - Airport Special Revenue	723,906		723,906	638,647
1920 - HURF Debt Service	1,958,000		1,958,000	1,975,800
1970 - Transportation Debt Service	7,331,081		7,331,081	7,147,999
1980 - Streets Constr. - 1999 Auth	2,221,567		37,009	2,655,486
2000 - Hurf Street Bonds	18,675,000		683,136	20,654,378
2070 - General Gov Capital Projects	-		-	2,234,438
2080 - Gov't Facilities - 1999 Auth	64,175		8,034	-
2120 - Airport Capital Grants	12,919,409		430,308	4,838,303
2180 - Flood Control Construction	3,259,444		118,187	1,677,743
2210 - Transportation Capital Project	41,321,008	(12,250,000)	5,957,782	24,647,442
2440 - Landfill	21,017,810		11,986,429	20,717,201
2480 - Sanitation	17,318,526		15,869,812	16,922,717
2530 - Training Facility Revenue Fund	471,276		471,276	478,385
2590 - Fleet Services	-		-	9,007,510
Public Works Total	\$ 177,583,345	\$ (10,250,698)	\$ 87,882,287	\$ 171,416,339
Water Services				
2360+ - Water and Sewer	108,070,020		76,501,571	\$ 96,722,478
Water Services Total	\$ 108,070,020	\$ -	\$ 76,501,571	\$ 96,722,478
Carryover Reserve				
1000 - General	\$ -	\$ -	\$ -	\$ -
Carryover Reserve Total	\$ -	\$ -	\$ -	\$ -
TOTAL ALL DEPARTMENTS	\$ 642,000,000	\$ -	\$ 485,295,689	\$ 632,000,000

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF GLENDALE
Full-Time Employees and Personnel Compensation
Fiscal Year 2016

FUND	Full-Time Equivalent (FTE) 2016	Employee Salaries and Hourly Costs 2016	Retirement Costs 2016	Healthcare Costs 2016	Other Benefit Costs 2016	Total Estimated Personnel Compensation 2016
GENERAL FUND						
1000 - General	1,143.75	\$ 82,640,614	\$ 21,607,777	\$ 11,955,382	\$ 5,096,900	= \$ 121,300,673
Total General Fund	1,143.75	\$ 82,640,614	\$ 21,607,777	\$ 11,955,382	\$ 5,096,900	= \$ 121,300,673
SPECIAL REVENUE FUNDS						
1220 - Arts Commission Fund	1.00	\$ 66,750	\$ 7,656	\$ 5,981	\$ 5,107	= \$ 85,494
1240 - Court Security/Bonds	2.00	136,795	36,494	23,614	10,467	207,370
1320 - C.D.B.G.	8.75	507,148	58,171	102,298	38,803	706,420
1340 - Highway User Gas Tax	42.00	2,383,664	273,409	419,017	182,387	3,258,477
1660 - Transportation Sales Tax	50.25	2,652,114	304,199	520,980	202,940	3,680,233
1760 - Airport Special Revenue	6.00	330,174	37,870	46,277	25,263	439,584
1820 - CAP Grant	5.50	278,430	31,936	66,477	21,306	398,149
1840 - Grants	34.00	1,998,741	664,830	337,584	105,334	3,106,489
1860 - RICO Funds	1.00	43,561	4,997	13,737	3,333	65,628
1880 - Parks & Recreation Self Sust	5.00	217,038	24,894	35,325	16,610	293,867
2530 - Training Facility Revenue Fund	9.00	584,229	139,777	97,760	29,419	851,185
Total Special Revenue Funds	164.50	\$ 9,198,644	\$ 1,584,233	\$ 1,669,050	\$ 640,969	= \$ 13,092,896
DEBT SERVICE FUNDS						
Total Debt Service Funds	-	\$ -	\$ -	\$ -	\$ -	= \$ -
CAPITAL PROJECTS FUNDS						
Total Capital Projects Funds	-	\$ -	\$ -	\$ -	\$ -	= \$ -
PERMANENT FUNDS						
Total Permanent Funds	-	\$ -	\$ -	\$ -	\$ -	= \$ -
ENTERPRISE FUNDS						
2360+ - Water and Sewer	235.00	\$ 12,550,778	\$ 1,439,574	\$ 2,288,462	\$ 958,502	= \$ 17,237,316
2440 - Landfill	44.00	2,313,412	265,350	405,806	174,862	3,159,430
2480 - Sanitation	70.00	3,009,098	345,137	707,815	230,263	4,292,313
2500 - Pub Housing Budget Activities	24.00	1,209,385	138,717	238,852	92,538	1,679,492
Total Enterprise Funds	373.00	\$ 19,082,673	\$ 2,188,778	\$ 3,640,935	\$ 1,456,165	= \$ 26,368,551

CITY OF GLENDALE
Full-Time Employees and Personnel Compensation
Fiscal Year 2016

FUND	Full-Time Equivalent (FTE) 2016	Employee Salaries and Hourly Costs 2016	Retirement Costs 2016	Healthcare Costs 2016	Other Benefit Costs 2016	Total Estimated Personnel Compensation 2016
INTERNAL SERVICE FUNDS						
2540 - Risk Management Self Insurance	2.00	\$ 151,673	\$ 17,397	\$ 16,944	\$ 11,604	= \$ 197,618
2560 - Workers Comp. Self Insurance	1.00	68,890	7,902	13,708	5,271	95,771
2590 - Fleet Services	31.00	1,685,574	193,337	310,174	128,972	2,318,057
2591 - Technology	27.00	2,106,297	241,593	246,248	159,304	2,753,442
Total Internal Service Funds	61.00	\$ 4,012,434	\$ 460,229	\$ 587,074	\$ 305,151	= \$ 5,364,888
 TOTAL ALL FUNDS	 1,742.25	 \$ 114,934,365	 \$ 25,841,017	 \$ 17,852,441	 \$ 7,499,185	 = \$ 166,127,008