



POST ACTION AGENDA NOTICE

NOTICE OF THE EXECUTIVE AND REGULAR SESSIONS OF THE FOUNTAIN HILLS TOWN COUNCIL

Mayor Linda M. Kavanagh

Councilmember Dennis Brown
Councilmember Nick DePorter
Councilmember Cassie Hansen

Vice Mayor Henry Leger
Councilmember Alan Magazine
Councilmember Cecil A. Yates

TIME: 5:00 P.M. – EXECUTIVE SESSION
(Executive Session will be held in the Fountain Conference Room - 2nd floor)

6:30 P.M. – REGULAR SESSION

WHEN: THURSDAY, APRIL 7, 2016

WHERE: FOUNTAIN HILLS COUNCIL CHAMBERS
16705 E. AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, AZ

Councilmembers of the Town of Fountain Hills will attend either in person or by telephone conference call; a quorum of the Town's various Commission, Committee or Board members may be in attendance at the Council meeting.

Notice is hereby given that pursuant to A.R.S. § 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the Town Council are audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the Town Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. § 1-602.A.9 have been waived.

PROCEDURE FOR ADDRESSING THE COUNCIL

Anyone wishing to speak before the Council must fill out a speaker's card and submit it to the Town Clerk prior to Council discussion of that Agenda item. Speaker Cards are located in the Council Chamber Lobby and near the Clerk's position on the dais.

Speakers will be called in the order in which the speaker cards were received either by the Clerk or the Mayor. At that time, speakers should stand and approach the podium. Speakers are asked to state their name and whether or not they reside in Fountain Hills (*do not provide a home address*) prior to commenting and to direct their comments to the Presiding Officer and not to individual Councilmembers. Speakers' statements should not be repetitive. *If a speaker chooses not to speak when called, the speaker will be deemed to have waived his or her opportunity to speak on the matter. Speakers may not (i) reserve a portion of their time for a later time or (ii) transfer any portion of their time to another speaker.*

If there is a Public Hearing, please submit the speaker card to speak to that issue during the Public Hearing.

Individual speakers will be allowed **three** contiguous minutes to address the Council. Time limits may be waived by (i) *discretion of the Town Manager upon request by the speaker not less than 24 hours prior to a Meeting*, (ii) *consensus of the Council at Meeting* or (iii) *the Mayor either prior to or during a Meeting*. Please be respectful when making your comments. If you do not comply with these rules, you will be asked to leave.

EXECUTIVE SESSION AGENDA

- **CALL TO ORDER** – Mayor Linda M. Kavanagh **5:02 pm**
- 1. **ROLL CALL AND VOTE TO GO INTO EXECUTIVE SESSION:** Pursuant to: (1) A.R.S. § 38-431.03(A)(3), discussion or consultation for legal advice with the attorney or attorneys of the public body, and (2) A.R.S. § 38-431.03(A)(4), discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body’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 (*Specifically, Park Place Development Agreement*). **NO ACTION TAKEN**
- 2. **ADJOURNMENT. 6:20 PM**

REGULAR SESSION AGENDA

- **CALL TO ORDER AND PLEDGE OF ALLEGIANCE** – Mayor Linda M. Kavanagh **6:34 PM**
- **INVOCATION** – Pastor Tony Pierce, First Baptist Church
- **ROLL CALL** – Mayor Linda M. Kavanagh
- **MAYOR’S REPORT**
 - i) None.
- **SCHEDULED PUBLIC APPEARANCES/PRESENTATIONS**
 - i) Mayor Kavanagh may review RECENT EVENTS attended relating to Economic Development.

CALL TO THE PUBLIC

Pursuant to A.R.S. §38-431-01(H), public comment is permitted (not required) on matters not listed on the agenda. Any such comment (i) must be within the jurisdiction of the Council and (ii) is subject to reasonable time, place, and manner restrictions. The Council will not discuss or take legal action on matters raised during “Call to the Public” unless the matters are properly noticed for discussion and legal action. At the conclusion of the call to the public, individual Councilmembers may (i) respond to criticism, (ii) ask staff to review a matter or (iii) ask that the matter be placed on a future Council agenda.

CONSENT AGENDA ITEMS - APPROVED AS LISTED

All items listed on the Consent Agenda are considered to be routine, non-controversial matters and will be enacted by one motion and one roll call vote of the Council. All motions and subsequent approvals of consent items will include all recommended staff stipulations unless otherwise stated. There will be no separate discussion of these items unless a Councilmember or member of the public so requests. If a Councilmember or member of the public wishes to discuss an item on the consent agenda, he/she may request so prior to the motion to accept the Consent Agenda or with notification to the Town Manager or Mayor prior to the date of the meeting for which the item was scheduled. The items will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

1. **CONSIDERATION** of approving the TOWN COUNCIL MEETING MINUTES from March 8 and 17, 2016.

2. **CONSIDERATION** of approving a COOPERATIVE PURCHASE AGREEMENT with Red Hawk Solutions LLC for traffic signal improvements at the intersection of Palisades and Fountain Hills Boulevard, in an amount not to exceed \$118,181.97.
3. **CONSIDERATION** of COOPERATIVE PURCHASE AGREEMENT C2016-247 between M. R. Tanner Development and Construction, Inc. and the Town of Fountain Hills for McDowell Mountain Road repairs in an amount not to exceed \$75,897.82.
4. **CONSIDERATION** of a PROFESSIONAL SERVICES AGREEMENT with Heinfeld, Meech & Co., P.C. for financial auditing services in the amount of \$110,725.
5. **CONSIDERATION WITH POSSIBLE DIRECTION TO STAFF** to AUTHORIZE APPROVAL of the supplemental SRP Municipal Aesthetics Fund project: El Pueblo and Grande Conversion and 69 kV Pole Replacement.

REGULAR AGENDA ITEMS

6. **CONSIDERATION** of accepting a DONATION of a bronze sculpture titled “Aviator” with placement in Fountain Park. **APPROVED**
7. **DISCUSSION WITH POSSIBLE DIRECTION TO STAFF** regarding POLICY directing Salt River Project’s governance. *This item was added to the agenda at the request of Councilmember Brown with the support of Councilmembers DePorter and Yates.* **POSTPONED**
8. **CONSIDERATION** of an APPEAL OF THE ADMINISTRATIVE ISSUANCE of a Temporary Use Permit allowing the Copperwynd Resort to conduct Wedding Events and Receptions both inside the resort and on the outdoor event lawn after 10:00 PM. **TABLED TO 5/19/16 MEETING**
9. **PUBLIC HEARING** to receive comments on a SPECIAL USE PERMIT to allow Truck Rentals by Desert Dawg Auto Repair at 9521 Technology Drive, located in the “IND-2 IUPD” zoning district. (Case #SU 2016-15) **OPENED 7:58 PM; CLOSED 8:02 PM**
10. **CONSIDERATION** of a SPECIAL USE PERMIT to allow Truck Rentals by Desert Dawg Auto Repair at 9521 Technology Drive, located in the “IND-2 IUPD” zoning district. (Case #SU 2016-15) **APPROVED**
11. **CONSIDERATION** of COST SHARE AGREEMENT C2016-253, between the Town of Fountain Hills and Chaparral City Water, for the Fire Station No. 2 driveway improvements. **APPROVED**
12. **CONSIDERATION** of PROFESSIONAL SERVICES AGREEMENT C2016-250 with Hunt & Caraway Architects, LTD for the Fire Station No. 2 architectural services in the amount of \$315,197.20. **TABLED TO 4/21/16 MEETING**
13. **CONSIDERATION** of approving RESOLUTION 2016-05, accepting membership in the Arizona Metropolitan Trust. **APPROVED**
14. **DISCUSSION WITH POSSIBLE DIRECTION TO STAFF** relating to any item included in the League of Arizona Cities and Towns weekly LEGISLATIVE BULLETIN or relating to any ACTION PROPOSED OR PENDING BEFORE THE STATE LEGISLATURE.
NO ACTION TAKEN

15. COUNCIL DISCUSSION/DIRECTION to the Town Manager.

Item(s) listed below are related only to the propriety of (i) placing such item(s) on a future agenda for action or (ii) directing staff to conduct further research and report back to the Council:

i.) *None.*

16. SUMMARY OF COUNCIL REQUESTS and REPORT ON RECENT ACTIVITIES by the Mayor, Individual Councilmembers, and the Town Manager.

ITEM #7 TO COME BACK IN TWO OR THREE MEETINGS

17. ADJOURNMENT. 8:37 PM

DATED this 31st day of March, 2016.


Bevelyn J. Bender, Town Clerk

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TOWN OF FOUNTAIN HILLS TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Consent

Submitting Department: Administration

Staff Contact Information: Bevelyn J. Bender, Town Clerk; 480-816-5115; bbender@fh.az.gov

Council Goal:

Strategic Values: Civic Responsibility

C3 Solicit feedback in decision-making

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of approving the TOWN COUNCIL MEETING MINUTES from March 8 and 17, 2016.

Applicant: NA

Applicant Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle: A.R.S. §38-431.01

Staff Summary (background): The intent of approving previous meeting minutes is to ensure an accurate account of the discussion and action that took place at that meeting for archival purposes. Approved minutes are placed on the Town's website in compliance with state law.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status):

Budget Reference (page number):

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s):

Staff Recommendation(s): Approve

List Attachment(s): None

SUGGESTED MOTION (for Council use): Move to approve the consent agenda as listed

Prepared by:

Bevelyn J. Bender

Bevelyn Bender, Town Clerk

3/28/2016

Approved:

Grady E. Miller

Grady E. Miller, Town Manager

3/30/2016



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Consent

Submitting Department: Development Services

Staff Contact Information: Justin T. Weldy, Street Superintendent

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of Cooperative Purchase Agreement C2016-248 between Red Hawk Solutions, LLC and the Town of Fountain Hills for traffic signal improvements at the intersection of Palisades Blvd. and Fountain Hills Blvd. in an amount not to exceed \$118,181.97.

Applicant: NA

Applicant Contact Information: NA

Owner: NA

Owner Contact Information: NA

Property Location: Palisades and Fountain Hills blvd

Related Ordinance, Policy or Guiding Principle: NA

Staff Summary (background): The Town owns, operates and maintains thirteen (13) traffic signals throughout Fountain Hills. The traffic signal at the intersection of Palisades Blvd. and Fountain Hills Blvd. has outdated conductor wiring and undersized conduit. This project will install new conduit and conductor wiring for the traffic signal heads and equipment. The project will also allow for the future installation of detection cameras which will improve left-turn movements. The contract includes \$10,000 as an owner's allowance to cover any unforeseen conditions.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status): \$118,181.97

Budget Reference (page number): 249

Funding Source: Hurf Fund

If Multiple Funds utilized, list here: NA

Budgeted; if No, attach Budget Adjustment Form: Yes

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s): Staff recommends approval of Cooperative Purchase Agreement C2016-248.

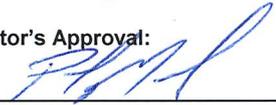
List Attachment(s): Contract C2016-248

SUGGESTED MOTION (for Council use): Motion to approve Cooperative Purchase Agreement C2016-248 between Red Hawk Solutions, LLC and the Town of Fountain Hills for traffic signal improvements at the intersection of Palisades Blvd. and Fountain Hills Blvd. in an amount not to exceed \$118,181.97.

Prepared by:


Justin T. Weldy, Superintendent of Streets 3/29/2016

Director's Approval:


NA 3/29/2016

Approved:


Grady E. Miller, Town Manager 3/29/2016

**COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
RED HAWK SOLUTIONS, LLC**

THIS COOPERATIVE PURCHASING AGREEMENT (this “Agreement”) is entered into as of April 7, 2016, between the Town of Fountain Hills, an Arizona municipal corporation (the “Town”), and Red Hawk Solutions, LLC, an Arizona limited liability company (the “Job Order Contractor”).

RECITALS

A. After a competitive procurement process, the City of Peoria (“Peoria”) entered into Contract No. ACON58913, dated January 1, 2014, as amended by Contract Amendment No. One, dated November 19, 2014, with ITS Engineers & Constructors of Utah, Inc. (“ITS”) for traffic systems job order contracting (the “ITS Contract”).

B. Job Order Contractor acquired ITS on or about April 30, 2015. The ITS Contract was assigned to Job Order Contractor by Contract Amendment No. Two, dated February 17, 2015, and amended by Contract Amendment No. Three, dated November 18, 2015. The ITS Contract, Contract Amendment No. Two and Contract Amendment No. Three are collectively referred to as the “Peoria Contract.” A copy of the Peoria Contract is attached hereto as Exhibit A and incorporated herein by reference, to the extent not inconsistent with this Agreement.

C. The Town is permitted, pursuant to ARIZ. REV. STAT. 41-2631, *et seq.* and Section 3-3-27 of the Town Code, to procure such services under the Peoria Contract, at its discretion and with the agreement of the awarded Job Order Contractor, and so long as the Peoria Contract permits its cooperative use by other public entities, including the Town.

D. The Town and the Job Order Contractor desire to enter into this Agreement for the purpose of (i) acknowledging their cooperative contractual relationship under the Peoria Contract and this Agreement, (ii) establishing the terms and conditions by which the Job Order Contractor may provide the Town with traffic signal improvements at the intersection of Fountain Hills Boulevard and Palisades Boulevard, as more particularly set forth in Section 2 below (the “Materials and Services”) and (iii) setting the maximum aggregate amount to be expended pursuant to this Agreement related to the Materials and Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Job Order Contractor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until April 6, 2017, unless terminated as otherwise provided in this Agreement or the Peoria Contract.

2. Scope of Work. The Job Order Contractor shall provide the Materials and Services under the terms and conditions of the Peoria Contract and as more particularly set forth in the Plans and Technical Specifications attached hereto as Exhibit B and incorporated herein by reference.

3. Compensation. The Town shall pay Job Order Contractor an aggregate amount not to exceed \$118,181.97, of which \$10,000.00 is an owner's contingency which shall be utilized at the Town's sole discretion, for the Materials and Services at the rates set forth in the Peoria Contract and as more particularly set forth in the Proposal, attached hereto as Exhibit C and incorporated herein by reference.

4. Payments. The Town shall pay the Job Order Contractor monthly, based upon the work performed and completed to date, and upon submission and approval of invoices. Each invoice shall (i) contain a reference to this Agreement and the Peoria Contract and (ii) document and itemize all work completed to date. The invoice statement shall include a record of Materials delivered, time expended and work performed in sufficient detail to justify payment. Additionally, invoices submitted without referencing this Agreement and the Peoria Contract will be subject to rejection and may be returned.

5. Records and Audit Rights. To ensure that the Job Order Contractor and its subcontractors are complying with the warranty under Section 6 below, Job Order Contractor's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (i) evaluation and verification of any invoices, payments or claims based on Job Order Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (ii) evaluation of the Job Order Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in Section 6 below. To the extent necessary for the Town to audit Records as set forth in this Section, Job Order Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Job Order Contractor pursuant to this Agreement. Job Order Contractor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this Section. The Town shall give Job Order Contractor or its subcontractors reasonable advance notice of intended audits. Job Order Contractor shall require its subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

6. E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Job Order Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Job Order Contractor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

7. Conflict of Interest. This Agreement may be canceled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

8. Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and a suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

9. Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Job Order Contractor informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Job Order Contractor hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

10. Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the Scope of Work, the Peoria Contract, the Proposal and invoices, the documents shall govern in the order listed herein. Notwithstanding the foregoing, and in conformity with Section 2 above, unauthorized exceptions, conditions, limitations or provisions in conflict with the terms of this Agreement or the Peoria Contract (collectively, the "Unauthorized Conditions"), other than the Town's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the Town of any work order or invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or under the Peoria Contract shall not alter such terms and conditions or relieve Job Order Contractor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement.

11. Rights and Privileges. To the extent provided under the Peoria Contract, the Town shall be afforded all of the rights and privileges afforded to Peoria and shall be the

“Owner” (as defined in the Peoria Contract) for the purposes of the portions of the Peoria Contract that are incorporated herein by reference.

12. Indemnification; Insurance. In addition to and in no way limiting the provisions set forth in Section 11 above, the Town shall be afforded all of the insurance coverage and indemnifications afforded to Peoria to the extent provided under the Peoria Contract, and such insurance coverage and indemnifications shall inure and apply with equal effect to the Town under this Agreement including, but not limited to, the Job Order Contractor’s obligation to provide the indemnification and insurance. In any event, the Job Order Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Job Order Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement.

13. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Grady E. Miller, Town Manager

With copy to: GUST ROSENFELD P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire

If to Job Order Red Hawk Solutions, LLC
Contractor: 2602 West Bloomfield Road
Phoenix, Arizona 85029
Attn: Michael Wendtland

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party’s counsel or other recipient, the provisions above

“Job Order Contractor”

RED HAWK SOLUTIONS, LLC,
an Arizona limited liability company

By: 

Name: Michael Wendtland

Title: Managing Member

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 29, 2016, before me personally appeared Michael Wendtland, the Managing Member of RED HAWK SOLUTIONS, LLC, an Arizona limited liability company, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the limited liability company.


Notary Public

(Affix notary seal here)



EXHIBIT A
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
RED HAWK SOLUTIONS, LLC

[Peoria Contract]

See following pages.



CONTRACT AMENDMENT

Materials Management Procurement
9875 N. 85th Ave., 2nd Fl.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Solicitation No. P14-0019A Page 1 of 3

Description: JOC for Traffic Systems

Amendment No. Two (2) Date: February 17, 2015

Buyer: Lisa Houg

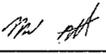
The contractor, *ITS Engineers and Constructors of Utah, Inc.* will be acquired by *Redhawk Solutions LLC* by *April 30, 2015.*

Redhawk Solutions LLC takes no exception to the terms, conditions, specifications, or prices established by the existing agreement and hereby assumes full responsibility for the contract.

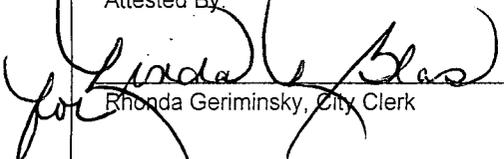
In accordance with the Contract Standard Terms and Conditions, Section 16.11, No Delegation or Assignment, the City hereby approves this re-assignment.

See attached documentation of the acquisition, new contactor contact list, and list of authorized signatories.

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

	February 17, 2015	Michael Wendtland, Member	Redhawk Solutions, LLC.
Signature	Date	Typed Name and Title	Company Name
2602 West Bloomfield Rd.		Phoenix	AZ 85029
Address		City	State Zip Code

Attested By:

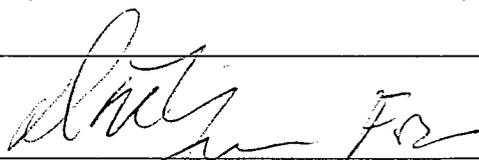

Rhonda Geriminsky, City Clerk

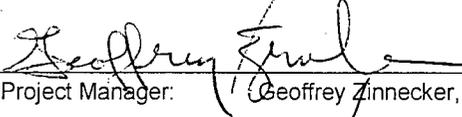


City Seal
Copyright 2003
City of Peoria, Arizona

CC Number

ACON58913B
Contract Number


Director: Andrew Granger, Engineering Director


Project Manager: Geoffrey Zinnecker, Civil Engineer

Approved as to Form:

Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed:
Feb. 24 2015 at Peoria, Arizona


Dan Zenko, Materials Manager



February 9, 2015

Redhawk Solutions LLC has entered into a Definitive Agreement to acquire the operating assets of ITS Engineers & Constructors:

Phoenix, Arizona - February 9, 2015 - Redhawk Solutions LLC has entered into a definitive agreement to acquire the operating assets of ITS Engineers and Constructors. The acquisition is structured as an asset purchase and was privately financed. The current key staff of ITS Engineers will be joining Redhawk following the closing of the acquisition. Integration of the companies will be completed by April 30, 2015.

In making the announcement, Redhawk Managing Member, Michael Wendtland stated, "This is a great strategic fit to expand our service area from wet utilities into dry utilities, ITS and traffic signals" We look forward to welcoming the team from ITS Engineers to Redhawk. The combination will yield meaningful operational benefits, together with significant synergies in many areas, including marketing, sales and service delivery.

He went on to say, "The ITS Engineers acquisition is consistent with our strategy of providing high quality solutions to our customers. Our customers will have access to a broader array of service offerings, and a larger staff while continuing to receive the same familiar quality of sales, service and support that they have come to expect from ITS Engineers"

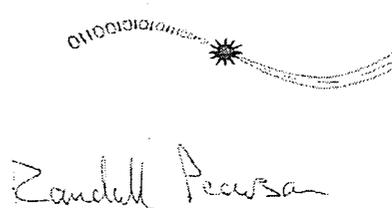
"We are very excited to be joining the Redhawk team and to carry on our fifteen year history of leadership in the ITS and transportation focused market," said Randall Pearson, majority shareholder of ITS Engineers. "Our combined resources and broader service offerings will generate growth opportunities within our core commercial and government markets.

For more information contact, Michael Wendtland at (480) 235-6800 michael@redhawksolutionsaz.com or Randall Pearson. (480) 766-1189 randy.pearson@itsengineers.com,



Michael Wendtland, Member
Red Hawk Solutions LLC.

ITS Engineers & Constructors Inc.



Randall Pearson, Chief Financial Officer
ITS Engineers & Constructors



REDHAWK
SOLUTIONS

CONTACT LIST
UPDATED February 12, 2015

Main Company Contact Info

Redhawk Solutions LLC
2602 West Bloomfield Road
Phoenix, AZ 85029
(602) 980-2992
estimating@redhawksolutionsaz.com

Signature Authority:

Michael Wendtland, Managing Member (480) 235-6800 michael@redhawksolutionsaz.com
Don Kiley, Managing Member (602) 435-8117 donkiley@redhawksolutionsaz.com
Tim Seaman, Project Manager (623) 398-4979 After 4/30/2015 tim@redhawksolutionsaz.com

Accounting:

Elizabeth Kiley
(602) 980-2992 elizabeth@redhawksolutionsaz.com

Foremen:

Telecommunications:

Reed Condie, (623) 308-0434 reed@redhawksolutionsaz.com



CONTRACT AMENDMENT

Materials Management Procurement

9875 N. 85th Ave., 2nd Fl.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Lisa Houg

Solicitation No. P14-0019A

Page 1 of 1

Description: JOC for Traffic Systems

Amendment No. One (1)

Date: November 19, 2014

In accordance with the Contract Special Terms and Conditions, **Contract Extension**, the above referenced contract shall expire on 12/31/2014. The contract is being renewed and the new contract term is: **1/1/2015 – 12/31/2015.**

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

Randall Pearson 11/25/14
Signature Date

Randall Pearson, P.E., Vice President
Typed Name and Title

ITS Engineers & Constructors of Utah, Inc.
Company Name

22505 North 19th Avenue
Address

Phoenix
City

AZ
State

85027
Zip Code

Attested By:

Rhonda Geriminsky
for Rhonda Geriminsky, City Clerk



City Seal
Copyright 2003
City of Peoria, Arizona

CC Number

ACON58913A
Contract Number

Andrew Granger
Director: Andrew Granger, Engineering Director

Geoffrey Zinnecker ON
Project Manager: Geoffrey Zinnecker, Civil Engineer

Approved as to Form:
Stephen M. Kemp
Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed:
Dec. 2, 2014, at Peoria, Arizona

Dan Zenko
Dan Zenko, Materials Manager



City of Peoria, Arizona Job Order Contract



Statement of Qualifications No	P14-0019A
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Job Description	Traffic Systems
-----------------	-----------------

Location City of Peoria, Materials Management	Contact Lisa Houg, CPPB
Mailing Address 9875 N 85 th Ave., 2 nd Fl., Peoria AZ 85345	Phone (623) 773-7115

OFFER

ITS Engineers & Constructors of Utah, Inc	Contractor's License Number <u>ROC187901</u>
Job Order Contractor Name	<i>Randall Pearson</i> Authorized Signature for Offer

22505 North 19 th Avenue	Randall Pearson P E
Address	Printed Name
Phoenix, AZ 85027	Vice President
City State Zip Code	Title
623-780-4050 / 623-780-4054	randy@itsengineers.com
Telephone / Facsimile	Email Address

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is hereby accepted. The Contractor is now bound to sell the construction services listed by the attached award notice based upon the solicitation including all terms conditions specifications amendments etc of the contract and the Contractor's offer as accepted by the City. The Contractor is hereby cautioned not to commence any billable work or provide any material service or construction under this contract until Contractor receives an executed Notice to Proceed and Purchase Order.

Attested by *Rhonda Geriminsky*
for Rhonda Geriminsky City Clerk

City of Peoria, Arizona
Eff Date 1/1/2014
Approved as to form *Stephen M Kemp*
Stephen M Kemp City Attorney



City Seal

CC
ACON 58913
Contract Number

Awarded on Dec. 19, 2013

Dan Zenko
Dan Zenko Materials Manager

Official File

JOB ORDER CONTRACT



P14-0019A

Traffic Systems

CONTRACT FOR CONSTRUCTION

JOB ORDER CONTRACT AGREEMENT

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ATTACHMENTS

Attachment A	JOC Pricing Matrix
Attachment B	Project Cost Proposal Sheet
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JOB ORDER CONTRACTING

CONTRACT

THIS CONTRACT is entered into and made effective the 1st day of ~~November, 2013~~ ^{Jan 1, 2014}, by and between the City of Peoria, Arizona, an Arizona charter municipality (the "Owner"), and ITS Engineers & Constructors of Utah, Inc. (the "Job Order Contractor"). The parties agree as follows:

1. DEFINITIONS.

1.1. Owner. Owner means Owner's senior manager, Contracting Officer or a duly authorized representative which means any person specifically authorized to act for Owner by executing the Contract and any modification thereto. Owner's duties include administration of the Contract, including the negotiation of change orders and modifications and assessing Job Order Contractor's technical performance and progress; inspecting and periodically reporting on such performance and progress during the stated period of performance, and finally certifying as to the acceptance of the Work in its entirety or any portion thereof, as required by the Contract documents.

1.2. Job Order Contractor. Job Order Contractor means Job Order Contractor's senior manager or its duly authorized representative or any person specifically authorized to act for Job Order Contractor by executing the Contract, and any modifications thereto. Job Order Contractor's duties include administration of the Contract and performance of the Work.

1.3. Contract. Contract means this agreement including its attachments and any Job Orders that may be issued.

1.4. Subcontract. Subcontract means any Contract including purchase orders (other than one involving an employer-employee relationship) entered into by Job Order Contractor calling for equipment, supplies or services required for Contract performance, including any modifications thereto.

1.5. Job Order. Job Order means a specific written agreement between the Owner and the Job Order Contractor for Work to be performed under this Contract for an individual, mutually agreed upon scope of work, schedule and price.

1.6. Work. Work means in response to Job Orders that may be mutually agreed upon and issued periodically by Owner, Job Order Contractor shall, except as may be specified elsewhere in the Contract, furnish all necessary labor, materials, tools, supplies, equipment, transportation, supervision, management, and perform all operations necessary and required for survey, design, and construction work which will be defined and further described as to specific project requirements in each Job Order. The Work shall be performed in accordance with the requirements set forth in each Job Order and as further specified in Attachment "A" JOC Pricing Matrix, Attachment "B" Project Cost Proposal Sheet, and in Attachment "C" Scope of Services both of which are incorporated herein and made a part hereof.

1.7. Punch List Preparation. A minimum of 30 days prior to Final Completion the Job Order Contractor, in conjunction with the Owner, shall prepare a comprehensive list of Punch list items, which the Owner may edit and supplement. The Job Order Contractor shall proceed promptly to complete and correct Punch list items. Failure to include an item on the Punch list

does not alter the responsibility of the Job Order Contractor to complete all Work in accordance with the Contract Documents. Warranties required by the Contract Documents shall not commence until the date of Final Completion unless otherwise provided in the Contract Documents.

1 8 Final Completion Final Completion of the Work shall be deemed to have occurred on the later of the dates that the Work passes a Final Completion inspection and acceptance by the Owner. Final Completion shall not be deemed to have occurred and no final payment shall be due the Job Order Contractor or any of its subcontractors or suppliers until the Work has passed the Final Completion inspection and acceptance and all required Final Completion close-out documentation items has been produced to the Owner by the Job Order Contractor.

1 9 Reference Standards

1 9 1 The "Uniform Standard Specifications for Public Works Construction" and the "Uniform Standard Details for Public Works Construction" which are sponsored and distributed by the Maricopa Association of Governments (MAG), and which are hereinafter referred to as the "MAG Specifications", are hereby adopted as part of these contract documents.

1 9 2 July 15, 1997 by Section 23-50a of Ordinance 97-38, the City of Peoria adopted the "Uniform Standard Details for Public Works Construction from the Maricopa County Association of Governments by reference with certain exceptions.

1 9 3 A copy of these documents is kept on file at the Office of the City Clerk at the City of Peoria.

2 CONTRACT TERM

2 1 Contract Term The term of the Contract shall commence on the date it was executed by both parties and shall continue for a period of one (1) year thereafter in accordance with the terms and conditions of this Contract. By mutual written Contract Amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months. Job Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Job Order.

2 2 Job Order In response to Job Orders that may be mutually agreed upon and issued periodically by Owner, Job Order Contractor shall perform the Work, except as may be specified elsewhere in the Contract, which will be defined and further described as to specific project requirements in each Job Order. The Work shall be performed in accordance with the requirements set forth in each Job Order and as further specified in *Attachment "A"* (JOC Pricing Matrix) and in *Attachment "B"* (Project Cost Proposal Sheet), *Attachment "C"* (General Scope of Services), *Attachment "D"* (SIQ), and *Attachment "E"* (Proposal Response), all of which are incorporated herein and made a part hereof.

2 3 Mutual Agreement This Contract embodies the agreement of Owner and Job Order Contractor to terms and conditions which will govern any Work that may be prescribed under a Job Order that may be issued by Owner and agreed to by Job Order Contractor. Nothing herein shall be construed as requiring Owner to issue any Job Order, nor requiring Job Order Contractor to accept any Job Order, it being the intent that both parties must mutually agree to any specific Work before a Job Order may be issued.

2 4 Cooperative Purchasing: This contract shall be for the use of the City of Peoria. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate at their discretion. In order to participate in any the contract, a political subdivision or nonprofit educational or public health institution must have been invited to participate in this specific solicitation and the contractor must be in agreement with the cooperative transaction. In addition to cooperative purchasing, any eligible agency may elect to participate (piggyback) on the contract, the specific eligible political subdivision, nonprofit educational or public health institution and the contractor must be in agreement. Any orders placed to the contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others.

3 PERFORMANCE OF THE WORK

3 1 Job Order Agreement Performance of the Work shall be undertaken only upon the issuance of written Job Orders by Owner. Job Orders shall be in accordance with the requirements specified in *Attachment "C"* (General Scope of Services), and shall set forth, with the necessary particularity, the following:

- 3 1 1 Contract number along with Job Order Contractor's name,
- 3 1 2 Job Order number and date,
- 3 1 3 The agreed Work and applicable technical specifications and drawings,
- 3 1 4 The agreed period of performance and, if required by Owner, a work schedule,
- 3 1 5 The place of performance,
- 3 1 6 The agreed total price for the Work to be performed,
- 3 1 7 Submittal requirements,
- 3 1 8 Owner's authorized representative who will accept the completed Work,
- 3 1 9. Signatures by the parties hereto signifying agreement with the specific terms of the Job Order, and
- 3 1 10 Such other information as may be necessary to perform the Work.

3 2 Job Order Contractor Duties and Obligations

3 2 1 Permits & Responsibilities Job Order Contractor shall be responsible for processing of drawings, for approval by appropriate oversight bodies, for obtaining any necessary licenses and permits, and for complying with any Federal, State and municipal laws, codes, and regulations applicable to the performance of the Work. Owner will reimburse Job Order Contractor for the actual, documented costs of construction permits required for the performance of the Work. Job Order Contractor shall also be responsible for all damages to persons or property that occur as a result of Job Order Contractor's fault or negligence, and shall take proper safety and health precautions to protect the Work, the workers, the public, and the property of others. Job Order Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire Work, except for any completed unit of Work which may have been accepted under the Contract.

3.2.2 Self-Performance By The Job-Order-Contractor. The JOC shall be allowed to bid as a subcontractor for work over \$50,000 and, if it is the lowest acceptable bidder Any change orders for self-performed work shall require pre-approval by the owner

3.2.3 Outdoor Construction Restrictions Peoria Ordinance No 98-11 restricts outdoor construction as listed in the following table

	Construction Type	April 2 – September 29	September 30 – April 1
A	Concrete Work	5 00 a m to 7 00 p m	6 00 a m to 7 00 p m
B	Other Construction (within 500 feet of residential area)	6 00 a m to 7 00 p m	7 00 a m to 7 00 p m
C	Construction Work (more than 500 feet of residential area)	5 00 a m to 7 00 p m	5 00 a m to 7 00 p m

3.2.3.1 No interference with the traffic flow on arterial streets shall be permitted during the hours of 6 00 a m to 8 30 a m or from 4 00 p m to 7 00 p m unless prior authorization is obtained in writing by the City of Peoria Traffic Engineer or their assignee Specific work hours may be stipulated by the City of Peoria on the project barricade plan

3.2.3.2 During off peak hours, the minimum number of lanes shall be two lanes (one in each direction) on streets with four lanes or less and four lanes (two in each direction) on streets with five or more lanes

3.2.3.3 Night work must have prior authorization from the City In addition, certain areas of the City may have seasonal or special event restrictions for construction work as designated by the City on a case by case basis

3.2.4 Jobsite Superintendent During performance of a Job Order and until the Work is completed and accepted, Job Order Contractor shall directly superintend the Work or assign a competent superintendent who will supervise the performance of Work and is satisfactory to Owner and has authority to act for Job Order Contractor

3.2.4.1 Job Order Contractor will ensure that the site supervisor for the project is English proficient and that there is at least one English proficient person at the construction site at all times work is being performed in order to communicate with the City’s project manager

3.2.5 Construction Layout Job Order Contractor shall lay out its work in accordance with the Contract plans and specifications and shall be responsible for all measurements in connection with the layout of the Work Job Order Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, materials, and labor required to layout any part of the Work Job Order Contractor shall also be responsible for maintaining and preserving all control points established by Owner

3.2.6 Survey Control Points Existing survey markers (either brass caps or iron pipes) shall be protected by the Contractor or removed and replaced under direct supervision of the City Engineer or his authorized representatives Survey monuments shall be constructed to the requirements of MAG Specifications, Section 405, and Standard Details Lot corners shall not be disturbed without knowledge and consent of the property owner The Contractor shall replace benchmarks, monuments, or lot corners moved or destroyed during construction at no

expense to the Owner Contractor and his sureties shall be liable for correct replacement of disturbed survey benchmarks except where the Owner elects to replace survey benchmarks using his own forces

3 2 7 Traffic Regulations All traffic affected by this construction shall be regulated in accordance with the City of Phoenix – Traffic Barricade manual, latest edition, and the City of Phoenix in the Traffic Barricade Manual shall be referred to as the City of Peoria City Engineer for interpretation

At the time of the pre-construction conference, the Contractor shall designate an employee who is well qualified and experienced in construction traffic control and safety to be responsible for implementing, monitoring and altering traffic control measure, as necessary At the same time the City will designate a representative who will be responsible to see that all traffic control and any alterations are implemented and monitored to the extent that traffic is carried throughout the work area in an effective manner and that manner and that motorists, pedestrians, bicyclists and workers are protected from hazard and accidents

3 2 7 1 The following shall be considered major streets All major Parkway, mile (section line), arterial and collector (mid-section line and quarter section line) streets so classified by the City of Peoria

3 2 7 2 All traffic control devices required for this project shall be the responsibility of the Contractor The Contractor shall place advance warnings, **REDUCE SPEED, LOOSE GRAVEL, 25 MPH SPEED LIMIT** and **DO NOT PASS** signs in accordance with the Traffic Barricade Manual

3 2 7 3 The Contractor shall provide, erect and maintain all necessary flashing arrow boards, barricades, suitable and sufficient warning lights signals and signs, and shall take all necessary precautions for the protection of the work and safety of the public The Contractor shall provide, erect and maintain acceptable and adequate detour signs at all closures and along detour routes

3 2 7 4 All barricades and obstructions shall be illuminated at night, and all safety lights shall be kept burning from sunset until sunrise All barricades and signs used by the Contractor shall conform to the standard design, generally accepted for such purposes and payment for all such services and materials shall be considered as included in the other pay items of the Contract

3 2 7 5 The Contractor shall insure that all existing traffic signs are erect, clean and in full view of the intended traffic at all times Street name signs at major street intersections shall be maintained erect at all times If these signs should interfere with construction, the Contractor shall notify the Inspector at least forty eight (48) hours in advance for City personnel to temporarily relocate said signs The City Engineer will re-set all traffic and street name signs to permanent locations when notified by the Engineer that construction is complete unless otherwise stated in the specifications Payment for this item shall be made at the contract lump sum price for TRAFFIC CONTROL

3.2.7.6 The Police Department shall determine if construction activities or traffic hazards at the construction project *require* the use of Police Assistants or AZ Post Certified Peace Officers, alternatively, *if the Police Department determines that* flagmen are *sufficient*, it shall be the Contractor’s responsibility to provide adequate personnel including flagmen to direct

traffic safely All City of Peoria projects shall use only City of Peoria Police Assistants or City of Peoria AZ Post Certified Officers, unless the Police Chief or their designee has determined that no such assistants or officers are available Arrangements for Police Assistant or Police Officer services should be made with the liaison officer at the Peoria Police Department at telephone number (623) 773-7062 or offduty@peoriaaz.gov

3 2 7 7 Manual traffic control shall be in conformity with the Traffic Barricade Manual A traffic control plan shall be submitted to the Peoria Police Department indicating whether a need for traffic control exists during the project The traffic control plan shall be submitted electronically and the liaison officer shall be contacted at the Peoria Police Department at telephone number (623) 773-7062

3 2.7.8. When traffic hazards at construction sites warrant the use of certified police personnel to direct traffic, arrangement should be made with the liaison officer at the Peoria Police Department at telephone number (623) 773-7062

3 2 7 9 The assembly and turnarounds of the Contractor's equipment shall be accomplished using adjacent local streets when possible

3 2 7 10 Equipment used and/or directed by the Contractor shall travel with traffic at all times Supply trucks shall travel with traffic except when being spotted Provide a flagman or officer to assist with this operation

3 2 7 11 During construction, it may be necessary to alter traffic control Alterations shall be in accordance with the Traffic Barricade Manual

3 2 7 12 No street within this project may be closed to through traffic or to local emergency traffic without prior written approval of the City Engineer of the City of Peoria Written approval may be given if sufficient time exists to allow for notification of the public at least two (2) days in advance of such closing Partial closure of streets within the project shall be done in strict conformity with written directions to be obtained from the City Engineer

3 2 7 13 Caution should be used when excavating near intersections with traffic signal underground cable Notify the City Engineer twenty four (24) hours in advance of any work at such intersections The Contractor shall install and maintain temporary overhead traffic signal cable as specified by the City Engineer when underground conduit is to be severed by excavations at intersections The Contractor shall provide an off-duty uniformed police officer to direct traffic while the traffic signal is turned off and the wiring is transferred All damaged or modified traffic signal overhead and underground items shall be repaired and restored to the City Engineer's satisfaction Magnetic detector loops shall under no circumstances be spliced

3 2 7 14 The Contractor shall address how local access to adjacent properties will be handled in accordance with the specification herein

3.2 7.15. Where crossings of existing pavements occur, no open trenches shall be permitted overnight, but plating may be permitted if conditions allow as determined by the City Engineer or his authorized representative If plates cannot be used, crossings shall be back-filled or the Contractor shall provide a detour

3 2 8 Operations & Storage Job Order Contractor shall confine all operations (including storage of materials) to areas authorized or approved by Owner

3 2 9. Cleaning Up & Refuse Disposal Job Order Contractor shall at all times keep the site, including storage areas, free from accumulations of waste materials. Before completing the Work, Job Order Contractor shall remove from the premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Owner. Upon completing the Work, Job Order Contractor shall leave the site in a clean and orderly condition satisfactory to Owner.

3 2 9.1 Final cleanup of the premises shall be included in the period of performance of the Job Order.

3 2 9.2 Job Order Contractor shall be responsible for all construction refuse disposal containers and their removal from the site.

3 2 9.3 Disposal of any hazardous materials not addressed and priced in the Job Order will be segregated for disposal by Owner unless Owner requires Job Order Contractor to dispose of the materials in which case, an equitable adjustment in the price will be negotiated and agreed.

3 2 9.4 The Contractor and/or subcontractor shall be required to use the City of Peoria Solid Waste Division's services for commercial collection of Solid Waste. This requirement is not intended to preclude other methods or means for hauling debris or excess material from the project site such as trucking large volumes of material, including soil, building demolition, or hazardous and special wastes. The intent is to use City of Peoria Solid Waste service where standard waste disposal is needed. Specifically, all roll-off and front-load containers used on a City of Peoria construction site shall be contracted for through the City of Peoria Solid Waste Division at the prevailing rate. It is the contractor's responsibility to contact and make all necessary arrangements with the City of Peoria Solid Waste Division for these services. Any and all charges for these services are the responsibility of the contractor. The City Solid Waste Division may, at its option, decline to provide service for business reasons at any time during the contract. Any exceptions to this requirement will be at the sole discretion of the City Solid Waste Division. Please contact the Solid Waste Customer Service Representatives at 623-773-7160.

3 2 10 Existing Improvements and Utilities Job Order Contractor shall protect from damage all existing improvements and utilities at or near the site and on adjacent property of third parties, the locations of which are made known to or should be known by Job Order Contractor. Job Order Contractor shall repair any damage to those facilities, including those that are the property of third parties, resulting from failure to comply with the requirements of the Job Order or failure to exercise reasonable care in performing the Work. If Job Order Contractor fails or refuses to repair the damage promptly, Owner may have the necessary repair work performed and charge the cost to Job Order Contractor.

3 2 11 Safety Job Order Contractor shall be responsible for compliance with all safety rules and regulations of the Federal Occupational Safety and Health Act of 1970 (OSHA), all applicable state and local laws, ordinances, and regulations during the performance of the Work. Job Order Contractor shall indemnify Owner for fines, penalties, and corrective measures that result from the acts of commission or omission of Job Order Contractor, its subcontractors, if any, agents, employees, and assigns and its failure to comply with such safety rules and regulations.

3 2 11.1 Job Order Contractor Safety Compliance. Job Order Contractor shall furnish and enforce the use of individual protective equipment as needed to complete the Work,

including hard hats, rain gear, protective foot wear, protective clothing and gloves, eye protection, ear protection, respirators, safety belts, safety harnesses, safety lifelines and lanyards, and high visibility reflective safety vests

3 2 1 1 2 Job Order Contractor Provided Warnings Job Order Contractor shall provide warning signs, barricades and verbal warnings as required

3 2 1 1 3 Emergency Procedures Job Order Contractor shall inform its employees of emergency procedures to be adhered to in case of a fire, medical emergency, or any other life-threatening situations

3 2 1 1 4 Accident Notification Job Order Contractor shall promptly notify Owner of any recordable accident involving personnel or damage to material and equipment. Copies of any injury reports or accident investigation reports shall be provided to the Owner

3 2 1 1 5 Jobsite Safety Documents Job Order Contractor shall maintain a set of OSHA articles and Material Safety Data Sheets (MSDS) at the jobsite office as they apply to the Work being performed. Copies shall be provided to Owner when requested

3 2 1 1 6 Job Order Contractor's Safety Program Job Order Contractor shall submit to Owner a copy of its safety policies and program procedures which establish the safety rules and regulations as they are to be applied to performance of the Work. These documents shall be submitted by Job Order Contractor within fourteen (14) calendar days after issuance of the initial Job Order and prior to the commencement of the Work

3 2 1 1 7 Job Order Contractor Safety Representative Job Order Contractor shall assign, during performance of the Work, a designated safety representative to develop and monitor the project safety program. The name, company address, and telephone number of the assigned individual shall be submitted to Owner by Job Order Contractor along with its safety policies and program procedures

3 2 1 1 8 Emergency Medical Treatment Job Order Contractor shall make available for its employees and those of its subcontractors, while they are performing Work on the site, emergency medical treatment either at the site or at a nearby medical facility

3 2 1 1 9 Owner's Right to Monitor Owner reserves the right to approve and monitor Job Order Contractor's safety policies and program procedures as applied during performance of the Work. Failure to comply with safety policies and program procedures, once approved by Owner, shall be cause for the termination of the Job Order in accordance with § 14

3 2 1 1 1 0 First Aid Kit Job Order Contractor shall provide and maintain on the jobsite, at all times when Work is in progress, a completely stocked first aid kit which contains all standard emergency medical supplies

3 2 1 1 1 1. Fire Extinguisher Job Order Contractor shall provide and maintain on the jobsite, at all times when Work is in progress, a fully charged fire extinguisher appropriate for the potential fire hazard

3 2 1 2 Dissemination of Contract Information Job Order Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning this Contract, any Job Order or the Work performed under this Contract, without the prior consent of Owner

3 2 13. Shop Drawings Job Order Contractor's duties under this Contract include the preparation of shop drawings or sketches necessary to permit orderly construction of Owner's design plans Job Order Contractor agrees to provide detailed design drawings and plans if requested by Owner

3 2 14 Jobsite Drawings and Specifications. Job Order Contractor shall keep on the Work site a copy of the drawings and specifications and shall at all times give Owner access thereto

3 3 Owner Rights and Obligations

3 3 1. Suspension of Work

3 3 1.1 Owner's Written Order Owner may order Job Order Contractor, in writing, to suspend, delay, or interrupt all or any part of the Work for a period of time that Owner determines reasonably appropriate

3 3 1.2 Work Delay or Suspension. If the performance of all or any part of the Work is suspended, delayed, or interrupted by an act of Owner in the administration of a Job Order, or by Owner's failure to act within the time specified in the Job Order, an adjustment shall be made for any increase in the cost of performance of the Job Order necessarily caused by the suspension, delay, or interruption, and the Job Order will be modified in writing accordingly

3 3.1 3 Job Order Contractor Costs. A claim under this Subparagraph 3 3 1 shall not be allowed for any costs incurred more than thirty (30) calendar days before Job Order Contractor shall have notified Owner in writing of the act or failure to act (but this requirement shall not apply as to a claim resulting from a suspension order), and unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the Job Order

3 3 2 Owner's Right to Possession Owner shall have the right to take possession of or use any completed or partially completed part of the Work Before taking possession of or using any Work, Owner shall furnish Job Order Contractor a list of items of work remaining to be performed or corrected on those portions of the Work that Owner intends to take possession of or use However, failure of Owner to list any item of Work shall not relieve Job Order Contractor of responsibility for complying with the terms of this Contract Owner possession or use shall not be deemed an acceptance of any Work under this Contract

3 3 2 1 Owner's Possession or Use While Owner has such possession or use, Job Order Contractor shall be relieved of the responsibility for the loss of or damage to the Work resulting from Owner's possession or use, notwithstanding the terms of Subparagraph 3 2 1 If prior possession or use by Owner delays the progress of the Work or causes additional expense to Job Order Contractor, an equitable adjustment shall be made in the Job Order price or the period of performance, and the Job Order shall be modified in writing accordingly

3.3.3 Other Contracts Owner may undertake or award other Contracts for additional work at or near the site of Work under this Contract Job Order Contractor shall fully cooperate with the other Job Order Contractors and with Owner's employees and shall carefully adapt scheduling and performing the Work under this Contract to accommodate the additional work, heeding any direction that may be provided by Owner Job Order Contractor shall not commit or

permit any act that will interfere with the performance of its Work by any other contractor or by Owner's employees

3 4 Job Order Amendment Job Orders may be amended by Owner in the same manner as they are issued

3 5 Job Order Value The maximum Job Order value is Three Million Dollars (\$3,000,000), except as provided by § 16 32 1

4 JOB ORDER DOCUMENTS

4 1 Specification and Drawings. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of differences between drawings and specifications, the drawings shall govern. In case of discrepancy either in the figures, in the drawings, or in the specifications, the matter shall be promptly submitted to Owner, who shall promptly make a determination in writing. Any adjustment by Job Order Contractor without such a determination shall be at its own risk and expense. Owner shall furnish from time to time such detail drawings and other information as considered necessary, unless otherwise provided.

4 1 1 Wherever in the specifications or upon the drawings the words "directed," "required," "ordered," "designated," "prescribed," or words of like import are used, it shall be understood that the "direction," "requirement," "order," "designation," or "prescription," of Owner is intended and similarly the words "approved," "acceptable," "satisfactory," or words of like import shall mean "approved by," or "acceptable to," or "satisfactory to" Owner, unless otherwise expressly stated.

4 1 2 Where "as shown," "as indicated," "as detailed," or words of similar import are used, it shall be understood that the reference is made to the drawings accompanying the Contract unless stated otherwise. The word "provided" as used herein shall be understood to mean "provide complete in place," that is "furnished and installed."

4 2 Shop Drawings Shop drawings include sketches, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by Job Order Contractor to explain in detail specific portions of the Work. Owner may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under the Contract. Shop drawings means drawings submitted to Owner by Job Order Contractor showing in detail:

4 2 1. The proposed fabrication and assembly of structural elements and,

4 2.2 The installation (i.e., form, fit and attachment details) of materials or equipment

4 2 3 The construction and detailing of elements of the Work

4 3 Shop Drawing Coordination Job Order Contractor shall coordinate all shop drawings, and review them for accuracy, completeness, and compliance with Contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to Owner without evidence of Job Order Contractor's approval may be returned for resubmission. Owner will indicate its approval or disapproval of the shop drawings and if not approved as submitted shall indicate Owner's reasons therefore. Any work done before such approval shall be at Job Order Contractor's risk. Approval by Owner shall not relieve Job Order Contractor from responsibility for any errors or omissions in such drawings, nor from

responsibility for complying with the requirements of the Contract, except with respect to variations described and approved in accordance with § 4.4 below

4.4. Shop Drawing Modifications If shop drawings show variations from the Job Order requirements, Job Order Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If Owner approves any such variation, Owner shall issue an appropriate Contract modification, except that, if the variation is minor and does not involve a change in price or in time of performance, a modification need not be issued.

4.5. Shop Drawing Omissions Omissions from the drawings or specifications or the mis-description of details of work which are manifestly necessary to carry out the intent of the drawings and specifications, or which are customarily performed, shall not relieve Job Order Contractor from performing such omitted or mis-described details of the Work but they shall be performed as if fully and correctly set forth and described in the drawings and specifications.

4.6. Owner Furnished Drawings Job Order Contractor shall check all Owner furnished drawings immediately upon receipt and shall promptly notify Owner of any discrepancies. Any errors or omissions in Owner furnished drawings are the responsibility of the Owner to rectify, including associated costs. Figures marked on drawings shall be followed in preference to scale measurements. Large scale drawings shall govern small scale drawings. Job Order Contractor shall compare all drawings and verify the figures before laying out the Work and will be responsible for any errors which might have been avoided thereby.

4.7. Shop Drawing Submittal Job Order Contractor shall submit to Owner for approval an appropriate number of copies of all shop drawings as called for under the various headings of these specifications. Sets of all shop drawings will be retained by Owner and one set will be returned to Job Order Contractor with annotation of approval or rejection within one (1) week after submission, unless a longer review period is necessary by mutual agreement between Owner and Job Order Contractor.

4.8. Use of Job Order Documents All drawings (to include as-built drawings), sketches, designs, design data, specifications, note books, technical and scientific data provided to Job Order Contractor or developed by Job Order Contractor pursuant to the Contract and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the Work or any part thereof, shall be the property of Owner and may be used by Owner without any claim by Job Order Contractor for additional compensation, unless such material developed by Job Order Contractor does not result in an issued Job Order. In such cases, Job Order Contractor will receive reasonable reimbursement for the development of such materials before Owner uses them in any manner whatsoever. In addition, Owner agrees to hold Job Order Contractor harmless to the extent permitted by law from any legal liability arising out of the Owner's use of such materials.

5 MATERIAL AND WORKMANSHIP

5.1. Suitability of Material and Equipment All equipment, material, and articles incorporated in the Work covered by this Contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in the Contract. References in the specifications to equipment, material, article, or patented process by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed

as limiting competition Job Order Contractor may, at its option, use any equipment, material, article, or process that, in the sole judgment and prior written approval of the Owner, is equal to that named in the specifications

5 2 Owner Approval Job Order Contractor shall obtain Owner's approval of the equipment to be incorporated into the Work When requesting approval, Job Order Contractor shall furnish to Owner the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the equipment When required by the Contract or by Owner, Job Order Contractor shall also obtain Owner's approval of the material or articles which Job Order Contractor contemplates incorporating into the Work When requesting approval, Job Order Contractor shall provide full information concerning the material or articles When directed to do so, Job Order Contractor shall submit samples for approval Machinery, equipment, material and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection

5 3 Testing of Materials Unless otherwise specified in a Job Order, the Job Order Contractor shall be responsible for any required testing of materials prior to incorporation into the Work Reimbursement for testing required by third party entities will be included in the individual Job Order

5 4 Workmanship All work under the Contract shall be performed in a skillful and workmanlike manner

6 SITE CONDITIONS

6 1 Site Investigation Job Order Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the Work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the Work or its cost, including but not limited to

6 1 1 Conditions bearing upon transportation, disposal, handling, and storage of materials,

6 1 2 The availability of labor, water, electric power, and roads,

6 1 3 Uncertainties of weather, river stages, tides, or similar physical conditions at the site,

6 1 4 The visible conformation and conditions of the ground, and

6 1 5 The character of equipment and facilities needed preliminary to and during work performance

6.2. Surface and Subsurface Investigation Job Order Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Owner, as well as from the drawings and specifications made a part of this Contract Owner will provide to Job Order Contractor all subsurface investigation reports it has commissioned, and has knowledge of, that reasonably reflect expected conditions at the location of the Job Order

6 3 Differing Site Conditions Job Order Contractor shall promptly, and before the conditions are disturbed, give a written notice to Owner of

6 3 1. Subsurface or latent physical conditions at the site which differ materially from those indicated in the Contract, or

6 3.2. Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract

6 4 Owner Investigation Owner shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in Job Order Contractor's cost of, or the time required for, performing any part of the Work, whether or not changed as a result of the conditions, an equitable adjustment shall be made and the Job Order modified in writing accordingly

6 5 Written Notice of Differing Site Conditions No request by Job Order Contractor for an equitable adjustment to a Job Order under this § 6 shall be allowed, unless Job Order Contractor has given the written notice required

6 6 Payment Adjustment No request by Job Order Contractor for an equitable adjustment to a Job Order for differing site conditions shall be allowed if made after final payment under such Job Order

7 JOB ORDER SCHEDULES

7 1 Construction Schedule If the Job Order Contractor fails to submit a schedule with the Job Order, Owner may withhold approval of progress payments until Job Order Contractor submits the required schedule. If required, the Job Order Contractor will submit for approval with the signed Job Order a practicable schedule showing the sequence in which Job Order Contractor proposes to perform the Work, and the dates on which Job Order Contractor contemplates starting and completing the several salient features of the Work (including acquiring materials, plant and equipment). The schedule may be a formal computerized schedule or a progress chart in a bar chart format of suitable scale to indicate appropriately the percentage of Work scheduled for completion by any given date during the period. In either case, the basic information should be the same and the schedule or chart must contain as a minimum

7 1.1 A detailed list of work activities or work elements

7.1 2 Show the logical dependencies (ties) to indicate what Work must be accomplished before other Work can begin

7.1 3. Show early start and early finish dates along with late start and late finish dates for each work activity or work element

7 2 Failure to Submit Schedule Failure of Job Order Contractor to comply with the requirements of Owner under this clause shall be grounds for a determination by Owner that Job Order Contractor is not prosecuting the Work with sufficient diligence to ensure completion within the time specified in the Job Order. Upon making this determination, Owner may terminate Job Order Contractor's right to proceed with the Work if not cured within seven (7) days after written notice is provided, or any separable part of it, in accordance with § 14

7 3 Progress Report Job Order Contractor shall submit a progress report every thirty (30) days, or as directed by Owner, and upon doing so shall immediately deliver a current schedule to Owner if it has materially changed since the last submission of a schedule. If Job Order Contractor falls behind the approved schedule, Job Order Contractor shall take steps necessary to

improve its progress, including those that may be reasonably required by Owner Without additional cost to Owner, Owner may require Job Order Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant or equipment, and to submit for approval any supplementary schedule or schedules in chart form as Owner deems necessary to demonstrate how the approved rate of progress will be regained

7.4 Emergency Work Job Order Contractor will give top priority to any emergency Work Owner may have and will allocate all resources necessary to accomplish such Work in accordance with Owner's schedule requirements To the extent the Job Order Contractor incurs additional cost, expense or *schedule delay* in performing Owner's emergency Work, Owner will equitably adjust the Contract in accordance with *§ 10*

8 INSPECTION OF CONSTRUCTION AND ACCEPTANCE

8.1 Job Order Contractor Inspection System Job Order Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the Work called for conforms to Job Order requirements Job Order Contractor shall maintain complete inspection records and make them available to Owner All work shall be conducted under the general direction of Owner and is subject to inspection and test by Owner at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the Contract

8.2 Owner Inspections and Tests. Owner inspections and tests are for the sole benefit of Owner and do not

8.2.1 Relieve Job Order Contractor of responsibility for providing adequate quality control measures,

8.2.2 Relieve Job Order Contractor of responsibility for damage to or loss of the material before acceptance,

8.2.3 Constitute or imply acceptance, or

8.2.4 Affect the continuing rights of Owner after acceptance of the complete work

8.3 Job Order Contractor Responsibilities The presence or absence of an inspector does not relieve Job Order Contractor from any Contract requirement, nor is the inspector authorized to change any term or condition of the specification without Owner's written authorization

8.4 Job Order Contractor Performance Job Order Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by Owner Owner may charge to Job Order Contractor any additional cost of inspection or test when Work is not ready at the time specified by Job Order Contractor for inspection or test, or when prior rejection makes re-inspection or retest necessary Owner shall perform all inspections and tests in a manner that will not unnecessarily delay the Work Special, full size and performance tests shall be performed as described in the Job Order

8.5 Job Order Contractor Corrective Work. Job Order Contractor shall, without charge, replace or correct Work found by Owner not to conform to Job Order requirements, unless Owner consents to accept the Work with an appropriate adjustment in Contract price Job Order Contractor shall promptly segregate and remove rejected material from the premises

8 6 **Failure to Replace or Correct Work.** If Job Order Contractor does not promptly replace or correct rejected Work, Owner may

8 6 1. By Contract or otherwise, replace or correct the Work and charge the cost to Job Order Contractor, or

8 6 2 Terminate for default Job Order Contractor's right to proceed

8 7 **Owner Inspection before Acceptance** If, before acceptance of the entire Work, Owner decides to examine already completed Work by removing it or tearing it out, Job Order Contractor, on request, shall promptly furnish all necessary facilities, labor, and material. If the Work is found to be defective or nonconforming in any material respect due to the fault of Job Order Contractor or its subcontractors, Job Order Contractor shall bear the expenses of the examination and of satisfactory reconstruction. However, if the Work is found to meet requirements, Owner shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the Work was thereby delayed, an extension of the period of time for performance.

8 8 **Owner Acceptance** Unless otherwise specified in the Job Order, Owner shall accept, as promptly as practicable after completion and inspection, all work required by the Job Order or that portion of the Work that the Owner determines can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or Owner's rights under any warranty or guarantee.

9 INVOICING AND PAYMENT

9 1 **Compensation** As full consideration for the satisfactory performance by Job Order Contractor of Work prescribed under the Contract, Owner shall pay Job Order Contractor the amounts specified in the individual Job Orders.

9 2 **Invoices** Job Order Contractor shall submit invoices to the following address:

City of Peoria
8401 W Monroe St
Peoria, AZ 85345

9 3 **Progress Payments** Owner shall make progress payments monthly as the Work proceeds, or at more frequent intervals as determined by Owner, on estimates of Work completed submitted by the Job Order Contractor and approved by Owner. Job Order Contractor shall use an acceptable invoice form and shall include supporting documents to reflect a breakdown of the total price showing the amount included therein for each principal category of the Work, in such detail as requested, to provide a basis for determining progress payments. In the estimation of Work completed, Owner will authorize payment for material delivered on the site and preparatory work done if Job Order Contractor furnishes satisfactory evidence that it has acquired title to such material and that the material will be used to perform the Work.

9 4 **Retention** Not applicable.

9 5. **Owner's Property** All material and work covered by progress payments made shall, at the time of payment, become the sole property of Owner, but this provision shall not be construed as

9 5 1. Relieving Job Order Contractor from the sole responsibility for all material and Work upon which payments have been made or the restoration of any damaged Work, or

9 5 2. Waiving the right of Owner to require the fulfillment of all of the terms of the Contract

9 6 Approval and Certification An estimate of the Work submitted shall be deemed approved and certified for payment after seven days from the date of submission unless before that time the Owner or Owner's agent prepares and issues a specific written finding setting forth those items in detail in the estimate of the Work that are not approved for payment under this contract The Owner may withhold an amount from the progress payment sufficient to pay the expenses the Owner reasonably expects to incur in correcting the deficiency set forth in the written finding The progress payments shall be paid on or before fourteen days after the estimate of the Work is certified and approved The estimate of the Work shall be deemed received by the Owner on submission to any person designated by the Owner for the submission, review or approval of the estimate of the Work

9 7 Unpaid Amounts Owner shall pay all unpaid amounts due Job Order Contractor under this Contract within thirty (30) days, after

9 7 1 Completion and acceptance of the Work,

9 7 2 Presentation of a properly executed invoice,

9.7.3 Presentation of release of all claims against Owner arising by virtue of the Contract, other than claims, in stated amounts, that Job Order Contractor has specifically excepted from the operation of the release A release may also be required of the assignee if Job Order Contractor's claim to amounts payable under this Contract has been assigned Job Order Contractor shall complete a Job Order Contractor's release form acceptable to Owner, or

9 7 4 Consent of Job Order Contractor's surety, if any

10 CHANGES

10 1 Owner Changes Owner may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the Work within the general scope of the Job Orders, including changes

10 1.1 In the specifications (including drawings and designs),

10 1.2. In Owner-furnished facilities, equipment, materials, services, or site, or

10 1.3 Directing acceleration in the performance of the Work, or otherwise altering the schedule for performance of the Work

10 2 Owner Change Orders Any other written order (which, as used in this paragraph, includes direction, instruction, interpretation, or determination) from Owner that causes a change shall be treated as a change order under this § 10, provided, that Job Order Contractor gives Owner timely written notice stating the date, circumstances, and source of the order and that Job Order Contractor regards the order as a change order

10.3 Contract Adjustments Except as provided in this § 10, no order, statement, or conduct of Owner shall be treated as a change under this § 10 or entitle Job Order Contractor to an equitable adjustment hereunder

10 4 Modification of the Job Order. If any change under this § 10 causes an increase or decrease in Job Order Contractor's cost of, or the time required for, the performance of any part of the Work under a Job Order, whether or not changed by any such order, Owner shall negotiate an equitable adjustment and modify the Job Order in writing

10 5 Job Order Contractor Proposal Job Order Contractor must submit any proposal under this § 10 within thirty (30) calendar days after

10 5.1. Receipt of a written change order under § 10 1 above, or

10 5 2. The furnishing of a written notice under § 10 2 above by submitting to Owner a written statement describing the general nature and amount of the proposal, unless this period is extended by Owner. The statement of proposal for adjustment may be included in the notice under § 10 2 above

10 6 Final Payment Limitation. No proposal by Job Order Contractor for an equitable adjustment shall be allowed if asserted after final payment under the Job Order

10 7 Job Order Contractor Extension Justification Job Order Contractor shall furnish to the Owner a written proposal for any proposed extension in the period of performance. The proposal shall contain a price breakdown and period of performance extension justification

10 8 Job Order Contractor Price Breakdown Structure Job Order Contractor, in connection with any proposal it makes for a Job Order change shall furnish a price breakdown itemized as required by Owner and the pricing matrix as required in the awarded contract

11 INSURANCE & BONDS

11 1 Job Order Contractor Insurance Job Order Contractor shall purchase and maintain in effect during the term of this Contract insurance of the types and with minimum limits of liability as stated below. Such insurance shall protect Job Order Contractor and Owner from claims which may arise out of or result from Job Order Contractor's operations whether such operations are performed by Job Order Contractor or by any subcontractor or by anyone for whose acts any of them may be liable

11 1 1 WORKERS' COMPENSATION INSURANCE providing statutory benefits in accordance with the laws of the State of Arizona or any Federal statutes as may be applicable to the Work being performed under this Contract

11 1.2 EMPLOYER'S LIABILITY INSURANCE with limits of liability not less than \$1,000,000 Each Accident, \$1,000,000 Each Employee for Disease, and \$1,000,000 Policy Limit for Disease

11 1.3 COMMERCIAL GENERAL LIABILITY INSURANCE including Products/Completed Operations and Contractual Liability with limits of liability not less than \$2,000,000 General Aggregate, \$2,000,000 Products/Completed Operations Aggregate, and \$2,000,000 Each Occurrence

11 1.4 AUTOMOBILE LIABILITY INSURANCE covering all owned, hired and non-owned motor vehicles used in connection with the Work being performed under this Contract with limits of liability not less than \$1,000,000 Each Person for Bodily Injury, \$1,000,000 Each Accident for Bodily Injury, and \$1,000,000 Each Occurrence for Property Damage

11 2 Owner as Additional Insured The policies providing Commercial General Liability and Automobile Liability insurance as required in § 11 1 shall be endorsed to name Owner as Additional Insured Such insurance as is provided herein shall be primary and non-contributing with any other valid and collectible insurance available to Owner

11 3 Policy Endorsement All policies providing Job Order Contractor's insurance as required in § 11 1 above shall be endorsed to provide the following

11 3 1. Thirty days written notice of cancellation or non-renewal given to Owner at the address designated in § 16 2

11 3 2 Waiver of subrogation in favor of Owner

11 4 Limits of Liability The limits of liability as required above may be provided by a single policy of insurance or by a combination of primary, excess or umbrella policies But in no event shall the total limits of liability available for any one occurrence or accident be less than the amount required above

11 5 Certificate of Insurance Proof of compliance with these insurance requirements shall be furnished Owner in the form of an original certificate of insurance signed by an authorized representative or agent of the insurance company(ies) within ten (10) days of execution of this agreement Renewal or replacement certificates shall be furnished Owner not less than twenty-one (21) days prior to the expiration or termination date of the applicable policy(ies)

11 6 Subcontractor Insurance Job Order Contractor shall require any and all subcontractors performing Work under this Contract to carry insurance of the types and with limits of liability as Job Order Contractor shall deem appropriate and adequate for the Work being performed Job Order Contractor shall obtain and make available for inspection by Owner upon request current certificates of insurance evidencing insurance coverages carried by such subcontractors

11.7 Bonds If required by Owner, Job Order Contractor shall furnish Performance and Payment Bonds, each in an amount equal to one hundred percent (100%) of the Work, in a penal sum equal to the aggregate price of all Job Orders issued to the Job Order Contractor The Performance and Payment Bonds must be submitted to Owner within ten (10) calendar days after issuance of a Job Order

11 8. Notice to Proceed Notice to Proceed will not be issued until properly executed bonds are received and accepted by Owner A separate Notice to Proceed will be issued for each Job Order The Notice to Proceed shall stipulate the actual contract start date, the contract duration and the contract completion date The time required for the Contractor to obtain permits, licenses and easements shall be included in the contract duration and shall not be justification for a delay claim by the Contractor The time required for the Contractor to prepare, transmit and obtain approval of applicable submittals shall be included in the contract duration and shall not be justification for a delay claim by the Contractor No work shall be started until after all required permits, licenses, and easements have been obtained No work shall be started until all applicable submittals have been submitted and returned approved by the Owner's Representative The Contractor shall notify the City of Peoria's project manager or engineer at least seventy-two (72) hours before the following events

11 8 1 The start of construction in order to arrange for inspection

11 8 2 Shutdown of City water, sewer, drainage, irrigation and traffic control facility

11 8 3 Shutdown of existing water wells and booster pumps Shutdown shall not exceed seventy-two (72) hours for any installation Only one installation may be shutdown at any time

11 8 4. Coordination of all draining and filling of water lines and irrigation laterals and all operations of existing valves or gages with the project manager

11 8 5 Start-up or testing of any water well or booster pump to be connected to any part of the existing City water system This includes operation of existing valves necessary to accommodate the water

12 INDEMNIFICATION To the fullest extent permitted by law, the Job Order Contractor shall defend, indemnify and hold harmless the Owner, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Job Order Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract Job Order Contractor's duty to defend, hold harmless and indemnify the Owner, its agents, representatives, officers, directors, 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 resulting there from, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Job Order Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Job Order Contractor may be legally liable The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph

13 DISPUTES

13 1 Party Cooperation The parties are fully committed to working with each other throughout the term of the Contract and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements If disputes or disagreements do arise, Job Order Contractor and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work

13 2 Field Level Resolution Job Order Contractor and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between the parties' representatives named herein

13 3 Job Order Contractor Performance. The Job Order Contractor shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Job Order Contractor, pending the final resolution of any dispute or disagreements between the parties

13 4 Partnering If requested and mutually agreed upon, the Owner and Job Order Contractor will share in the expense of an initial facilitated partnering workshop, followed up by periodic refresher meetings at mutually agreed times The goal of the workshop will be to identify common goals, common interests, lines of communication, and a commitment to cooperative problem solving

13.5 Owner's Representative Owner designates the individual listed below as its representative, which individual has the authority and responsibility for avoiding and resolving disputes under this Contract (Identify individual's name, title, address and telephone numbers)

City of Peoria, Materials Management
Dan Zenko, Materials Manager
9875 N 85th Avenue, Peoria, AZ 85345
623-773-7115

13.6 Job Order Contractor's Representative Job Order Contractor designates the individual listed below as its representative, which individual has the authority and responsibility for avoiding and resolving disputes under this Contract (Identify individual's name, title, address and telephone numbers)

ITS Engineers & Constructors
Randall Pearson, Vice President
22505 N 19th Avenue, Phoenix, AZ 85027
623-780-4050

13.7 Owner's Resolution. Any dispute which is not disposed of by agreement will be decided by the Owner, who will reduce its decision to writing and mail or otherwise furnish a copy thereof to the Job Order Contractor. Any dispute not finally resolved under this § 13 may be brought before the state courts of the State of Arizona and adjudicated in accordance with the laws of Arizona

14 TERMINATION AND DEFAULT

14.1 Termination for Convenience Owner may terminate performance of the Work under this Contract in whole or, from time to time, in part if Owner determines that termination is in Owner's interest. Owner shall effect such termination by delivering to Job Order Contractor a Notice of Termination specifying the extent of termination and the effective date.

14.2 Notice of Termination After receipt of a Notice of Termination, and except as directed by Owner, Job Order Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this § 14

14.2.1 Stop work as specified in the notice,

14.2.2 Place no further subcontracts or orders (referred to as subcontracts in this § 14) for materials, services or facilities, except as necessary to complete any Work not terminated,

14.2.3 Assign to Owner, if directed by Owner, all right, title, and interest of Job Order Contractor under the subcontracts to the extent they relate to the Work terminated, in which case Owner shall have the right to settle or to pay any termination settlement proposal arising out of those terminations, or with approval or ratification to the extent required by Owner, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the approval or ratification of which will be final for purposes of this § 14,

14.2.4 As directed by Owner, transfer title and deliver to Owner

14.2.4.1 The fabricated or unfabricated parts, Work in progress, completed Work, supplies, and other material produced or acquired for the Work terminated,

14 2 4 2 The completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to Owner,

14.2 5 Complete performance of the Work not terminated,

14 2 6 Take any action that may be necessary, or that Owner may direct, for the protection and preservation of the property related to this Contract that is in the possession of Job Order Contractor and in which Owner has or may acquire an interest, and

14 2 7 Use its best efforts to sell, as directed or authorized by Owner, any property of the types referred to in § 14 2 3 above, provided, however, that Job Order Contractor is not required to extend credit to any purchaser and may acquire the property under the conditions prescribed by, and at prices approved by, Owner. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Owner under the Contract, credited to the price or cost of the Work, or paid in any other manner directed by Owner

14 3 Final Termination Settlement Proposal After termination, Job Order Contractor shall submit a final termination settlement proposal to Owner in the form and with the certification prescribed by Owner. Job Order Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination

14 4. Owner Payment Job Order Contractor and Owner may agree upon the whole or any part of the amount to be paid because of the termination. The amount will include a reasonable allowance for profit on work done. The Contract shall be amended, and Job Order Contractor paid the agreed amount

14 4.1 If Job Order Contractor and Owner fail to agree on the whole amount to be paid Job Order Contractor because of the termination of work, Owner shall pay Job Order Contractor the amounts determined as follows, but without duplication of any amounts agreed upon under § 14 4 above

14 4.1 1 For Work performed before the effective date of termination, the total (without duplication of any items) of

14 4.1 1.1. The cost of this Work,

14 4.1 1.2. The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the Contract if not included in § 14 4 1 1 1 above, and

14 4.1 1 3 A markup, including overhead and profit, on § 14 4 1 1.1 above as is determined for pricing changes

14 4.1 2 The reasonable costs of settlement of the Work terminated, including

14 4.1 2 1. Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data,

14 4.1 2 2 The termination and settlement of subcontracts (excluding the amounts of such settlements), and

14 4.1 2 3 Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory

14 5 Destroyed, Lost, Stolen or Damaged Property. Except for normal spoilage, and except to the extent that Owner expressly assumed the risk of loss, Owner shall exclude from the amounts payable to Job Order Contractor under Subparagraph 14 4 1 above, the fair value, as determined by Owner, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to Owner or to a buyer

14 6 Amount Due Job Order Contractor In arriving at the amount due Job Order Contractor under this § 14, there shall be deducted

14 6 1 All unliquidated advances or other payments to Job Order Contractor under the terminated portion of the Job Order,

14 6 2 Any claim which Owner has against Job Order Contractor under the Contract, and

14 6 3 The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by Job Order Contractor or sold under the provisions of this § 14 and not recovered by or credited to Owner

14 7 Partial Termination If the termination is partial, Job Order Contractor may file a proposal with Owner for an equitable adjustment of the price(s) of the continued portion of any Job Order. Any proposal by Job Order Contractor for an equitable adjustment under this § 14 shall be requested within ninety (90) calendar days from the effective date of termination unless extended in writing by Owner. Owner may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by Job Order Contractor of the terminated portion of any Job Order, if Owner believes the total of these payments will not exceed the amount to which Job Order Contractor will be entitled

14 8 Excess Payments If the total payments exceed the amount finally determined to be due, Job Order Contractor shall repay the excess to Owner upon demand

14 9 Job Order Contractor Records Unless otherwise provided in this Contract or by statute, Job Order Contractor shall maintain all records and documents relating to the terminated portion of this Contract for three (3) years after final settlement. This includes all books and other evidence bearing on Job Order Contractor's costs and expenses under this Contract. Job Order Contractor shall make these records and documents available to Owner, at Job Order Contractor's office, at all reasonable times, without cost. If approved by Owner, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents

14.10 Default If Job Order Contractor refuses or fails to prosecute the Work, or any separable part, with the diligence that will ensure its completion within the time specified in the Job Order including any extension, or fails to complete the Work within this time, Owner may terminate the Job Order Contractor's right to proceed with the Work (or separable part of the Work), upon thirty (30) days written notice to the Job Order Contractor. In this event, Owner may take over the Work and complete it by Contract or otherwise and may take possession of and use any materials, appliances, and plant on the site necessary for completing the Work

14 11 Job Order Contractor's Right to Proceed. Job Order Contractor's right to proceed shall not be terminated under this § 14, if

14 11 1 The delay in completing the Work arises from unforeseeable causes beyond the control and without the fault or negligence of Job Order Contractor. Examples of such causes

include acts of God or of the public enemy, acts of Owner in its Contractual capacity, acts of another contractor in the performance of a Contract with Owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather (The basis used to define normal weather will be data showing high and low temperatures, precipitation, and number of days of severe weather in the city closest to the site for the previous ten (10) years, as compiled by the United States Department of Commerce National Weather Service), or delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both Job Order Contractor and the subcontractors or suppliers, and

14.11 2. Job Order Contractor, within 30 calendar days from the beginning of any such delay (unless extended by Owner), notifies Owner in writing of the causes of delay. The Owner shall ascertain the facts and the extent of delay. If, in the judgment of Owner, the findings of fact warrant such action, the time for completing the Work shall be extended. The findings of Owner shall be final and conclusive on the parties, but subject to appeal and review under § 13

14.12 Owner's Right to Terminate The rights and remedies of Owner in this § 14 are in addition to any other rights and remedies provided by law or under this Contract

14.13 Owner and Job Order Contractor Rights If, after termination of Job Order Contractor's right to proceed, it is determined that Job Order Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of Owner

14.14 Liquidated Damages Liquidated Damages shall be assessed for each calendar of delay. Liquidated Damages shall be per MAG Specs, Section 108.9. If the contract is not terminated, the contractor shall continue performance and be liable to the Owner for the liquidated damages until the products are delivered or services performed. In the event the City exercises its right of termination, the contractor shall be liable to the Owner for any excess costs, and in addition, for liquidated damages until such time the Owner may reasonably obtain delivery or performance of similar supplies or services

14.15 Immigration Act. Contractor understands and acknowledges the applicability to Contractor of the Immigration Reform and Control Act of 1986 (IRCA). Contractor agrees to comply with the IRCA in performing under this contract and to permit City inspection of personnel records to verify such compliance

15 WARRANTY OF CONSTRUCTION

15.1 Applicable Warranties In addition to any other warranties in any Job Orders, Job Order Contractor warrants, except as provided in § 15.10, that work performed conforms to the Job Order requirements and is free of any defect in equipment, material or design furnished, or workmanship performed by Job Order Contractor or any of its subcontractors or suppliers at any tier

15.2 Warranty Duration This warranty shall continue for a period of one (1) year from the date of final acceptance of the Work. If Owner takes possession of any part of the Work before final acceptance, this warranty shall continue for a period of one (1) year from the date possession is taken

15.3 Job Order Contractor Corrective Work. Job Order Contractor shall remedy at Job Order Contractor's expense any failure of the Work to conform to the plans and specifications, or

any construction defect. In addition, the Job Order Contractor shall remedy at Job Order Contractor's expense any damage to Owner's real or personal property, when that damage is the result of

15 3 1 Job Order Contractor's failure to conform to requirements, or

15 3 2 Any defect of equipment, material, workmanship, or design furnished by the Job Order Contractor

15 4 Job Order Contractor Restoration Job Order Contractor shall restore any work damaged in fulfilling the terms and conditions of this § 15. Job Order Contractor's warranty with respect to work repaired or replaced will run for one (1) year from the date of repair or replacement

15 5 Owner Notification Owner shall notify Job Order Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage

15 6 Failure to Correct Work. If Job Order Contractor fails to remedy any failure, defect, or damage within ten (10) days after receipt of notice, Owner shall have the right to replace, repair, or otherwise remedy the failure, defect or damage at Job Order Contractor's expense

15 7 Subcontractor and Supplier Warranties With respect to all warranties, expressed or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished for Job Orders issued under this Contract, Job Order Contractor shall

15 7 1. Obtain all warranties required by the Job Order.

15 7 2 Require all warranties to be executed, in writing, for the benefit of Owner, and

15 7 3 Enforce all warranties for the benefit of Owner

15 8 Owner Remedy In the event Job Order Contractor's warranty under § 15.2 has expired, Owner may bring suit at its expense to enforce a subcontractor's, manufacturer's, or supplier's warranty

15 9 Owner Furnished Material or Design. Unless a defect is caused by the negligence of Job Order Contractor or subcontractor or supplier at any tier, Job Order Contractor shall not be liable for the repair of any defects of material or design furnished by Owner or for the repair of any damage that results from any defect in Owner-furnished material or design

15 10 Pre-Existing Work Job Order Contractor is not responsible for and does not warranty pre-existing work or facilities that may be assigned to Job Order Contractor except as modified by the Job Order

15 11 Owner's Rights This warranty shall not limit Owner's rights under § 8 of this Contract with respect to latent defects, gross mistakes, or fraud

16 STANDARD TERMS AND CONDITIONS

16 1 Contract Order of Precedence. In the event of an inconsistency between provisions of this Contract, the inconsistency shall be resolved by giving precedence in the following order

16 1 1 Contract Modifications, if any,

16 1.2 This Contract, including Attachments,

16 1.3 Job Orders,

16.1.4 Drawings, and

16.1.5 Specifications

16.2 Certification By signature in the Offer section of the Offer and Contract Award page the Job Order Contractor certifies

16.2.1. The submission of the offer did not involve collusion or other anti-competitive practices

16.2.2 The Job Order Contractor shall not discriminate against any employee or applicant for employment

16.2.3. The Job Order 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, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred

16.2.4 The Job Order Contractor is licensed to perform the Work pursuant to Arizona Revised Statutes Title 32, Chapter 10

16.3 Bribes and Kick-Backs. The Job Order Contractor shall not by any means

16.3.1 Induce any person or entity employed in the construction of the Project to give up any part of the compensation to which that person or entity is entitled,

16.3.2. Confer on any governmental, public or quasi-public official having any authority or influence over the Project, any payment, loan subscription, advance, deposit of money, services or anything of value, present or promised.

16.3.3 Offer nor accept any bribes or kick-backs in connection with the Project from or to any individual or entity, including any of its trade contractors, subcontractors, consultants, suppliers or manufacturers of Project goods and materials, or,

16.3.4 Without the express written permission of the Owner, call for or by exclusion require or recommend the use of any subcontractor, consultant, product, material, equipment, system, process or procedure in which the Job Order Contractor has a direct or indirect proprietary or other pecuniary interest

16.4 Applicable Law In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and City of Peoria including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement

Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees)

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are

contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A R S § 23-214(A) (hereinafter, "Contractor Immigration Warranty")

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the City. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verifications performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A R S §23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the City. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511, the City may cancel this contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

16 4.1 Job Order Contractor warrants, for the term of this agreement and for six months thereafter, that it has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

16 4.2 This contract shall be governed by the Owner. City and Job Order Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the Owner. This contract shall be governed by the laws of the State of Arizona. Any lawsuit pertaining to this contract may be brought only in courts in the State of Arizona.

16 4.3 This contract is subject to the provisions of ARS § 38-511, the Owner may cancel this contract without penalty or further obligations by the Owner or any of its departments or

agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Owner or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract

16.5 Legal Remedies All claims and controversies shall be subject to resolution according to the terms of the City of Peoria Procurement Code

16.6 Contract The contract between the Owner and the Job Order Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, price sheet(s) and any amendments thereto, and (2) the offer submitted by the Job Order Contractor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the provisions and requirements in the Solicitation shall govern. However, the Owner reserves the right to clarify, in writing, any contractual terms with the concurrence of the Job Order Contractor, and such written contract shall govern in case of conflict with the applicable requirements stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.

16.7. Contract Amendments This contract may be modified only by a written Contract Amendment signed by persons duly authorized to enter into contracts on behalf of the Owner and the Job Order Contractor

16.8 Contract Applicability The Offeror shall substantially conform to the terms, conditions, specifications and other requirements found within the text of this Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the Owner are not applicable to this Solicitation or any resultant contract.

16.9 Severability The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.

16.10 Relationship to Parties It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Job Order Contractor is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Job Order Contractor should make arrangements to directly pay such expenses, if any.

16.11 No Delegation or Assignment - Contractor shall not delegate any duty under this Contract, and no right or interest in this Contract shall be assigned by Contractor to any successor entity or third party, including but not limited to an affiliated successor or purchaser of Contractor or its assets, without prior written permission of the City. The City, at its option, may cancel this Contract in the event Contractor undertakes a delegation or assignment without first obtaining the City's written approval. Contractor agrees and acknowledges that it would not be unreasonable for the City to decline to approve a delegation or assignment that results in a material change to the services provided under this Contract or an increased cost to the City.

16.12 Job Order Contractor/Supplier Contract. The Job Order Contractor shall enter into written contracts with its subcontractor(s) and supplier(s), if any, and those written contracts shall be consistent with this Contract for Construction. It is the intent of the Owner and the Job

Order Contractor that the obligations of the Job Order Contractor's subcontractor(s) and supplier(s), if any, inure to the benefit of the Owner and the Job Order Contractor, and that the Owner be a third-party beneficiary of the Job Order Contractor's agreements with its subcontractor(s) and supplier(s)

16 12 1 The Job Order Contractor shall make available to each subcontractor and supplier, if any, prior to the execution of written contracts with any of them, a copy of the pertinent portions of this Contract for Construction, including those portions of the Construction documents to which the subcontractor or supplier will be bound, and shall require that each subcontractor and supplier shall similarly make copies of applicable parts of such documents available to its respective subcontractor(s) and supplier(s)

16 12 2 The Job Order Contractor shall engage each of its subcontractor(s) and supplier(s) with written contracts which preserve and protect the rights of the Owner and include the acknowledgment and agreement of each subcontractor or supplier that the Owner is a third-party beneficiary of the contract. The Job Order Contractor's agreements with its subcontractor(s) and supplier(s) shall require that in the event of default under, or termination of, this Contract for Construction, and upon request of the Owner, the Job Order Contractor's subcontractor(s) and supplier(s) will perform services for the Owner

16 12 3 The Job Order Contractor shall include in its agreements with its subcontractor(s) and supplier(s) a provision which contains the acknowledgment and agreement of the subcontractor or supplier that it has received and reviewed the applicable terms, conditions and requirements of this Contract for Construction that are included by reference in its written contract with the Job Order Contractor, and that it will abide by those terms, conditions and requirements

16 13 Rights and Remedies No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the Owner of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the Owner to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the Owner's acceptance of and payment for materials or services, shall not release the Job Order Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the Owner to insist upon the strict performance of the Contract

16 14 Overcharges By Antitrust Violations The Owner maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Job Order Contractor hereby assigns to the Owner any and all claims for such overcharges as to the goods and services used to fulfill the Contract

16 15 Force Majeure Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force Majeure

16 15 1 The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, floods, lockouts, injunctions-intervention-acts, or failures or

refusals to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.

16.15.2. Force majeure shall not include the following occurrences: late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences, late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition, or any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *Certified-Return Receipt* and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.

16.16. Right To Assurance Whenever one party to this contract in good faith has reason to question the other party's intent to perform he may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

16.17. Right To Audit Records. The City may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the City. This right to audit also empowers the City to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 16.4 above.

16.18. Warranties Job Order Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Job Order Contractor's response, the Owner is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/service specified and any inspection incidental thereto by the Owner shall not alter or affect the obligations of the Job Order Contractor or the rights of the Owner under the foregoing warranties. Additional warranty requirements may be set forth in the solicitation.

16.19. Inspection All material and/or services are subject to inspection and acceptance by the Owner. Materials and/or services failing to conform to the specifications of this Contract will be held at Job Order Contractor's risk and may be returned to the Job Order Contractor. If so returned, all costs are the responsibility of the Job Order Contractor. The Owner may elect to do any or all of the following:

16 19 1 Waive the non-conformance

16 19 2 Stop the work immediately

16 19 3 Bring material into compliance

16 19 4 This shall be accomplished by a written determination from the Owner

16 20 Title and Risk of Loss The title and risk of loss of material and/or service shall not pass to the Owner until the Owner actually receives the material or service at the point of delivery, unless otherwise provided within this Contract

16 21 No Replacement of Defective Tender Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole

16 22 Shipment Under Reservation Prohibited Job Order Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials

16 23 Liens All materials, service or construction shall be free of all liens, and if the Owner requests, a formal release of all liens shall be delivered to the Owner

16.24 Licenses shall maintain in current status, all Federal, State and Local licenses and created under this contract are the property of the Owner and shall not be used or released by the Job Order Contractor or any other person except with the prior written permission of the Owner

16 25 Patents and Copyrights All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Owner and shall not be used or released by the Job Order Contractor or any other person except with the prior written permission of the Owner

16 26. Cost of Bid/Proposal Preparation The Owner shall not reimburse the cost of developing, presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner

16 27 Public Records All offers submitted in response to this solicitation shall become the property of the City and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the City's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the City during the course of an audit conducted in accordance with Paragraph 16 17 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 16 4 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction

16 28 Advertising Job Order Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the Owner

16 29 Delivery Orders The Owner shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the signature page of the contract

16 30 Funding Any contract entered into by the Owner of Peoria is subject to funding availability. Fiscal years for the Owner of Peoria are July 1 to June 30. The Owner Council approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.

16.31 Federal Funding It is the responsibility of the Contractor to determine on any job order project if federal wage rates apply. It is also the responsibility of the Contractor to incorporate any necessary amounts in the bid to accommodate for required federal record keeping and necessary pay structures. The Contractor should contact the City of Peoria regarding any applicable Davis Bacon wage rates.

16 31 1 Davis-Bacon Act - (40 U S C §276a-276a-5) All contracts or subsequent subcontracts for construction, alteration, renovation, or repair, including painting and decorating, of a public building or public work, or building or work, financed by federal funds which meets the \$2,000 threshold are required to pay the federal prevailing wage rate for each class of laborer or mechanic employed. Regulations applicable to grant-enabling statutes incorporating the Act can be found in 29 Code of Federal Regulations (CFR), Parts 1,3,5 and 7. These regulations stipulate that grant funds appropriated under statutes imposing the Davis-Bacon Act requirements shall not be paid to a grantee (the Department) until contractors or subcontractors performing work under the grant certify that they will comply with the Act's requirements. The Act also applies to any contract or subcontract for similar work on public grants from a federal agency, or where the federal government acts as guarantors of mortgages. The only exception is for the transportation of materials and supplies by persons who are not employed directly at the work site, but are employed solely to make deliveries to the work site.

Provider Agencies must ensure that contracts or subcontracts for any construction/alteration projects contain the wage determinations issued and that the appropriate clauses required by the Davis-Bacon regulations (29 CFR, section 5.5) are present. It should be made clear in any announcements of projects or RFPs that federal grant funds are being used and that Davis-Bacon will apply even if the federal government is not a party to the contract or subcontract. The prevailing wage must be paid regardless of any contractual relationship that may exist between a contractor or a subcontractor. Although the Department is not responsible to review subcontracts for compliance, it has the right to require a prevailing wage.

Sanctions for post-certification violations include suspension of payment, advances, or guarantees of grant funds, and the forced restitution of wages that should have been paid and the removal of offending contractors or subcontractors from active employment lists.

Failure to comply can bring penalties that can be severe. The contractor or subcontractor and their sureties are liable for any excess costs for completing the work, the Department may withhold accruals to ensure payment of prevailing wages to the workers, the contract or subcontract may be terminated and/or the contractor or subcontractor may be debarred for a period of three years.

16 32 A R S Title 34 Provisions

16 32 1 The maximum dollar amount of an individual job order shall be Three Million Dollars (\$3,000,000) or such higher or lower amount prescribed by the Owner in an action notice pursuant to A R S title 38, chapter 3, article 3.1 or a rule adopted by the Owner as the maximum.

amount of an individual job order Requirements shall not be artificially divided or fragmented in order to constitute a job order that satisfies this requirement

16.32.2 If the Job Order Contractor subcontracts or intends to subcontract part or all of the work under a job order and if this contract includes descriptions of standard individual tasks, standard unit prices for standard individual tasks and pricing of job orders based on the number of units of standard individual tasks in the job order, then

16.32.2.1 The Job Order Contractor has a duty to deliver promptly to each subcontractor invited to bid a coefficient to the Job Order Contractor to do all or part of the work under one or more job orders

16.32.2.1.1 A copy of the descriptions of all standard individual tasks on which the subcontractor is invited to bid

16.32.2.1.2 A copy of the standard unit prices for the individual tasks on which the subcontractor is invited to bid

16.32.2.2 If not previously delivered to the subcontractor, the Job Order Contractor has a duty to deliver promptly the following to each subcontractor invited to or that has agreed to do any of the work included in any job order

16.32.2.2.1 A copy of the description of each standard individual task that is included in the job order and that the subcontractor is invited to perform

16.32.2.2.2 The number of units of each standard individual task that is included in the job order and that the subcontractor is invited to perform

16.32.2.2.3 The standard unit price for each standard individual task that is included in the job order and that the subcontractor is invited to perform

16.32.3 The Owner will include the full street or physical address of each separate location at which the construction will be performed for each individual Job Order The Job Order Contractor (and on behalf of each subcontractor at any level) hereby agrees to include in each of its subcontracts the same address information The Job Order Contractor and each subcontractor at any level shall include in each subcontract the full street or physical address of each separate location at which construction work will be performed

16.33 Prohibited Lobbying Activities The Offeror, his/her agent or representative shall not contact, orally or in any written form any City elected official or any City employee other than the Materials Management Division, the procuring department, City Manager, Deputy City Manager or City Attorney's office (for legal issues only) regarding the contents of this solicitation or the solicitation process commencing from receipt of a copy of this request for proposals and ending upon submission of a staff report for placement on a City Council agenda The Materials Manager shall disqualify an Offeror's proposal for violation of this provision This provision shall not prohibit an Offeror from petitioning an elected official after submission of a staff report for placement on a City Council agenda or engaging in any other protected first amendment activity after submission of a staff report for placement on a City Council agenda

16.34 Prohibited Political Contributions Consultant during the term of this Agreement shall not make a contribution reportable under Title 16, Chapter 6, Article 1, Arizona Revised Statutes to a candidate or candidate committee for any city elective office during the term of this

Agreement The City reserves the right to terminate the Agreement without penalty for any violation of this provision

16 35 ARRA Sec. 1605 Use of American Iron, Steel, and Manufactured Goods (a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States (b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that-- applying subsection (a) would be inconsistent with the public interest,

- iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality, or
- inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent
- If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under subsection (b), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived
- This section shall be applied in a manner consistent with United States obligations under international agreements

16 36 ARRA Sec 1606. Davis-Bacon Act Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat 1267, 5 U S C App) and section 3145 of title 40, United States Code

16 37 Compliance with Davis-Bacon Act (40 U S C §276a-276a-5) Prevailing Wage Requirements (ARRA Section 1606). All laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and the through the Federal Government pursuant to the ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of Title 40, United States Code In addition, all covered contracts shall include the standard contract clauses regarding prevailing wages and benefits included in the United States Department of Labor regulations found at 29 Code of Federal Regulations (“CFR”) § 5 5, which are incorporated by reference in this contract The contractor shall comply with the requirements of 29 CFR Part 3, which are also incorporated by reference in this Contract

The contractor or subcontractors shall insert in any subcontracts the clauses contained in 29 CFR § 5 5(a) (1) through (10) and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts The contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR § 5 5

A breach of the contract clauses in 29 CFR § 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR § 5.12

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the United States Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the City, the State of Arizona ("State"), the United States Department of Labor, or their employees or their representatives

By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR § 5.12(a)(1)

No part of this contract shall be subcontracted to any person or firm ineligible for award of a government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR § 5.12(a)(1)

16.38 Use of American Iron, Steel, and Manufactured Goods – Buy American Requirements (ARRA Section 1605)

The contractor acknowledges to and for the benefit of the City ("Purchaser") and the State that it understands the goods and services under this contract are being funded with monies made available by the ARRA (or are being made available for a project being funded with monies made available by the ARRA) and such law contains provisions commonly known as "Buy American" that require all of the iron, steel, and manufactured goods used in the project be produced in the United States ("Buy American Requirements") including iron, steel, and manufactured goods provided by the Contractor pursuant to this contract. The Contractor hereby represents and warrants to and for the benefit of the Purchaser and the State that (a) the Contractor has reviewed and understands the Buy American Requirements, (b) all of the iron, steel, and manufactured goods used in the project will be and/or have been produced in the United States in a manner that complies with the Buy American Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Buy American Requirements, as may be requested by the Purchaser or the State. Notwithstanding any other provision of this contract, any failure to comply with this paragraph by the Contractor shall permit the Purchaser or State to recover as damages against the Contractor any loss, expense or cost (including without limitation attorney's fees) incurred by the Purchaser or State resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Purchaser). While the Contractor has no direct contractual privity with the State, as a lender to the Purchaser for the funding of its project, the Purchaser and the Contractor agree that the State is a third-party beneficiary and neither this paragraph (nor any other provision of this contract necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the State.

16.39 Whistleblower Protections Under The ARRA

(a) The Contractor shall post a notice of employees' rights and remedies for whistleblower protections provided under Section 1553 of the ARRA (Pub L 111-5)

(b) The Contractor shall require that this provision be included in all subcontracts

16.40 Reporting Requirements under the ARRA.

(a) This Contract requires the Contractor to provide products and/or services that are funded under the ARRA Section 1512(c) of the ARRA requires each contractor to report on its use of Recovery Act funds under this Contract These reports will be made available to the public

(b) Reports from contractors for all work funded, in whole or in part, by the ARRA, and for which an invoice is submitted prior to June 30, 2009, are due no later than July 10, 2009 Thereafter, reports shall be submitted no later than the 10th day after the end of each calendar quarter

(c) The Contractor shall report the following information, using the online reporting tool available at www.FederalReporting.gov

(1) The City of Peoria contract and order number, as applicable

(2) The amount of ARRA funds invoiced by the Contractor for the reporting period

(3) A list of all significant services performed or supplies delivered, including construction, for which the Contractor invoiced in the calendar quarter

(4) Program or project title, if any

(5) A description of the overall purpose and expected outcomes or results of the Contract, including significant deliverables and, if appropriate, associated units of measure

(6) An assessment of the Contractor's progress towards the completion of the overall purpose and expected outcomes or results of the Contract (*ie*, not started, less than 50 percent completed, completed 50 percent or more, or fully completed) This covers the Contract (or portion thereof) funded by the ARRA

(7) A narrative description of the employment impact of work funded by the ARRA This narrative should be cumulative for each calendar quarter and only address the impact on the Contractor's workforce At a minimum, the Contractor shall provide—

(i) A brief description of the types of jobs created and jobs retained in the United States and outlying areas (see definition in Federal Acquisition Regulation (FAR) 2.101) This description may rely on job titles, broader labor categories, or the Contractor's existing practice for describing jobs as long as the terms used are widely understood and describe the general nature of the work, and

(ii) An estimate of the number of jobs created and jobs retained by the prime contractor, in the United States and outlying areas A job cannot be reported as both created and retained

(8) Names and total compensation of each of the five most highly compensated officers of the Contractor for the calendar year in which the Contract is awarded if—

(i) In the Contractor's preceding fiscal year, the Contractor received—

(A) 80 percent or more of its annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements, and

(B) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants) and cooperative agreements, and

(ii) The public does not have access to information about the compensation of the senior executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U S C 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986

(9) For subcontracts valued at less than \$25,000 or any subcontracts awarded to an individual, or subcontracts awarded to a subcontractor that in the previous tax year had gross income under \$300,000, the Contractor shall only report the aggregate number of such first tier subcontracts awarded in the quarter and their aggregate total dollar amount

(10) For any first-tier subcontract funded in whole or in part under the ARRA, that is over \$25,000 and not subject to reporting under paragraph 9, the Contractor shall require the subcontractor to provide the information described in (i), (ix), (x), and (xi) below to the Contractor for the purposes of the quarterly report. The Contractor shall advise the subcontractor that the information will be made available to the public as required by Section 1512 of the ARRA. The Contractor shall provide detailed information on these first-tier subcontracts as follows

(i) Unique identifier (DUNS Number) for the subcontractor receiving the award and for the subcontractor's parent company, if the subcontractor has a parent company

(ii) Name of the subcontractor

(iii) Amount of the subcontract award

(iv) Date of the subcontract award

(v) The applicable North American Industry Classification System (NAICS) code

(vi) Funding agency

(vii) A description of the products or services (including construction) being provided under the subcontract, including the overall purpose and expected outcomes or results of the subcontract

(viii) Subcontract number (the contract number assigned by the prime contractor)

(ix) Subcontractor's physical address including street address, city, state, and country. Also include the nine-digit zip code and congressional district if applicable

(x) Subcontract primary performance location including street address, city, state, and country. Also include the nine-digit zip code and congressional district if applicable

(xi) Names and total compensation of each of the subcontractor's five most highly compensated officers, for the calendar year in which the subcontract is awarded if—

(A) In the subcontractor's preceding fiscal year, the subcontractor received—

(1) 80 percent or more of its annual gross revenues in Federal contracts (and subcontracts), loans, grants (and subgrants), and cooperative agreements, and

(2) \$25,000,000 or more in annual gross revenues from Federal contracts (and subcontracts), loans, grants (and subgrants), and cooperative agreements, and

(B) The public does not have access to information about the compensation of the senior executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U S C 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986

16 41 Central Contractor Registration Required:

(a) The Contractor is required to properly register and maintain an updated registration with the Central Contractor Registration (CCR), which is the primary Federal Government repository for contractor information required for the conduct of business with the Federal Government. The requirements for such registration are set forth in the Federal Acquisition Regulation (FAR), including the establishment of a "Data Universal Numbering System (DUNS) number," the 9-digit number assigned by Dun and Bradstreet, Inc (D&B) to identify unique business entities.

(b) "Registered in the CCR database" means that—

(1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database, and

(2) The Federal Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS), and has marked the record "Active." The Contractor will be required to provide consent for TIN validation to the Government as a part of the CCR registration process.

(c) The DUNS number will be used by the City to verify that the Contractor is registered in the CCR database.

(d) If the Contractor does not become registered in the CCR database in the time prescribed by the City, the City will proceed to award the Contract to the next otherwise successful registered responding entity.

(e) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the City's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this Contract and is not a substitute for a properly executed contractual document.

16 42 Contract Work Hours and Safety Standards Act -- Overtime Compensation

(a) *Overtime requirements.* No Contractor or subcontractor employing laborers or mechanics (see Federal Acquisition Regulation 22.300) shall require or permit them to work over 40 hours in any workweek unless they are paid at least 1 and 1/2 times the basic rate of pay for each hour worked over 40 hours.

(b) *Violation, liability for unpaid wages, liquidated damages.* The responsible Contractor and subcontractor are liable for unpaid wages if they violate the terms in paragraph (a) of this clause. In addition, the Contractor and subcontractor are liable for liquidated damages payable to the Government. The Contracting Officer will assess liquidated damages at the rate of \$10 per affected employee for each calendar day on which the employer required or permitted the employee to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the Contract Work Hours and Safety Standards Act.

(c) *Withholding for unpaid wages and liquidated damages* The Contracting Officer will withhold from payments due under the contract sufficient funds required to satisfy any Contractor or subcontractor liabilities for unpaid wages and liquidated damages. If amounts withheld under the contract are insufficient to satisfy Contractor or subcontractor liabilities, the Contracting Officer will withhold payments from other Federal or Federally assisted contracts held by the same Contractor that are subject to the Contract Work Hours and Safety Standards Act.

(d) *Payrolls and basic records*

(1) The Contractor and its subcontractors shall maintain payrolls and basic payroll records for all laborers and mechanics working on the contract during the contract and shall make them available to the Government until 3 years after contract completion. The records shall contain the name and address of each employee, social security number, labor classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. The records need not duplicate those required for construction work by Department of Labor regulations at 29 CFR 5 5(a)(3) implementing the Davis-Bacon Act.

(2) The Contractor and its subcontractors shall allow authorized representatives of the Contracting Officer or the Department of Labor to inspect, copy, or transcribe records maintained under paragraph (d)(1) of this clause. The Contractor or subcontractor also shall allow authorized representatives of the Contracting Officer or Department of Labor to interview employees in the workplace during working hours.

(e) *Subcontracts* The Contractor shall insert the provisions set forth in paragraphs (a) through (d) of this clause in subcontracts may require or involve the employment of laborers and mechanics and require subcontractors to include these provisions in any such lower-tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the provisions set forth in paragraphs (a) through (d) of this clause.

16.43 Compliance with Copeland Act Requirements The Contractor shall comply with the requirements of 29 CFR Part 3, which are hereby incorporated by reference in this contract.

ATTACHMENTS

Attachment A	JOC Pricing Matrix
Attachment B	Project Cost Proposal Sheet
Attachment C	Scope of Services
Attachment D	Statement of Interest & Qualifications
Attachment E	Proposal Response
Attachment F	Authorized Signature Form
Attachment G	Contractor Contact List

**ATTACHMENT A
JOC PRICING MATRIX**

**City of Peoria
JOC Pricing Matrix**

P14-0019A, JOC for Traffic System

Company Name ITS

	\$1 00 to \$100,000	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	over \$1,000,000
<i>Indirect Cost of the Work</i>					
Job Order Contractor's Overhead	6 80%	6 80%	6 80%	6 80%	6 80%
Job Order Contractor's Fee (Profit)	10 00%	10 00%	10 00%	9 00%	8 00%
Payment & Performance Bonds	0 71%	0 71%	0 71%	0 71%	0 71%
Insurance	2 16%	2 16%	2 16%	2 16%	2 16%
AZ/County/City Taxes (65% of 081)	5 265%	5 265%	5 265%	5 265%	5 265%
Total Indirect Cost %	24 94%	24 94%	24 94%	23 94%	22 94%
Labor Burden Multiplier (Percentage)	145%	145%	145%	145%	145%

**ATTACHMENT B
PROJECT COST PROPOSAL SHEET**

n/A

ATTACHMENT C SCOPE OF SERVICES

1 0 GENERAL INFORMATION

This is a fixed price, indefinite quantity type Contract for the performance of a broad range of construction work on an as-needed basis as may be required by Owner. The specific work requirements will be identified in Job Orders to be issued by Owner.

2 0 DOCUMENTS

2 1 The currently applicable pricing structure contains pricing information for the Work to be accomplished in the pricing matrix specified. The Pricing matrix can only be updated at time of yearly contract renewal by mutually agreeable change order. Previously issued Job Orders and changes will not be retroactively repriced although any changes priced after receipt of an update will be priced by the updated version of the new pricing matrix.

2 2 The construction specifications in effect at Contract signing, and provided to the Job Order Contractor, shall be the specifications under this Contract.

3 0 WORK AUTHORIZATION

Any Work required under this Contract shall be authorized by issuance of formal, written Job Orders, as follows:

3 1 As the need exists (as determined by Owner) for performance under the terms of this Contract, Owner will notify Job Order Contractor of an existing requirement.

3 2 Upon the receipt of this notification, Job Order Contractor shall respond within two (2) working days, or as otherwise agreed, by

3 2 1 Visiting the proposed site in the company of Owner, or,

3 2 2 Establishing contact with Owner to further define the scope of the requirement.

3 3 After mutual agreement on the scope of the individual requirement, Job Order Contractor shall then prepare a proposal for accomplishment of the task unless Job Order Contractor, in its sole discretion, elects not to undertake the Work. If the Work is declined, Job Order Contractor will so notify Owner in a timely manner.

3 4 The price matrix shall serve as the basis for establishing the value of the Work to be performed.

3 5 Job Order Contractor's proposal shall be submitted within ten (10) working days unless otherwise agreed.

3 6 Upon receipt of Job Order Contractor's proposal, Owner will review the proposal for completeness and will reach agreement with Job Order Contractor on pricing, schedule, and all other terms, prior to issuance of a Job Order.

3 7 In the event Owner does not issue a Job Order after receipt of Job Order Contractor's proposal, Owner is not obligated to reimburse Job Order Contractor for any costs incurred in the preparation of the proposal, except as noted in § 4 8.

4 0 SCHEDULING OF WORK

4.1 For each Job Order, Owner will issue a Notice to Proceed. The first day of performance under a Job Order shall be the effective date specified in the Notice to Proceed. Any preliminary work started or material ordered or purchased before receipt of the Notice to Proceed shall be at the risk and expense of Job Order Contractor. Job Order Contractor shall diligently prosecute the Work to completion within the time set forth in the Job Order. The period of performance includes allowance for mobilization, holidays, weekend days, normal inclement weather, and cleanup. Therefore, claims for delay based on these elements will not be allowed. When Job Order Contractor considers the Work complete and ready for its intended use, Job Order Contractor shall request Owner to inspect the Work to determine the status of completion. When Owner determines the Work to be Punch List Prepared as defined in 1.7, Owner will provide Contractor with a list of items to be completed or corrected prior to final payment for the Job Order. Job Order Contractor shall proceed promptly to complete and correct items on the list.

4.2 Job placement of materials and equipment shall be made with a minimum of interference to Owner operations and personnel.

4.3 Furniture and portable office equipment in the immediate work area will be moved by Job Order Contractor and replaced to its original location. If the furniture and portable office equipment cannot be replaced to its original location, Owner will designate new locations. If furniture and portable office equipment (or other items) must be moved and/or stored outside the immediate area, Owner will compensate Job Order Contractor for any such transportation and storage costs incurred.

4.4 Job Order Contractor shall take all precautions to ensure that no damage will result from its operations to private or public property. All damages shall be repaired or replaced by Job Order Contractor at no cost to Owner.

4.5 Job Order Contractor shall be responsible for providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc., as required for each Job Order. Proposed traffic control methods shall be submitted to Owner for approval.

5.0 QUALITY ASSURANCE/QUALITY CONTROL PROGRAM

Job Order Contractor shall submit, for Owner approval, a Quality Assurance/Quality Control Plan within fifteen (15) calendar days after issuance of the initial Job Order. This plan should address all aspects of quality control including responsibility for surveillance of work, documentation, trend analysis, corrective action and interface with Owner's inspectors.

6.0 DESIGN

Job Order Contractor's duties under the Contract include the preparation of shop drawings or sketches necessary to permit orderly construction of Owner's design plans. Job Order Contractor agrees to provide detailed design drawings and plans if requested by Owner, with reimbursement included as part of the Job Order Contractor's proposal.

7.0 TEMPORARY SANITATION FACILITIES

The Contractor shall provide ample toilet facilities with proper enclosures for the use of workmen employed on the work site. Toilet facilities shall be installed and maintained in conformity with all applicable state and local laws, codes, regulations and ordinances. They shall be properly lit and ventilated, and kept clean at all times.

Adequate and satisfactory drinking water shall be provided at all times and under no circumstances and under no conditions will the use of common cups be permitted. The Contractor must supply sanitary drinking cups for the benefit of all employees.

7.1 DUST CONTROL AND WATER

The dust control measures shall be in accordance with the requirements of the "Maricopa County Health Department Air Pollution Control Regulations," namely Regulation II, Rule 21, subparagraph C and Regulation III, Rule 310 shall be rigidly observed and enforced. Water or other approved dust palliative in sufficient quantities shall be applied during all phases of construction involving open earthwork to prevent unnecessary discharge of dust and dirt into the air. The Contractor shall be responsible for compliance with these regulations. A Notice to Proceed will not be issued until the City of Peoria has received a copy of the Contractor's Dust Control Permit and Plan.

The Contractor shall be required to obtain the necessary permit and all pertinent information from the Maricopa County Air Pollution Control Bureau, 2406 S. 24th Street #E-214, Phoenix, Arizona, (602) 506-6700 extension 372.

The Contractor shall keep suitable equipment on hand at the job site for maintaining dust control on the project streets, and shall employ sufficient labor, materials and equipment for that purpose at all times during the project to the satisfaction of the City Engineer.

Watering shall conform to the provisions of Section 225 of the MAG Standard Specifications. The cost of watering will be included in the price bid for the construction operation to which such watering is incidental or appurtenant.

Installation and removal of fire hydrant meters should be scheduled at least forty-eight (48) hours in advance through the City of Peoria Utilities Division at (623) 773-7160. A \$1,000 deposit is required for each meter. An additional \$28.00 service fee is also required. The cost of the water is at the prevailing rate.

7.2 Electricity

Except for remote locations or unless otherwise specified in a Job Order, Owner shall furnish to Job Order Contractor from existing Owner facilities and without cost to Job Order Contractor, electricity necessary for the performance of work under this Contract. It is the responsibility of Job Order Contractor to determine the extent to which existing Owner electrical facilities are adequate for the needs of this Contract.

Upon completion of this Contract the removal of all taps, connections and accessories will be accomplished by and at the expense of Job Order Contractor, and costs included in the Job Order Proposal, so as to leave the electrical power source and facility in its original condition. Such removal shall also be subject to the approval of Owner.

8.0 WORK BY OWNER

Owner reserves the right to undertake or award Contracts for the performance of the same or similar type work contemplated herein, and to do so will not breach or otherwise violate the Contract.

**ATTACHMENT D
STATEMENT OF INTEREST AND QUALIFICATIONS**

SEE ATTACHED



**STATEMENT OF INTEREST AND
QUALIFICATIONS**

Solicitation Number **P14-0019**

**Materials Management
Procurement**
9875 N 85th Ave 2nd Fl
Peoria Arizona 85345-6560
Phone (623) 773-7115
Fax (623) 773-7118

**REQUEST FOR
STATEMENT OF INTEREST & QUALIFICATIONS**

JOB ORDER CONTRACTING

for

TRAFFIC SYSTEMS

P14-0019

Due Date October 8, 2013, 5 00 PM Arizona Time

City of Peoria
Materials Management Division
Contact Lisa Houg
9875 N 85th Ave , 2nd Fl
Peoria, Arizona 85345
(623) 773-7115



STATEMENT OF INTEREST AND QUALIFICATIONS

Solicitation Number P14-0019

Materials Management
Procurement
9875 N 85th Ave 2nd Fl
Peoria, Arizona 85345-6560
Phone (623) 773-7115
Fax (623) 773-7118

JOB ORDER CONTRACTING for Traffic Systems

SECTION 1 - INTRODUCTION

1 1 Introduction

The City of Peoria Arizona is seeking experienced contractors to provide services as described below for various projects utilizing Job Order Contracting (JOC) project delivery. Job Order Contracting may include design services, pre-construction services, construction work, maintenance and as-built documents. The contract period will be for an initial term of one (1) year with no more than four (4) additional one-year extensions. The City of Peoria intends to select two (2) Job Order Contractors for the award of this Job Order contract.

1 2 Cooperative Purchasing

Any contract resulting from this solicitation shall be for the use of the City of Peoria. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate at their discretion. In order to participate in any resultant contract, a political subdivision or nonprofit educational or public health institution must have been invited to participate in this specific solicitation and the contractor must be in agreement with the cooperative transaction. In addition to cooperative purchasing, any eligible agency may elect to participate (piggyback) on any resultant contract, the specific eligible political subdivision, nonprofit educational or public health institution and the contractor must be in agreement.

Any orders placed to the successful contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The City shall not be responsible for any disputes arising out of transactions made by others.

1 3 Project Budget

The City of Peoria Capital Improvement Program identifies funding for projects in fiscal year 2014 and shows planned projects for the next ten years. A copy of the City's ten year CIP can be viewed at <http://www.peoriaaz.gov/NewSecondary.aspx?id=54959>. The approved 2014 budget is available to fund various projects utilizing the awarded JOC contract. Estimated value (combination of all projects) is approximately \$700,000 in CIP and approximately \$300,000 from Public Works. Projects may extend into the next fiscal year and beyond but in no instance will any one project under this JOC exceed \$3,000,000.

1 4 Project Schedule

The City of Peoria has elected to use the JOC delivery method for these projects as outlined under A.R.S. Title 34. Cost effective construction in the shortest possible time frame and within the City's tolerance of financial risk will be the guiding principles behind the traffic signals, street lights and intelligent traffic systems projects.



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SECTION 2 – DESCRIPTION & SCOPE OF WORK

2.1 Description

This Job Order Contract is issued to assist the City of Peoria with traffic signal and street light construction, maintenance and repair services. Interested contractors will have the ability to show related experience and a proven track record in projects of the same nature and magnitude. The selected contractors will be expected to deliver turn key projects, including all permitting and regulatory requirements.

For any project determined by the City to be appropriate for this Job Order Contract, the City will request that the contractor prepare a scope of work, cost proposal and project schedule. If acceptable, the City will issue an individual Job Order. Although the City anticipates that JOC Contractors will be issued work, the Contractor is neither guaranteed a minimum amount of work nor any jobs at all. The City reserves the right and will issue delivery orders based on ability of the contractor to meet the City's work schedule and the availability of trades and expertise in relation to each project.

Contractors must have experience in the areas described in the Scope of Work (below)

2.2 Scope of Work

The City places significant emphasis on the qualifications and experience of the contractors we contract with and the individual employees performing services under our contracts in order to protect our citizens and ensure safe access to public spaces. Therefore, the City is requesting that all offerors assign only the most highly trained and qualified individuals to work on City projects involving traffic signal systems.

The City of Peoria maintains a network of traffic signals and street lights. This Job Order contract is intended for general contracting, construction, maintenance and repair services, together with architectural and engineering services as necessary, related to existing signals, building new signals, existing street lights and installing new street lights and associated street light systems within the City. It includes major and minor construction projects, renovations, maintenance, repairs, additions, demolition, re-constructions and alterations to signals and related systems, street lights and related systems within the intersections or close proximity to the intersections.

The successful contractor(s) shall have experience, knowledge, and ability to accomplish the following tasks:

- 1 Design – work with a design firm to produce drawings that can be used to permit work and complete projects
- 2 Utility locating – able to provide utility location
- 3 Legal descriptions and exhibits – work with outside sources to produce legal descriptions and exhibits
- 4 Demolition – remove items necessary for signal and street light installation
- 5 Cutting, milling, and removal – provide services as necessary to facilitate new signals and street lights
- 6 Signal work – install signal poles, heads, equipment etc for complete intersection signalization work



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- 7 Street light Work - install street light poles, mast arms, equipment, etc for complete street light system work
- 8 Electronic gear – install, maintain or renovate low voltage systems that manage signals
- 9 Detection – install loop and video detection
- 10 Lighting – run conduit and power and install luminars on poles and install street lights
- 11 Electrical work – install conduit, pull wires, and build both primary and low voltage systems in support of the signals and street lights
- 12 Boring – place conduit under structures by boring
- 13 Concrete work – install sidewalks, curb/gutter, ramps, hard-scape, foundations, pads, and other concrete work to build signalized intersections
- 14 Roadway work – install base, asphalt and other pavements in support of signaling intersections
- 15 Traffic Control – develop and operate traffic control for projects
- 16 Landscaping – install new landscape, including meters, irrigation systems, planting and ground covers as well as refreshing existing landscaping
- 17 Survey – provide accurate surveys
- 18 As-builts – provide as-built drawings of the projects
- 19 Public relations – provide public relations when required
- 20 Utility work – provide wet and dry utility relocations, repairs or new work as required to install the signalized intersections
- 21 Materials testing – provide materials testing as required
- 22 Design and install ITS – provide fiber systems, termination, equipment, repairs, and re-configuring
- 23 Install wireless systems – design and install wireless camera and data systems
- 24 Maintain ITS – provide wiring audits and clean-up and standardization
- 25 ITS work will include all right of way work up to and including connecting the network to communication equipment inside buildings The ITS work is not intended to include building network infrastructure inside facilities

2 1 Sample Project

The sample project is a typical project that may be done under this Job Order Contract This sample project is provided for contractors to use in completing their Project Assessment Plan so the City can see how your firm would approach a project if awarded the contract (see Appendix 2)

The Contractor will be required to provide a project scope plan showing the process to be followed through the design/preconstruction, permitting, construction and close-out phases of the project

SECTION 3 – EVALUATION CRITERIA

3 1 Evaluation Process

The contractor(s) will be selected through a qualifications based selection process The City expects to award the project to the best valued contractor(s) based on the requirements in this solicitation The contractor selected for qualification will be the contractor whose qualification is responsive, responsible, and the most advantageous to City, as determined by City in its sole discretion The City reserves the right to add, delete, or modify any part of this solicitation at City's sole discretion The City will evaluate contractors based on the overall value of each qualification Contractors



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interested in providing services must submit a Statement of Qualifications (SOQ) that addresses the points as outlined herein

3 2 Key Personnel

The City expects the interested firms to identify within their organizations, individual(s) assigned to provide the following functions throughout the life of the contract

- JOC Program Manager
- Project Manager
- Project Superintendent
- Estimator

3 3 Criteria and Weights

The City will evaluate contractors based on the overall value of each qualification. Evaluation criteria will be weighted according to the following categories

Category	Weight
Responsiveness	Pass/Fail
References	Pass/Fail
Project Assessment Plan	
Scope Plan	25%
Risk Assessment / Value Added	25%
Project Schedule / Subcontractor Selection Plan	5%
Interview	45%

3 3 1 Responsiveness (Pass/Fail)

Contractors must prepare qualifications that follow the format and sequence specified in this solicitation. The following conditions/criteria must be met in order to be considered responsive

- Receipt of SOQ at the proper location by the specified date and time
- The number of copies of the submittal requested
- Adherence to maximum page requirements
- Not submitting all required documentation
- Adherence to having no identifying information (except for Attachments A & B)

3 3 2 References (Pass/Fail)

- The Contractor will submit 3 references as outlined in **Attachment B**

3 3 3 Project Assessment Plan (Weighted at 50%)

- The Contractor will submit a Project Assessment Plan as outlined in **Attachment C**
- The PA Plan must be 4 pages or less (2-pages for Scope Plan (25%), and 2 pages maximum for risk assessment and value added (25%) items)



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- The PA Plan shall NOT contain any names or information that can be used to identify the Contractor
- The Contractor must use the template as provided in **Attachment C**. Contractors may not re-create or modify this attachment (no color, black ink only, no font changes, no pictures, no diagrams, etc)
- Any plan that does not follow these requirements, or contains names or information that can be used to identify who the contractor is, may be marked as unresponsive and eliminated from the evaluation process

3 3 4 Project Schedule & Subcontractor Selection Plan (Weighted at 5%)

- Provide a 1 page Gantt style project duration schedule for the project that only conveys major milestones, including City approval processes, and final submittal to the City (**Attachment D**)
- Provide a detailed 1-page subcontractor selection plan that uses qualification and price in the selection criteria (**Attachment D**). The contractor should describe how they will pre-qualify and select their subcontractors as required per ARS 34-603
- The Project Schedule and Subcontractor Selection Plan shall NOT contain any names or information that can be used to identify the Contractor

3 3 5 Interviews (Weighted at 45%)

- The City will shortlist contractors based on the criteria in this section
- The City may interview all of the critical team members proposed
- The City may request to interview additional personnel
- The City may interview individuals separately and/or as a group
- The City may request a list of similar past projects and staff qualifications
- For this project, Contractors may bring up to two additional team members at their discretion to the interview. These additional team members will only be allowed in the interview during the 15-minute presentation and will not be interviewed or scored. The purpose of this is to allow Contractors to bring in up to two additional team members whom they feel are important to this project's success
- *Important Note* All proposed team members must be available for interview on the date specified in this solicitation. No substitutes or proxies will be allowed. Individuals who fail to attend the interview will not be given a score which may jeopardize the contractor's competitiveness

SECTION 4 – SELECTION PROCESS

4 1 Interview and Selection Process

Contractors will be prioritized and selected through a qualification based selection process based on the criteria in Section 3. A selection committee will evaluate and score each Project Assessment Plan. The City will use a Linear Relationship Model (LRM) as outlined in Appendix 1 to assist the City in ranking the contractors.

A selection committee will evaluate and score each SOQ and interview the top 3 to 5 contractors based on the scores from the Project Assessment Plan, Schedule and Subcontractor Selection Plan. After conducting the interviews, investigations of the contractors will be performed by the



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For this project the Final List will consist of the top 3 scoring contractors (based on PA Plan scores, Interview scores, Pass/Fail Reference, and Pass/Fail Responsiveness)

4 2 Identification of Potential Best-Value

Scores from the interview will be used to determine the final ranking order of the shortlisted contractors

The top selected contractor(s) on the Final List will then enter into negotiations with the City to reach agreement on final contract form, content and fee structure

If the City is satisfied with the potential best-value contractor(s), they will proceed to issue an award. If the City is not satisfied with the negotiations, the City may consider breaking off negotiations and selecting the next contractor on the final list for potential award

SECTION 5 – POST AWARD ACTIVITIES

5 1 Post Project Evaluation

For contracts that span over multiple years, the City will perform annual project evaluations prior to contract renewal. The City will evaluate the overall performance of the project team (including, but not limited to overall quality, on-time completion, no cost change orders, compliance to budget, no complaints, and ability to work with the City staff). The final rating will be used towards future City of Peoria projects

SECTION 6 – CRITICAL DATES

6 1 Pre-Submittal Conference

A pre-submittal conference will be held on **Tuesday, September 24th at 2 00 p m** Arizona Time. The meeting location is the City of Peoria, Development and Community Services Building, Point of View Conference Room, 9875 N 85th Avenue, Peoria AZ, 85345

Staff may not be available to respond to individual inquiries regarding the project scope outside of this pre-submittal conference. All interested parties are urged to attend this meeting

6 2 Critical Dates

The following are the critical dates for this project. Please be advised that these dates are subject to change as deemed necessary by the City

September 24, 2013	Pre-Submittal Conference
October 8, 2013	Submittals Due
October 22, 2013	Notification of Interviews
October 30, 2013	Interviews (shortlisted contractors only)
November 4, 2013	Best-Value Contractor Notification



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SECTION 7 – SOQ SUBMITTAL FORMAT

7 1 Submittal Format

- The SOQ must be submitted to the contact listed in Section 7 2. The copies should be stapled (and not bound) to facilitate easy handling, photocopying, and reading by the evaluation committee
 - No faxed or emailed SOQs will be considered
 - The SOQ must be received by the date listed in Section 7 2
- 1 Attachment A Proposal Form – One (1) original must be submitted
 - 2 Attachment B Reference Form – One (1) original must be submitted
 - 3 Attachment C Project Assessment Plan – Six (6) copies of the completed 2-page scope plan, 2-page project assessment and value added plan must be submitted
 - 4 Attachment D Project Schedule and Subcontractor Selection Plan – Six (6) copies of the 1 page project schedule and six (6) copies of the 1 page subcontractor selection plan must be submitted

7 2 Submittal Due Date and Contact Information

- Proposal Responses must be received by 5 00 p m (AZ time) on **October 8, 2013**
- Contact Information

Attention Lisa Houg, Contract Officer
SOQ # P14-0019 – JOC for Traffic Systems
City of Peoria Materials Management
9875 N 85th Avenue, 2nd Floor, Peoria, Arizona 85345

SECTION 8 – GENERAL INFORMATION

8 1 Questions

- All questions regarding this SOQ must be submitted in writing by emailing Lisa.Houg@PeoriaAZ.gov
- Inquiries within 48 hours preceding the due date & time will not be addressed

8 2 General Information

- Instructions The City of Peoria shall not be held responsible for any oral instructions. Any changes to this SOQ shall be in the form of a published addendum
- Contact Contact with City of Peoria staff, elected or appointed officials, or selection committee members concerning this SOQ, at any time, in any venue, is strictly prohibited, except as described in Section 8 1 above, and may be grounds for disqualification



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- Costs The City of Peoria will not be responsible for any costs incurred by any contractor submitting an SOQ or responding to this notice. The City reserves the right to waive any irregularities in any submittal and to reject all submittals and re-advertise or cancel the project in its entirety, at its sole discretion. The City reserves the right to request clarification or additional information.
- Material All materials submitted in response to this solicitation become the property of the City, and may become a part of any resulting contract. Award or rejection of a proposal does not affect this right.
- Compliance The selected contractor will be required to comply with the Legal Arizona Workers Act.
- Federal Funds The selected contractor will be required to comply with all associated Federal Compliance Regulations for any federally funded projects that may be done under this JOC contract.

8.3 Protest Policy and Procedures

- The City of Peoria Protest Policy and Procedures are available online at <http://www.peoriaaz.gov/NewSecondary.aspx?id=53287>. The policy is contained within the City of Peoria Procurement Code, Chapter 2- Administration, Section 2-321 Procurement Code Protests, Informal and Formal.
- The specific protest procedures are contained in the Materials Management "Administrative Guidelines" and can be accessed at <http://www.peoriaaz.gov/NewSecondary.aspx?id=54937> under the "DOWNLOADS" box on the right side of the web page.

8.4 Attachments (All must be completed and returned to be considered responsive)

Attachment A	Proposal Form
Attachment B	Reference List
Attachment C	Project Assessment Plan (Scope Plan & Risk/Value Added Plan)
Attachment D	Project Schedule and Subcontractor Selection Plan

8.5 Appendices

Appendix 1	Scoring and Ranking Submittals
Appendix 2	Sample Project



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The JOC Contract template (for review only) and all templates for Attachments A, B, C, and D can be accessed on the City's FTP website

FTP Site Access Directions

Using your Web Browser, enter the following address

<https://cityftp.peoriaaz.gov>

You will be prompted for a User ID and Password

User ID ftpsolicitation

Password AEC91&lv

(password is case sensitive)

You should then see the available file The file name for this project is P14-0019 – JOC for Traffic Systems You can copy or download to your computer or server Download speed will depend on the internet connection speeds on both sides

If you have trouble moving beyond the prompt for user id and password, it is likely your network or pc's firewall and/or anti-virus software is blocking access Temporarily turning off your firewall and/or anti-virus software should allow you to continue with access



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ATTACHMENT A PROPOSAL FORM

One (1) original of this Proposal Form (Attachment A) must be completed and sent to the City of Peoria. Please staple Proposal Form (Attachment A) to the original Reference form (Attachment B), Project Assessment Plan (Attachment C) and Project Schedule and Subcontractor Selection Plan (Attachment D)

Project Team

Name of Job Order Contractor (Contractor) _____

Name of JOC Program Manager (Individual) _____

Name of Project Manager (Individual) _____

Name of Project Superintendent (Individual) _____

Name of Estimator (Individual) _____

Bonding

Individual project bonding capacity \$ _____

Total bonding capacity \$ _____

Amount of bonded contracts currently in process \$ _____

The Project Assessment Plan, Project Schedule and Subcontractor Selection Plan must NOT contain any information that may identify the Contractor or critical team members

Name of Company

Printed Name and Title of Contractor Representative Signature of Contractor Representative

Address City, State Zip Code

Phone Fax Date

Email

Contractor License Number



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ATTACHMENT B REFERENCE LIST

HOW TO CREATE AND SUBMIT A REFERENCE LIST

- 1 The reference list must contain different projects You cannot have multiple people evaluating the same job. However, one person may evaluate several different jobs.
- 2 The references for past projects must be of similar size and scope for the type of project being solicited.
- 3 The past projects must be completed past projects (no on-going or substantially complete projects).
- 4 The City will contact the references for additional information and clarification. If the reference cannot be contacted, there will be no credit given for that reference and your firm may be eliminated from the selection process.



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ATTACHMENT B REFERENCE LIST (continued)

Please list a minimum of three (3) owner references from similar completed projects within the past three (3) years whom the Materials Management Division may contact

1	Company	_____
	Contact	_____ Phone _____
	Address	_____
	Description of Work	_____ _____
	Project Value	_____
	Date Completed	_____
2	Company	_____
	Contact	_____ Phone _____
	Address	_____
	Description of Work	_____ _____
	Project Value	_____
	Date Completed	_____
3	Company	_____
	Contact	_____ Phone _____
	Address	_____
	Description of Work	_____ _____
	Project Value	_____
	Date Completed	_____



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ATTACHMENT C PROJECT ASSESSMENT PLAN GUIDE AND TEMPLATE

Introduction

The purpose of the Project Assessment (PA) Plan is to identify if a contractor can quickly identify the risks on a future project in terms of cost time and client expectations (of quality and performance) The PA Plan is used to

- 1 Assist the client in prioritizing contractors based on their ability to understand the risks of a project
- 2 Provide high performing contractors with an opportunity to differentiate themselves from their competitors
- 3 Minimize the effort of experienced companies who are competing for the project

Contractors should keep in mind that the PA Plan is only one step in the selection process If all the PA Plans are the same, the PA Plan will have little impact in the selection (other factors, such as the interview will dictate the selection) The PA Plan will become part of the contract

PA Plan Format

The PA Plan contains three major sections Scope Plan Potential Risks and Solutions and the Potential Value Added Options The City's goal is to make the selection process as efficient as possible Efficiency is to minimize the effort of all participants, especially those who will not be awarded the project Therefore the PA Plan should be brief and concise The PA Plan shall NOT exceed 4 pages front side of page only (2 pages Scope Plan 2 pages combined for Risks and Value Added Ideas)

In order to minimize any bias by the evaluation committee, the PA Plans shall NOT contain ANY names (such as contractor or manufacturer names personnel names, project names product names, or company letterhead) A PA Plan template is attached and must be downloaded from the FTP site Contractors are NOT allowed to re-create the PA Plan Template (cannot alter font size font type add colors add pictures, etc) Failure to comply with these requirements may result in disqualification The PA Plans should not contain any marketing information, brochures, product names, technical information, or general items All documents shall be on 8½" x 11 , in black and white ink only, no graphics or pictures

Overview of the Scope Plan Section

The purpose of the scope plan submittal is an opportunity for the contractor to differentiate themselves by giving a concise and well organized description of the project The Scope Plan should be a succinct summary of the project and should be used to prove to the client that the contractor can visualize what they are going to do before they do it The Plan should identify the major components risks and show contractors capability to predict, preplan, prioritize and minimize technical risks

Overview of the Risk Assessment Section

The contractor should clearly address the following items

- 1 List and prioritize major risk items that are unique to this project This includes areas that may cause the project to not be completed on time not finished within budget generate any change orders or may be a source of dissatisfaction for the owner Risks can include things that you control and things that you do not control
- 2 Explain how the contractor will avoid / minimize the risk If the contractor has a unique method to minimize the risk they should explain it in non-technical terms

Overview of the Value Added Item Section

The contractor should identify and list any value added options that they feel may apply to this project Do not include marketing material



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ATTACHMENT C PROJECT ASSESSMENT PLAN TEMPLATE This template must be used

SECTION 1 – SCOPE PLAN (Page 1 of 2)

Font size should not be any smaller than 10 point Times New Roman or Arial Do not list any names/information that can be used to identify your firm Do not exceed the 2-page limit for the Scope Plan (You may delete these instructions)



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ATTACHMENT C PROJECT ASSESSMENT PLAN TEMPLATE

This template must be used

SECTION 1 – SCOPE PLAN (Page 2 of 2)

Font size should not be any smaller than 10 point Times New Roman or Arial. Do not list any names/information that can be used to identify your firm. Do not exceed the 2-page limit for the Scope Plan. (You may delete these instructions.)



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ATTACHMENT C PROJECT ASSESSMENT PLAN

This template must be used

SECTION 2 - IDENTIFICATION & MINIMIZATION OF RISK (Page 1 of 2) Font size should not be any smaller than 10 point Times New Roman or Arial Do not list any names/information that can be used to identify your firm Do not exceed the 2-page limit for the Risk/Value-Added Plan (You may delete these instructions)

Identify major risks associated with the sample project You may add/delete the risk tables below as necessary

Risk 1	
Solution	
Risk 2	
Solution	
Risk 3	
Solution	
Risk 4	
Solution	
Risk 5	
Solution	
Risk 6	
Solution	
Risk 7	
Solution	
Risk 8	
Solution	
Risk 9	
Solution	
Risk 10	
Solution	



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ATTACHMENT C PROJECT ASSESSMENT PLAN This template must be used

SECTION 2 - VALUE ADDED OPTIONS (Page 2 of 2) Font size should not be any smaller than 10 point Times New Roman or Arial Do not list any names/information that can be used to identify your firm Do not exceed the 2-page limit for the Risk/Value-Added Plan (You may delete these instructions)

Please identify any value added options or differentials that you are proposing, and include a short description of how it adds value to the sample project Identify if the items will increase or decrease schedule, cost or expectation You may add/delete the value tables below as necessary

Item 1				
Impact	Cost (\$)			Schedule (Days)
Item 2				
Impact	Cost (\$)			Schedule (Days)
Item 3				
Impact	Cost (\$)			Schedule (Days)
Item 4				
Impact	Cost (\$)			Schedule (Days)
Item 5				
Impact	Cost (\$)			Schedule (Days)



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ATTACHMENT D

PROJECT DURATION SCHEDULE and SUBCONTRACTOR SELECTION PLAN

This template is a placeholder only Contractor may attach separate sheet(s) for Project Schedule and Subcontractor Selection Plan

Overview of the Project Duration Schedule (1 page)

Provide a detailed Gantt style project schedule which clearly conveys milestones, design activities, equipment pre-purchase, permitting processes, City approval process, construction and project close-out Delineate clearly the two project efforts showing any points of inter-dependence and their respective completion dates Do not list any names/information that can be used to identify your firm Do not exceed the 1-page limit for the Subcontractor Selection Plan (You may attach a separate page for the Project Duration Schedule)

Overview of the Subcontractor Selection Plan (1 page)

Font size should not be any smaller than 10 point Times New Roman or Arial Do not list any names/information that can be used to identify your firm Do not exceed the 1-page limit for the Subcontractor Selection Plan (You may delete these instructions or attach a separate page for the Subcontractor Selection Plan)



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APPENDIX 1

Scoring and Ranking Submittals

Overview

The City of Peoria uses a simple linear data model to score and rank the contractors. The model uses raw data scores with a 1-10 rating, then normalizes those scores to a 100 point basis, then multiplies by the weighted percentage for the final score and ranking. Example: $8.1 \times 45\% = 3.65$

Example

The following data and tables are for informational purposes only. Based on the raw data and weights, Contractor C is identified as the highest ranked firm (85.5 points out of 100 possible points). Any firm that receives a fail in the responsiveness or reference categories will be eliminated from the selection process.

	Criteria	Weight	Contractor A		Contractor B		Contractor C	
			Raw Score	Weighted Score	Raw Score	Weighted Score	Raw Score	Weighted Score
1	Responsiveness	Pass/Fail	Pass	Pass	Pass	Pass	Pass	Pass
2	Interview Score	45%	8.1	36.5	7.8	35.1	8.3	37.4
3	Scope Plan	25%	5.6	14	6.1	15.3	7.8	19.5
4	PA/VA Plan Score	25%	9.1	22.8	9.7	24.3	9.5	23.8
5	Project Duration Schedule & Subcontractor Plan Score	5%	8.5	4.3	9.3	4.7	9.5	4.8
6	References	Pass/Fail	Pass	Pass	Pass	Pass	Pass	Pass
		100%		77.6		79.4		85.5
	Final Ranking			3		2		1



STATEMENT OF INTEREST AND QUALIFICATIONS

Solicitation Number P14-0019

Materials Management
Procurement
9875 N 85th Ave 2nd Fl
Peoria Arizona 85345-6560
Phone (623) 773-7115
Fax (623) 773-7118

APPENDIX 2 SAMPLE PROJECT

Project Description

This is a sample project and is not currently programmed in the City's Capital Improvement Program (CIP)

The City of Peoria has received requests from area citizens to modify the existing traffic signal at Lake Pleasant Parkway and Hatfield Road to accommodate an at-grade road crossing for equestrians and pedestrians. Constructing even the simplest at-grade road crossing means evaluating safety issues, trail user needs, design parameters, environmental concerns, and eventually cost. The City has decided to hire the Job Order Contractor to provide pre-construction and construction services of an at-grade road crossing and traffic signal modifications. For this job order the City will hire the design consultant separately.

The contractor shall prepare and submit a scope plan that explains

- their approach to assist during the pre-construction services consisting of planning, coordination with the designer, coordinating with the City and developing solutions
- their approach to providing construction services required to complete the recommended at-grade road crossing

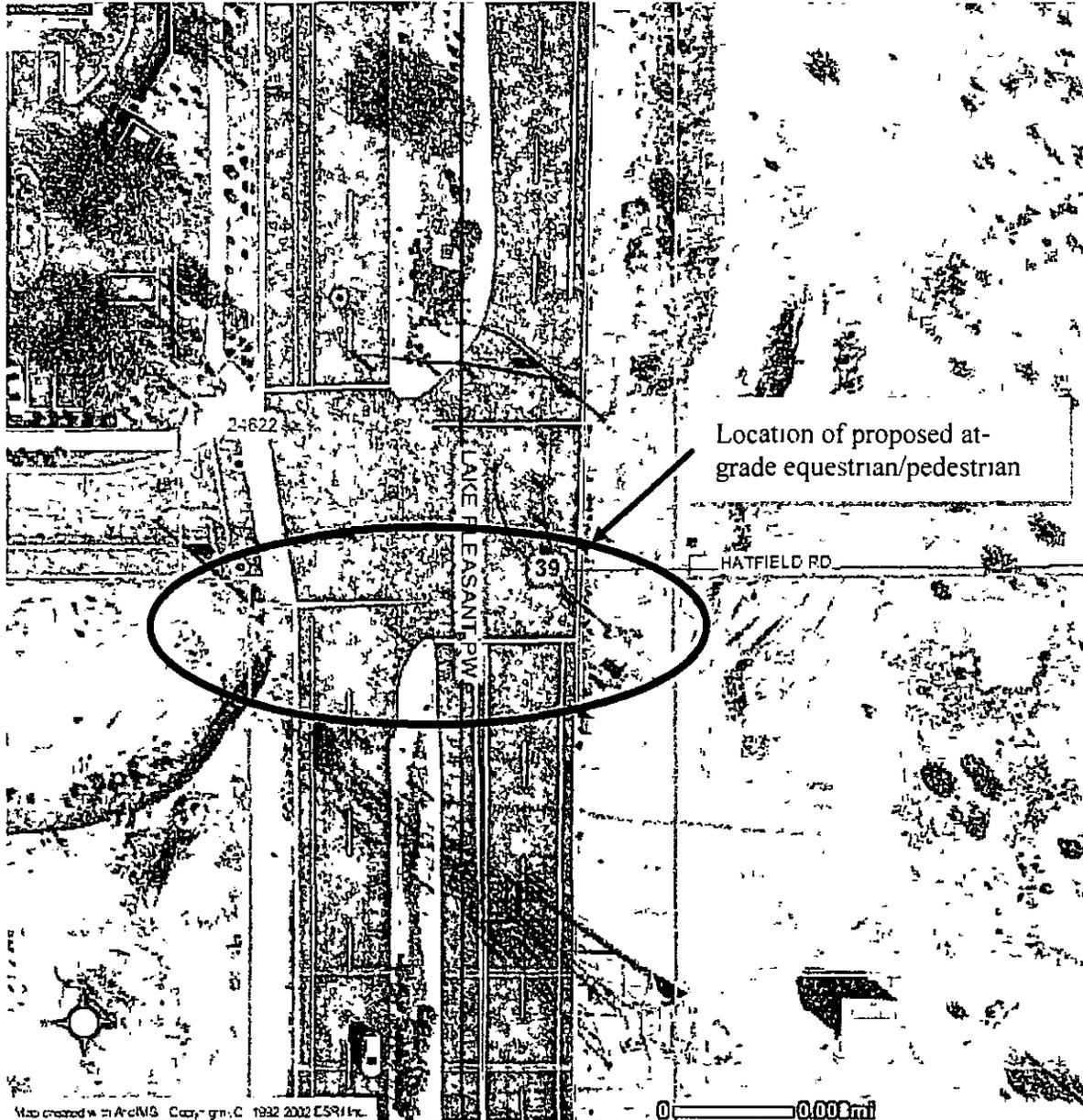


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EXHIBIT



**ATTACHMENT E
PROPOSAL RESPONSE**

SEE ATTACHED

#1



STATEMENT OF INTEREST AND QUALIFICATIONS

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ATTACHMENT A PROPOSAL FORM

One (1) original of this Proposal Form (Attachment A) must be completed and sent to the City of Peoria. Please staple Proposal Form (Attachment A) to the original Reference form (Attachment B), Project Assessment Plan (Attachment C) and Project Schedule and Subcontractor Selection Plan (Attachment D)

Project Team

Name of Job Order Contractor (Contractor)	<u>ITS Engineers & Constructors of Utah, Inc</u>
Name of JOC Program Manager (Individual)	<u>Randall Pearson, P E</u>
Name of Project Manager (Individual)	<u>Tim Seaman</u>
Name of Project Superintendent (Individual)	<u>Thomas Carillo</u>
Name of Estimator (Individual)	<u>Michael Wendtland, P E</u>

Bonding

Individual project bonding capacity	<u>\$4,000,000 00</u>
Total bonding capacity	<u>\$8,000,000 00</u>
Amount of bonded contracts currently in process	<u>\$ 650,000 00</u>

The Project Assessment Plan, Project Schedule and Subcontractor Selection Plan must NOT contain any information that may identify the Contractor or critical team members

ITS Engineers & Constructors of Utah, Inc

<u>Name of Company</u>		<u>ITS Engineers & Constructors of Utah, Inc</u>	
<u>Randall Pearson</u>		<u><i>Randall Pearson</i></u>	
<u>Printed Name and Title of Contractor Representative</u>		<u>Signature of Contractor Representative</u>	
<u>22505 North 19th Avenue</u>	<u>Phoenix, AZ</u>	<u>85027</u>	
<u>Address</u>	<u>City, State</u>	<u>Zip Code</u>	
<u>(623) 780 - 4050</u>	<u>(623) 780 - 4054</u>	<u>4 OCT 2013</u>	
<u>Phone</u>	<u>Fax</u>	<u>Date</u>	
<u>randy@itsengineers.com</u>			
<u>Email</u>			

ROC 187901

Contractor License Number



STATEMENT OF INTEREST AND QUALIFICATIONS

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ATTACHMENT B REFERENCE LIST (continued)

Please list a minimum of three (3) owner references from similar completed projects within the past three (3) years whom the Materials Management Division may contact

- | | | |
|---|---------------------|--|
| 1 | Company | <u>Arizona Department of Transportation</u> |
| | Contact | <u>Paul Sykes</u> Phone <u>(520) 449 - 0734</u> |
| | Address | <u>1444 West Grant Road, Tucson, AZ 85745</u> |
| | Description of Work | <u>S R 347 communications, traffic management system and traffic signal coordination timing implementation</u> |
| | Project Value | <u>\$117,000 00</u> |
| | Date Completed | <u>March 8, 2013</u> |
| 2 | Company | <u>Maricopa County Department of Transportation</u> |
| | Contact | <u>Jordan Lamoreaux</u> Phone <u>(602) 506-6573</u> |
| | Address | <u>2901 West Durango Street, Phoenix, AZ 85009</u> |
| | Description of Work | <u>Relocation and renovation of the Maricopa County Department of Transportation Traffic Management Center</u> |
| | Project Value | <u>\$650,000 00</u> |
| | Date Completed | <u>January 2013</u> |
| 3 | Company | <u>City of Peoria</u> |
| | Contact | <u>Geoff Zinnecker</u> Phone <u>(602) 918 - 0103</u> |
| | Address | <u>9875 North 85th Avenue, Peoria, AZ 84345</u> |
| | Description of Work | <u>FY 2013 JOC Program for Traffic Signals and ITS</u> |
| | Project Value | <u>\$613,004 27</u> |
| | Date Completed | <u>June 30, 2013</u> |



STATEMENT OF INTEREST AND QUALIFICATIONS

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ATTACHMENT C PROJECT ASSESSMENT PLAN GUIDE AND TEMPLATE

This Project Assessment Plan addresses our firm's approach, under a JOC, to perform preconstruction and construction services for modification of the existing signal at Lake Pleasant Parkway & Hatfield Road to accommodate at grade road crossings for equestrians and pedestrians

As a preface to providing these services, we would like to state our firm's commitment and ability to provide qualified and experienced personnel to perform the tasks under the JOC. We have registered professional engineers on our staff (compliant with A.R.S. 32-142(A)) to oversee and supervise all phases of traffic signal system planning, design, preconstruction, construction, integration and operation. Our field personnel have IMSA level II certification, traffic control credential from ATSSA, OSHA safety and dust control. Additionally, our firm has performed as a JOC contractor for different agencies and has experience administering, managing and successfully completing JOC Work Orders. For this project, the Assessment Plan starts with addressing preconstruction activities.

Preconstruction With the design provided by the City and the design consultant, our firm's approach would be to provide input to the planning & design process from a constructability perspective. Our firm would be available to provide services to support field review & investigation, perform project measurements & quality checks for quantities. We would also be able to provide plan review and materials cost estimate data, as requested, and make recommendations regarding physical modifications necessary for construction of the signal system and crossings.

As the design approaches 90%, a site review for constructability will allow the City, the designer and the JOC contractor to finalize any remaining project elements prior to construction. With a final design, our firm would follow through to produce hard project costs and a construction schedule. The costs will be developed using quotes for approved materials and need for manpower, equipment and traffic control. A schedule for the sample project at LPP and Hatfield Rd is attached.

Important administrative tasks would also be performed as part of preconstruction. Under the JOC we would anticipate receiving the final design from the City and their design consultant. This in turn would provide the basis for submitting a formal cost proposal and schedule to the City for review. After any discussions and necessary adjustments to the proposal for approval, an individual job order would be anticipated. Following approval, the City would issue a Notice to Proceed, allowing permit requests to be submitted for review. Our firm would produce proposed traffic control plans for review and approval as part of the permitting process.

We would also provide services to address all utility locating issues. In addition to this intersection location being in a high power overhead electrical transmission line corridor, there is significant fiber optic presence as evidenced by the large vault on the east side, in the southwest corner, where the crossing is proposed, there is a dual culvert drainage structure and a gas line present. Our firm would expect to have site review meetings as necessary, including the City of Peoria Project Manager, the designer as well as the City Inspection forces - along with utility representatives as warranted. This coordination, in advance of construction, will alert all stakeholders to be aware of the site conditions and identify any special issues, such as site access, a need for special call-outs for utility locating or any other items brought forward regarding the assigned work. At this stage a preconstruction meeting would be scheduled to formally initiate the construction phase of the project.



STATEMENT OF INTEREST AND QUALIFICATIONS

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Construction Following the review & approval for scope & cost, the JOC process would proceed with issuing the Work Order & NTP, obtaining permits & providing traffic control plans for review and approval. Our firm would assist the City in organizing a preconstruction meeting with stakeholders to review the project plans, specifications and schedule in preparation for construction. Our firm would anticipate following the sequence outlined below for construction activities:

Construction activities will include continuing coordination with utility companies (initiated during preconstruction) and commencing with the underground work. It is expected that a survey for underground work for this project will be needed for extension of the drainage culvert on the southwest corner. The drainage extension will provide additional surface area for the equestrian ramp and holding area. Based on field conditions, the drainage work will require relocating the traffic signal junction box to the south, leading, in-turn to a rewire of the south leg. Additional work may be required on the southeast corner where, according to the City's Trail Crossing Guidelines, clearances are minimally met. If the design calls for further clearance, there could be an impact to move the controller cabinet on that corner as well. Underground work would also be anticipated to modify the pedestrian ramp on the northwest corner as well as landing ramps for pedestrian ramps and equestrian ramps on the northeast and southeast corners respectively, including poles and call buttons.

Upon completion of the underground work, intersection rewiring would be performed. This will include new conductor for the intersection's south leg to accommodate signal equipment relocation as well as all wiring for the new pedestrian and equestrian call buttons.

In conjunction with the rewiring, construction activity will proceed with striping and providing equestrian crossing surface treatment for Lake Pleasant Parkway. This work could also provide for any median modification called for in the plans to accommodate alignment and clearance for equestrian traffic. This phase concludes with initiating the signal operation with the new crossing configuration.

The final phase of construction will address landscape restoration, grading, vegetation and irrigation as needed. This will be followed with a final project walk-through to develop a punch list for any remaining items and clean-up. After punch list completion, As-built plans will be produced and delivered. Additional administrative close out activities under the JOC process will consist of our firm signing the project waiver & release, along with the Final Letter of Acceptance (FLOA). Our firm will provide services to self perform all aspects of construction to complete the at-grade crossing project with the exception of striping and concrete work which are specialty trades that we would expect to sub out.

As a JOC contractor our firm will be able to provide qualified staff for engineering, design and supervision for all phases of traffic signal systems work and associated integration. For construction we will self perform all signal work to install poles, heads, cabinets, video detection & surveillance and related appurtenances, we maintain manpower, equipment and vehicles to perform utility locating and utility work related to traffic signal system installation, including electrical work and coordination with electrical utilities. We will also self perform all work for lighting installation, maintenance and knock-down repair. We have the tools, skills and extensive experience to install wireless and data systems, we also maintain our own certified fusion splicer and optical testing equipment to self perform all aspects of fiber optic communications for traffic signal systems – including design, installation, testing, integration, and system commissioning. Any work which may need to be subcontracted will be professionally procured and managed per our Subcontractor Selection Plan. In summary, our firm is experienced and able to perform as a full service JOC contractor delivering quality traffic signal systems for the benefit of the City of Peoria.



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ATTACHMENT C PROJECT ASSESSMENT PLAN – Section 2

Risk 1	Project Cost Escalation – There are three major considerations each of which will have the potential to expand the scope and increase the costs of the project. The areas that risk cost escalation are appurtenances for pedestrian safety, equestrian safety and the associated need for traffic signal equipment relocation.
Solution	Each of these considerations is addressed individually below. The overall solution is to achieve safe pedestrian and equestrian crossings in accordance with plans & guidelines without over designing or constructing at the expense of incurring escalating project costs.
Risk 2	Pedestrian Safety – While the sample project calls for the pedestrian/equestrian crossing on the south side of Hatfield Road, mixing the two groups in one area may pose a risk of needing an extensive cross section on the south side of Hatfield for the combined traffic.
Solution	A potential solution could be to separate the pedestrians and provide an east/west crossing on the north side of Hatfield Road. The north side is likely better suited for pedestrian traffic due to the shopping area and existing pedestrian ramp on the northwest corner. The pedestrian crossing would entail additional work to modify the existing pedestrian ramp on the northwest corner as well as introducing the need to construct a new pedestrian ramp on the northeast corner. This would alleviate space requirements (and minimize ROW requirements) on the south side of Hatfield Road for the equestrian crossing.
Risk 3	Equestrian Safety – Risks to equestrian safety will arise from the open storm drain on the southwest corner. Drainage modifications will be necessary and will impact project costs.
Solution	Equestrian safety and construction costs should be considered in light of the City of Peoria Path and Trail Corridor Guidelines and the At-Grade Path and Trail Crossings Guidelines. The open storm drain will be immediately adjacent to the equestrian crossing and a protective barrier or spatial separation should be evaluated. The construction of a barrier may involve a wing wall and/or head wall around the open drainage, upon which equestrian safe rail fencing can be mounted to safely channel equestrian traffic. Alternatively, providing separation through open space will increase the amount that the storm drainage needs to be extended to the south. Additional impact to extend drainage comes from the need to provide a gathering area for the crossing (as recommended by the guidelines) on the southwest corner.
Risk 4	Traffic Signal Equipment Relocation – The risk is that accommodating safety and preserving drainage will increase costs to relocate impacted traffic signal equipment.
Solution	Much of the solution will depend heavily on decisions made during the design process. The key is fully recognizing the implications of each decision. A specific focus will be on decisions (to move junction boxes, related to drainage modifications on the southwest corner, for example) which could result in a requirement to rewire portions or all of the intersection. Another focus would be on decisions related to providing adequate equestrian trail widths for safe passage adjacent to the traffic signal cabinet on the southeast corner. Currently there is exactly 12' 1" width between the signal cabinet and the signal pole on that corner. This is a recommended minimum for equestrian crossings widths from the guidelines. If a design decision is made to increase that width from the minimum, then the cabinet would become subject to relocation, along with the corresponding construction costs. Furthermore, changing the cabinet location could introduce the need for additional rewiring and associated costs.



STATEMENT OF INTEREST AND QUALIFICATIONS

Solicitation Number **P14-0019**

Materials Management Procurement

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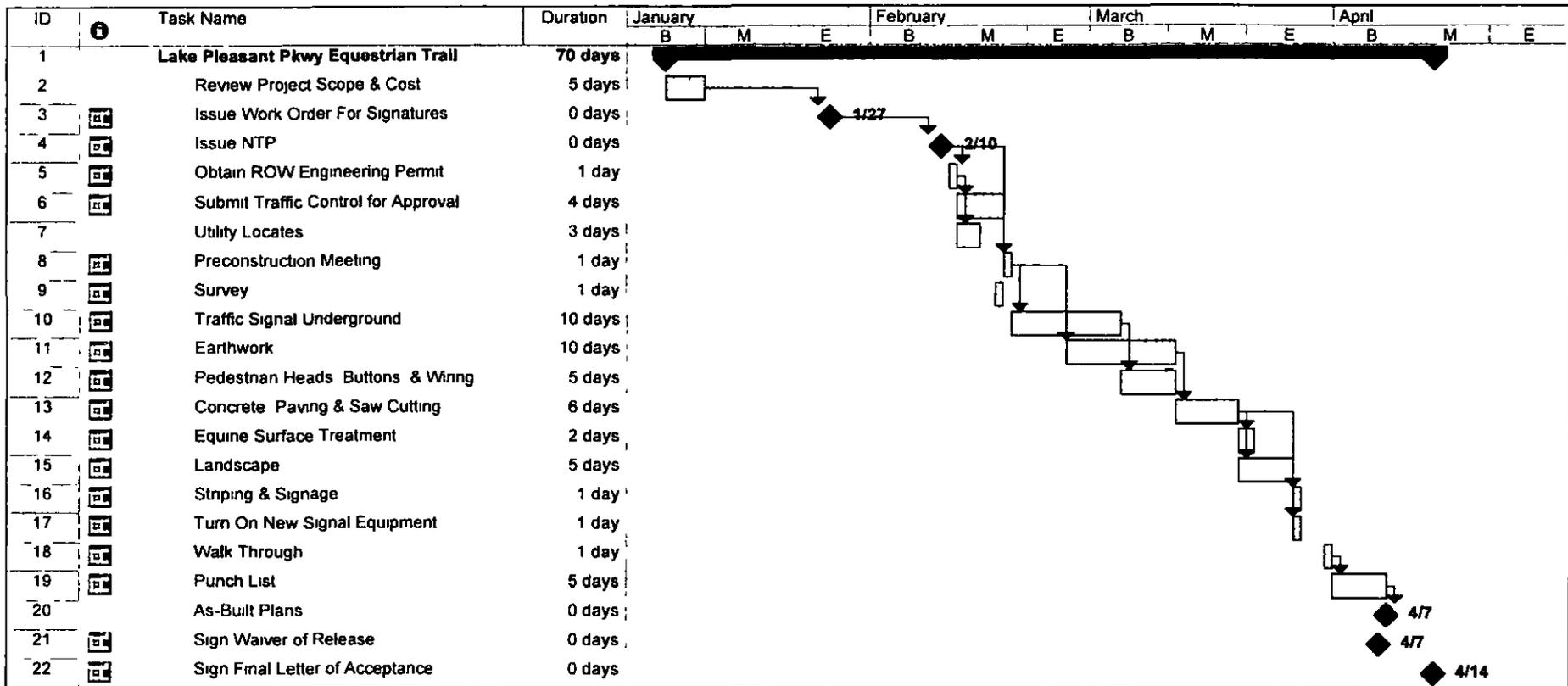
Risk 5	Construction Traffic Control – Mitigating risk to workers and vehicular traffic during construction requires Traffic Control Plans (TCP) for each phase of work
Solution	As part of the preconstruction meeting, have Traffic Control Plans prepared for the City to review in conjunction with the project schedule. Submit the TCPs for review, discuss any adjustments needed prior to approval, obtain permits and implement as permitted and scheduled. This approach to prior planning assures timely preparation for the safety of both vehicular traffic and construction activities.

ATTACHMENT C

PROJECT ASSESSMENT PLAN – Section 2 – Value Added Options

This template must be used

Item 1	Signing for safety and Way finding. The guidelines, mentioned above, recommend separation of pedestrian and equestrian traffic at crossings. This will be facilitated with the installation of way-finding signage to safely guide pedestrians and equestrians through their separate channels, as designed. Additionally, Application of signing on LPP would provide vehicles with appropriate notice of the equestrian presence.			
Impact	Cost (\$)	~ \$8,500 00	Schedule (Days)	4
Item 2	Separation of the pedestrian and equestrian crossings provides an opportunity to set up separate timing for each. Equestrian crossing speed is approximately 6 feet per second and, by MUTCD, pedestrian walking speed is generally considered 3.5 feet per second. Timing could be developed for the separate crossings that reflect the differential in clearance intervals. This would result in time savings to the main arterial traffic (LPP) during coordinated periods. Pedestrian timing would be calculated in the normal way and input into "walk one" in the controller. Equestrian timing could be calculated at 6 feet per seconds and entered into "walk two" in the controller. This would allow for more efficient use of timing for the equestrian crossing when no pedestrian traffic is present.			
Impact	Cost (\$)	~ \$1,000 00	Schedule (Days)	2
Item 3	Combine Resources with Planning for Parks & Recreation to ensure that the features designed in this crossing lead to an efficient transition into an integrated trail system. Integration with Parks & Recreation will add utility to the crossing as the trails in the vicinity develop and save the city future money. Working with Planning will ensure that what is constructed will work into the future for the City of Peoria.			
Impact	Cost (\$)	Internal costs to the City	Schedule (Days)	Design Related



Project Lake Pleasant Pkwy Equestrian
Date Fri 10/4/13

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	

Subcontractor Selection Plan

Our firm understands the requirements under A R S 34-603, the statute identifies the requirement to give due consideration to the qualification of a contractor to perform the prescribed work. The statute does not rule out the possibility of using price as a component of the selection process, but it makes clear the requirement to have qualification as the primary focus. Our approach to subcontractor selection is described below.

- Identify subcontractors that have experience, expertise and history of delivering similar work to be performed
- Confirm subcontractors have a valid Arizona ROC contractor license, the license is applicable for the work to be performed and the license is in good standing
- Establish that subcontractors have adequate resources, in the form of manpower and equipment, to perform the work
- Review subcontractors' ability to comply with insurance requirements of the City of Peoria
- Determine subcontractors bonding capacity and the viability of their surety
- Confirm that subcontractors follow Equal Employment Opportunity requirements and comply with E-verify
- Review the subcontractors' Safety Plan
- Review subcontractors' financial standing along with history of claim activity

Subcontractors will be utilized and selected on an as needed basis, based on requirements of the individual job order and availability to meet the project schedule. Prior to any subcontractor performing work on a project, a request to allow use of the contractor will be made to the City for approval. Any subcontractor rejected by the city will not be allowed to perform on the project.

Additionally, our firm strives to accommodate the use of disadvantaged, minority and women owned business entities when this requirement is stipulated. We are an equal opportunity employer and follow all federal state and local labor laws.

**ATTACHMENT F
AUTHORIZED SIGNATURE FORM**

SEE ATTACHED

ITS Engineers & Constructors Inc



December 4, 2013

Lisa Houg
City of Peoria
9875 North 85th Avenue
Peoria, AZ 85345

**RE P014-0019A, JOC for Traffic Systems
Project Contact List**

Dear Ms Houg

The following is contact information for Individuals authorized for contract related signatures

Michael Wendtland, President
ITS Engineers
22505 North 19th Avenue
Phoenix, AZ 85027

Phone, (623) 780-4050
Fax (623) 780 4054
Cell (480) 235-6800
Email michael@itsengineers.com

Randall Pearson, Vice President
ITS Engineers
22505 North 19th Avenue
Phoenix, AZ 85027

Phone, (623) 780-4050
Fax (623) 780 4054
Cell (480) 766-1189
Email randy@itsengineers.com

Sincerely,

ITS Engineers & Constructors of Utah, Inc

A handwritten signature in cursive script that reads "Randall Pearson".

**ATTACHMENT G
CONTRACTOR CONTACT LIST**

SEE ATTACHED

ITS Engineers & Constructors Inc



December 4, 2013

Lisa Houg
City of Peoria
9875 North 85th Avenue
Peoria, AZ 85345

**RE P014-0019A, JOC for Traffic Systems
Project Contact List**

Dear Ms Houg

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Randall Pearson, Vice President
ITS Engineers
22505 North 19th Avenue
Phoenix, AZ 85027

Phone, (623) 780-4050
Fax (623) 780 4054
Cell (480) 766-1189
Email randy@itsengineers.com

Sincerely,

ITS Engineers & Constructors of Utah, Inc

Randall Pearson

EXHIBIT B
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
RED HAWK SOLUTIONS, LLC

[Plans and Technical Specifications]

See following pages.

**TOWN OF FOUNTAIN HILLS, ARIZONA
DEVELOPMENT SERVICES DEPARTMENT**



**FOUNTAIN HILLS BOULEVARD AND PALISADES BOULEVARD
TRAFFIC SIGNAL IMPROVEMENTS
TOWN OF FOUNTAIN HILLS PROJECT NO. C2016-173**

TECHNICAL SPECIFICATIONS



DECEMBER 23, 2015

SECTION 100

MAG SECTION 101 ABBREVIATIONS AND DEFINITIONS

101.2 DEFINITIONS AND TERMS: *is revised to read:*

Construction Manager:

The person appointed by the Town of Fountain Hills (Town), acting directly or through his duly authorized representative, to oversee the progress of the Work. This may consist of a Town employee, Designer of Record or by other person or firm appointed by the Town. Contact Justin Weldy at 480-816-5133 with the Town of Fountain Hills.

MAG SECTION 104 SCOPE OF WORK

Section 104 is revised to add:

This project includes furnishing all labor, tools, materials, equipment and any other incidentals necessary to construct traffic signal improvements as specified in the project plans at Fountain Hills Boulevard and Palisades Boulevard.

The project is located in the Town of Fountain Hills in Sections 10 and 15 in T3N, R6E.

MAG SECTION 105 CONTROL OF WORK

Section 105.6 is modified to add:

105.6 COOPERATION WITH UTILITIES

The following utility companies have facilities in the area but are not anticipated to be in conflict:

Chaparral City Water Company	Michael Vielma	(602) 377-2295
Fountain Hills Sanitary District	Jeff Warring	(480) 797-1091
Four Peaks	Mike Harbo	(602) 828-2651

The following utility companies have facilities within the proposed construction limits.

<u>Town of Fountain Hills</u>	Jim Michalak	(602) 721-5639
-------------------------------	--------------	----------------

The Contractor will be required to coordinate with the Town of Fountain Hills during construction.

The Town of Fountain Hills has existing traffic signal pull boxes and conduit for the intersection, which will be modified with this project.

The following utility companies have facilities in the area and may have possible conflicts with the proposed construction.

<u>CenturyLink</u>	Dennis Aust	(480) 243-1752
--------------------	-------------	----------------

CenturyLink maintains facilities in the area, protect in place. When crossing CenturyLink facilities the Contractor shall pothole to determine the depth and maintain a minimum of 12 inches vertical and horizontal separation from the proposed facilities. Support and protection is required for all CenturyLink facilities during construction. In the event CenturyLink facilities need to be removed or relocated, all costs shall be at the Contractor expense.

<u>Cox Communications</u>	Zachary O. Killin	(602) 694-1418
---------------------------	-------------------	----------------

Cox Communications maintains CCTV facilities in the area, protect in place. The exact locations of these facilities are not affirmed. When crossing Cox Communications facilities the Contractor shall pothole to determine the depth and maintain a minimum of 12 inches vertical and horizontal clearance from the proposed facilities. Support and protection is required for all Cox Communications facilities during construction.

Notify Cox Communications Engineering Department of all utility coordination meetings, pre-construction meetings, and construction schedules including the anticipated construction date. In the event CenturyLink facilities need to be removed or relocated, all costs shall be at the Contractor expense. Allow 45-days to resolve undetermined conflicts that arise as a result of

the construction of this project. Cox Communications does not maintain installation records of customer drops that may conflict with this project.

Salt River Project (SRP)

SRP Blue Stake (602) 236-8026

SRP maintains underground 12KV distribution facilities in the area. Facilities require a minimum ground coverage of 48 inches over underground facilities. In the event CenturyLink facilities need to be relocated or converted, all costs shall be at the Contractor expense. If plans are modified to avoid possible conflict and/or relocation of existing SRP underground facilities, SRP New Business Distribution Design will need a set of the revised plans.

Southwest Gas

Norma Jardin (480) 730-3857

Southwest Gas maintains natural gas pipeline facilities in the area. When crossing Southwest Gas facilities the Contractor shall pothole to determine the depth and maintain a minimum of 12 inches face to face clearance at the point of crossing. There may be abandoned steel gas lines within the proposed construction that are potentially coated or wrapped with unidentified materials, which shall be treated as potentially containing asbestos. Whenever such a pipe is in direct conflict and requires removal, it must only be done so by one of Southwest Gas' NESHAP certified contractors. In the event an abandoned steel gas line needs to be removed, all costs shall be at the Contractor expense. Coordinate with Southwest Gas in advance to coordinate any removal.

MAG SECTION 350 REMOVAL OF EXISTING IMPROVEMENTS

350.3 MISCELLANEOUS REMOVAL AND OTHER WORK:

Add the following new Subsections:

(I) Remove and Salvage Electrical Conductors

The work consists of furnishing all labor, equipment, and materials necessary to remove and dispose of conductors and detection devices as shown on the plans.

Existing traffic signal shall remain in operation until new signal is ready for operation.

All existing conductors shall be salvaged and delivered to the Town, by the Contractor in accordance with local ordinances.

Existing conduit may be abandoned in place as shown on the plans.

Section 350.4 is modified to add:

350.4 PAYMENT:

(I) Remove and Salvage Electrical Conductors

The work consists of furnishing all labor, equipment, and materials necessary to remove and salvage existing conductors as shown on the plans.

Existing traffic signal shall remain in operation until new signal conduit and pull boxes are in place and ready for switch over.

All existing conductors shall be salvaged and delivered to the Town by the Contractor in accordance with local ordinances.

Existing conduit may be abandoned in place as shown on the plans.

Removal and salvaging of existing conductors shall be measured and paid at the contract lump sum price included in Bid Item 350.04001.

The following Section is hereby added to Part 400 of the MAG Standard Specifications:

MAG SECTION 471 ELECTRICAL UNDERGROUND INSTALLATION

471.1 DESCRIPTION:

The work under this section shall consist of furnishing and installing electrical conduit, and pull boxes for traffic signals including jacking, drilling, excavating placing and compacting backfill material in accordance with the locations shown on the Traffic Signal Plan.

Work shall conform to Section 732 of the ADOT Standard Specifications, all applicable drawings of the ADOT Standard Drawings, these specifications, and the plans.

471.2 MATERIALS:

471.2.1 Electrical Conduit:

All conduits shall be PVC in accordance with Subsection 732-2.02 of the ADOT Standard Specifications with the exception of conduits that are installed above ground which shall be rigid metal conduits in accordance with Subsection 732-2.02 of the ADOT Standard Specifications.

Unless otherwise shown on the plans, bends, conduit fittings, expansion joints, 36 inch sweeps and other conduit accessories not specifically mentioned shall be from a material similar to the connecting conduit.

All conduit and conduit fittings shall be listed by UL, and conform to NEC standards. Except as specified below, all conduit to be installed underground or in concrete structures shall be rigid polyvinyl chloride (PVC) conforming to the requirements of UL 651 for Rigid Nonmetallic Conduit. PVC conduit and conduit fittings shall be Schedule 80, heavy wall, manufactured from high impact material and shall be rated for use at 90 degrees C. High Density Polyethylene (HDPE) conduit will be considered for approval for directional boring applications.

All exposed conduit and conduit fittings to be installed above ground shall be rigid metallic type manufactured of galvanized steel conforming to requirements of UL 6 for Rigid Metallic Conduit and to NEC standards.

471.2.2 Conduit Warning Tape:

Conduit warning tape shall be a four (4) mil inert plastic film specially formulated for prolonged use underground and shall be a minimum of 3 inches wide. All tape shall be highly resistant to alkalis, acids, and other destructive agents found in the soil.

Tape shall have a continuous printed message warning of the location of underground conduits. The message shall be in permanent ink formulated for prolonged underground use and shall bear the words, 'CAUTION--ELECTRIC LINE BURIED BELOW' in black letters on a red background.

471.2.3 Pull Boxes:

Pull boxes, pull box covers and pull box extensions shall be constructed of polymer concrete with reinforced heavy-weave fiberglass. Pull boxes and covers shall be concrete gray color and rated for no less than 8,000 lbs. over a 10 inch x 10 inch area and be designed and tested to temperatures of -55 degrees F. Material compressive strength shall be no less than 1584 ksf. Covers shall have a minimum coefficient of friction of 0.5. Pull boxes shall be stackable for extra depth. Covers shall be secured with two (2) 3/8 inch corrosion resistant metallic hex bolts with corrosion resistant metallic washers.

The words “**TRAFFIC SIGNAL**” shall be cast in the pull box covers in 1-inch high letters.

At the request of the Town the Contractor shall furnish shop drawings of the pull boxes.

Chipped or cracked pull boxes, covers and extensions will not be accepted.

Pull boxes of the type specified on the Traffic Signal Plan shall be furnished and installed at the locations shown on the plans.

All relocation of pull boxes to avoid structures and/or other conflicts shall be approved by the Town and documented by the Contractor on the as-built traffic signal plans.

Pull boxes shall be set and adjusted so that they are flush at curb or sidewalk grade. When no grade is established pull boxes shall be set as requested by the Town.

All pull box covers shall be secured with the required bolts and washers before final acceptance of the project.

All pull boxes shall be left in a clean condition, free of dirt and debris upon completion of the work.

471.3 CONSTRUCTION REQUIREMENTS:

471.3.1 Installation of Electrical Conduit and Pull Boxes:

(A) General Requirements:

Conduit shall be furnished and installed at the locations and of the sizes shown on the Traffic Signal Plan. Unless changes are necessary to avoid underground obstructions all underground conduit shall be installed in a straight line from pull box to pull box and/or from foundation to pull box and shall be of one continuous size. Any change in conduit routing must be approved by the Town and documented by the Contractor on as- built traffic signal plans.

All PVC conduits shall be stored and handled in an approved manner to minimize ultraviolet deterioration due to exposure to sunlight.

The PVC conduit shall be cut square and trimmed to remove all rough edges. PVC conduit connections shall be of the solvent weld type. Purple primer conforming to the requirements of

ASTM F 656 shall be applied to the joined surfaces prior to use of cement. The joint cement shall be the gray PVC cement conforming to the requirements of ASTM D 2564. Where a connection is made to rigid metallic conduit, the coupling used shall be a PVC female adapter.

Expansion joint fittings shall not be installed in PVC conduit runs between pull boxes unless specified. Expansion joint fittings shall be installed in conduit runs in which both ends of the conduit are fixed in place, such as conduit runs between two foundations.

Expansion joint fittings shall be installed in conduit runs which cross a concrete structure expansion joint. Approved expansion fittings shall allow for a linear thermal expansion of up to 6 inches.

Conduit embedded in concrete structures shall be securely attached to the reinforcing steel at intervals of approximately 12 inches. Expansion fittings shall be installed where conduit crosses expansion joints in the structure. Where bonding is not continuous, expansion fittings shall be provided with a bonding jumper of number 6 AWG flexible wire. Where it is not possible to use expansion fittings, sleeves of sufficient size shall be installed to provide a minimum 1/2 inch clearance between the conduit and the inside wall of the sleeve. The sleeve shall be discontinuous at the expansion joints.

All existing conduits and conduit embedded in concrete structures shall be cleaned out with a mandrel and blown out with compressed air.

Field PVC conduit bends shall be made without crimping or flattening, using the longest radius practical but not less than specified by the NEC. Collapsed conduit, no matter how small, is not acceptable. The number of bends between pull boxes or between pull box and foundations shall not contain more than equivalent of two quarter bends (180 degrees, total), including the bends at the pull boxes or foundations, unless authorized by the Town.

The Contractor shall place warning tape (as specified in Section 471.2.2) in all open trenches in which conduit is placed. All warning tape shall be buried at a depth of 12 inches above the conduit.

Where conduit is to be installed under existing roadway pavement by jacking or drilling methods, the jacking and/or drilling pits shall be kept 2 feet clear of the edge of the pavement.

Installation of conduit for underground electrical service shall be in accordance with the ADOT Standard Details and as shown on the Traffic Signal Plan.

(B) Conduit Routing and Underground Obstructions:

Conduit runs shown on the plans are depicted to indicate the intended path from point to point. The actual pathway shall be field staked prior to any excavation and shall be modified as necessary, as approved and directed by the Town, to avoid obstacles and obstructions that will prevent ease of installation, obstacles and future maintenance or conformance with appropriate codes and specifications. Final conduit locations shall be documented and submitted to the Town in the form of an as-built drawing.

(C) Conduit Depth Requirements:

Conduits installed in protected areas such as behind curbs, under side-walks, etc. that are not subject to any vehicular traffic shall be at a minimum depth of 24 inches below final grade. Conduits installed under roadways, driveways, or any open area where there is the possibility of vehicular traffic, shall be installed at a minimum depth of 36 inches below final grade. When conduit cannot be installed at the minimum depth, it shall be completely encased in 3 inches of Class C concrete in accordance with Section 725 of the MAG Standard Specifications.

(D) Trenching, Backfilling and Compaction:

Trenches shall not be excavated wider than necessary for the proper placement of conduit and pull boxes. Trenching shall be done in accordance with MAG Section 601, Backfilling, compaction and bedding of conduit runs shall be in accordance with Section 601.4.9 of the MAG Standard Specifications.

Open trench excavation across any existing paved areas, shall have two (2) parallel cuts made at a distance not to exceed 16 inches. All removal and replacement of existing paved areas shall be in accordance with Section 336 of the MAG Standard Specifications.

Open trench excavation across an existing Portland concrete area shall have two (2) parallel cuts made at a distance not to exceed 16 inches. All removal and replacement of existing Portland concrete areas shall be done in accordance with Section 336 of the MAG Standard Specifications.

After each excavation is complete and materials in place, the Contractor shall notify the Town for inspection, and under no circumstances shall any underground material or equipment be covered with fill without proper approval.

(E) Conduit by Trenchless Methods:

Conduit under existing pavement, curbs and gutters, sidewalks, concrete flatwork, textured or decorative surfaces, and at other specified locations, shall be installed by Horizontal Directional Boring (HDB) or Horizontal Directional Drilling (HDD) methods. Use of either method is allowed, subject to approval by the Town Engineer.

Conduit installation in areas where trenching would typically be allowed may be installed by trenchless method, if preapproved by the Town as a means of facilitating installation or mitigating potential damage to existing surface and subsurface elements.

The proposed bore profile shall be submitted to the Town, after the contractor has completed the necessary potholing, and approved prior to beginning the operation at each location.

Directional boring/drilling shall be used to install all conduits along a prescribed path from the surface with minimal impact to the surrounding area. Installation shall be performed in accordance with industry standards and as directed by the Town Engineer.

The contractor's installation process shall utilize the "walkover" locating system, or other Town approved equivalent, for determining the installation profile. The installation equipment shall register the depth, angle, rotation and directional data. At the surface, equipment shall be used to gather the data and relay the information to the equipment operator.

Excavation and backfill of excavated pits shall be in accordance with the requirements of Subsection 203-5.03 (B) (4).

When enlargement of an installation hole is necessary, the hole shall be at least 25 percent larger than the conduit to be installed, unless otherwise specified by the Town. Pulling equipment such as grips, pulling eyes, and other attachment hardware external to the conduit will be permitted as long as a wooden dowel is placed inside the conduit to prevent it from collapsing at the point of attachment when pull tension is at its peak. A swivel shall be used with all pulling hardware when pulling back the conduit into the installation path. Drilling fluid shall be pumped down the hole to provide lubrication for the conduit as it is pulled in. The pulling tension for installing conduit into the installation path shall not exceed 75 percent of the conduit manufacturer's tensile strength rating in order to prevent the conduit from "necking down" or deforming.

All final installation profiles shall be submitted to the Town.

471.4 MEASUREMENT:

Conduit will be measured by the LINEAR FOOT for each diameter size regardless of method of installation. Where multiple conduits will be placed in a single trench or Directional Drill (including but not limited to Bid Items 471.61214, 471.61314, and 471.61320 measurement shall be by the linear foot of trench or directional bore. For example, in a 100-foot trench or directional bore where two 3" conduits will be installed, measurement shall be made by the linear foot of trench or directional bore (100 feet) not the total length of conduit installed (200 feet). The total length of conduit shall be included in the LINEAR FOOT measurement.

Pull boxes will be measured as a unit for EACH pull box size.

No measurement or direct payment will be made for furnishing or installing pull tape, the cost being considered as included in the cost of the contract items.

471.5 PAYMENT:

The accepted quantities of conduit, measured as provided above, will be paid for at the contract unit price per LINEAR FOOT, which shall be full compensation for the item, complete in place, including excavation, backfill, warning tape, pull rope or bond wire and any incidentals necessary to complete the work. No direct payment will be made for rigid metal conduit bends or rigid non-metallic conduit bends at pull boxes, expansion fittings and coupling fittings, the cost being considered as included in the contract price for the conduit items.

The accepted quantities for pull boxes, measured as provided above, will be paid for at the contract unit price, EACH, which shall be full compensation for the item, contract unit price, including any excavating, backfilling and landscaping necessary to complete the work.

The following Section is hereby added to the MAG Standard Specifications:

MAG SECTION 478 ELECTRICAL CONDUCTORS

478.1 DESCRIPTION:

Work shall conform to Section 732 of the ADOT Standard Specifications, ADOT Standard Drawings, the Town requirements, and the project plans.

All IMSA 5-Conductor, 7-Conductor and 20-Conductor cable shall have the individual wires color-coded (solid and stripe), to be wired at the MAST and PED terminal compartment, in accordance with the Town's Conductor details provided in Appendix A herein.

The contractor shall be responsible for obtaining a color version of this standard from the Town for use in the field.

All cables shall be installed home run from the controller cabinet to the signal pole terminal compartment, with no IMSA splices allowed in the pull boxes.

All cabling from the controller to the signal pole terminal compartment shall be solid wire, 20 conductor or 7 conductor #14 AWG IMSA cable. All cabling from the terminal compartment to the signal heads shall be stranded.

The Town will provide the terminal block layout wiring for each quadrant at each intersection prior to any work.

Main Direction Tape color codes for traffic signal wiring shall be in accordance with City of Scottsdale Standard Detail 2141. See Appendix A for Terminal Block Color Coding and wiring.

The following Section is hereby added to the MAG Standard Specifications:

MAG SECTION 485 VIDEO DETECTION SYSTEM (4-CAMERA)

485.1 DESCRIPTION:

The work under this section shall consist of furnishing all materials, equipment and labor for installing a Video Detection System at the Fountain Hills Boulevard and Palisades Boulevard.

Video Detection System shall conform to the Town of Fountain Hills Video Detection Specifications provided in Appendix B herein and shall conform to Section 735 of the ADOT Standard Specifications. Section 735 is modified to add the following:

735-3 *Construction Requirements: of the ADOT Standard Specifications is modified to add:*

(G) Video Detection:

The Contractor is responsible for installing all components, making all connections and adjusting cameras for the video detection system.

Video detection video cables shall run unspliced to the controller cabinet.

Video detection video and power cables shall be clearly tagged and marked in the controller cabinet and each pull box they pass through, designating the direction, phase or corner served.

The Contractor is responsible for insuring that the video detection system is properly aimed and ready for activation prior to the date of turn-on of the video detection system. Set-up shall be coordinated with the Town. The contractor shall make any adjustments to camera aiming or cabling, as requested by Town personnel, including providing any necessary traffic control as a component of the video detection bid item.

The supplier of the video detection system shall supervise the installation and testing of the video detection system. A factory certified representative from the supplier shall be on-site during installation and activation. The Contractor shall coordinate with the Town for the scheduling of the supplier's factory representative for the installation and the activation of the video detection system.

The Contractor is advised that he does not have direct access into the traffic signal controller cabinet. All access for work within the cabinet must be coordinated with the Town.

735-4 Method of Measurement: *The first paragraph of the ADOT Standard Specifications is revised to read:*

Video detection system will be measured on a per each basis for each intersection location for the video detection system, installed at the Fountain Hills Boulevard and Palisades Boulevard intersection, complete in place, in the permanent configuration.

735-5 Basis of Payment: *The first paragraph of the ADOT Standard Specifications is revised to read:*

The video detection system, measured as provided above, will be paid for at the contract price for the video detection system installed, complete in place, which price shall be full compensation for the work required to provide a fully functional video camera detection system as described herein and on the project plans.

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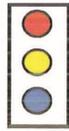
APPENDIX A

TOWN OF FOUNTAIN HILLS
IMSA 20 CONDUCTOR CABLE FOR
MAST AND PED TERMINAL BLOCKS

IMSA 20 Conductor Cable

2 - 11 - 09

Town of Fountain Hills



MAST Terminal Block

#	Line In
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	

PED Terminal Block

#	Line In
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2	
3	
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5	
6	
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8	
9	
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12	

SRP_TM_TP-Master-902

APPENDIX B
TOWN OF FOUNTAIN HILLS
VIDEO DETECTION SPECIFICATION

SPECIFICATION FOR A MODULAR (MULTI OR SINGLE CAMERA) VIDEO DETECTION SYSTEM

1. General

This specification sets forth the minimum requirements for a system that detects vehicles on a roadway using only video images of vehicle traffic.

1.1 System Hardware

The video detection system (VDS) shall consist of up to four video cameras, a video detection processor (VDP) capable of processing from one to four video sources, output extension modules, video surge suppressors and a pointing device.

1.2 System Software

The system shall include software that detects vehicles in multiple lanes using only the video image. Detection zones shall be defined using only an on-board video menu and a pointing device to place the zones on a video image. Up to 24 detection zones per camera view shall be available. A separate computer shall not be required to program the detection zones.

2. Functional Capabilities

2.1 Available System Configuration

- a. The VDS will be deployed at locations where site conditions and roadway geometry vary. The VDS system may also be deployed at locations where existing cabinets or equipment exist. Existing site configurations will dictate the availability of cabinet space and VDS usage.
- b. The proposed VDS shall be available in various configurations to allow maximum deployment flexibility. Each configuration shall have identical user interface for system setup and configuration. The communications protocol to each configuration shall be identical and shall be hardware platform independent. The proposed VDS shall have multiple configurations available for deployment as described in Table 1.

Table 1. VDS Configuration

Description	No. Video Inputs	No. Video Outputs	Mounting Configuration	Power Supply Requirements
Dual-Channel Rack Mounted	2	1	Rack Mount (Type 170 or NEMA TS-1, TS-2 Racks)	12/24VDC Power From Rack

2.2 System Interfaces

The following interfaces shall be provided for each of the configurations identified in Table 1.

- a. **Video Input:** Each video input shall accept RS170 (NTSC) or CCIR (PAL) signals from an external video source (camera sensor, DVD or video tape player). The interface connector shall be BNC

type and shall be located on the front of the video processing unit. For four-channel VDPs, an adapter cable that converts a DB15 interface to 4 individual BNC connectors shall be used. The video input shall have the capability to select 75-ohm or high impedance (Hi-Z) termination.

- b. **Video Lock LED:** A LED indicator shall be provided to indicate the presence of the video signal. The LED shall illuminate upon valid video synchronization and turn off when the presence of a valid video signal is removed.
- c. **Video Output:** One video output shall be provided. The video output shall be RS170 or CCIR compliant and shall pass through the input video signal. For multi-channel video input configurations, a momentary push-button shall be provided on the front panel to toggle through each input video channel. In the absence of a valid video signal, the channel shall be skipped and the next valid video signal shall be switched. The video output shall have the capability to show text and graphical overlays to aid in system setup. The overlays shall display real-time actuation of detection zones upon vehicle detection or presence. Overlays shall be able to be turned off by the user. Control of the overlays and video switching shall also be provided through the serial communications port. The video output interface connector shall be positive locking BNC type. Friction type (e.g. RCA type) connectors shall not be allowed.
- d. **Serial Communications:** A serial communications port shall be provided on the front panel. The serial port shall be compliant with EIA232 electrical interfaces and shall use a DB9 type connector. The serial communications interface shall allow the user to remotely configure the system and/or to extract calculated vehicle/roadway information. The interface protocol shall be documented or interface software shall be provided. The interface protocol shall support multi-drop or point-to-multipoint communications. Each VDS shall have the capability to be addressable.
- e. **Contact Closure Output:** Open collector contact closure outputs shall be provided. Four (4) open collector outputs shall be provided for the single, dual or quad channel rack-mount configuration. Additionally, the VDPs shall allow the use of extension modules to provide up to 24 open collector contact closures per camera input. Each open collector output shall be capable of sinking 30 mA at 24 VDC.

Open collector outputs will be used for vehicle detection indicators as well as discrete outputs for alarm conditions.

- f. **Logic Inputs:** Logic inputs such as delay/extend or delay inhibit shall be supported through the appropriate detector rack connector pin or front panel connector in the case of the I/O module. For VDPs and extension modules, 4 inputs shall be supported. The I/O module shall accommodate eight (8) inputs.
- g. **Detection LEDs:** LEDs shall be provided on the front panel. The LEDs shall illuminate when a contact closure output occurs. Rack-mounted video processors shall have a minimum of four (4) LEDs. Rack-mounted extension modules shall have two (2), four (4) or eight (8) LEDs (depending upon extension module type) to indicate detection.
- h. **Test Switches:** The front panel of the VDP shall have detector test switches to allow the user to place calls on each channel. The test switch shall be able to place either a constant call or a momentary call depending on the position of the switch.
- i. **Mouse Port:** A USB mouse port shall be provided on the front panel of the rack mount video processing unit. The mouse port shall not require special mouse software drivers. The mouse port shall be used as part of system setup and configuration. A mouse shall be provided with each video processor.
- j. **Extension Modules:** Extension modules (EM) shall be available to eliminate the need of rewiring the detector rack, by enabling the user to plug an extension module into the appropriate slot in the detector rack to provide open collector outputs. The extension

module shall be connected to the VDP by an 8-wire twisted-pair cable with modular connectors. VDP and EM communications shall be accommodated by methods using differential signals to reject electrically coupled noise. The extension module shall be available in both 2 and 4 channel configurations. EM configurations shall be programmable from the VDP. A separate I/O module with 32 outputs and 8 inputs using external wire harness for expanded flexibility shall also be available.

2.3 General System Functions

- a. Detection zones shall be programmed via an on board menu displayed on a video monitor and a pointing device connected to the VDP. The menu shall facilitate placement of detection zones and setting of zone parameters or to view system parameters. A separate computer shall not be required for programming detection zones or to view system operation.
- b. The VDP shall store up to three different detection zone patterns. The VDP can switch to any one of the three different detection patterns within 1 second of user request via menu selection with the pointing device. Each configuration shall be uniquely labeled and able to be edited by the user for identification. The currently active configuration indicator shall be displayed on the monitor.
- c. The VDP shall detect vehicles in real time as they travel across each detection zone.
- d. The VDP shall accept new detection patterns from an external computer through the EIA232 port when the external computer uses the correct communications protocol for downloading detection patterns. A Windows™-based software designed for local or remote connection and providing video capture, real-time detection indication and detection zone modification capability shall be provided with the system.
- e. The VDP system shall have the capability to automatically switch to any one of the stored configurations based on the time of day which shall be programmable by the user.
- f. The VDP shall send its detection patterns to an external computer through the EIA232 port when requested when the external computer uses the appropriate communications protocol for uploading detection patterns.
- g. The VDP shall default to a safe condition, such as a constant call on each active detection channel, in the event of unacceptable interference or loss of the video signal.
- h. The system shall be capable of automatically detecting a low-visibility condition such as fog and respond by placing all defined detection zones in a constant call mode. A user-selected alarm output shall be active during the low-visibility condition that can be used to modify the controller operation if connected to the appropriate controller input modifier(s). The system shall automatically revert to normal detection mode when the low-visibility condition no longer exists.

3. Vehicle Detection

- 3.1 Up to 24 detection zones per camera input shall be supported and each detection zone can be sized to suit the site and the desired vehicle detection region.
- 3.2 The VDP shall provide up to 24 open collector output channels per camera input using one or more extension modules.
- 3.3 A single detection zone shall be able to replace multiple inductive loops and the detection zones shall be OR'ed as the default or may be AND'ed together to indicate vehicle presence on a single phase of traffic movement.
- 3.4 Placement of detection zones shall be done by using only a pointing device, and a graphical interface built into the VDP and displayed on a video monitor, to draw the detection zones on the video image from each video camera. No separate computer shall be required to program the detection zones.

- 3.5 Up to 3 detection zone patterns shall be saved for each camera within the VDP memory. The VDP's memory shall be non-volatile to prevent data loss during power outages.
- 3.6 The activation of the detection zone pattern for current use shall be done through a local menu selection. It shall be possible to activate a detection zone pattern from VDP memory and have that detection zone pattern displayed within 1 second of activation.
- 3.7 When a vehicle is detected within a detection zone, the corners of the detection zone shall activate on the video overlay display to confirm the detection of the vehicle.
- 3.8 Detection shall be at least 98% accurate in good weather conditions, with slight degradation possible under adverse weather conditions (e.g. rain, snow, or fog) which reduce visibility. Detection accuracy is dependent upon site geometry, camera placement, camera quality and detection zone location, and these accuracy levels do not include allowances for occlusion or poor video due to camera location or quality.
- 3.9 The VDP shall provide dynamic zone reconfiguration (DZR). DZR enables normal operation of existing detection zones when one zone is being added or modified during the setup process. The new zone configuration shall not go into effect until the configuration is saved by the operator.
- 3.10 Detection zone setup shall not require site specific information such as latitude and longitude to be entered into the system.
- 3.11 The VDP shall process the video input from each camera at 30 frames per second. Multiple camera processors shall process all video inputs simultaneously.
- 3.12 The VDP shall output a constant call during the background learning period of no more than 3 minutes.
- 3.13 3.13 Detection zone outputs shall be configurable to allow the selection of presence, pulse, extend, and delay outputs. Timing parameters of pulse, extend, and delay outputs shall be user definable between 0.1 to 25.0 seconds.
- 3.14 Up to six detection zones per camera view shall have the capability to count the number of vehicles detected. The count value shall be internally stored for later retrieval through the EIA232 port. The zone shall also have the capability to calculate and store average speed and lane occupancy at bin intervals of 10 seconds, 20 seconds, 1 minute, 5 minutes, 15 minutes, 30 minutes and 60 minutes.

4. 4. VDP and EM Hardware

- 4.1 The VDP and extension module (EM) shall be specifically designed to mount in a standard detector rack, using the edge connector to obtain power, provide contact closure outputs and accept logic inputs (e.g. delay/extend). No adapters shall be required to mount the VDP or EM in a standard detector rack. Detector rack rewiring shall not be required.

The EM shall be available to avoid the need of rewiring the detector rack, by enabling the user to plug an extension module into the appropriate slot in the detector rack. The extension module shall be connected to the VDP by an 8-wire cable with modular connectors, and shall output contact closures in accordance with user selectable channel assignments. The EM is available in 2, 4, or 32 channel configurations.

4.2 Input Power

The VDP and EM shall be powered by 12 or 24 volts DC. VDP and EM modules shall automatically compensate for either 12 or 24 VDC operation. VDP power consumption shall not exceed 7.5 watts. The EM power consumption shall not exceed 3 watts.

4.3 Input and Outputs

The VDP and EM shall include detector input and output pin out compatibility with industry standard detector racks. The 32-channel EM shall accommodate inputs through a 15-pin "D" connector and shall provide outputs through a 37-pin "D" connector on the front panel.

4.4 Video Inputs

VDPs shall include one, two or four BNC video input connections suitable for composite video inputs. The video input shall include a switch selectable 75-ohm or high impedance termination to allow camera video to be routed to other devices, as well as input to the VDP for vehicle detection.

4.5 Video Outputs

The front of the VDP shall include one BNC video output providing real time video output that can be routed to other devices.

4.6 Operating Temperature

The VDP shall operate satisfactorily in a temperature range from -34 °C to +74 °C and a humidity range from 0%RH to 95%RH, non-condensing as set forth in NEMA specifications.

4.7 Status Indicators

The front face of the VDP shall contain indications, such as LED displays, to enable the user to view real time detections for each channel of detection when the system is operational.

4.8 Serial Communication Port

The VDP shall include an EIA232 port for serial communications with a remote computer. This port shall be a 9-pin "D" subminiature connector on the front of the VDP.

4.9 On-board Memory

The VDP shall utilize non-volatile memory technology to enable the loading of modified or enhanced software through the EIA232 port and without modifying the VDP hardware.

4.10 Video Surge Suppression

An Edco CX-06M video surge suppresser shall be provided for each video input. The surge suppresser shall be directly grounded to the cabinet ground rod using 14 AWG minimum.

5. Camera Sensor

To accommodate deployment flexibility, two variations of the camera sensor shall be available from the VDS supplier. The VDS supplier shall offer a standard camera sensor that is compatible with the VDP. The supplier shall also offer an advanced camera sensor with different functional attributes to further ease installation and maintenance.

- 5.1 The following are the unique attributes that apply to the advanced camera sensor only.
 - a. The advanced camera enclosure shall utilize Indium Tin Oxide (ITO) technology for the heating element of the front glass. The transparent coating shall not impact the visual acuity and shall be optically clear.
 - b. Cable terminations at the camera for video and power shall not require crimping or special tools. The video termination shall only require a coax stripper and a screw driver. No connectors (e.g. BNC) shall be required. The power termination shall only require a standard wire stripper and screw driver.
 - c. The camera sensor shall allow the user to set the focus and field of view either at the camera sensor or from the controller cabinet. Camera sensor control from the controller cabinet shall communicate over the coaxial cable. No additional wires shall be required.
- 5.2 The video cameras used for traffic detection shall be furnished by the VDS supplier and shall be qualified by the supplier to ensure proper system operation.
- 5.3 The camera shall produce a useable video image of the bodies of vehicles under all roadway lighting conditions, regardless of time of day. The minimum range of scene luminance over which the camera shall produce a useable video image shall be the minimum range from nighttime to daytime, but not less than the range 1.0 lux to 10,000 lux.
- 5.4 The camera shall be digital signal processor (DSP) based and shall use a sensing element and shall output color video with resolution of not less than 470 TV lines. The imager shall have a minimum effective area of 768(h) x 494(v) pixels.
- 5.5 The camera shall include an electronic shutter control based upon average scene luminance and shall be equipped with an auto-iris lens that operates in tandem with the electronic shutter.
- 5.6 The imager luminance signal-to-noise ratio (S/N) shall be more than 50 dB.
- 5.7 The camera shall utilize automatic white balance.
- 5.8 The camera shall include a variable focal length lens with variable focus that can be adjusted, without opening up the camera housing, to suit the site geometry by means of a portable interface device designed for that purpose and manufactured by the detection system supplier.
- 5.9 The horizontal field of view shall be adjustable from 5.4 to 50.7 degrees minimum. A single camera configuration shall be used for all approaches in order to minimize the setup time and spares required by the user.
- 5.10 The lens shall also have an auto-focus feature with a manual override to facilitate ease of setup.

- 5.11 The camera shall incorporate the use of preset positioning that store zoom and focus positioning information. The camera shall have the capability to recall the previously stored preset upon application of power.
- 5.12 The camera electronics shall employ automatic gain control (AGC) to produce a satisfactory image at night.
- 5.13 The camera shall be housed in a weather-tight sealed enclosure. The enclosure shall be made of 6061 anodized aluminum. The housing shall be field rotatable to allow proper alignment between the camera and the traveled road surface.
- 5.14 The enclosure shall be design so that the pan, tilt and rotation of the camera assembly can be accomplished independently without affecting the other settings.
- 5.15 The glass face on the front of the enclosure shall have an anti-reflective coating to minimize light and image reflections.
- 5.16 The camera enclosure shall be equipped with a sunshield. The sunshield shall include a provision for water diversion to prevent water from flowing in the camera's field of view. The camera enclosure with sunshield shall be less than 6" diameter, less than 18" long, and shall weigh less than 6 pounds when the camera and lens are mounted inside the enclosure.
- 5.17 The camera enclosure shall include a proportionally controlled heater to assure proper operation of the camera system at low temperatures and prevent moisture condensation on the optical faceplate of the enclosure.
- 5.18 When mounted outdoors in the enclosure, the camera shall operate satisfactorily in a temperature range from -34 °C to +60 °C and a humidity range from 0% RH to 100% RH.
- 5.19 The camera shall be powered by 120-240 VAC 50/60 Hz. Power consumption shall be 45 watts or less under all conditions.
- 5.20 Recommended camera placement height shall be 33 feet (or 10 meters) above the roadway, and over the traveled way on which vehicles are to be detected. For optimum detection the camera should be centered above the traveled roadway. The camera shall view approaching vehicles at a distance not to exceed 350 feet for reliable detection (height to distance ratio of 10:100). camera placement and field of view (FOV) shall be unobstructed and as noted in the installation documentation provided by the supplier.
- 5.21 The camera enclosure for the standard camera sensor shall be equipped with separate, weather-tight connections for power and video cables at the rear of the enclosure. These connections may also allow diagnostic testing and viewing of video at the camera while the camera is installed on a mast arm or pole using a lens adjustment module (LAM) supplied by the VDS supplier. Video and power shall not be connected within the same connector.
- 5.22 The video signal output by the camera shall in accordance with NTSC and PAL format standards and shall be able to transmit VDP-usable video signals up to 1000 feet.
- 5.23 The video signal shall be fully isolated from the camera enclosure and power cabling.

6. Installation

- 6.1 The coaxial cable to be used between the camera and the VDP in the traffic cabinet shall be Belden 8281. This cable shall be suitable for installation in conduit or overhead with appropriate span wire. BNC plug connectors shall be used where applicable. The coaxial cable, BNC connector, and crimping tool shall be approved by the supplier of the video detection system, and the manufacturer's instructions must be followed to ensure proper connection.

- 6.2 The power cabling shall be 16 AWG three-conductor cable with a minimum outside diameter of 0.325 inch and a maximum diameter of 0.490 inch. The cabling shall comply with the National Electric Code, as well as local electrical codes. Cameras may acquire power from the luminaire if necessary.
- 6.3 The video detection camera shall be installed by factory-certified installers as recommended by the supplier and documented in installation materials provided by the supplier. Proof of factory certification shall be provided.

7. Limited Warranty

- 7.1 The supplier shall provide a limited three-year warranty on the video detection system.
- 7.2 During the warranty period, technical support shall be available from the supplier via telephone within 4 hours of the time a call is made by a user, and this support shall be available from factory-certified personnel or factory-certified installers.
- 7.3 During the warranty period, updates to VDP software shall be available from the supplier without charge.

8. Maintenance and Support

- 8.1 The supplier shall maintain an adequate inventory of parts to support maintenance and repair of the video detection system. These parts shall be available for delivery within 30 days of placement of an acceptable order at the supplier's then current pricing and terms of sale for said parts.
- 8.2 The supplier shall maintain an ongoing program of technical support for the video detection system. This technical support shall be available via telephone, or via personnel sent to the installation site upon placement of an acceptable order at the supplier's then current pricing and terms of sale for on site technical support services.
- 8.3 Installation or training support shall be provided by a factory-authorized representative and shall be a minimum IMSA-Level II Traffic Signal Technician certified.
- 8.4 All product documentation shall be written in the English language.

FOUNTAIN HILLS BOULEVARD AND PALISADES BOULEVARD
TRAFFIC SIGNAL IMPROVEMENTS
PLANS

TOWN OF FOUNTAIN HILLS, ARIZONA

FOUNTAIN HILLS BLVD AND PALISADES BLVD TRAFFIC SIGNAL IMPROVEMENTS

C2016-173



MAYOR
LINDA KAVANAGH

TOWN COUNCIL

DENNIS BROWN
NICK DePORTER
CASSIE HANSEN
HENRY LEGER
ALAN MAGAZINE
CECIL YATES

TOWN MANAGER

GRADY MILLER

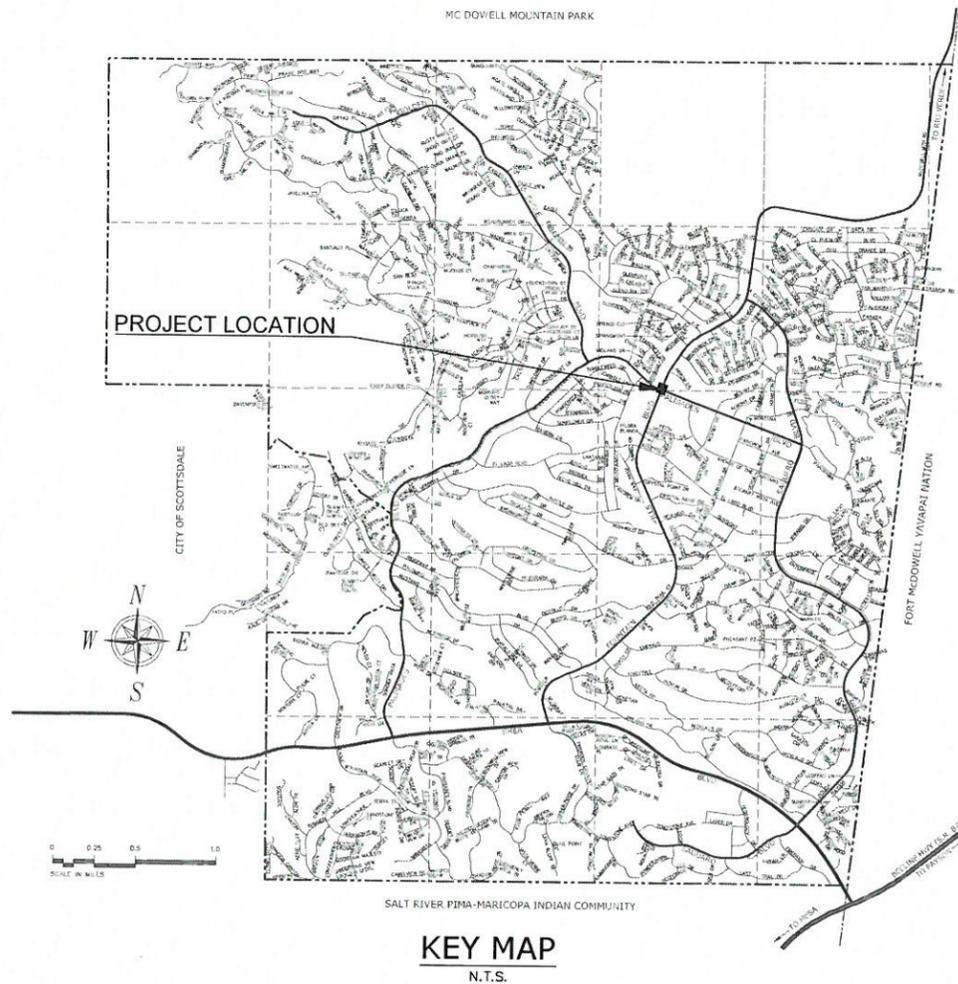
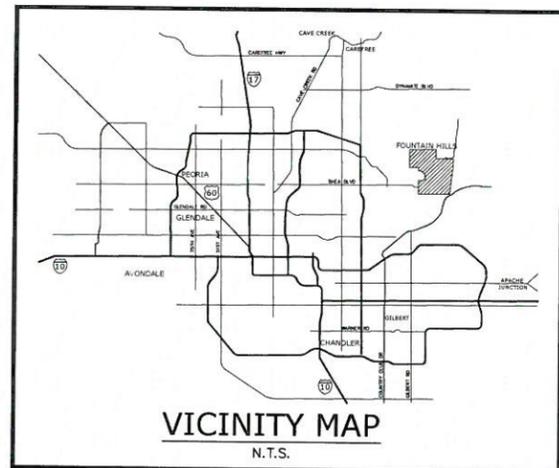
DEVELOPMENT SERVICES DIRECTOR

PAUL MOOD

TOWN ENGINEER

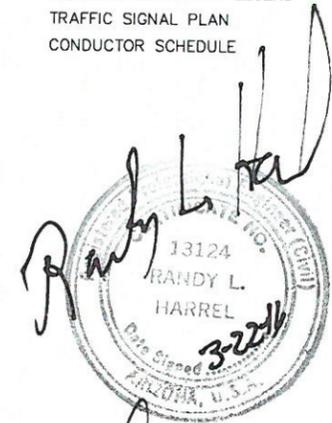
RANDY HARREL

UTILITY COMPANY	CONTACT PERSON	PHONE	DATE NOTIFIED	DATE RECEIVED
CENTURY LINK	DENNIS AUST	(480) 243-1752	NOVEMBER 19, 2015	NOVEMBER 30, 2015
CHAPARRAL CITY WATER COMPANY	MICHAEL VELMA	(602) 377-2295	NOVEMBER 19, 2015	DECEMBER 2, 2015
COX COMMUNICATIONS	ZACHARY O. KILLIN	(602) 694-1418	NOVEMBER 19, 2015	DECEMBER 1, 2015
FOUNTAIN HILLS SANITARY DIST.	JEFF WARRING	(480) 797-1091	NOVEMBER 19, 2015	DECEMBER 2, 2015
FOUR PEAKS	MIKE HARBO	(602) 828-2651	NOVEMBER 19, 2015	DECEMBER 3, 2015
SALT RIVER PROJECT	SRP BLUE STAKE	(602) 236-8026	NOVEMBER 19, 2015	DECEMBER 2, 2015
SOUTHWEST GAS	NORMA JARDIN	(480) 730-3857	NOVEMBER 19, 2015	DECEMBER 11, 2015
TOWN OF FOUNTAIN HILLS	JIM MICHALAK	(602) 721-5639	NOVEMBER 19, 2015	DECEMBER 2, 2015



INDEX OF SHEETS

SHEET NO.	SHEET NAME	DESCRIPTION
1	TS01	COVER
2	TS02	GENERAL NOTES AND LEGEND
3	TS03	TRAFFIC SIGNAL PLAN
4	TS04	CONDUCTOR SCHEDULE



APPROVAL

BY: *Randy L. Harrel*
RANDY HARREL, TOWN ENGINEER
TOWN OF FOUNTAIN HILLS, ARIZONA

3-22-16
DATE

BY: *Paul Mood*
PAUL MOOD, DEVELOPMENT SERVICES DIRECTOR
TOWN OF FOUNTAIN HILLS, ARIZONA

3/22/16
DATE



FOUNTAIN HILLS BLVD/PALISADES BLVD TRAFFIC SIGNAL PROJECT C2016-173

TRAFFIC SIGNAL GENERAL NOTES:

1. ALL MATERIALS AND INSTALLATION SHALL CONFORM TO THE ADOT STANDARD SPECIFICATIONS, 2008, AND THE ADOT "TRAFFIC SIGNALS AND LIGHTING" STANDARD DRAWING, LATEST EDITION, AND AS MODIFIED BY THE TOWN OF FOUNTAIN HILLS.

2. THE LOCATION OF UTILITIES AND EXISTING CONDUITS AND SLEEVES SHOWN ON THE PLANS IS AS PROVIDED BY VARIOUS SOURCES. ALL INVOLVED UTILITIES MAY NOT BE SHOWN ON THE PLANS. PER SECTION 730-6 OF THE ADOT STANDARD SPECIFICATIONS, THE CONTRACTOR SHALL BE RESPONSIBLE FOR CONTACTING ALL UTILITIES FOR THEIR EXACT LOCATION PRIOR TO ANY CONSTRUCTION ACTIVITY. IN ADDITION, THE CONTRACTOR SHALL PERFORM NECESSARY POTHOLING TO DETERMINE LOCATION, SIZE AND OWNERSHIP OF UTILITIES.

3. EXISTING ELECTRICAL SERVICE TO REMAIN. PROTECT IN PLACE.

4. ALL PULLBOXES, AT PROJECT COMPLETION, SHALL BE LEFT IN CLEAN CONDITION, FREE OF DIRT AND DEBRIS. ALL PULLBOXES SHALL BE LEVEL AND ALL LIDS AND BOXES SHALL BE UNCRACKED/UNBROKEN WITH APPROPRIATE LID WORDING.

5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ANY AND ALL PERMITS AND INSPECTIONS, INCLUDING COORDINATION WITH TOWN, VERIFY FOR UTILITY CONNECTION, AND TOWN OF FOUNTAIN HILLS PUBLIC WORKS DEPT. TRAFFIC SIGNAL FOREMAN AT (602) 721-5639.

6. ALL CONDUIT SHALL BE INSTALLED PER ADOT STD SPEC SECTION 732-3.01 OF THE STANDARD SPECIFICATIONS, AND TOWN OF FOUNTAIN HILLS REQUIREMENTS.

7. ALL EXPOSED CONDUIT AND FITTINGS INSTALLED ABOVE GROUND SHALL BE RIGID METAL TAPE, PER THE ADOT STANDARD SPECIFICATIONS.

8. TRAFFIC SIGNAL PRIMARY CONDUIT SHALL CONSIST OF TWO 3" SCHEDULE 80 CONDUITS, UNLESS OTHERWISE NOTED. TYPICALLY ONE 3" CONDUIT IS USED EXCLUSIVELY FOR DETECTION NON-ELECTRICAL USES (I.E. LOOP DETECTION CABLES, PRE-EMPTION CABLES, CCTV CABLES). ONE 3" CONDUIT IS USED FOR ELECTRICAL CIRCUITS.

9. OTHER TRAFFIC SIGNAL CONDUIT SHALL INCLUDE 2", 2 1/2" OR 3" SCHEDULE 80 CONDUITS, AS NOTED. THESE CONDUITS SHALL BE USED TO CONNECT THE CONTROLLER TO THE TOWN OF FOUNTAIN HILLS NO. 7 PULLBOXES WITH EXTENSIONS TO SIGNAL POLES.

10. ALL PULL BOXES SHALL BE ADOT-APPROVED BRANDS AND MODELS OF POLYMER CONCRETE BOXES, LIDS, EXTENSIONS AND LOCKS. TRAFFIC SIGNAL PULL BOX LIDS SHALL SAY "TRAFFIC SIGNAL" UNLESS OTHERWISE NOTED ON THE PLANS.

11. AN IMSA-CERTIFIED TRAFFIC SIGNAL LEVEL II TECHNICIAN SHALL BE ON SITE AT ALL TIMES DURING CONSTRUCTION OF THE TRAFFIC SIGNAL INSTALLATIONS.

12. THE CONTROL CABINET SHALL BE WIRED AND LABELED WITH THE SAME PHASE NUMBER DESIGNATIONS AS SHOWN IN THE PHASE MOVEMENT DIAGRAM OR AS NOTED ON THE PLANS AND SPECIFICATIONS. ALL WIRES SHALL BE BROUGHT TO THE CONTROL CABINET LABELED. TOWN STAFF WILL TERMINATE THE WIRING.

13. CONTRACTOR SHALL FURNISH AND INSTALL 5-CONDUCTOR IMSA CABLES FROM EACH SIGNAL FACE AND PEDESTRIAN PUSH BUTTON ON INDIVIDUAL POLES, TO THE TERMINAL BLOCK, WHERE THEY WILL BE TERMINATED TO THE 20-CONDUCTOR IMSA CABLE THAT FEEDS THE POLE FROM THE CONTROLLER CABINET. PANELS AT ENDS OF MAST ARMS, AS WELL AS "FAR LEFT" SIDE POLES FOR AN APPROACH THAT DOES NOT INITIALLY HAVE LEFT TURN ARROW DISPLAYS SHALL HAVE SEPARATE 5-CONDUCTOR CABLES RUN THROUGH THE POLE AND/OR MAST ARM AND TERMINATE IN THE TERMINAL BLOCK FOR FUTURE USE. THE IMSA CABLES SHALL BE TAGGED AS SPECIFIED IN THE PLANS AND SPECIFICATIONS.

14. PRIOR TO SCHEDULING ACTIVATION OF THE TRAFFIC SIGNAL, THE CONTRACTOR SHALL CONDUCT A FIELD RING-OUT TEST IN THE PRESENCE OF THE TRAFFIC SIGNAL INSPECTOR, TO VERIFY THAT ALL VEHICLE AND PEDESTRIAN INDICATIONS ILLUMINATE WITH THE APPROPRIATE CIRCUIT BY TOUCHING VOLTAGE TO FIELD CABLE CONDUCTORS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR TESTING AND VERIFYING THE INTEGRITY AND CORRECT CONNECTION AND AIMING OF ALL DETECTION DEVICES, INCLUDING ALL VIDEO DETECTION, PREEMPTION DEVICES, AND PEDESTRIAN DETECTORS. IN ADDITION, THE CONTRACTOR SHALL PROVIDE ADEQUATE TRAFFIC CONTROL, WHICH INCLUDES ONE OR MORE OFF-DUTY POLICE OFFICERS, PRIOR TO SCHEDULING RING-OUT.

15. THE CONTRACTOR SHALL GPS ALL TRAFFIC SIGNAL CABINETS, AND EXISTING PULLBOXES LOCATIONS.

16. THE IMSA WIRING FROM THE CONTROL CABINET AND EACH POLE TERMINAL COMPARTMENT SHALL RUN UNSPLICED AND SHALL HAVE THE JACKET REMOVED INSIDE THE POLE BASE. ALL CONDUCTORS SHALL LAND ON A TERMINAL BLOCK.

17. THE CONTRACTOR SHALL NOTIFY THE TOWN OF FOUNTAIN HILLS A MINIMUM OF TWO DAYS PRIOR TO DISCONNECT OF EXISTING LOOP DETECTION. ABANDONED EXISTING LOOPS IN PLACE.

18. THE CONTRACTOR IS RESPONSIBLE FOR MAINTAINING EXISTING SIGNAL OPERATION AT ALL TIMES, UNTIL SWITCHOVER. DURING TESTING AND SWITCHOVER FROM EXISTING TO NEW SIGNAL, THE CONTRACTOR SHALL MAINTAIN INTERSECTION OPERATION USING UNIFORMED OFF-DUTY POLICE OFFICER(S) PER TOWN CODE, CHAPTER (16) 16-1-7 (F).

19. WEEK NIGHT TRAFFIC SIGNAL CHANGE OVER WITH SIGNAL DARK IS AUTHORIZED FROM 10PM-5AM, SUN-THURS, WITH UNIFORMED POLICE OFFICER.

20. THE CONTRACTOR SHALL UNCOVER ALL EXISTING CONDUIT BEING TIED INTO, TO VERIFY THEIR LOCATION. THE CONTRACTOR SHALL LOCATE OR HAVE LOCATED ALL EXISTING UNDERGROUND PIPELINES, TELEPHONE AND ELECTRIC CONDUITS, AND STRUCTURES IN ADVANCE OF CONSTRUCTION AND WILL OBSERVE ALL POSSIBLE PRECAUTIONS TO AVOID DAMAGE TO THEM. CALL BLUE STAKE AT 1-800-STAKE-IT.

21. THE CONTRACTOR SHALL NOT SCALE THE DRAWINGS TO CONSTRUCT THE IMPROVEMENTS.

22. THE CONTRACTOR SHALL COMPLY WITH CHAPTER (16) OF THE TOWN CODE, AND WITH THE PROVISIONS FOR TRAFFIC CONTROL AND BARRICADING AS PER THE CITY OF PHOENIX TRAFFIC BARRICADE MANUAL, LATEST PRINTING.

23. A TRAFFIC CONTROL PLAN SHALL BE PROVIDED TO THE TOWN 72 HOURS IN ADVANCE FOR REVIEW AND APPROVAL (EPERMIT@FH.AZ.GOV) PRIOR TO PROJECT CONSTRUCTION.

24. THE CONTRACTOR SHALL SALVAGE EXISTING CONDUCTORS AND DELIVER THEM TO THE TOWN OF FOUNTAIN HILLS.

LEGEND:

NEW CONDUIT RUN IDENTIFIER

EXISTING CONDUIT RUN IDENTIFIER

CONSTRUCTION NOTE

EXISTING CONTROL CABINET

EXISTING METER PEDESTAL

NEW NO. 5 PULL BOX

NEW NO. 7 PULL BOX

NEW NO. 7E PULL BOX

NEW CONDUIT RUN

EXISTING CONDUIT RUN

EXISTING SIGNAL POLE WITH SIGNAL MAST ARM, SIGNAL HEAD, AND LUMINAIRE MAST ARM

EXISTING SIGNAL HEAD

EXISTING LUMINAIRE

EXISTING PEDESTRIAN HEAD

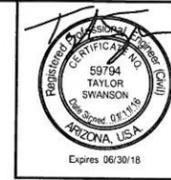
EXISTING PEDESTRIAN PUSH BUTTON (INDICATES DIRECTION OF PED PUSH BUTTON)

EXISTING ILLUMINATED STREET NAME SIGN

NEW VIDEO DETECTION CAMERA

VIDEO DETECTION ZONE

EXISTING EMERGENCY VEHICLE DETECTOR



STATE	PROJ. NO.	SHT	TOTAL
ARIZ.	C2016-173	2	4

Kimley-Horn
7740 N. 16TH STREET
SUITE 300
PHOENIX, AZ 85020
Phone: 602-944-5500
Fax: 602-944-7423
www.kimley-horn.com

ABBREVIATIONS:

ADOT	ARIZONA DEPARTMENT OF TRANSPORTATION
EX	EXISTING
QTY	QUANTITY
R/W	RIGHT OF WAY
TOFH	TOWN OF FOUNTAIN HILLS
VDZ	VIDEO DETECTION ZONE

QUANTITIES:

ITEM DESCRIPTION	QTY	UNIT
REMOVE AND SALVAGE ELECTRICAL CONDUCTORS	1	LUMP SUM
REMOVE AND SALVAGE PULL BOXES	5	EACH
NO. 7 PULL BOX	4	EACH
NO. 7 PULL BOX W. EXTENSION	1	EACH
SCH. 80 PVC ELECTRICAL CONDUIT, 2 1/2" W/ 1/4" NYLON PULL ROPE AND W/ #8 BARE COPPER WIRE (TRENCH)	30	LF
SCH. 80 PVC ELECTRICAL CONDUIT 3" W/ 1/4" NYLON PULL ROPE AND W/ #8 BARE COPPER WIRE (TRENCH)	70	LF
SCH. 80 PVC ELECTRICAL CONDUIT 2-3" W/ 1/4" NYLON PULL ROPE AND W/ #8 BARE COPPER WIRE (HORIZONTAL BORE)	1,040	LF
ELECTRICAL CONDUCTORS	1	LUMP SUM
VIDEO DETECTION SYSTEM (4-CAMERA SYSTEM)	1	LUMP SUM

SAFETY NOTICE TO CONTRACTOR

IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, THE CONTRACTOR WILL BE SOLELY AND COMPLETELY RESPONSIBLE FOR CONDITIONS OF THE JOB SITE, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY DURING THE PERFORMANCE OF THE WORK. THIS REQUIREMENT WILL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS. THE DUTY OF THE ENGINEER TO CONDUCT CONSTRUCTION REVIEW OF THE CONTRACTOR'S PERFORMANCE IS NOT INTENDED TO INCLUDE A REVIEW OF THE ADEQUACY OF THE CONTRACTOR'S SAFETY MEASURES, IN OR NEAR THE CONSTRUCTION SITE.

ENGINEERS NOTICE TO CONTRACTOR

THE CONTRACTOR IS REQUIRED TO TAKE DUE PRECAUTIONARY MEASURES TO PROTECT THE UTILITY LINES SHOWN, AND ALL OTHER LINES NOT OF RECORD OR NOT SHOWN ON THESE DRAWINGS BY VERIFICATION OF THEIR LOCATION IN THE FIELD PRIOR TO THE INSTIGATION OF THE ACTUAL PORTION OF THEIR WORK ATTRIBUTED TO THEIR LOCATION. THE QUANTITIES SHOWN ON THESE PLANS ARE FOR INFORMATION PURPOSES ONLY AND NOT TO BE USED FOR BIDDING OR CONSTRUCTION PURPOSES.

GENERAL NOTES AND LEGEND

TOWN OF FOUNTAIN HILLS, ARIZONA

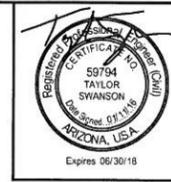
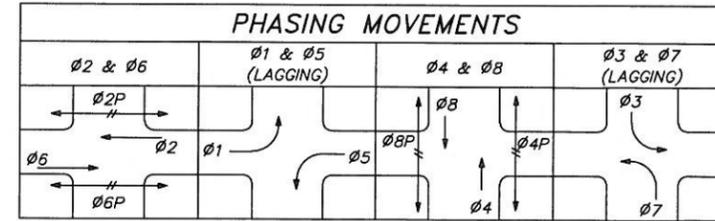
FOUNTAIN HILLS BLVD & PALISADES BLVD
TRAFFIC SIGNAL IMPROVEMENTS

DR: DPB	DES: TJS	CK: JCK/KAC	DWG SERIES No.
DATE: 1/16	DATE: 1/16	DATE: 1/16	

SCALE: 1"=20'

TS02





STATE	PROJ. NO.	SHT	TOTAL
ARIZ.	C2016-173	3	4

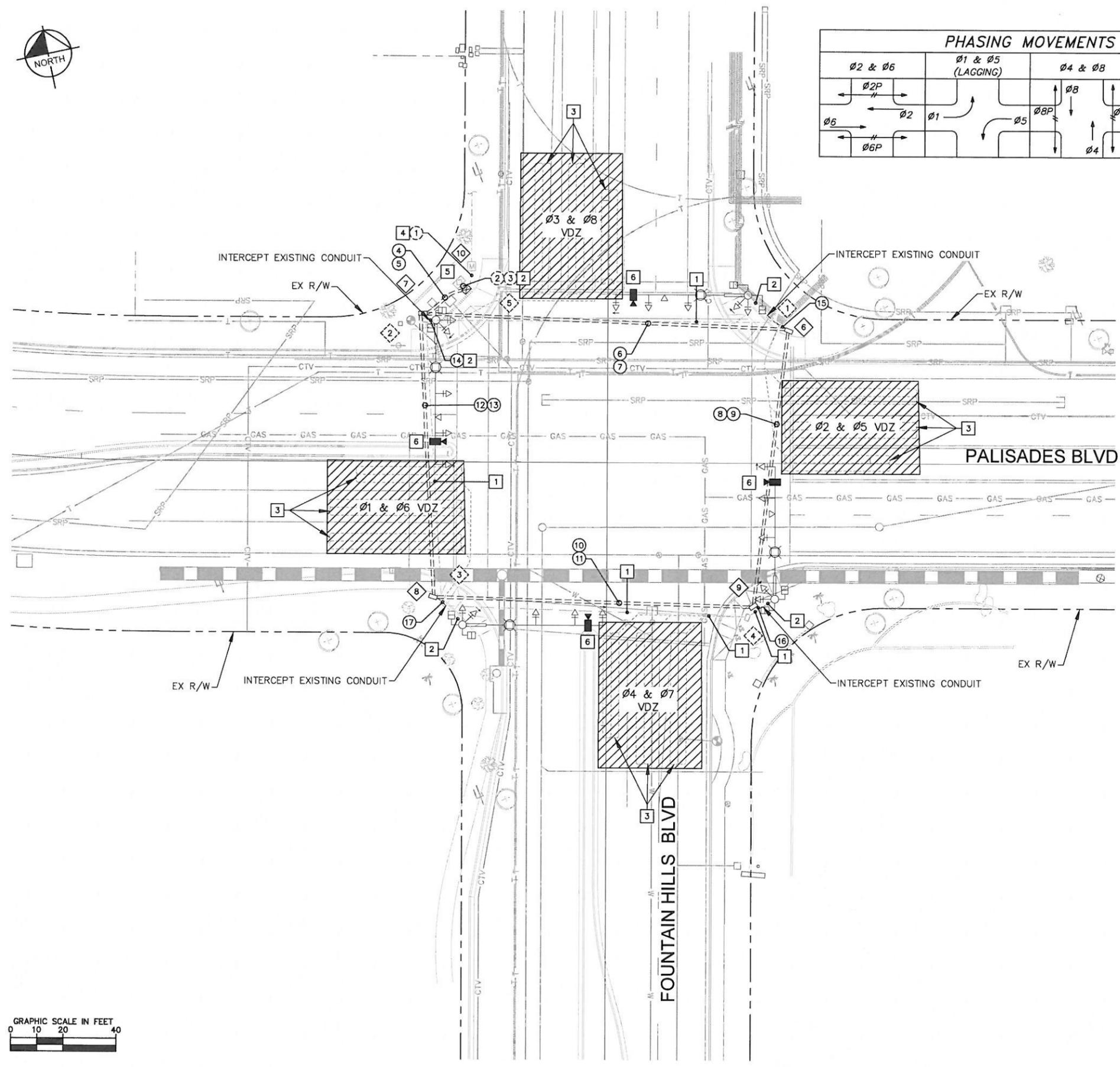
7740 N. 16TH STREET
SUITE 300
PHOENIX, AZ 85020
Phone: 602-944-5500
Fax: 602-944-7423
www.kimley-horn.com

- #### CONSTRUCTION NOTES
- 1 REMOVE AND SALVAGE EXISTING CONDUCTORS. ABANDON CONDUIT IN PLACE.
 - 2 REMOVE AND SALVAGE EXISTING CONDUCTORS. PROTECT AND REUSE EXISTING CONDUIT.
 - 3 ABANDON EXISTING LOOP DETECTOR IN PLACE.
 - 4 PROTECT EXISTING CONDUIT IN PLACE.
 - 5 PROTECT IN PLACE EXISTING CONTROL CABINET, METER PEDESTAL, SIGNAL POLES, MAST ARMS, AND EQUIPMENT UNLESS OTHERWISE NOTED.
 - 6 INSTALL ITERIS VIDEO DETECTION SYSTEM ON SIGNAL MAST ARM PER TOWN OF FOUNTAIN HILLS REQUIREMENTS.

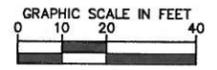
PULL BOX SCHEDULE

NO.	TYPE	PALISADES BLVD SEE NOTES 1 & 2	FOUNTAIN HILLS BLVD SEE NOTES 1 & 2	REMARKS
1	EXISTING NO 3 1/2	EXISTING	EXISTING	REMOVE
2	EXISTING NO 7	EXISTING	EXISTING	REMOVE
3	EXISTING NO 5	EXISTING	EXISTING	REMOVE
4	EXISTING NO 3 1/2	EXISTING	EXISTING	REMOVE
5	EXISTING NO 7	EXISTING	EXISTING	REMOVE
6	NO 7	50' NORTH	69' EAST	PER ADOT TS 1-1
7	NO 7	56' NORTH	69' WEST	PER ADOT TS 1-1
8	NO 7	51' SOUTH	66' WEST	PER ADOT TS 1-1
9	NO 7	55' SOUTH	56' EAST	PER ADOT TS 1-1
10	NO 7 W/ EXT	66' NORTH	54' EAST	INSTALL NEW PULL BOX AT EXISTING NO 7 LOCATION PER ADOT TS 1-1

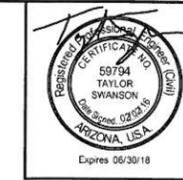
- NOTES:**
1. LOCATIONS ARE APPROXIMATE. FINAL LOCATIONS SHALL BE VERIFIED AND APPROVED IN THE FIELD BY TOWN OF FOUNTAIN HILLS INSPECTOR PRIOR TO CONSTRUCTION.
 2. MEASUREMENTS ARE TO CENTER OF PULL BOXES.



K:\PHX_Systems\191534009-Fountain Hills Blvd and Palisades Blvd\Card\03-Sheets\534008T\S01.dwg
 1/11/2016 3:20 PM BENNEWITZ, DANA
 REVISION BY TOWN OF FOUNTAIN HILLS
 NO. DESCRIPTION REV BY CKD BY DATE
 REVISION BY TOWN OF FOUNTAIN HILLS
 NO. DESCRIPTION REV BY CKD BY DATE
 REVISION BY TOWN OF FOUNTAIN HILLS
 NO. DESCRIPTION REV BY CKD BY DATE



TRAFFIC SIGNAL PLAN			
TOWN OF FOUNTAIN HILLS, ARIZONA			
FOUNTAIN HILLS BLVD & PALISADES BLVD TRAFFIC SIGNAL IMPROVEMENTS			
DR: DPB	DES: TJS	CK: JCK/KAC	DWG SERIES No.
DATE: 1/16	DATE: 1/16	DATE: 1/16	
SCALE: 1"=20'			TS03



STATE	PROJ. NO.	SHT	TOTAL
ARIZ.	C2016-173	4	4

Kimley-Horn
7740 N. 16TH STREET SUITE 300 PHOENIX, AZ 85020
Phone: 602-944-5500 Fax: 602-944-7423 www.kimley-horn.com

CONDUCTOR SCHEDULE

CONDUIT RUN NUMBER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CONDUIT SIZE IN INCHES	E 3-3"	3	3	3	3	3	3	3	3	3	3	3	3	3	2 1/2	2 1/2	2 1/2
AWG																	
IMSA # OF CABLES				4	4	1								1-20	1-20	1-20	1-20
# OF CONDUCTORS PER CABLE				20	20	20								7	5	7	5
VIDEO DETECTION #1 & #6			1		1						1	1				1	
VIDEO DETECTION #2 & #5			1		1								1				
VIDEO DETECTION #3 & #8			1		1								1				1
VIDEO DETECTION #4 & #7			1		1	1									1		
ADV. LOOP DETECTION																	
EMERGENCY VEHICLE PREEMPTION			4		4	1				1	2	1	1	1	1	1	1
LIGHTING 120V			2	2	2					2	2	2	2	2	2	2	2
ISNS 120V			2	2	2					2	2	2	2	2	2	2	2
SIGNAL COMMON														1	1	1	1
INSULATED BOND (GREEN)			1	1	1	1	1	1		1	1	1	1	1	1	1	1
SERVICE 120/240 VOLTS	E																

- E EXISTING
- * THE ISMA 20-CONDUCTOR CABLE SHALL BE #14 AWG ISMA 20-1, SOLID CORE COPPER UNSPLICED FROM CONTROLLER CABINET BLOCK TO EACH SIGNAL TERMINAL BLOCK.
- CABLES FROM TERMINAL BLOCK TO SIGNAL HEADS SHALL BE STRANDED #14 AWG IMS-19-1. ANY 7-CONDUCTORS AND/OR 5-CONDUCTOR CABLES SHALL BE #14 AWG ISMA 19-1 (STRANDED).
- + INSULATED BOND SHALL HAVE THE INSULATION STRIPPED INSIDE THE PULL BOXES.
- VIDEO DETECTION CABLE PER MANUFACTURERS SPECIFICATION. POWER CABLE SHALL BE 3-CONDUCTOR #16 AWG; COAXIAL CABLE SHALL BE BELDEN 8281
- CONDUCTORS SHALL BE RATED THW OR XHHW
- Δ EXISTING SERVICE CONDUCTORS BY SRP TO REMAIN

○ OPTICOM, M138 CABLE

NOTE:

CONDUIT RUN NUMBER 2 CONSISTS OF 3-3" CONDUITS THAT TERMINATE JUST OUTSIDE THE CONTROL CABINET. THESE 3-3" CONDUITS DO NOT ENTER THE EXISTING HOME RUN PULL BOX.

ISMA CABLE 19-1, #14 AWG, 5 CONDUCTOR & 7 CONDUCTOR

SIGNAL HEADS OUTBOARD & FAR LEFT		SIGNAL HEADS INBOARD & SIDEMOUNT		PEDESTRIAN HEADS		PUSH BUTTON	
7 CONDUCTOR CABLE		5 CONDUCTOR CABLE		5 CONDUCTOR CABLE		5 CONDUCTOR CABLE	
BASIC COLOR	SIGNAL INTERVAL	BASIC COLOR	SIGNAL INTERVAL	BASIC COLOR	SIGNAL INTERVAL	BASIC COLOR	SIGNAL INTERVAL
RED	RED	RED	RED	RED	DON'T WALK	RED	PUSH BUTTON
BLACK	YELLOW	BLACK	YELLOW	GREEN	WALK	WHITE	P.B. COM.
GREEN	GREEN	GREEN	GREEN	WHITE	PED. COM.	GREEN	SPARE
ORANGE	FL YELLOW ARROW	WHITE	VEH. COM.	BLACK	SPARE	BLACK	SPARE
BLUE	SPARE	ORANGE	SPARE	ORANGE	SPARE	ORANGE	SPARE
WHITE	VEH. COM.						
WHT/BLK TR	VEH. COM.						

THE CABLE SHALL BE TAGGED AS TO ASSIGNED PHASE. SEE SPECIAL PROVISIONS.
FL - FOR FUTURE FLASHING YELLOW



CONDUCTOR SCHEDULE			
TOWN OF FOUNTAIN HILLS, ARIZONA			
FOUNTAIN HILLS BLVD & PALISADES BLVD TRAFFIC SIGNAL IMPROVEMENTS			
DR: DPB	DES: TJS	CK: JCK/KAC	DWG SERIES No.
DATE: 1/16	DATE: 1/16	DATE: 1/16	
SCALE:	TS04		

K:\PHX_Systems\191534008-Fountain Hills Blvd and Palisades Blvd\CAD\03-Sheets\544087S02.dwg 2/2/2016 6:15 PM SWANSON, TAYLOR
 REVISION BY TOWN OF FOUNTAIN HILLS
 NO. 1 REVISED CONDUCTOR SCHEDULE TJS JCK 2/2/16
 REVISION BY TOWN OF FOUNTAIN HILLS
 NO. 1 REVISED CONDUCTOR SCHEDULE TJS JCK 2/2/16
 REVISION BY TOWN OF FOUNTAIN HILLS
 NO. 1 REVISED CONDUCTOR SCHEDULE TJS JCK 2/2/16

EXHIBIT C
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
RED HAWK SOLUTIONS, LLC

[Proposal]

See following pages.

Traffic Signal Upgrade Proposal for Fountain Hills & Palisades



prepared for:
The Town of Fountain Hills
February 8, 2016



(480) 235-6800
michael@redhawksolutionsaz.com
ROC 295206

REDHAWK
SOLUTIONS

JOB ORDER PROPOSAL

**for
Fountain Hills & Palisades**



prepared for:
The Town of Fountain Hills
February 8, 2016



(480) 235-6800
michael@redhawksolutionsaz.com
ROC 295206

REDHAWK
SOLUTIONS

Job Order Cost Proposal

CONTRACTOR NAME:

Redhawk Solutions LLC

Contract Type	Peoira JOC - FY (14) Traffic Signal Program
Job Order No.	To Be Assigned
Fee Type:	Guaranteed Maximum Price
Job Title:	Fountain Hills Blvd. & Palisades Blvd Traffic Signal Improvements
Location:	Fountain Hills Blvd. & Palisades Blvd.

City Project No.:	C2016-173
Contractor's Job No.:	2016-FTH-0204
Prepared by:	Michael Wendtland
Date:	2/8/2016
Revision:	1

Brief Description of Work to be Performed (attach detailed scope of work, clarifications, assumptions, etc.)

Furnish & Install 2 -3" Conduits across each intersection approach, Furnish & Install #7 Pullboxes, Rewire Intersection, Furnish & Install Video Detection, Asphalt, Concrete and Landscape Restoration, Provide Traffic Control, Provide Off-Duty Officers during intersection shut down

SECTION A: LABOR (inclusive of burden)

Position	Unit	Quantity
Construction Principal	Hours	8.0
JOC Program Coordinator	Hours	
Project Manager 1 (Senior Experience Level)	Hours	
Project Manager 2 (Junior Experience Level)	Hours	
Superintendent 1 (Senior Experience Level)	Hours	160.0
Superintendent 2 (Fiber Optic Experience)	Hours	
Project Engineer	Hours	
Project Coordinator	Hours	
Operator	Hours	160.0
Laborer	Hours	160.0

Labor Cost		Position
Each	Total	Total
\$ 79.75	\$ 638.00	\$ 638.00
\$ 79.75	\$ -	\$ -
\$ 58.00	\$ -	\$ -
\$ 65.00	\$ -	\$ -
\$ 44.95	\$ 7,192.00	\$ 7,192.00
\$ 58.00	\$ -	\$ -
\$ 50.75	\$ -	\$ -
\$ 36.25	\$ -	\$ -
\$ 42.50	\$ 6,800.00	\$ 6,800.00
\$ 29.00	\$ 4,640.00	\$ 4,640.00
Total Labor Cost		\$ 19,270.00

SECTION B: EQUIPMENT (supporting information attached)

Item	Unit	Quantity
Pickup Truck	Hours	
Service Truck	Hours	80.0
Splicing Van	Hours	
F800 Transport	Hours	
Bucket Truck	Hours	16.0
Digger Derrick	Hours	
Backhoe	Hours	
Skid Steer	Hours	
Mini Excavator	Hours	32.0
Dump Trailer	Hours	4.0
Water Trailer	Hours	4.0
Transport Trailer	Hours	4.0
Pole Trailer	Hours	
Jack Hammer	Hours	
Jumping Jack	Hours	
OTDR	Hours	
Fusion Splicer	Hours	
Arrow Board	Hours	80.0

Equipment		Item
Each	Total	Total
\$ 19.80	\$ -	\$ -
\$ 25.60	\$ 2,048.00	\$ 2,048.00
\$ 25.60	\$ -	\$ -
\$ 47.80	\$ -	\$ -
\$ 43.85	\$ 701.60	\$ 701.60
\$ 47.80	\$ -	\$ -
\$ 48.99	\$ -	\$ -
\$ 36.95	\$ -	\$ -
\$ 38.00	\$ 1,216.00	\$ 1,216.00
\$ 16.00	\$ 64.00	\$ 64.00
\$ 16.00	\$ 64.00	\$ 64.00
\$ 16.00	\$ 64.00	\$ 64.00
\$ 16.00	\$ -	\$ -
\$ 6.50	\$ -	\$ -
\$ 9.00	\$ -	\$ -
\$ 12.00	\$ -	\$ -
\$ 15.00	\$ -	\$ -
\$ 2.50	\$ 200.00	\$ 200.00
Total Equipment Cost		\$ 4,357.60

SECTION C: MATERIALS

Item	Unit	Quantity
Iteris Video Detection System for 4 Approaches	EA	1.0
Wire and Conduit (Brown Wholesale)	Lump	1.0
Landscape Rock	Ton	4.0
Concrete Minimim Load	Yard	5.0
Minimum Asphalt Patch for Potholes	Lump	1.0

Material		Item
Each	Total	Total
\$ 17,250.00	\$ 17,250.00	\$ 17,250.00
\$ 7,900.00	\$ 7,900.00	\$ 7,900.00
\$ 50.00	\$ 200.00	\$ 200.00
\$ 100.00	\$ 500.00	\$ 500.00
\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
	\$ -	\$ -
	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
Total Material Cost		\$ 28,850.00

SECTION D: SUBCONTRACTORS (Including Consultants)

Company	Description of Work to be Performed (Supporting quote & information attached)	Item Total
Bee Line Directional Drillin	Directional Boring (Rocky Conditions - Excluding Solid Rock)	\$ 27,500.00
Trafficade	Workzone Traffic Control	\$ 5,000.00
Fountain Hills Police	Off-Duty Officers	\$ 2,600.00
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
Total Subcontractor Cost		\$35,100.00

SECTION E: ALLOWANCES & CONTINGENCIES

Company	Description of Allowances & Contingencies	Item Total
JOC Contractor Name	Allowance A Description	\$ -
	Allowance B Description	\$ -
	Allowance C Description	\$ -
		\$ -
		\$ -
JOC Contractor Name	Contractor's Construction Contingency	\$ -
		\$ -
Town of Fountain Hills	Owner's Construction Contingency	\$ -
		\$ -
		\$ -
Total Allowances & Contingencies Cost		\$0.00

<u>Rates from Matrix</u>	
OVERHEAD:	6.80%
PROFIT:	10%

Subtotal General Contractor Costs (A+B+C):	\$52,477.60
JOC's Overhead (%) & Profit (%)	\$8,816.24
Total General Contractor Costs	\$61,293.84

Subtotal Subcontractor Costs (D)	\$35,100.00
JOC's Profit (%)	\$3,510.00
Total Subcontractor Costs	\$38,610.00

Subtotal Allowances/Contingencies (E)	\$0.00
JOC's Overhead (%) & Profit (%)	\$0.00
Total Subcontractor Costs	\$0.00

Subtotal Construction	\$99,903.84
Insurance 2.16%	\$2,157.92
Bond 0.71%	\$709.32
Sales Tax (65% of 8.1%) 5.265%	\$5,410.90

TOTAL JOB ORDER COST:	\$108,181.97
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Submitted by:

Michael Wendtland, Estimator
Name, Title

2/8/2016
Date

Rev: 9/12/2013 CF

ITERIS VIDEO DETECTION MATERIALS QUOTE



prepared for:
The Town of Fountain Hills
February 8, 2016



(480) 235-6800
michael@redhawksolutionsaz.com
ROC 295206

REDHAWK
SOLUTIONS



Iteris, Inc.
 1700 Carnegie Avenue
 Suite 100
 Santa Ana, CA 92705-5551

Daniel Nall
 (602) 828-3349
 djn@iteris.com

EQUIPMENT QUOTATION

Quote #00002794

February 2, 2016

Michael Wendtland AZ (480) 235-6800 michael@redhawksolutionsaz.com	Agency: Town of Fountain Hills Project Name: Iteris 4 Cam System, Fountain Hills, C2016-173 Contractor: Redhawk Solutions Reference: Fountain Hills Blvd & Palisades Blvd, Fountain Hills	Delivery Term: FOB Shipping Point Payment Terms: NET 30 Days
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Fax or email Purchase Orders to: Roadway Sales Support, 949-270-9615 or RS-Sales-Support@iteris.com. Please include Quote Number on your Purchase Order. Prices are valid for 30 days from the date of quote unless extended in writing. Prices on this quote include material only unless otherwise stated. For questions regarding this quotation, please contact the representative listed above.

Product Name	Product Description	Qty	Unit Price	Ext. Price
SURGEPAN	Power & Video Surge Protection Panel w/ mounting for up to 4 Suppressors (Din Rail Configuration)	1		
CAMBRKT4	Iteris Universal Mount Camera Bracket (Standard Mount)	4		
EDGE2-2PAK	Edge 2 Intersection Package (Includes 2x EDGE2-2, 1 Mouse, 1 EDGE2MANUAL, 4 Right Angle BNC, 4 SURGEVAN, 6 FCABLE) Total of 4 video inputs using 2x Edge2-2 dual video input processor.	1		
EDGE2-TS2-IM-PAK	Integrated BIU and Edge communication module for TS2 applications (Includes: TS2-IM module, RJ45 CABLES, interface cables, and Users Manual) Fits in the BIU slot of NEMA TS-2 detector racks.	1		
ISOCBL	Iteris Approved Siamese Cable, per foot	1000		
MON-10LCD	10in. Color LCD Monitor, 2 composite video inputs and 1 low res VGA input) (NTSC/PAL)	1		
RZ4A-WDR-PAK	Iteris Vantage Color Camera Assembly - Model CAM-RZ4A - WDR Imager, 115VAC, NTSC w/ EDCO RMCX1.05 - Video Coax Suppression (Connectorless Termination)	4		
				\$17,250.00

Important Notes:

This quotation and any resulting order are subject to Iteris' Roadway Sensor Products Standard Terms and Conditions of Sale attached hereto or available at <http://www.iteris.com/RS-Std-TC.pdf>, which are incorporated herein by this reference.

SUBTOTAL	\$17,250.00
FREIGHT	
TAX	\$0.00



Iteris, Inc.
1700 Carnegie Avenue
Suite 100
Santa Ana, CA 92705-5551

Daniel Nall
(602) 828-3349
djn@iteris.com

EQUIPMENT QUOTATION

Quote #00002794

February 2, 2016

Authorized Signature:

A handwritten signature in black ink, appearing to read "Dan Nall", is written over a light blue rectangular background. Below the signature is a solid black horizontal line.

TOTAL	\$17,250.00
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Iteris Roadway Sensor Products
Standard Terms and Conditions of Sale



1. Sole Agreement. These Standard Terms and Conditions of Sale for the sale and purchase of goods and services between Iteris, Inc. (“Iteris”) and the purchaser or buyer (“Purchaser”) indicated on the face of the price quotation, proposal, contract, sales order or offer from Iteris constitute the entire agreement between Iteris and Purchaser (the “Agreement”) and supersede any prior agreement or understanding, whether oral or written, relating to the subject matter of this Agreement. Iteris shall not be bound by any terms or conditions not set forth in this Agreement, including but not limited to, any purchase order or purchase contract (“Order”) from Purchaser that is in any way inconsistent with or in addition to this Agreement. This Agreement may not be expanded or modified except by an instrument in writing executed by an authorized representative of Iteris. Iteris’ acceptance of Purchaser’s Order shall not be deemed an acceptance of any modification to any term or condition contained herein, but rather an acceptance of Purchaser’s agreement to purchase goods and services upon the terms set forth in this Agreement. All Orders, whether or not based on specific quotations, are subject to Iteris’ acceptance by an authorized Iteris representative.

2. Shipment. All prices are in United States Dollars (USD or \$) and quoted FCA (Free Carrier at named point, Incoterms® 2010), or in jurisdictions that have not adopted Incoterms®, FOB at the shipping point of Iteris, Inc. Title to goods sold hereunder (individually, a “Product” and collectively, “Products”) shall pass to the Purchaser upon delivery of Products to the carrier. Iteris, however, retains a security interest and a vendor’s lien against the Products until payment in full is received. Purchaser agrees to perfect and maintain such security interest for Iteris. In the absence of specific written instructions that Iteris has accepted, Iteris will ship Products by what it deems to be the most appropriate method for shipment. Although Iteris may transact for carriage, all freight charges and insurance premiums will be for the account of Purchaser. Upon delivery to the carrier, Purchaser assumes all risk of loss. Any such loss shall not relieve Purchaser of its obligation to pay Iteris in full for Products, freight and insurance. Purchaser shall have the right to negotiate with the carrier and/or insurer to recoup its loss.

3. Delivery. Standard shipments to Purchaser will be approximately 30-45 days after receipt of an Order. In the event that Purchaser requests a guaranteed ship date, Iteris reserves the right, after notice to Purchaser, to include in the final purchase price any expenses which increase the cost of production or delivery, including but not limited to, expediting and overtime expenses, parts procurement premiums, etc. Iteris reserves the right to ship complete orders in advance of the ship dates specified and, with prior approval from Purchaser, partial orders. Iteris shall not be liable for either delays in delivery or the failure to manufacture if such delay or failure is due to causes beyond Iteris’ reasonable control, including but not limited to, acts of God, acts or omissions of either Purchaser or third parties, intervention of any government authority, strikes, lockouts or other labor disturbances, floods, fires, earthquakes, epidemics, quarantines, riots, wars, delays in transportation, or where Iteris is unable to obtain necessary labor, materials or manufacturing facilities. In the event of such delay or failure, the delivery date shall be extended for a period equal to the time lost by reason of the delay or failure.

4. Payment Terms. Unless an authorized Iteris representative agrees upon different credit terms in writing at the time of acceptance of Purchaser’s order, the standard terms of payment shall be cash or wire transfer of funds in advance of shipment or, for international shipments, Irrevocable Sight Letter of Credit collectable within thirty (30) days after shipment. Iteris’ obligation to deliver Products is subject to Purchaser’s compliance with the foregoing payment terms, or in the event credit is granted by Iteris, any such credit terms provided. Iteris may at any time, in its reasonable business judgment, if the financial condition of Purchaser warrants, either alter the credit terms or suspend credit and delay delivery until such time as the revised credit terms are met. Iteris shall have the right to cancel any unfilled order, or delay its shipment, for failure of Purchaser to meet its payment schedule or obligations. In the event any payment is not made when due, Iteris shall have the right to accelerate the due date of the entire unpaid balance and to increase the unpaid balance of the sales price at the rate of one percent (1%) per month, or the maximum

allowed by law, on the unpaid balance until the account is paid in full, in addition to any reasonable attorneys’ fees or other collection expenses.

5. Taxes. All prices are exclusive of any and all taxes, duties, tariffs, fees, or assessments, including but not limited to sales, use, excise, VAT, or similar taxes and export or import duties or fees applied to the sale or to the Products sold, by any United States or foreign federal, state, provincial, or local governmental body. Any such taxes that must be paid by Iteris shall be separately itemized on Iteris’ invoice and paid by Purchaser, or in lieu thereof, Purchaser shall furnish Iteris a properly executed tax exemption certificate prior to shipment.

6. Limited Warranty.

Iteris Hardware Products: Unless otherwise specified in writing by an authorized Iteris representative, hardware Products marked as manufactured by or for Iteris or marked with an Iteris brand or trademark are warranted, at the time of shipment to Purchaser, to conform to Iteris’ published specifications and to be free from defects in material and workmanship. The occurrence of any of the following terminates Iteris’ Limited Warranty: (i) a Product fails as the result, in whole or in part, of modification or repair of the Product not conducted in conformity with Iteris’ approved procedures; (ii) a Product fails as the result, in whole or in part, of improper or insufficient maintenance; (iii) a Product is damaged due to, in whole or in part, electrical power surge, lightning strike, accident, negligence, improper storage, incorrect installation, incorrect operation, unusual deterioration due to physical environments in excess of limits set forth in Product manuals, or any other type of abuse or misuse; or (iv) the removal of serial numbers, or the removal, mutilation or defacement of any part of a Product. As a condition to making any claim under this Limited Warranty, Purchaser must request a Return Material Authorization (“RMA”) before the Limited Warranty terminates or expires. Provided that the Limited Warranty has not terminated or expired, Iteris shall issue the RMA and Purchaser shall have the right to return the non-conforming Product, transportation prepaid, to Iteris for repair or, solely at Iteris’ option, replacement with new or reconditioned materials. Except for repair or replacement, Iteris shall be under no other liability to Purchaser. ***This is a Limited Warranty only and, unless otherwise specified in writing by Iteris, shall expire thirty-six (36) months after the date of shipment of each unit of Product to Purchaser.*** Repaired or replaced Products have a Limited Warranty for the greater of ninety (90) days from the time of shipment or the remainder of the original warranty period.

Iteris Software Products: Unless otherwise specified in writing by an authorized Iteris representative, software Products marked as manufactured by or for Iteris or marked with an Iteris brand or trademark are warranted to the licensed End User in accordance with the software license and warranty packaged with the software.

Non-Iteris Products. Hardware or software Products marked as manufactured or produced by others or marked with a brand or trademark of a party other than Iteris are warranted, if at all, by the manufacturer or producer to the End User in accordance with the warranty documentation provided by the manufacturer or producer.

NO OTHER WARRANTIES OR GUARANTEES, EXPRESSED OR IMPLIED INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING BY LAW, CUSTOM OR CONDUCT, SHALL BE APPLICABLE. NO REPRESENTATION OR WARRANTY BY PURCHASER SHALL EXTEND THE LIABILITY OR RESPONSIBILITY OF ITERIS BEYOND THE TERMS OF THIS PROVISION. THE RIGHTS AND REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ANY OTHER RIGHTS OR REMEDIES. IN NO EVENT SHALL ITERIS HAVE ANY LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, OR FOR LOSS, DAMAGE OR EXPENSE DIRECTLY OR INDIRECTLY ARISING FROM USE OF THE PRODUCTS, OR AN INABILITY TO USE PRODUCTS EITHER SEPARATELY OR IN COMBINATION WITH OTHER SOFTWARE, EQUIPMENT OR MATERIALS, OR FROM ANY OTHER CAUSE.

Iteris Roadway Sensor Products
Standard Terms and Conditions of Sale



7. Return Material Authorizations. Upon request by Purchaser for an RMA whether for repair, replacement, or credit, Iteris agrees that it will either issue such RMA or provide Purchaser with a written explanation for its refusal to issue the RMA within thirty (30) days of the request by Purchaser. If Iteris provides a Field Replaceable Unit ("FRU") or replacement Product in advance of receipt of an authorized return and does not receive the returned unit within 30 days of shipment, Purchaser will be invoiced for the FRU or replacement. Purchaser shall pay all shipping costs for items returned to Iteris. For items repaired or replaced under a valid warranty claim, Iteris shall pay shipping costs for return of repaired or replaced item to Purchaser.

8. Intellectual Property Indemnification. Iteris shall indemnify and hold harmless Purchaser and its customers from loss, damage or liability for infringement of a United States (U.S.) patent or U.S. copyright ("intellectual property") arising out of the sale or use of Iteris Products delivered to Purchaser hereunder (the "Indemnity"); provided that Purchaser notifies Iteris in writing within ten (10) days of Purchaser's first notice of an infringement claim, threat or suit ("Infringement Claim") and fully cooperates with Iteris in the defense of such Infringement Claim and the avoidance of infringement by, including but not limited to, providing Iteris any requested authority, information, and assistance necessary. Iteris shall be entitled, at its election, to assume the defense of any Infringement Claim. The foregoing Indemnity shall not apply when normally non-infringing Iteris Products are rendered infringing by (i) Purchaser's or its customer's alteration of Iteris Products or the operation thereof, (ii) use of Iteris Products in combination with other equipment or software, or (iii) Iteris' modification of its products in compliance with the Purchaser's specifications or instructions. Iteris shall have the right to resolve any Infringement Claim in the manner it deems appropriate, including, but not limited to, (i) obtaining a license from the owner of the alleged infringed intellectual property, (ii) rescinding the purchase of the Iteris Product, or (iii) modifying or replacing the alleged infringing Product with non-infringing Product. The foregoing Indemnity shall not extend to claims based on infringement of intellectual property outside the United States of America. Iteris' sole obligation and liability to Purchaser and its customers with respect to indemnification of claims shall be as set forth in this paragraph and specifically excludes indemnification for consequential damages, incidental damages, punitive damages, and attorneys' fees.

9. Product Liability, Mutual Indemnification. In the event Purchaser receives a claim that a Product or any component thereof, delivered by Iteris to Purchaser, has caused personal injury or damage to property of others, Purchaser shall immediately, but in no circumstances in less than ten (10) days, notify Iteris in writing of all such claims. Iteris shall indemnify and hold harmless the Purchaser for any costs or damages to the extent caused by the defective Product or the negligence of Iteris, its agents, or its employees, and Iteris shall be entitled, at its election, to assume the defense of any claims related thereto. Purchaser shall indemnify, defend and hold harmless Iteris from and against all claims, demands, losses and liability arising out of damage to property or injury to persons caused by or in connection with the products, acts or omissions of Purchaser and its agents and employees, and from and against all claims, demands, losses and liability for costs or fees, including reasonable attorneys' fees in connection therewith.

10. Arbitration. It is the intent of the parties that any controversy will be elevated to the highest management levels within the respective organizations in an attempt to resolve the matter most efficiently. If the parties are unable, after good faith negotiations, which each hereby covenants to undertake, to resolve any dispute, claim or controversy arising between them, the parties hereby expressly agree that the exclusive means of resolving any such dispute, claim or controversy arising out of or relating to this agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration. If the Purchaser has an office located in the United States, arbitration shall be conducted under the Streamlined Arbitration Rules and Procedures of JAMS, a national alternative dispute resolution service (www.jamsadr.com) and shall be conducted in the English language, in

Los Angeles, CA USA, by one (1) arbitrator appointed in accordance with said rules. If the Purchaser does not have an office in the United States, arbitration shall be conducted under the Rules of Arbitration of the International Chamber of Commerce and be conducted in the English language, in New York, NY, USA, by one (1) arbitrator appointed in accordance with said Rules of Arbitration. Judgment on the arbitration award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction nor shall it preclude Iteris from any pursuit allowed by the full extent of the law for collection of amounts owed by Purchaser under any credit arrangement. The arbitrator may, in the award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

11. Product Modifications. Iteris reserves the right, at any time and without notice to Purchaser, to modify Products, in whole or in part, to include therein changes deemed appropriate by Iteris which do not adversely affect the form, fit or function of the Products, and without incurring any liability, to change or modify any Product previously delivered, or to supply new Products in replacement thereof.

12. Export Responsibility. All sales hereunder shall at all times be subject to the export control laws and regulations of the U.S. government. Purchaser agrees that it shall not make any disposition, by way of transshipment, re-export, diversion or otherwise, except as said laws and regulations may expressly permit, of U.S. origin goods purchased from Iteris, other than as to the ultimate country of destination specified on Purchaser's order and/or declared as the country of ultimate destination on Iteris' invoices.

13. General.

- a) No modification of a quotation or a resulting order shall be binding unless in writing signed by an authorized representative of Iteris.
- b) No waiver by either party of any default shall be deemed a waiver of any subsequent default.
- c) Purchaser shall not assign its Order or any interest therein or any rights hereunder without the written consent of Iteris, and any such purported assignment shall be null and void and of no affect whatsoever.
- d) Purchaser agrees that it will not modify, reproduce, reverse engineer, reverse compile, disassemble, translate, de-compile, deconstruct or decrypt, the whole or any part of the Products, including any software embedded therein.
- e) All quotations and any resulting order shall be construed, interpreted and governed by the laws of the State of California, USA, but specifically excluding any International Convention regarding the International Sales of Goods. Should any court of competent jurisdiction determine any portion hereof illegal or against public policy, such determination shall not affect that portion herein that is not illegal or against public policy. In the event that the federal, state, provincial, city or local government or any bureau or agency thereof, should promulgate any law, rule or regulation affecting prices, deliveries or any other term of a contract resulting from a quotation, then, at the option of Iteris communicated to the Purchaser in writing within a reasonable time, the contract between Iteris and the Purchaser may be either terminated by Iteris and be of no force and effect and the parties shall be restored to the position they occupied before the contract was executed, or Iteris may make such changes in the price, delivery schedule and terms as Iteris in its reasonable business judgment may deem necessary to comply with such law, rule or regulation.

DIRECTIONAL DRILLING SUBCONTRACTOR QUOTE from Beeline Directional Drilling



prepared for:
The Town of Fountain Hills
February 8, 2016



(480) 235-6800
michael@redhawksolutionsaz.com
ROC 295206

REDHAWK
SOLUTIONS

B-LINE DIRECTIONAL DRILLING, LLC

ROC# 198434

Phone: 602-437-5444
Fax: 602-437-5717

3837 E. Miami Ave
Phoenix, AZ 85040

Mobile: 602-725-5478
Email: Kris@B-LINEHDD.com

Directional Drilling Quote

Date: February 4, 2016 Attention: Bob Baker

Company: Redhawk Solutions Office number:
2602 W. Bloomfield Rd Direct number: 602-980-2992
Phoenix, AZ 85029 Email: bob@redhawksolutionsaz.com

Project: Town of Fountain Hills Traffic Signal Improvements

Description: Boring around all 4 corners of Fountain Hills Blvd & Palisades Blvd

Project location: Fountain Hills Blvd & Palisades Blvd Start Date:

City/State: Fountain Hills, AZ TBD

Items included in quote:

- * Drill and install conduit
- * Utility potholing
- * Water and mud disposal
- * Rock drill and bits

Items excluded in quote:

- * Permits
- * Conduit
- * Traffic control & Police officers
- * Asphalt & concrete restoration
- * Slurry backfill potholes
- * Bore pits

<u>Soil Condition</u>	<u>Product Pulling Back</u>	<u>Approx. LF</u>	<u>Price per LF</u>	<u>Total</u>
Rocky	2-3" Conduits	500	\$ 55.00	\$ 27,500

Price doesn't include any applicable sales tax. If exempt please provide proper documentation.

Any additional items not stated on this bid will require a new bid price. B-LINE Directional Drilling, LLC is not responsible for any delays this may cause.

If you have any questions please call me. Thank you for the opportunity to bid this project.

Sincerely,

If you accept this bid please sign and return.

Kris Stadel

Kris Stadel / President
B-LINE Directional Drilling, LLC

Sign

Print name



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Consent

Submitting Department: Development Services

Staff Contact Information: Paul Mood, Development Services Director

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of Cooperative Purchase Agreement C2016-247 between M. R. Tanner Development and Construction, Inc. and the Town of Fountain Hills for McDowell Mountain Road repairs in an amount not to exceed \$75,897.82.

Applicant: NA

Applicant Contact Information: NA

Property Location:

Related Ordinance, Policy or Guiding Principle: NA

Staff Summary (background): A section of McDowell Mountain Road approximately one mile north of the Fountain Hills Middle School has an uneven pavement section. This uneven pavement section is approximately 200 feet in length and on a curve in the road. The pavement condition has continued to deteriorate and the northbound paved shoulder of the road which is used by cyclists has been closed off. The repairs are identified under capital project S6057 and the contracted amount includes a \$10,000 owner's allowance for any unforeseen conditions that may arise.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status): \$75,897.82

Budget Reference (page number): 328

Funding Source: Hurf Fund

If Multiple Funds utilized, list here: CIP Fund \$65,000, HURF \$10,897.82

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s):

List Attachment(s): Contract C2016-247

SUGGESTED MOTION (for Council use): Motion to approve Cooperative Purchase Agreement C2016-247 between M. R. Tanner Development and Construction, Inc. and the Town of Fountain Hills for McDowell Mountain Road repairs in an amount not to exceed \$75,897.82.

Prepared by:

NA 3/28/2016

Director's Approval:


Paul Mood, Development Services Director 3/28/2016

Approved:


Grady Miller, Town Manager 3/28/2016

**COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
M. R. TANNER DEVELOPMENT AND CONSTRUCTION, INC.**

THIS COOPERATIVE PURCHASING AGREEMENT (this "Agreement") is entered into as of April 7, 2016, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and M. R. Tanner Development and Construction, Inc., an Arizona corporation (the "Contractor").

RECITALS

A. After a competitive procurement process, the City of Chandler ("Chandler") entered into Contract No. ST5-745-3434, dated December 1, 2014, and amended by Amendment No. One, dated November 10, 2015 (the "Chandler Contract"), for the Contractor to provide asphalt patch maintenance and repair. A copy of the Chandler Contract is attached hereto as Exhibit A and incorporated herein by reference, to the extent not inconsistent with this Agreement.

B. The Town is permitted, pursuant to Section 3-3-27 of the Town Code, to make purchases under the Chandler Contract, at its discretion and with the agreement of the awarded Contractor, and the Chandler Contract permits its cooperative use by other public entities, including the Town.

C. The Town and the Contractor desire to enter into this Agreement for the purpose of (i) acknowledging their cooperative contractual relationship under the Chandler Contract and this Agreement, (ii) establishing the terms and conditions by which the Contractor may provide the Town with asphalt mill and overlay repair to McDowell Mountain Road, as more particularly set forth in Section 2 below (the "Materials and Services") and (iii) setting the maximum aggregate amount to be expended pursuant to this Agreement related to the Materials and Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until April 6, 2017, unless terminated as otherwise provided in this Agreement or the Chandler Contract.

2. Scope of Work. Contractor shall provide the Materials and Services under the terms and conditions of the Chandler Contract and as more particularly set forth in the Proposal, attached hereto as Exhibit B and incorporated herein by reference.

3. Inspection; Acceptance. All Materials and Services are subject to final inspection and acceptance by the Town. Materials failing to conform to the requirements of this Agreement and/or the Chandler Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Upon discovery of non-conforming Materials or Services, the Town may elect to do any or all of the following by written notice to the Contractor: (i) waive the non-conformance; (ii) stop the work immediately; or (iii) bring Materials or Service into compliance and withhold the cost of same from any payments due to the Contractor.

4. Compensation. The Town shall pay Contractor an aggregate amount not to exceed \$75,897.82, of which \$10,000.00 is an owner's contingency which shall be utilized at the Town's sole discretion, for Materials and Services at the unit rates set forth in the Chandler Contract and as more particularly set forth in the Proposal.

5. Payments. The Town shall pay the Contractor monthly, based upon acceptance and delivery of Materials and/or Services performed and completed to date, and upon submission and approval of invoices. Each invoice shall (i) contain a reference to this Agreement and the Chandler Contract and (ii) document and itemize all work completed to date. The invoice statement shall include a record of materials delivered, time expended and work performed in sufficient detail to justify payment. Additionally, invoices submitted without referencing this Agreement and the Chandler Contract will be subject to rejection and may be returned.

6. Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under Section 7 below, Contractor's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (i) evaluation and verification of any invoices, payments or claims based on Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (ii) evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in Section 7 below. To the extent necessary for the Town to audit Records as set forth in this Section, Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Contractor pursuant to this Agreement. Contractor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this Section. The Town shall give Contractor or its subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

7. E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

8. Conflict of Interest. This Agreement may be canceled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

9. Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and a suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

10. Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Contractor informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Contractor hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

11. Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the Proposal, the Chandler Contract and invoices, the documents shall govern in the order listed herein. Notwithstanding the foregoing, and in conformity with Section 2 above, unauthorized exceptions, conditions, limitations or provisions in conflict with the terms of this Agreement or the Chandler Contract (collectively, the "Unauthorized Conditions"), other than the Town's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the Town of any work order or invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or under the Chandler Contract shall not alter such terms and conditions or relieve Contractor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement.

12. Rights and Privileges. To the extent provided under the Chandler Contract, the Town shall be afforded all of the rights and privileges afforded to Chandler and shall be the

“City” (as defined in the Chandler Contract) for the purposes of the portions of the Chandler Contract that are incorporated herein by reference.

13. Indemnification; Insurance. In addition to and in no way limiting the provisions set forth in Section 12 above, the Town shall be afforded all of the insurance coverage and indemnifications afforded to Chandler to the extent provided under the Chandler Contract, and such insurance coverage and indemnifications shall inure and apply with equal effect to the Town under this Agreement including, but not limited to, the Contractor’s obligation to provide the indemnification and insurance. In any event, the Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement.

14. Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
 16705 East Avenue of the Fountains
 Fountain Hills, Arizona 85268
 Attn: Grady E. Miller, Town Manager

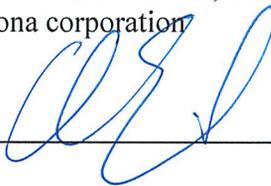
With copy to: GUST ROSENFELD P.L.C.
 One East Washington Street, Suite 1600
 Phoenix, Arizona 85004-2553
 Attn: Andrew J. McGuire, Esq.

If to Contractor: M. R. Tanner Development and Construction, Inc.
 1327 West San Pedro Street
 Gilbert, Arizona 85233
 Attn: Kevin Day

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party’s counsel or other recipient, the provisions above

“Contractor”

M. R. TANNER DEVELOPMENT
AND CONSTRUCTION, INC.,
an Arizona corporation

By: 

Name: Alan Evans

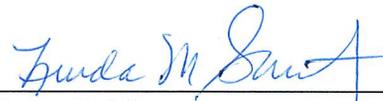
Title: President

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 22, 2016, before me personally appeared Alan Evans, the President of M. R. TANNER DEVELOPMENT AND CONSTRUCTION, INC., an Arizona corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the corporation.




Notary Public

(Affix notary seal here)

EXHIBIT A
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
M. R. TANNER DEVELOPMENT AND CONSTRUCTION, INC.

[Chandler Contract]

See following pages.

18-2361

**AMENDMENT NUMBER ONE,
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
MR TANNER DEVELOPMENT & CONSTRUCTION, INC.
ASPHALT PATCH MAINTENANCE AND REPAIR
AGREEMENT NO. ST5-745-3434**

This Amendment No. 1 to that certain Agreement between the City of Chandler (CITY) and MR TANNER DEVELOPMENT & CONSTRUCTION, INC. (Contractor) for Asphalt Patch Maintenance and Repair dated, October 24, 2014 and is entered into this 10 day of November, 2015.

WHEREAS, the parties entered into contract for one year with provisions to extend for four (4) terms of one year each. This is the first renewal option.

NOW THEREFORE, the parties agree as follows:

1. Section 5 of the Agreement, as amended, extends the term of the agreement for a one-year period from December 1, 2015 through November 30, 2016 in an amount not to exceed \$250,000.
 2. All other terms and conditions of the above referenced Contract shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.
- eik
11/15

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this 10 day of November, 2015.

CITY OF CHANDLER:

By: Jay Ditmars
Mayor

APPROVED AS TO FORM:

Ray Sigel
City Attorney (kib)

ATTEST:

M. Paulsch
City Clerk

CONTRACTOR:

By: [Signature]
Title: PRESIDENT

ATTEST: (If corporation)

[Signature]
Secretary

WITNESS: (If individual or Partnership)



CC 10-22-15

**CITY OF CHANDLER SERVICES AGREEMENT
ASPHALT PATCH MAINTENANCE & REPAIR
AGREEMENT NO.: ST5-745-3434**

18-2361

THIS AGREEMENT is made and entered into this 24 day of October, 2014, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and MR TANNER DEVELOPMENT & CONSTRUCTION, INC., hereinafter referred to as "CONTRACTOR".

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in the Agreement.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. CONTRACT ADMINISTRATOR:

- 1.1. **Contract Administrator.** CONTRACTOR shall act under the authority and approval of the Sr. Streets Maintenance Coordinator/designee (Contract Administrator), to provide the services required by this Agreement.
- 1.2. **Key Staff.** This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.
- 1.3. **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.
- 1.4. **Subcontracts.** CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

2. SCOPE OF WORK: CONTRACTOR shall provide Asphalt Patch Maintenance & Repair services all as more specifically set forth in the Scope of Work, labeled Exhibit B, Price List, labeled Exhibit C, Contractor's Equipment List, labeled Exhibit D, Subcontractor List, labeled Exhibit E, Performance and Payment Bonds, labeled Exhibit F1 and F2, Construction Sign Detail, labeled Exhibit G attached hereto and made a part hereof by reference and as set forth in the Specifications and details included therein.

- 2.1. **Non-Discrimination.** The CONTRACTOR shall comply with State Executive Order No. 99-4 and all other applicable City, State and Federal laws, rules and regulations, including the Americans with Disabilities Act.
- 2.2. **Licenses.** CONTRACTOR shall maintain in current status all Federal, State and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.
- 2.3. **Advertising, Publishing and Promotion of Contract.** The CONTRACTOR shall not use, advertise or promote information for benefit concerning this Contract without the prior written approval of the CITY.
- 2.4. **Compliance With Applicable Laws.** CONTRACTOR shall comply with all applicable Federal, state and local laws, and with all applicable licenses and permit requirements.

CC 10-23 14

- 2.4.1** Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").
- 2.4.2** A breach of the Contractor Immigration Warranty (Exhibit A) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.
- 2.4.3** The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.
- 2.4.4** The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verifications.
- 2.4.5** The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
- 2.4.6** In accordance with A.R.S. §35-393.06, the Contractor hereby certifies that the Offeror does not have scrutinized business operations in Iran.
- 2.4.7** In accordance with A.R.S. §35-391.06, the Contractor hereby certifies that the Offeror does not have scrutinized business operations in Sudan.
- 2.5. Warranty.** Each Bid must provide a one (1) year warranty/guarantee against defects in materials, workmanship and/or performance for all items.
- 3. ACCEPTANCE AND DOCUMENTATION:** Each task shall be reviewed and approved by the Contract Administrator to determine acceptable completion.
- 3.1. Records.** The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.
- 3.2. Audit.** At any time during the term of this Contract and five (5) years thereafter, the CONTRACTOR'S or any SUBCONTRACTOR'S books and records shall be subject to audit by the City to the extent that the books and records relate to the performance of the Contract or Subcontract. Upon request, the CONTRACTOR shall produce a legible copy of any or all such records.
- 3.3. New/Current Products.** All materials, parts and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.
- 3.4. Property of CITY.** Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

4. **PRICE:** CITY shall pay to CONTRACTOR an amount not to exceed **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit C, attached hereto and made a part hereof by reference.
- 4.1. **Taxes.** CONTRACTOR shall be solely responsible for any and all tax obligations, which may result out of the CONTRACTOR'S performance of this Agreement. The CITY shall have no obligation to pay any amounts for taxes, of any type, incurred by the CONTRACTOR.
- 4.2. **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.
- 4.3. **Estimated Quantities.** The quantities shown on Exhibit C (the Price List) are estimates only, based upon available information. Payment shall be based on actual quantities and there is no guarantee that any certain quantity shall be required by CITY. City reserves the right to increase or decrease the quantities actually required.
- 4.4. **IRS W9 Form.** In order to receive payment CONTRACTOR shall have a current I.R.S. W9 Form on file with CITY, unless not required by law.
- 4.5. **Price Adjustment (Annual—CPI).** All prices offered herein shall be firm against any increase for one (1) year from the effective date of the Contract. Prior to commencement of subsequent renewal terms, CITY will entertain a request for price adjustments in accordance with the current Consumer Price Index. CONTRACTOR must request all price adjustments in writing at least sixty (60) days prior to the renewal date.
- 4.6. **Acceptance by City.** CITY reserves the right to accept or reject the request for a price increase. If CITY approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon a written Contract Amendment must be approved and executed by the Parties.
- 4.7. **Price Reduction.** CONTRACTOR shall offer CITY a price reduction for its services concurrent with a published price reduction made to other customers.
5. **TERM:** The term of the Contract is **one (1) year**, commencing on **December 1st, 2014** and terminating on **November 30, 2015** unless sooner terminated in accordance with the provisions herein. CITY reserves the right, at its sole discretion, to extend the Contract for up to **four (4)** additional terms of one year each. CITY reserves the right, at its sole discretion, to extend the Contract for up to **60** days.
6. **USE OF THIS CONTRACT:** The Contract is for the sole convenience of the City of Chandler. CITY reserves the rights to obtain like services from another source to secure significant cost savings or when timely completion cannot be met by CONTRACTOR.

6.1. Cooperative Use of Contract. In addition to the City of Chandler and with approval of the CONTRACTOR, this Contract may be extended for use by other municipalities, school districts and government agencies of the State. A current listing of eligible entities may be found at www.maricopa.gov/materials and then click on 'Contracts', 'S.A.V.E.' listing and 'ICPA'. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five (5) times during a month, CONTRACTOR shall submit a full set of fingerprints to the school district in accordance with A.R.S. 15-512 of each person or employee who may provide such service. The District shall conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all CONTRACTORS, sub-CONTRACTORS or vendors and their employees for which fingerprints are submitted to the District. Additionally, the CONTRACTOR shall comply with the governing body fingerprinting policies of each individual school district/public entity. CONTRACTOR, sub-contractors, vendors and their employees shall not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The CITY shall not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

6.2. Emergency Purchases: CITY reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the CONTRACTOR.

7. CITY'S CONTRACTUAL REMEDIES:

7.1. Right to Assurance. If the City in good faith has reason to believe that the CONTRACTOR does not intend to, or is unable to perform or continue performing under this Contract, the Contract Administrator may demand in writing that the CONTRACTOR give a written assurance of intent to perform. Failure by the CONTRACTOR to provide written assurance within the number of Days specified in the demand may, at the City's option, be the basis for terminating the Contract in addition to any other rights and remedies provided by law or this Contract.

7.2. Stop Work Order. The City may, at any time, by written order to the CONTRACTOR, require the CONTRACTOR to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the City after the order is delivered to the CONTRACTOR. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the CONTRACTOR shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

7.3. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the CONTRACTOR shall resume work. The Contract Administrator shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

7.4. Non-exclusive Remedies. The rights and the remedies of the City under this Contract are not exclusive.

7.5. Nonconforming Tender. Services and materials supplied under this Contract shall fully comply with Contract requirements and specifications. Services or materials that do not fully comply constitute a breach of contract.

7.6. Right of Offset. The City shall be entitled to offset against any sums due CONTRACTOR, any expenses or costs incurred by the City, or damages assessed by the City concerning the CONTRACTOR'S non-conforming performance or failure to perform the Contract, including expenses to complete the work and other costs and damages incurred by CITY.

9. TERMINATION:

- 8.1. Termination for Convenience:** CITY reserves the right to terminate this Agreement or any part thereof for its sole convenience with thirty (30) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subCONTRACTORS to cease such work. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive a fee for the percentage of services actually performed. This fee shall be in the amount to be mutually agreed upon by the CONTRACTOR and CITY, based on the agreed Scope of Work. If there is no mutual agreement, the Management Services Director shall determine the percentage of work performed under each task detailed in the Scope of Work and the CONTRACTOR'S compensation shall be based upon such determination and CONTRACTOR'S fee schedule included herein.
- 8.2. Termination for Cause:** City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events:
- 1) If CONTRACTOR fails to perform pursuant to the terms of this Agreement
 - 2) If CONTRACTOR is adjudged a bankrupt or insolvent;
 - 3) If CONTRACTOR makes a general assignment for the benefit of creditors;
 - 4) If a trustee or receiver is appointed for CONTRACTOR or for any of CONTRACTOR'S property;
 - 5) If CONTRACTOR files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws;
 - 6) If CONTRACTOR disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction;
 - 7) Where Agreement has been so terminated by CITY, the termination shall not affect any rights of CITY against CONTRACTOR then existing or which may thereafter accrue.
- 8.3. Cancellation for Conflict of Interest.** Pursuant to A.R.S. § 38-511, CITY may cancel this Contract after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the City is or becomes at any time while this Contract or an extension of this Contract is in effect, an employee of or a consultant to any other party to this Contract. The cancellation shall be effective when the CONTRACTOR receives written notice of the cancellation unless the notice specifies a later time.
- 8.4. Gratuities.** CITY may, by written notice, terminate this Contract, in whole or in part, if CITY determines that employment or a Gratuity was offered or made by CONTRACTOR or a representative of CONTRACTOR to any officer or employee of CITY for the purpose of influencing the outcome of the procurement or securing this Contract, an amendment to this Contract, or favorable treatment concerning this Contract, including the making of any determination or decision about contract performance. The CITY, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by CONTRACTOR.
- 8.5. Suspension or Debarment.** CITY may, by written notice to the CONTRACTOR, immediately terminate this Contract if CITY determines that CONTRACTOR has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a SUBCONTRACTOR of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the CONTRACTOR is not currently suspended or debarred. If CONTRACTOR becomes suspended or debarred, CONTRACTOR shall immediately notify CITY.
- 8.6. Continuation of Performance Through Termination.** The CONTRACTOR shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

- 8.7. No Waiver.** Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
- 8.8. Availability of Funds for the next Fiscal Year.** Funds may not presently be available under this agreement beyond the current fiscal year. No legal liability on the part of the CITY for services may arise under this agreement beyond the current fiscal year until funds are made available for performance of this agreement. The CITY may reduce services or terminate this agreement without further recourse, obligation, or penalty in the event that insufficient funds are appropriated. The City Manager shall have the sole and unfettered discretion in determining the availability of funds.
- 9. FORCE MAJEURE:** Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.
- 10. DISPUTE RESOLUTION:**
- 10.1. Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 10.2. Jurisdiction and Venue.** The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.
- 10.3. Fees and Costs.** Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorney's fees, expert witness fees and costs including, as applicable, arbitrator fees; provided, however, that no award of attorney's fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.
- 10.4. INDEMNIFICATION:** To the fullest extent permitted by law, CONTRACTOR, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City and any of its elected or appointed officials, officers, directors, commissioners, board members, agents or employees from and against any and all allegations, demands, claims, proceedings, suits, actions, damages, including, without limitation, property damage, environmental damages, personal injury and wrongful death claims, losses, expenses (including claim adjusting and handling expenses), penalties and fines (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), judgments or obligations, which may be imposed upon or incurred by or asserted against the City by reason of this Agreement or the services performed or permissions granted under it, or related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by CONTRACTOR, or any of its subcontractors, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, relating to the discharge of any duties or the exercise of any rights or privileges arising from or incidental to this Agreement, including but not limited to, any injury or damages claimed by any of CONTRACTOR's and subcontractor's employees.

The amount and type of insurance coverage requirements set forth in the Agreement will in no way be construed as limiting the scope of indemnity in this paragraph.

11. INSURANCE:

1. General.

- A. At the same time as execution of this Agreement, the CONTRACTOR shall furnish the City of Chandler a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. The CONTRACTOR and any of its subcontractors, subconsultants or sublicensees shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect CONTRACTOR from liabilities that might arise out of the performance of the Agreement services under this Agreement by CONTRACTOR, its agents, representatives, employees, subcontractors, sublicensees or subconsultants and the CONTRACTOR is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the CONTRACTOR from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of SubContractors: If any work is subcontracted in any way, the CONTRACTOR shall execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the CONTRACTOR in this Agreement. The CONTRACTOR is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

2. Minimum Scope And Limits Of Insurance. The CONTRACTOR shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* CONTRACTOR must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.
- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*
Vehicle Liability: CONTRACTOR must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on CONTRACTOR owned, hired, and non-owned vehicles assigned to or used in the performance of the CONTRACTOR's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

- C. *Workers Compensation and Employers Liability Insurance*: CONTRACTOR must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of CONTRACTOR employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.
- D. *Builders' Risk Insurance (Course of Construction)*. The CONTRACTOR bears all responsibility for loss to all Work being performed and to buildings under construction. Unless waived in writing by the City of Chandler, the CONTRACTOR will purchase and maintain in force Builders' Risk-Installation insurance on the entire Work until completed and accepted by the City. This insurance will be Special Causes of Loss policy form, (minimally including perils of fire, flood, lightning, explosion, windstorm and hail, smoke, aircraft and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, and collapse), completed value, replacement cost policy form equal to the GMP and all subsequent modifications. The CONTRACTOR's Builders' Risk-Installation insurance must be primary and not contributory.
1. Builders' Risk-Installation insurance must name the City of Chandler, the CONTRACTOR and all tiers of Sub Contractors as Additional Insured's and must contain a provision that this insurance will not be canceled or materially altered without at least 30 days advance notice to the City. The City must also be named as a Loss Payee under Builders' Risk-Installation coverage.
 2. Builders' Risk-Installation insurance must cover the entire Work including reasonable compensation for architects and engineers' services and expenses and other "soft costs" made necessary by an insured loss. Builders' Risk-Installation insurance must provide coverage from the time any covered property comes under the CONTRACTOR's control and or responsibility, and continue without interruption during course of construction, renovation and or installation, including any time during which any project property or equipment is in transit, off site, or while on site for future use or installation. Insured property must include, but not be limited to, scaffolding, false work, and temporary buildings at the site. This insurance must also cover the cost of removing debris, including demolition as may be legally required by operation of any law, ordinance, regulation or code.
 3. The CONTRACTOR must also purchase and maintain Boiler and Machinery insurance with the same requirements as Builders' Risk-Installation insurance cited above if the Work to be performed involves any exposures or insurable property normally covered under a Boiler and Machinery insurance policy or made necessary as required by law or testing requirements in the performance of this Agreement. The CONTRACTOR will be responsible for any and all deductibles under these policies and the CONTRACTOR waives all rights of recovery and subrogation against the City under the CONTRACTOR-provided Builders' Risk-Installation insurance described above.
 4. Builders' Risk Insurance must be maintained until whichever of the following first occurs: (i) final payment has been made; or, (ii) until no person or entity, other than the City, has an insurable interest in the property required to be covered.
 - a. The Builders' Risk insurance must be endorsed so that the insurance will not be canceled or lapse because of any partial use or occupancy by the City.
 - b. This insurance must include as named insureds, the City, the CONTRACTOR, SubContractors, Subconsultants and others with an insurable interest in the Work who will be named as additional insureds unless they are able to provide some level of coverage with the City and CONTRACTOR named as additional insureds. Certificates must contain a provision that the insurance will not be canceled or materially altered without at least 30 days advance notice to the City. The City must also be named as a Loss Payee under the Builders' Risk-Installation coverage.
 - c. This insurance must be written using the Special Causes of Loss policy form, replacement cost basis.
 - d. All rights of subrogation are, by this Agreement, waived against the City of Chandler, its officers, officials, agents and employees.
 - e. The CONTRACTOR is responsible for payment of all deductibles under the Builders' Risk policy.

3. Additional Policy Provisions Required.

- A. *Self-Insured Retentions Or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.
- B. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:
1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the CONTRACTOR including the City's general supervision of the CONTRACTOR; Products and Completed operations of the CONTRACTOR; and automobiles owned, leased, hired, or borrowed by the CONTRACTOR.
 2. The CONTRACTOR's insurance must contain broad form contractual liability coverage and must not exclude liability arising out of explosion, collapse, or underground property damage hazards ("XCU") coverage.
 3. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the CONTRACTOR even if those limits of liability are in excess of those required by this Agreement.
 4. The CONTRACTOR's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the CONTRACTOR and must not contribute to it.
 5. The CONTRACTOR's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 6. Coverage provided by the CONTRACTOR must not be limited to the liability assumed under the indemnification provisions of this Agreement.
 7. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the CONTRACTOR for the City.
 8. The CONTRACTOR, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of 3 years following completion and acceptance of the Work. The CONTRACTOR must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this 3 year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
 9. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the required policies expire during the life of this Agreement, the CONTRACTOR must forward renewal or replacement Certificates to the City within 10 days after the renewal date containing all the necessary insurance provisions.

12. **NOTICES:** All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of the CITY

Contract Administrator: Sr. Street Maint. Coord
Contact: Al Fausto
Mailing Address: _____
Physical Address: 975 E. Armstrong Way
City, State, Zip: Chandler, AZ 85225
Phone: 480-782-3505
E-Mail: Alberto.fausto@chandleraz.gov

In the case of the CONTRACTOR

Firm Name: MR Tanner Development & Construction, Inc.
Contact: Alan Evans
Address: 1327 W. San Pedro St.
City, State, Zip: Gilbert, AZ 85233
Phone: 480-633-8500
FAX: 480-633-8111
aevans@mrtanner.com

Notices shall be deemed received on date delivered, if delivered by hand, and on the delivery date indicated on receipt if delivered by certified or registered mail.

13. **CONFLICT OF INTEREST:**

- 13.1. **No Kickback.** CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the CITY has any interest, financially or otherwise, in the firm unless this interest has been declared pursuant to the provisions of A.R.S. Section 38-501. Any such interests were disclosed in CONTRACTOR'S proposal to the CITY.
- 13.2. **Kickback Termination.** CITY may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the CITY is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a CONTRACTOR to any other party to the Agreement with respect to the subject matter of the Agreement. The cancellation shall be effective when written notice from CITY is received by all other parties, unless the notice specifies a later time (A.R.S. §38-511).
- 13.3. **No Conflict:** CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this project.

14. **GENERAL TERMS:**

- 14.1 **Ownership.** All deliverables and/or other products of the Contract (including but not limited to all software documentation, reports, records, summaries and other matter and materials prepared or developed by CONTRACTOR in performance of the Contract) shall be the sole, absolute and exclusive property of CITY, free from any claim or retention of right on the part of CONTRACTOR, its agents, sub-contractors, officers or employees.

14.2 Performance and Payment Bonds.

Within fifteen (15) days from the time a Contract is awarded, CONTRACTOR shall furnish fully executed Performance and Payment Bond (Labor and Materials) in such form and context as determined by CITY from a surety approved by CITY. Said bonds shall be in a sum no less than one hundred (100%) of the Contract price.

CITY has the option to forfeit said bonds if the Contract is terminated by the default of CONTRACTOR or if CITY determines that CONTRACTOR is unable or unwilling to complete the work as specified in the Contract Documents.

If the Contract schedule is not adhered to, and CITY determines that the work is unlikely to be completed within a reasonable time after the original target date, then CITY may terminate the Contract and collect the Performance Bond.

The Performance Bond will be reviewed annually and any increases in the contract amount will require bond to be increased and reissued.

- 14.3 Entire Agreement.** This Agreement, including all Exhibits attached hereto, constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives or each party.
- 14.4 Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 14.5 Assignment:** Services covered by this Agreement shall not be assigned in whole or in part without the prior written consent of the CITY.
- 14.6 Amendments.** The Contract may be modified only through a written Contract Amendment executed by authorized persons for both parties. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the City in writing or made unilaterally by the CONTRACTOR are violations of the Contract. Any such changes, including unauthorized written Contract Amendments shall be void and without effect, and the CONTRACTOR shall not be entitled to any claim under this Contract based on such changes.
- 14.7 Independent CONTRACTOR.** The CONTRACTOR under this Contract is an independent CONTRACTOR. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 14.8 No Parole Evidence.** This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

14.9 Authority: Each party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each has been properly authorized and empowered to enter this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names to this 24
day of October, 2014.

FOR THE CITY OF CHANDLER

Jay Pittman
Mayor

FOR THE CONTRACTOR

By: [Signature]
Signature

ATTEST:

Muel Paduel
City Clerk

SEAL

ATTEST: If Corporation

[Signature]
Secretary

Approved as to form:

Cynthia Haglin for
City Attorney



EXHIBIT A

Contractor Immigration Warranty
To Be Completed by Contractor Prior to Execution of Contract

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

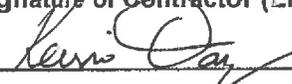
By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Contract Number: ST5-745-3434		
Name (as listed in the contract): MiR Tanner Development & Construction, Inc.		
Street Name and Number: 1327 W. San Pedro St.		
City: Gilbert	State: AZ	Zip Code: 85233

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees.

Signature of Contractor (Employer) or Authorized Designee:



Printed Name: Kevin P Day

Title: Corporate Secretary/Treasurer

Date (month/day/year): 09/25/14

**EXHIBIT B
SCOPE OF WORK**

GENERAL INFORMATION

Contractor shall provide Asphalt Patch Maintenance & Repair services as specified herein.

GENERAL VENDOR QUALIFICATIONS

The Contractor shall be in compliance with all applicable Federal, State, Local, ANSI and OSHA laws, rules and regulations and all other applicable regulations for the term of this contract.

The Contractor, without additional expense to the City, shall be responsible for obtaining and maintaining any necessary licenses and permits required in connection with the completion of the required services herein.

The Bidder must hold a valid license issued by the State of Arizona Registrar of Contractors prior to submission of a proposal/bid and must maintain same throughout the duration of the contract term and any subsequent contract extensions. Failure to maintain said license may be grounds for default of the contract and subsequent termination.

The Contractor may not subcontract any segment or services covered herein, without prior approval of the Contract Administrator. All subcontractors used under the scope of this contract shall meet all requirements, terms and conditions set forth herein. All subcontracted services shall be warranted by and be the responsibility of the Contractor.

All products supplied by the Contractor shall meet all applicable Federal, State, Local, ANSI, and OSHA laws, rules, and regulations pertaining to the products covered under the scope of this contract.

1. GENERAL REQUIREMENTS.

CONTRACTOR shall remove and replace asphalt materials, as well as dispose of old asphalt and all debris at CONTRACTOR'S expense. CONTRACTOR shall be responsible for traffic control as required by the CITY Barricade Manual and the Manual on Uniform Traffic Control Devices (MUTCD). CONTRACTOR shall be responsible for traffic control on all incidental work required to complete the task. CONTRACTOR shall include all labor, material, equipment needed to perform the work to the highest industry standards. The CITY reserves the right to adjust the amount of work required and number of locations involved for patching. The CITY also reserves the right to add other streets for patching to this Agreement.

2. CONTRACTOR shall provide asphalt patchwork, or where required, concrete repair and maintenance to CITY. Patches will vary in sizes ranging from 6'x6' to as large as, but not limited to, 20'x200' at various locations throughout the CITY **and shall be replaced "in kind" or as directed by Contract Administrator/designee.** All patches larger than 7'Wx40'L shall require the use of a paving machine to insure the smoothest surface possible. The patchwork shall be of the highest industry standard and must meet the grades or edges of the existing asphalt surface. CONTRACTOR will not be required to perform the work unless the CITY has a total of approximately 50 square yards to be repaired. Ideally, CONTRACTOR should make every attempt to complete, on the same day, any and all asphalt removal and replacement. Sub-grade preparation after asphalt removal shall be in accordance with M.A.G. standards for this task.

3. CONTRACTOR shall supply asphalt material for this contract. The CITY shall approve the asphalt supplier prior to CONTRACTOR commencing work. The asphalt mix design shall meet the East Valley Asphalt Committee (EVAC) mix design criteria. On arterial streets, rubberized asphalt mix shall be used or as directed by Contract Administrator/designee.

4. Placement and compaction of patch material shall be accomplished in two (2) equal lifts to ensure proper density. The finished surface of the patch shall be flush with the adjoining pavement on all edges. Any newly installed patch that is not acceptable to the Contract Administrator/designee shall be removed and replaced to meet acceptable standards. Any additional cost incurred for re-work will be the responsibility of the Contractor. Compaction shall be accomplished using a self-propelled double drum vibratory asphalt roller, with a minimum operating weight of three (3) tons. Use of any other compaction equipment will not be allowed unless approved by the Contract Administrator/designee.
5. Asphalt milling depths will be determined by Contract Administrator/designee per Exhibit C. Areas milled must have vertical edges on all sides of the patch.
6. Asphalt patching done on arterial roads shall be a minimum of 5" thick or equal to the existing thickness of asphalt whichever is greater. On collector streets, the patches must be a minimum of 3" or equal to the existing thickness of the asphalt surface, whichever is greater.
7. The CITY shall mark all locations for patching or milling. Prior to commencing work, the Contract Administrator/designee and CONTRACTOR shall measure the areas and agree upon the square yards required.
8. If working at signals, CONTRACTOR shall notify the CITY Traffic Division and Contract Administrator/designee 48-hours prior to commencing work to ensure that the loops can be re-installed by CONTRACTOR.
9. At all signalized intersections where patching is required, an off-duty uniformed police officer shall be utilized. Traffic control plans shall be submitted to the Contract Administrator/designee for approval prior to commencing work.
10. CONTRACTOR shall seal all pavement cut joints with Crafcro Polyflex Type III crack sealant (or approved equal) two (2) days after patchwork completion or as directed by Contract Administrator/designee.
11. Pavement repairs shall be water tested at the discretion of Contract Administrator or Designee before final acceptance. Any area not draining properly shall be corrected at CONTRACTOR'S expense.
12. Survey Monuments shall be adjusted according to MAG Standard Detail 120-1 and 120-2 as applicable. Survey monuments will be re-established by reference by a Registered Land Surveyor (RLS). The RLS shall reset the survey monuments.
13. Work site cleaning shall be required daily to remove any debris caused by asphalt removal/replacement operation. This task shall be done to the satisfaction of the Contract Administrator/designee. All clean up shall be included within removal/replacement pricing listed on attached Exhibit C and shall be at no additional cost to the CITY.
14. CONTRACTOR shall be responsible for identifying and locating (Blue Stake) all existing utilities affected by the work. CONTRACTOR shall be responsible for the repair of all damaged utilities resulting from this work and will coordinate with utility companies and affected residents and businesses for required outages.
15. CONTRACTOR shall use the most current version of CITY/agency and/or Maricopa Association of Governments (M.A.G.) standard details and specifications for inspection and quality assurance for all work being done under this Agreement. CONTRACTOR shall be responsible for ensuring that workmanship, materials, equipment, and site preparation meet or exceed the required specifications. The Contract Administrator/designee will inspect all phases of work and any unsatisfactory work or preparation shall be redone at no additional cost to the CITY.

16. CONTRACTOR shall be responsible for ordering and coordination of barricading and traffic control requirements. Set up shall be per the CITY/agency Traffic Barricade manual and MUTCD. Barricading restrictions on arterial streets cannot be in place earlier than 8:30 a.m. or after 4:00 p.m. Scheduling of asphalt placement shall be coordinated to ensure that material has cooled enough to avoid tracking or damage. Any areas that cannot be completed and open to traffic by 4:00 PM must be steel plated, plates countersunk, in accordance with attached standard MAG Detail 211, before open to traffic and shall be at no additional cost to CITY. Traffic control shall be paid at the unit price listed, for each individual street segment, and for the length of time needed to complete all the work in accordance with the Agreement.

17. CONTRACTOR shall submit to Contract Administrator/designee a written proposed schedule of work for approval prior to commencing any work under this Agreement.

18. CONTRACTOR shall submit invoices for payment to Contract Administrator/designee for approval upon completion of work. All work by CONTRACTOR will be inspected and approved by Contract Administrator/designee prior to processing of any payments.

19. The CITY reserves the right to conduct in-place density testing on newly placed asphalt patches. CONTRACTOR shall be required to re-compact any patch that does not meet a minimum of 95% maximum density compaction for Marshall mix and 93% maximum density compaction for RICE mix design being used. If required compaction is no longer attainable due to material cooling below a workable temperature, CONTRACTOR shall remove and replace the material. The CITY shall be responsible only for the cost of the initial testing. CONTRACTOR shall be responsible for any cost associated with re-testing areas requiring re-work. CONTRACTOR shall not be allowed to re-heat asphalt patches with an open flame heater. Any asphalt patch reheated with open flames shall be removed and replaced by the CONTRACTOR at no additional cost to CITY.

20. Work quantities and locations listed under this Agreement are subject to change and may be done solely at the discretion of the CITY. The CITY will provide CONTRACTOR with a list of the locations and approximate square yards of each location when required.

21. The CITY reserves the right to stop work under this Agreement at any time if, in their opinion:

- a) weather conditions become adverse for doing patchwork;
- b) quality of work is deemed unacceptable;
- c) conflicts in CONTRACTOR equipment or personnel cause delays in getting work completed;
- d) work schedules/locations conflict with other CITY activities;
- e) material is deemed unacceptable by Contract Administrator/designee.

22. **Debris Shield.** All manholes shall be protected from debris falling into them. If any material enters the manhole from this work, it shall be the responsibility of the CONTRACTOR to clean out the manhole to the satisfaction of the utility company. CONTRACTOR shall be required to use (Manhole Debris Shields) in the process of working in manholes. Debris Shields shall be fabricated of plastic or wood and made of two half circles hinged in the middle to form one unit. The hinge shall allow the unit to fold in half to fit thru an open manhole. The unit is then unfolded and placed on the bottom of the manhole about the invert preventing debris from falling into the invert and sewer line. The actual diameter of the unit shall depend on the width of the manhole shaft.

23. **Dust Control.** CONTRACTOR shall keep suitable equipment on hand at the job site for maintaining dust control and shall employ appropriate equipment for that purpose in accordance with the requirements of the "Maricopa County Health Department Air Pollution Control Regulations" CONTRACTOR shall be responsible for obtaining an Air Quality Permit from Maricopa County prior to starting the require work, especially if earth-moving operations are involved. CONTRACTOR shall pay all permit fees.

DEFINITIONS:

- 1. Asphalt removal and replacement: per inch of depth / per sq. yd. total.**
All price items to include disposal of surplus materials by CONTRACTOR.
All price items to include new materials placed, graded and compacted to standard MAG specifications.
- 2. Sub-base and sub-grade removal and replacement: per cu. yd.**
Any surplus materials to be disposed of by CONTRACTOR.
All materials to be placed, compacted and graded to finish grade as per standard MAG specifications.
All price items to include replacement of approved materials.
- 3. New asphalt (A/C) only: per 1" of depth / per sq. yd.**
New material to be placed and compacted to standard MAG specifications.
- 4. New aggregate base course (ABC): per ton**
New material to be placed, graded and compacted to standard MAG specifications.
- 5. Earth work and sub-grade preparation only: per cu. yd.**
All surplus material to be disposed of by CONTRACTOR.
Sub-grade to be placed, compacted and graded to finished grade.

**EXHIBIT C
PRICING**

Line #	Description	U.O.M.	Qty*	Unit Price**	Extended Price
1	Saw cut: per linear foot / per inch				
	Up to 2" deep	LF	600	\$1.00	\$600.00
	Between 2" and 3" deep	LF	300	\$1.20	\$360.00
	Between 3" and 4" deep	LF	300	\$1.40	\$420.00
	Greater than 4" deep	LF	200	\$1.60	\$320.00
2	EVAC Asphalt Removal & Replacement				
	Up to 4" deep, 1 – 10 sq. yd	SY	300	\$30.00	\$9,000.00
	Up to 4" deep, 11 – 100 sq. yd	SY	500	\$28.00	\$14,000.00
	Up to 4" deep, 101 sq. yd or more	SY	1,000	\$26.00	\$26,000.00
	Between 4" and 8" deep, 1 – 10 sq yd	SY	300	\$34.00	\$10,200.00
	Between 4" and 8" deep, 11 – 100 sq yd	SY	300	\$32.00	\$9,600.00
	Between 4" and 8" deep, 101 sq yd or more	SY	300	\$30.00	\$9,000.00
3	Rubberized Asphalt Removal & Replacement				
	Up to 4" deep, 1 – 10 sq. yd	SY	200	\$14.00	\$2,800.00
	Up to 4" deep, 11 – 100 sq. yd	SY	500	\$14.00	\$7,000.00
	Up to 4" deep, 101 sq. yd or more	SY	200	\$14.00	\$2,800.00
	Greater than 4" thick	SY	100	\$15.00	\$1,500.00
4	2" Asphalt Cap	SY	2,000	\$10.00	\$20,000.00
5	Asphalt milling up to 2" deep, per sq yd	SY	1,000	\$6.00	\$6,000.00
6	Asphalt milling greater than 2" deep, per sq yd	SY	250	\$11.00	\$2,750.00
7	Sub-base and sub-grade removal and replacement, per cu yd	CY	200	\$11.00	\$2,200.00
8	Police Officer for traffic control. Contractor will be paid the actual cost of hiring off-duty uniformed police officer and squad car	N/A	N/A	\$10,000.00	\$10,000.00
9	Traffic control (per 24-hour day)	DAY	50	\$250.00	\$12,500.00
10	New A/C only, 1" deep per sq yd	SY	150	\$14.00	\$2,100.00
11	New ABC only, place and compacted	TON	50	\$30.00	\$1,500.00
12	Sub-grade work only, per cu yd	CY	200	\$6.00	\$1,200.00
13	Remove concrete curb & gutter (per lineal foot)	LF	100	\$10.00	\$1,000.00
14	Place concrete curb & gutter (per lineal foot)	LF	100	\$21.00	\$2,100.00

15	Removal of concrete flatwork up to 4" thick (per sq ft)	SF	500	\$4.00	\$2,000.00
16	Removal of concrete flatwork between 4" and 8" thick (per sq ft)	SF	200	\$9.00	\$1,800.00
17	Place finished concrete flatwork up to 4" thick (per sq ft)	SF	500	\$5.00	\$2,500.00
18	Place finished concrete flatwork between 4" and 8" thick (per sq ft)	SF	200	\$10.00	\$2,000.00
19	Standard COC signal loop, 6' x 50'	EA	1	\$3,150.00	\$3,150.00
20	Pre-Lower manhole frame and cover	EA	75	\$220.00	\$16,500.00
21	Adjust existing manhole frame and cover – per MAG Standard Detail 420-1, 420-2, or 422	EA	75	\$360.00	\$27,000.00
22	Pre-lower valves, survey monuments & sewer clean-outs	EA	50	\$220.00	\$11,000.00
23	Adjust existing frame cover for valves, survey monuments & sewer clean-outs – per MAG Standard Detail 270	EA	50	\$340.00	\$17,000.00
24	General Survey	HOUR	48	\$200.00	\$9,600.00
25	Crack seal (per linear foot)	LF	2,500	\$1.00	\$2,500.00
TOTAL ITEMS 1-25					\$250,000.00

*ELK
11/24/14*

*includes sales tax
(65% x 7.8%)*

****Pricing shall include placing of barricades by CONTRACTOR.**

***Quantities are listed as estimates ONLY and are not guaranteed.**

CONTRACTOR shall use the most current City of Chandler and/or M.A.G. standard details and specifications.

EXHIBIT D

Contractor's Equipment List

John Deere Grading Tractor

Kenworth Water Truck

Ingersoll Rand Rollers

Blaw Knok 3200 Paver

Dynapac Paver

CAT 140H Motor Grader

613 Scraper

Wirtgen Milling Machines

CAT 950 Loader

CAT Rollers

**EXHIBIT E
SUBCONTRACTOR'S LIST**

Each bidder **MUST** complete information regarding each Sub-Contractor which may be used in conjunction with this contract. The bidder must submit the name, address, license number (if applicable) of each subcontractor including the extent of such subcontracting and include with bid submittal documents. (Bidder may supply additional pages as needed to identify all subs).

NAME: Specialty Companies LICENSE ROC 203812

ADDRESS: 22223 N. 16TH St. Phoenix, AZ 85024

CONTACT PERSON / TELEPHONE: Gary Waugh

EMAIL ADDRESS: gwaughscofa@aol.com 623-582-2385

EXTENT OF WORK: Utility Adjustments

NAME: Bryco Milling LICENSE 206914

ADDRESS: 1959 S. Power Rd #103-375 Mesa, AZ 85206

CONTACT PERSON / TELEPHONE: Derek Kennedy 480-987-9133

EMAIL ADDRESS: brycomilling@yahoo.com

EXTENT OF WORK: Asphalt Milling

NAME: Metro Traffic Control LICENSE 196764

ADDRESS: 7777 N. 70th Ave. Glendale, AZ 85303-1334

CONTACT PERSON / TELEPHONE: Brantley Gailimore 623-313-5204

EMAIL ADDRESS: brantley@metrotrafficcontrol.net

EXTENT OF WORK: Barricades/Traffic Control

**EXHIBIT F1
PERFORMANCE 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 Bond amount)

KNOW ALL MEN BY THESE PRESENTS: That, _____ (hereinafter called the Principal), as Principal, and _____ a corporation organized and existing under the law of the State of _____ with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Chandler, County of Maricopa, State of Arizona, in the amount of _____ Dollars (\$ _____), for the payment whereof, the said 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 the City of Chandler, Dated the _____ day of _____, _____, for **Asphalt Patchwork – Maintenance, Repair & Svs, Bid No. ST5-745-3434**, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform and fulfill all the undertakings, covenants terms, conditions, and agreements of said contract during the original term of said Contract and any extensions thereof, with or without notice to the Surety, and during the life of any warranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of conditions of said Contract that may hereafter be made, notice of which modifications to the Surety being hereby waived; then the above obligations shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2 of the Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of said Title, Chapter and Article, to the extent as if it were copied at length herein.

The prevailing party in a suit on this bond shall be entitled to such reasonable attorney's fees as may be fixed by a judge of the Court.

Witness our hands this ____ day of _____, 2010.

PRINCIPAL SEAL

AGENT OF RECORD

BY _____

SURETY SEAL

AGENT ADDRESS

**EXHIBIT F2
PAYMENT BOND**

ARIZONA STATUTORY PAYMENT BOND
PURSUANT TO TITLES 28, 34, AND 41, 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"), as Principal, and _____ (hereinafter "Surety"), a corporation organized and existing under the laws of the State of _____ with its principal office in the City of _____, holding a certificate of authority to transact surety business in Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound unto the City of Chandler, (hereinafter "Obligee") County of Maricopa, State of Arizona, in the amount of _____ Dollars (\$_____), for the payment whereof, the said 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 the City of Chandler, dated the _____ day of _____, 2010, for **Asphalt Patchwork - Maintenance, Repair & Svs, Bid No. ST5-745-3434**, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all moneys due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in said contract, this 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, conditions and limitations of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same 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.

Witness our hands this _____ day of _____, 2010.

PRINCIPAL SEAL

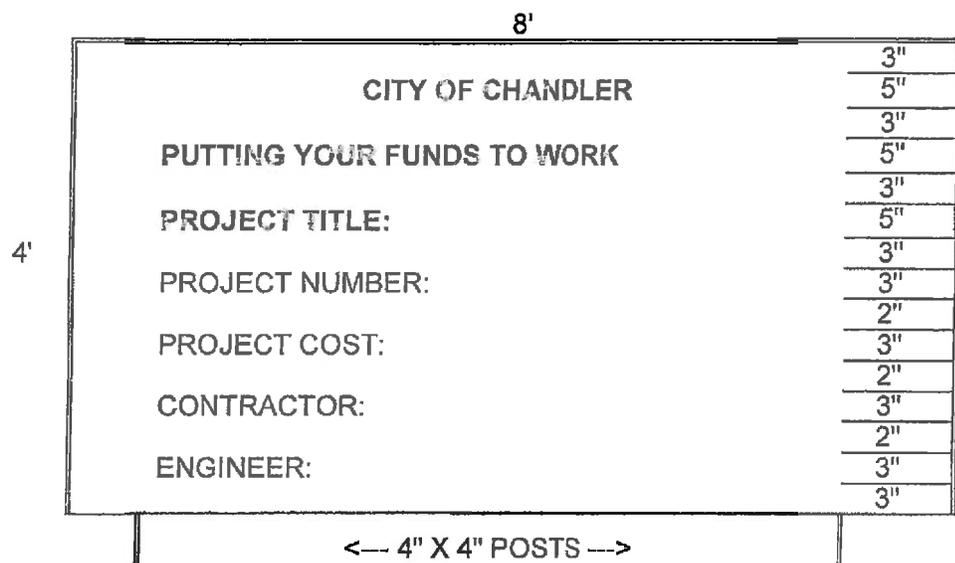
AGENT OF RECORD

BY _____

AGENT ADDRESS

SURETY SEAL

**EXHIBIT G
CONSTRUCTION SIGN DETAIL**



NOTES:

SIGN(S) SHALL BE FURNISHED AND ERECTED PRIOR TO COMMENCEMENT OF CONSTRUCTION. POSTS SHALL BE ANCHORED A MINIMUM OF TWO FEET INTO THE GROUND. BOTTOM OF SIGN SHALL BE A MINIMUM OF FOUR FEET ABOVE THE GROUND.

TYPICAL PROJECT IDENTIFICATION SIGN FOR GENERAL PROJECTS SHALL BE NON-REFLECTORIZED ORANGE BACKGROUND, AND NON-REFLECTORIZED BLACK LETTERS AND NUMERALS.

ONE SIGN SHALL BE ERECTED FOR BUILDINGS AND OTHER LIMITED AREA SINGLE SITES. FOR MULTIPLE SITES, ONE SIGN SHALL BE ERECTED AT EACH SITE.

FOR LINEAR PROJECTS ONE HALF MILE OR LONGER, PLACE ONE SIGN AT EACH END OF THE PROJECT.

Construction signs required for work:

Whenever any work is being done in CITY streets, easements or right of way for which approval by CITY of a traffic control plan is required, the person or persons performing such work shall maintain at the site of such work at all times during which any such work is being done, signage meeting the requirements set forth below and providing information to the public as follows:

1. If the work will take one (1) week or longer to perform, such signage shall:
 - a) Be installed so that the bottom of the sign is at least seven (7) feet above grade, or as otherwise approved by CITY Transportation Engineer;
 - b) Be at least 3'x5' in size or large enough to contain all the information required below, whichever is larger.
 - c) Be placed in such positions that they can be read by traffic from each direction.
 - d) Be colored "construction orange" with black letters.
 - e) Have block letters at least 6" in height.
 - f) Contain the following information: the name of the CONTRACTOR for whom the work is being performed; the name of the CONTRACTOR actually performing the work; a general description of the work to be done; the time frame within which the work will be performed, i.e. the date work will commence and the date all work will be completed; a 24-hour contact phone number where persons may speak with a representative of the CONTRACTOR for whom the work is being performed or may leave a request to speak with such a representative and for which all calls will be turned by such a representative of the CONTRACTOR within 24-hours.

2. If the work will take less than one (1) week to perform, such signage shall:
 - a. Be installed on temporary supports at an approved location;
 - b. Be placed in such positions that they can be read by traffic from each direction;
 - c. Be colored "construction orange" with black letters;
 - d. Have block letters at least 6" in height;
 - e. Contain the following information: the name of CONTRACTOR for whom the work is being performed;
 - f. a 24-hour contact phone number where persons may speak with a representative of the CONTRACTOR for whom the work is being performed or may leave a request to speak with such a representative and for which all calls will be returned by such a representative of the CONTRACTOR within 24-hours.

**DEVELOPER
CONTRACTOR
ASPHALT PATCHWORK
9-1-14 TO 9-30-14
(480) 782-XXXX**

CONTRACTOR
(480) 782-XXXX

EXHIBIT B
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
M. R. TANNER DEVELOPMENT AND CONSTRUCTION, INC.

[Proposal]

See following page.

M. R. TANNER CONSTRUCTION

1327 West San Pedro Street · Gilbert, Arizona 85233-2403
Phone (480) 633-8500 · Fax (480) 633-8111

COST ESTIMATE

CLASS A LICENSE NO. 111576-A
An Equal Opportunity Employer

Date 11/4/2015

To Fountain Hills

Attention Paul Mood

Job Name Fort McDowell Road
Location Fountain Hills, AZ
Architect- Engineer na
Plans Dated na
Soil Engineer na
Report Date na

We propose to furnish all labor and material necessary to complete the work as described per our unit prices. All work will be done in accordance with the plans, specifications, and per the requirements of the governing municipality.

Thank you for the opportunity of submitting a bid on the above- described job.

PROPOSAL OF WORK TO BE FURNISHED

NO.	ITEM DESCRIBED	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	DESCRIPTION: ALL LABOR AND MATERIAL TO PROVIDE FULL WIDTH MILL, GRADE, PAVE FORT MCDOWELL ROAD.				
1	MILL FULL DEPTH	800.00	SY	6.00	4,800.00
2	MILL 1.50"	800.00	SY	6.00	4,800.00
3	SUBGRADE PREP	800.00	SY	6.00	4,800.00
4	6" ABC	275.00	TN	30.00	8,250.00
5	A.C. OVERLAY (1.50")	800.00	SY	10.00	8,000.00
6	A.C. OVERLAY (4.00")	800.00	SY	20.00	16,000.00
7	TRAFFIC CONTROL PER JOB	1.00	LS	12,000.00	12,000.00
8	POLICE OFFICERS	32.00	HR	65.00	2,080.00
9	ENGINEERING/SURVEY	16.00	HR	200.00	3,200.00
10	STRIPING	1.00	LS	1,500.00	1,500.00
	SUBTOTAL				\$ 65,430.00
	SALES TAX (+1.1% ADD FOR FOUNTAIN HILLS)				\$ 467.82
	TOTAL BID				\$ 65,897.82

Payment to be based on actual field-measured quantities unless otherwise stated. 90% monthly progress draws on completed work with the final 10% due 30 days after final completion and acceptance of our work. Interest will be charged at the rate of 1.5% per month on all late balances. Any and all costs or fees necessarily incurred in the pursuit of the collection of this account will be paid by the owner.

ACCEPTANCE OF CONTRACT/ PROPOSAL

The above prices, specifications and conditions on the front and back of this proposal are satisfactory and are hereby accepted, giving M.R. TANNER CONSTRUCTION authorization to complete work as specified. Funding verification and further payment term conditions to be established prior to execution of contract agreement or commencement of work.

M. R. TANNER CONSTRUCTION

Firm Name: _____

By: _____

Accepted by: _____

Title: _____

Title: _____

Date: _____

Date: _____



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Consent

Submitting Department: Administration

Staff Contact Information: Craig Rudolphy, Finance Director, 480-816-5162, crudolphy@fh.az.gov

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of a PROFESSIONAL SERVICES AGREEMENT with Heinfeld, Meech & Co., P.C. for financial auditing services in the amount of \$110,725.

Applicant:

Applicant Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle:

Staff Summary (background): The current contract with CliftonLarsonAllen for financial auditing services expired with the completion of the June 30, 2015, audit of the Town and the issuance of the Town's Comprehensive Annual financial Report (CAFR). The Town is required by statute to have an audit of its financial records. In order to select the next auditing firm, the Town prepared and issued a Request for Proposals (RFP) for Financial Auditing Services in January 2016. Seven responses were received. The evaluation committee reviewed the submitted proposals and selected three firms for oral presentations. Those presentations were held on March 21. The firm recommended by the committee is Heinfeld, Meech & Co., P.C. This firm has the desired experience and qualifications and was the Town's auditor previously for fiscal years 2007 through 2009.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status):

Budget Reference (page number): pp 162-165

Funding Source: General Fund

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: Yes

Recommendation(s) by Board(s) or Commission(s):

Staff Recommendation(s): Approve

List Attachment(s): Professional Services Agreement

SUGGESTED MOTION (for Council use): Move to approve PROFESSIONAL SERVICES AGREEMENT as listed.

Prepared by:

NA 8/25/2015

Director's Approval:


Craig Rudolph, Finance Director 3/29/2016

Approved:


Grady E Miller, Town Manager 3/29/2016

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HEINFELD, MEECH & CO., P.C.**

THIS PROFESSIONAL SERVICES AGREEMENT (this “Agreement”) is entered into as of April 7, 2016, between the Town of Fountain Hills, an Arizona municipal corporation (the “Town”), and Heinfeld, Meech & Co., P.C., an Arizona professional corporation (the “Consultant”).

RECITALS

A. The Town issued a Request for Proposals, Financial Auditing Services (the “RFP”), a copy of which is on file in the Town Clerk’s Office and incorporated herein by reference, seeking proposals from vendors for financial auditing services (the “Services”).

B. The Consultant responded to the RFP by submitting a proposal (the “Proposal”), attached hereto as Exhibit A and incorporated herein by reference, and the Town desires to enter into an Agreement with the Consultant for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until April 6, 2019 (the “Initial Term”), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up to two successive one-year terms (each, a “Renewal Term”) if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Consultant requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager’s signature thereon, which approval may be withheld by the Town for any reason. The Consultant’s failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. Consultant shall provide the Services as set forth in the Scope of Work, attached hereto as Exhibit B and incorporated herein by reference, in accordance with the Engagement Letter, attached hereto as Exhibit C and incorporated herein by reference.

3. Compensation. The Town shall pay Consultant the following amounts for the Services at the rates set forth in the Fee Proposal, attached hereto as Exhibit D and incorporated herein by reference:

- A. For year one of the Initial Term, an amount not to exceed \$34,500.00.
- B. For year two of the Initial Term, an amount not to exceed \$39,350.00.
- C. For year three of the Initial Term, an amount not to exceed \$36,875.00.
- D. For the First Renewal Term, an amount not to exceed \$38,200.00.
- E. For the Second Renewal Term, an amount not to exceed \$43,500.00

The maximum aggregate amount for the Term of this Agreement shall not exceed \$192,425.00.

4. Payments. The Town shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. The contract number must be referenced on all invoices.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

6. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The Town has no obligation to provide Consultant, its employees or subcontractors

any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Consultant.

9. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and to the highest professional standards in the field.

10. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town’s option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Consultant. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has 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 Consultant 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.

C. Additional Insured. All insurance coverage, 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 Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. 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 years past completion and acceptance of the services. Such continuing coverage shall be 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.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains 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 Town. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Town and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon

the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant's insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) 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.

11.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain “occurrence” form Commercial General 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 ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, 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 subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO 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 the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

D. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the Town.

12. Termination; Cancellation.

12.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Consultant of written notice by the Town. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

12.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

12.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

12.5 Gratuities. The Town may, by written notice to the Consultant, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

12.6 Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered

legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Consultant informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Consultant hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

13. Miscellaneous.

13.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Consultant do not intend to nor will they combine business operations under this Agreement.

13.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in the Maricopa County, Arizona.

13.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws and (C) existing and future Occupational Safety and Health Administration standards.

13.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Consultant.

13.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

13.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

13.7 Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant is advised that taxes or Social Security payments will not be withheld from any Town payments issued hereunder and Consultant agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Agreement.

13.8 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

13.9 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the Town signed by the Town Manager and no delegation of any duty of Consultant shall be made without prior, written permission of the Town signed by the Town Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

13.10 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

13.11 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or

the Town's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

13.12 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

13.13 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

13.14 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

13.15 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
 16705 East Avenue of the Fountains
 Fountain Hills, Arizona 85268
 Attn: Grady E. Miller, Town Manager

With copy to: GUST ROSENFELD P.L.C.
 One East Washington Street, Suite 1600
 Phoenix, Arizona 85004-2553
 Attn: Andrew J. McGuire, Esq.

If to Consultant: Heinfeld, Meech & Co., P.C.
 3033 North Central Avenue, Suite 300
 Phoenix, Arizona 85012
 Attn: Jennifer Shields

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

13.16 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the Town. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

13.17 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 13.18 below, Consultant's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.18 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.18 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-

verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the Scope of Work, the Fee Proposal, the RFP and the Consultant's Proposal, the documents shall govern in the order listed herein.

13.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

13.21 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the Town, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Consultant. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The Town assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The Town shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Grady E. Miller, Town Manager

ATTEST:

Bevelyn J. Bender, Town Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2016, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.

Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HEINFELD, MEECH & CO., P.C.

[Consultant's Proposal]

See following pages.

Town of Fountain Hills

Proposal for Financial Auditing Services Due: February 18, 2016



*Imagine what
we can do together*

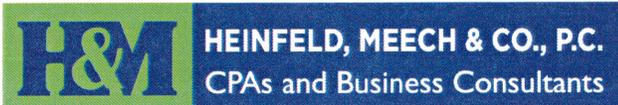


HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

3033 N. Central Ave., Suite 300
Phoenix, AZ 85012
(602) 277-9449

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February 18, 2016

Town of Fountain Hills
16705 East Avenue of the Americas
Fountain Hills, Arizona 85268

Thank you for the opportunity to present our qualifications for financial auditing services to the Town of Fountain Hills (Town). As a firm specializing in the governmental and non-profit industries, this engagement will be similar to the 3,735 financial statement audits we have performed since 1986. Our firm is the governmental industry leader in Arizona, currently providing assurance services to 190 local governments in the State. The following attributes demonstrate the most important reasons that our firm should be selected as the Town's independent auditor.

- ✓ **National Experts Based in Arizona.** Heinfeld, Meech & Co., P.C. is a recognized national leader in the governmental accounting industry. We are an Arizona-based firm and we have extensive resources within the state to assist the Town with this engagement. Our Arizona partners and managers are actively involved in both local and national organizations, including the AICPA, ASCPA, Government Finance Officers Association, and Association of Government Accountants.
- ✓ **Dedicated to Being Your Year-Round Resource.** Our firm has been dedicated to assisting governmental agencies with improving operations for 30 years. This commitment has also led us to develop a series of trainings on important accounting and management topics for local governments. The engagement partner and team staff will also be available to provide assistance with questions throughout the year. When the Town requires more extensive assistance, our full-time consulting division provides a range of services specifically designed to address the needs of local governments.
- ✓ **Single Audit and CAFR Expertise.** Our firm is also registered with the AICPA Governmental Audit Quality Center (GAQC), which is committed to the highest standards of quality in GAS and OMB audits. We also provide the most Single Audits annually for Arizona entities than any other firm. In addition, we extensively participate in the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program and we have assisted with over 500 CAFR submissions within the past five years.

We accept the terms and conditions presented in the RFP and also have received the Questions, Answers and Comments from the Mandatory Pre-Bid Meeting. Should you require any additional information, please contact me at (520) 742-2611, ext 133 or diane@heinfeldmeech.com or Corey Arvizu, CPA, Managing Partner, at (520) 742-2611, ext 101 or carvizu@heinfeldmeech.com.

Sincerely,

Diane Bradley
Partner – Administration

2. Vendor Identification Information

Legal Name Heinfeld, Meech & Co., P.C.
Corporate Address 10120 N. Oracle Rd., Tucson, AZ 85704
EIN 86-0558065
Legal form of vendor S-corporation (in good standing in Arizona)

3. Location of Offices

Our corporate headquarters is located at 10120 N. Oracle Rd., Tucson, AZ 85704. This engagement for the Town of Fountain Hills will be supervised by our Phoenix office, located at 3033 N. Central Ave., Suite 300, Phoenix, AZ 85012. The range of services performed by all of our offices is provided below.

Assurance Services and Reporting:

- Financial Statement audits
- OMB Single Audits
- Agreed-upon procedures
- Compliance audits
- Preparation of Comprehensive Annual Financial Reports for submission to GFOA
- Assistance with financial statement preparation
- Popular Annual Financial Reports (PAFRs)

Tax return preparation for non-profits (Form 990, Form 990T, Form 990N)

Consulting Services:

- Recommendations for business operations
- Reviews of accounting policies and procedures
- On-site presentations and staff trainings
- Fraud investigations
- Cost allocation plans
- Procurement reviews
- Preparation of internal audit manuals
- Compensation studies

Heinfeld, Meech & Co., P.C. is a properly licensed Arizona Certified Public Accounting firm (license #463) and is a member firm of the American Institute of Certified Public Accountants.

4. General Description of Organization

Founded in 1986, Heinfeld, Meech & Co. is an Arizona-based firm and we have extensive resources within the state to assist the Town with this engagement. The firm's staff totals 48 with offices in Phoenix, Tucson, and Flagstaff, Arizona. Our entire audit and consulting teams specialize in serving Arizona local governments. The firm's staff currently includes the following categories:

Partners	11	Staff Associates	13
Managers	8	Audit Interns	3
Senior Associates	7	Administrative	6

5. Terminated Contracts

No contracts for work performed with the Town of Fountain Hills have been terminated; however contracts with other local governments have been terminated and/or not renewed with the firm. These instances have been limited throughout the history of the firm. The terminations occurred for various reasons common to a firm our size and the industry served. None of the team members assigned to this contract have been involved in any of the instances noted.

6. Litigation and Arbitrations

There have been no claims against our firm which resulted in litigation or arbitration within the past five years.

7. Vendor Information Form

The completed form has been included in Exhibit 1.

8. Affirmation of Mandatory Qualifications

- Heinfeld, Meech & Co., P.C. is a properly licensed Arizona certified public accounting firm and is a member firm of the American Institute of Certified Public Accountants. Nine firm partners and 17 other professional staff members are certified public accountants licensed in Arizona.
- Our firm meets the independence requirements of *Government Auditing Standards* and those of the AICPA Code of Conduct. We have established the proper procedures to query our employees and have determined that there are no independence issues that would prevent us from issuing an opinion of the Town's financial statements.
- We have no record of substandard work since the founding of our firm in 1986.
- As required by our profession and the State of Arizona, every three years we participate in a review of our system of quality controls. A report with a rating of pass was issued August 6, 2015, by the firm of Mann, Urrutia & Nelson, CPAs and Associates, LLP. A copy of the unqualified report of the most recent review is provided on page 8.
- Continuing education is a requirement of our staff to maintain their employment as professionals at Heinfeld, Meech & Co., P.C. In conformity with the Government Auditing Standards and the AICPA, our auditors receive at least 80 hours of continuing professional education every two years, including at least 20 hours each year and 24 hours every two years in subjects directly related to school and governmental auditing.
- There is no conflict of interest with regard to any other work performed by Heinfeld, Meech & Co. for the Town.

B. Experience and Qualifications of the Vendor

1. Detailed Description of Experience

Financial Audits of Arizona Cities and Towns

Heinfeld, Meech & Co., P.C. is the industry leader for governmental audit services in the State of Arizona, currently providing audit services to over 190 governmental entities, including 16 Arizona municipalities. Our firm is a member of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center, which is committed to the highest standards of quality in governmental audits. The Center is a national community of CPA firms that demonstrate a commitment to governmental audit quality and raise awareness about the importance of governmental audits. The Center provides members with best practices, guidelines, and tools CPAs need to perform quality governmental audits and better serve their clients.



Town of Fountain Hills

Below is a listing of the current Arizona municipality audit clients of our firm; further details about these engagements will be provided upon request.

Name	Audit Years
City of Chandler	2003-2015
Town of Gilbert	2004-2015
City of Goodyear	2014-2015
City of Peoria	2003-2015
City of Scottsdale	2015
City of Tempe	2005-2015
City of Yuma	1995-2015
City of El Mirage	2007-2015

Name	Audit Years
Lake Havasu City	2010-2015
City of Maricopa	2006-2015
Town of Oro Valley	2007-2015
Town of Prescott Valley	2010-2015
City of Sierra Vista	1991-2015
City of Eloy	2013-2015
City of Cottonwood	2012-2015

Financial Audits of Governments

In addition to municipalities, our work with governmental entities includes audits for school districts, counties, community colleges, state entities, employee benefit trusts, and special districts. Within the past five years, our firm has performed 880 financial statement and compliance audits to these other types of governmental entities. In addition, two partners and one manager are Certified Government Finance Managers (CGFM) recognized by the Association of Government Accountants (AGA). Below is a selected listing of our current governmental audit clients. A complete list will be provided upon request.

Name	Audit Years
Kyrene Employee Benefit Trust	2012-2015
City of Phoenix Long-Term Disability	2008-2015
Arizona City Sanitary District	2012-2015
Regional Transportation Authority of Pima County	2007-2015
Yavapai Combined Trust	2008-2015
Valley Metro Rail	2011-2015
Pine Strawberry Water Improvement District	2010-2015
Northern Arizona Public Employee Benefit Trust	2007-2015

Name	Audit Years
Northwest Fire District	2008-2015
Multi-City Subregional Operating Group	2013-2015
West Las Vegas School District	2012-2015
Valley Metro Regional Public Transportation Authority	2011-2015
Yuma County IPTA	2013-2015
Pima County Stadium District	2007-2015
Public Safety Personnel Retirement System	2007-2015
Pima County Health Benefits Trust	2014-2015

Name	Audit Years
Northern Arizona Council of Governments	2013-2015
Arizona Automobile Theft Authority	2004-2015
Golder Ranch Fire District	2011-2015
City of Phoenix Health Care Benefits Trust	2006-2015
Mesa Unified SD	1992-2015
Kyrene Elementary SD	1986-2015
Paradise Valley Unified SD	2002-2015
Deer Valley Unified SD	2001-2015
Cave Creek Unified SD	1997-2015
Dysart Unified SD	2006-2015

Name	Audit Years
New Mexico Self-Insurers' Fund	2014-2015
Arizona Municipal Water Users Association	2013-2015
Picture Rocks Fire District	2013-2015
City of Chandler Health Care Benefits Trust Fund	2011-2015
Phoenix Union High SD	1997-2015
Higley Unified SD	2003-2015
Chandler Unified SD	2011-2015
Scottsdale Unified SD	2005-2015
Queen Creek Unified SD	2007-2015
Gilbert Unified SD	1986-2015

Audits of Computerized Systems

As a firm who specializes in auditing governmental entities, we are extremely familiar with the requirements on auditing the Town's computerized systems. The variety of automated fund accounting software programs, spreadsheets, report writers, and specialized programs seem unlimited. Our auditors and consultants are familiar with the most common systems used by our clients. Because of our experience, they are familiar with the capabilities and limitations of many programs utilized by Arizona municipalities, including MUNIS. Our current clients who utilize MUNIS include the City of El Mirage, City of Maricopa and Town of Oro Valley.

In addition, our firm maintains memberships in the Information Systems Audit and Control Association (ISACA). The ISACA is a global organization for information governance, control, security and audit professionals. ISACA Information Systems auditing and Information Systems control standards are followed by practitioners worldwide.



A review and evaluation of Town information technology systems will be performed during the audit due to the integral nature and relationship to the financial reporting of the Town. Both general information technology (IT) controls and application controls will be assessed during the planning of the audit. Systems tests for integrity, system security tests, use of computer assisted audit tools (CAATs), and/or the use of an IT specialist will be applied as deemed necessary to achieve the planned audit objectives.

Audits of Federal Programs

Heinfeld, Meech & Co. has significant experience auditing federal programs under the requirements of OMB Circular A-133; we complete over 20 percent of all Single Audits for Arizona entities (more than twice the number of any other firm).

As Single Audits are so significant for our audit practice, we invest heavily in Single Audit resources. We ensure that our staff has access to reference materials needed to properly perform a Single Audit, including:

- AICPA audit guides and practice aids
- OMB Circulars and reference materials
- The current OMB Compliance Supplement
- Single Audit practice aids by external providers
- Continuing professional education focused on Single Audit topics

We annually perform more Single Audits of Arizona entities than any other firm.

Partners Corey Arvizu and Jennifer Shields have served as members of AICPA Task Forces developing Single Audit quality methods and strategies.

We have extensive experience performing Federal compliance testing. Within the last three years, we have tested programs from the following Federal departments:

- Department of Health and Human Services
- Department of Homeland Security
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of the Interior
- Department of Justice
- Department of Energy
- Department of Defense
- Department of Education
- Department of Agriculture

Industry Involvement

- We speak frequently at conferences and courses for local and national organizations, including the American Institute of Certified Public Accountants (AICPA), Arizona Society of Certified Public Accountants (ASCPA), Government Finance Officers Association of Arizona (GFOAz), Association of Government Accountants (AGA), Association of School Business Officials International (ASBOI), and a number of state accounting societies.
- Corey Arvizu served as the Chairperson of the Executive Committee of the AICPA's Governmental Audit Quality Center from 2008 to 2011.
- Corey Arvizu was a member of the AICPA's Professional Ethics Executive Committee.
- Jennifer Shields has served on the AICPA Task Force on the Single Audit Training Needs and CPE Evaluation.
- Corey Arvizu is a member of the AICPA Practice Monitoring Task Form for Single Audits.
- Jennifer Shields serves on the committee for the ASCPA's Annual Governmental Accounting Conference.

Our Arizona partners and managers are actively involved in national and state organizations assuring you that we will provide you with high-quality, *local* service and practical, timely solutions.

- Corey Arvizu is a member of the planning committee for the AICPA National Governmental & Not-for-Profit Training Program conference.
- Karin Smith and Diane Goke serve on the GFOA's review committee for Popular Annual Financial Reports (PAFRs).
- Brittney Williams serves on the Financial Management Standards Board for the AGA and is the Section II Southwest Regional Vice President for the AGA.
- Brittney Williams has reviewed submissions for the Certificate of Excellence in Citizen-Centric Reporting for the Association of Government Accountants.
- Brittney Williams is a member of the ASCPA Accounting and Reporting Standards Conference Committee and a member of the AGA Phoenix Chapter Education Committee.
- Corey Arvizu and Joshua Jumper are Special Review Committee Members for the GFOA's CAFR certificate program.

Presentations for Industry Organizations

- *Understanding Internal Controls – The New Green Book* (GFOAz Winter Conference, February 2016)
- *Capital Assets, What You Need to Know* (AASBO Winter Conference, January 2016)
- *Using Data Mining to Detect Fraud and Misuse of Public Monies* (ASCPA Accounting & Reporting Standards Conference, January 2016)
- *The Changing Environment of Financial Reporting* (Alaska GFOA 2015 Fall Conference, November 2015)
- *AICPA and SSARS Update* (AICPA National Governmental and Not-for-Profit Training Program, October 2015)
- *Testing of Internal Control and Compliance in a Single Audit* (AICPA National Governmental and Not-for-Profit Training Program, October 2015)
- *Getting the Word Out: How to Communicate Financial Information to Citizens* (GFOA Annual National Conference, June 2015)
- *OMB Supercircular: Implementing the Newest Federal Grant Rules* (GFOAz May 2015 Quarterly Training)
- *Preparing for the Audit – Auditor and Auditee Insights* (ASCPA Governmental Accounting Conference, February 2015)

2. External Quality Control Review

As required by our profession and the State of Arizona, every three years we participate in a review of our system of quality controls. A report with a rating of pass was issued August 6, 2015, by the firm of Mann, Urrutia & Nelson, CPAs and Associates, LLP. A copy of this report is enclosed on the following page. The quality control review included all governmental audits performed by Heinfeld, Meech & Co., P.C., with an in-depth review of the working papers and reports, including audits of Arizona municipalities.

As our firm received a rating of pass, no deficiencies were noted for the review of the year ended May 31, 2015. In addition, no letter of comments has ever been issued for each of the previous quality control reviews since the founding of our firm.



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

SYSTEM REVIEW REPORT

To the Partners of Heinfeld, Meech & Co., P.C.
and the Peer Review Committee of the
CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Heinfeld, Meech & Co., P.C has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Mann Urrutia Nelson CPAs".

Sacramento, California

August 6, 2015

3. References

City of Chandler

Contact: Penny Malia, Accounting Manager – (480) 782-2332; penny.malia@chandleraz.gov
MS 702/P. O. Box 4008, Chandler, AZ 85244-4008

Scope of work: Financial statement audit of the City, Single Audit, review of CAFR for GFOA submission, expenditure limitation report audit, LTAF and LTAF II audit reports, HURF audit report, ADEQ landfill assurance, financial statement audit of Self-Insurance Fund, financial statement audits of Workers' Compensation & Employer Liability Trust, Chandler Firefighters Employee Benefit Trust, and Chandler Cultural Foundation

Contract Initiation: May 24, 2013

Contract Expiration: Option to renew available annually through May 24, 2018

Dollar Value of Contract: \$107,122 (2015 fee)

City of Tempe

Contact: Karen Huffman, CPA, Controller – (480) 350-8256; karen_huffman@tempe.gov
P. O. Box 5002, Tempe, AZ 85280

Scope of work: Financial statement audit, Single Audit, review of CAFR for GFOA submission, HURF audit report, LTAF audit reports, expenditure limitation report audit

Contract Initiation: June 17, 2013

Contract Expiration: Option to renew available annually through June 16, 2018

Dollar Value of Contract: \$72,847 (2015 fee)

City of Goodyear

Contact: Larry Lange, Finance Director - (623) 882-7898; llange@goodyearaz.gov
190 N. Litchfield Rd., Goodyear, AZ 85338-0601

Scope of work: Financial statement audit, review of CAFR for GFOA submission, HURF audit report, annual financial reports for nine community facilities districts, annual expenditure limitation report audit

Contract Initiation: April 21, 2014

Contract Expiration: Option to renew available annually through April 20, 2019

Dollar Value of Contract: \$69,740 (2015 fee)

City of Yuma

Contact: Wendy Wrenn, Accounting Manager – (928) 373-5087; wendy.wrenn@yumaaz.gov
P. O. Box 13012, Yuma, AZ 85366-3012

Scope of work: Financial statement audit, Single Audit, review of CAFR for GFOA submission, HURF audit report, and expenditure limitation report audit

Contract Initiation: April 22, 2013

Contract Expiration: Option to renew available annually through April 22, 2015

Dollar Value of Contract: \$47,740 (2015 fee)

Town of Prescott Valley

Contact: William Kauppi, Management Services Director – (928) 759-3003; bkauppi@pvaz.net
7501 E. Civic Circle, Prescott Valley, AZ 86314

Scope of work: Financial statement audit, Single Audit, review of CAFR for GFOA submission, expenditure limitation report audit, and audits of community facilities districts

Contract Initiation: April 29, 2015

Contract Expiration: April 29, 2018

Dollar Value of Contract: \$36,000 (2015 fee)

C. Key Positions

1. Key Personnel Members

The supervisory staff for the audit of the Town of Fountain Hills is currently planned as listed below. With the largest governmental auditing team in Arizona, we are committed to providing our clients with knowledgeable, dedicated professionals. Due to the size of our firm and the breadth of our experience in your industry, any losses in personnel assigned to the Town can be reassigned effectively to other auditors with similar qualifications.

Engagement Partner – Jennifer L. Shields, CPA, CGFM

Quality Control Partner – Corey Arvizu, CPA

Audit Supervisor – Joshua Jumper, CPA

2. Roles and Responsibilities of Key Positions

Direction and supervision exercised over the audit team to ensure compliance with professional standards, as well as a high level of client service, is provided as follows.

Engagement partner responsibilities include:

- Assistance with scheduling and team assignments
- Review of planning documentation and initial audit plan
- On-site assistance as required for critical portions of the audit
- Technical review of financial statements and working papers
- Responsibility to address any concerns from Town management regarding audit matters
- Authorization of issuance of audit reports to the Town and other parties

The quality control partner provides additional expertise and technical support to the audit team as needed and provided a secondary review of the financial statements and critical audit documentation.

Audit supervisor responsibilities include:

- Assistance with planning of the audit engagement
- Fieldwork supervision when the engagement partner is not on-site
- Responsibility to address and complete technical and complex audit procedures
- Technical assistance to Town personnel
- Initial reviews of working papers and certain compliance reports

3. Subcontractor

Our firm does not plan on utilizing a subcontractor for the completion of this engagement.

4. Resumes

Resumes, as well as the listings for the past two years of continuing professional education, for each key personnel member is provided in Exhibit B.

D. Project Approach

1. Audit Work Plan

This section presents a general outline of the audit steps that our will perform to complete this engagement for the Town, including the audit requirements as specified in OMB Uniform Guidance.

Audit Planning

Audit planning procedures will begin at the time of the contract award. These procedures will develop the audit team's understanding of the Town's operations, will be used to clarify audit objectives, and will help with the development of a detailed audit plan tailored to the Town.

- Preparation and issuance of engagement letter
- Conduct entrance conference with key personnel as deemed necessary
- Perform risk assessment procedures
 - Inquiries of management and staff
 - Preliminary analytical procedures
 - Observation of operations
 - Perform transaction walkthroughs
 - Engagement team discussions
- Develop an understanding of client, the environment and internal controls
 - Review prior year financial statements and applicable accounting records
 - Review of industry guides, regulatory information, statutes, internal/external reports, etc.
 - Preparation of process and control memorandums
 - Completion and review of internal control questionnaires
 - Obtain understanding of information technology systems
- Develop a preliminary judgment of materiality
- Develop a detailed audit plan to include preparation of audit programs
- Develop sampling scopes for tests of controls and compliance testing
- Identify responsibilities and assign tasks to the audit staff and Town personnel
- Submit audit questionnaires to audit liaison for assignment to Town staff
- Other planning procedures, as deemed necessary

Audit Procedures

Core audit procedures will largely be performed on-site at the Town during scheduled fieldwork dates. Town management and staff should be available during the scheduled fieldwork dates for discussions and to provide requested materials to the audit team. Our firm strives to minimize disruption for our clients by reducing the number of days at the Town's site; therefore certain audit procedures may also be conducted from our office when practical.

- Perform tests of key operational controls, such as:
 - Payroll and related benefits
 - Disbursements and accounts payable
 - Capital asset additions and deletions
 - Cash receipts (e.g. taxes, charges for services)

- Develop and perform compliance tests for applicable compliance requirements
- Perform substantive procedures on the primary financial statement accounts
 - Cash and investments
 - Receivables
 - Capital assets
 - Payables
 - Long-term debt
 - Tax revenues
 - Intergovernmental revenues
 - Charges for services
 - Other sources/uses)
 - Payroll and related benefit expenditures/expenses
 - Goods and services expenditures/expenses
 - Debt service expenditures
- Other necessary audit procedures, if applicable

Audit Conclusion

Audit conclusion procedures include the communication of the audit results to the Town's management, quality control procedures over the audit, and drafting and final distribution of applicable audit reports to the Town.

- Perform final analytical review procedures
- Perform subsequent events review
- Perform exit conferences with Town staff upon completion of audit
- Perform final review of working papers and audit programs
- Audit staff to draft applicable audit and compliance reports
- Engagement partner to review financial statements and audit reports
- If deemed necessary, financial statements will also be reviewed by a non-engagement partner
- Issuance of applicable audit communications
- Distribute final audit reports to applicable recipients

2. Plans to Meet Time Constraints

Our firm agrees to meet the time constraints and reporting deadline requirements specified in the RFP. As our record shows, we can complete this engagement within the time period specified in your request. Our specialization in the governmental industry will allow us to be flexible in working with you in order to complete your audit to meet your expectations and deadlines. Details about the proposed project schedule is provided on page 15.

3. Organization and Staffing of the Audit

This engagement will be entirely managed and supervised from the firm's Phoenix.

- The engagement partner and audit supervisor will conduct the audit planning and preparation for the audit.
- The audit supervisor is expected to supervise on-site audit services for the planned fieldwork and will supervise one to three full-time staff members as appropriate for specific audit segments.
- The engagement partner will supervise the entire engagement, provide technical review of the financial statements, and be on-site as required during critical portions of fieldwork.
- The quality control partner may also complete a supplemental review of the audit working papers if deemed appropriate.

Based upon our understanding of the Town’s operations and accounting systems, we estimate the following number of hours will be required to complete the audit for the first year.

	Partners	Audit Supervisor	Other Supervisory Staff	Staff	Admin	Total
Audit planning	10	15	10	10		45
Substantive audit procedures:						
Assets	3	8	10	10		31
Liabilities	3	8	10	10		31
Revenue	2	10	10	15		37
Expenses	2	4	5	5		16
Tests of operational controls			10	20		30
Compliance procedures		5	10	5		20
Single Audit procedures (if required)	5	10	10		5	30
Audit conclusion	10	20	15	5		50
Administrative					15	15
TOTAL	35	80	90	80	20	305

4. Audit Sampling for Tests of Compliance

Both statistical and nonstatistical sampling methods may be utilized to identify samples from the entire population of transactions within the major transaction cycles. The transaction cycles tested will be determined based on materiality considerations and our assessment of the Town’s internal control completed during the planning phase of the audit.

Statistical sampling will typically be utilized for larger, significant transaction classes such as payroll, disbursements, and certain cash receipts. Dependent upon the nature of the sample population either random selection through the use of a random number generator, or systematic selection with a random start, will be utilized for the sample selection.

Nonstatistical haphazard selection will often be utilized for smaller populations or populations that do not have characteristics that provide for the application of statistical sampling.

Nonstatistical judgmental selection sampling is generally utilized for tests of compliance in order to ensure items selected meet the specific objectives of the OMB Uniform Guidance compliance requirement of the program or other applicable compliance requirement. The samples selected will be based on the specific requirements as outlined in the grant agreements, OMB Uniform Guidance, or other applicable source. Sampling for tests of compliance for a Single Audit requires a planned low level of control risk. When deemed appropriate, dual purpose samples will be utilized for OMB Uniform Guidance audit procedures to test both the operating effectiveness of controls as well as compliance with a particular requirement.

5. Sample Sizes

Our firm will select sample sizes derived from the entire population of transactions within the major transaction cycles, depending on materiality, our assessment of the Town’s internal control as a result of risk assessment procedures, and/or other considerations such as the OMB Uniform Guidance requirements. Typical samples sizes for a particular control test range from 25 to 60 transactions; however sample sizes are modified based on our assessment of the controls and risk of misstatement or noncompliance.

6. Extent and Use of Software

We will rely on Town reports to the extent possible for the purpose of our analytical procedures and documentation of our audit procedures. A set of audit questionnaires will be provided to the Town via e-mail approximately one month before each site visit. (These questionnaires may be provided earlier upon request of the Town.)

Our firm also utilizes the following electronic resources:

- We recognize the importance of keeping the Town's data secure. A secured client portal that meets industry standards will be used to receive data from and send information to the Town. (Access to the internet-based portal is password-protected.) In addition, a folder within the portal is dedicated as a report archive, enabling the Town to access prior year audit reports at any time.
- CCH electronic audit programs and basic software applications including word processing and spreadsheets to achieve our documentation and reporting objectives. In addition, the receipt of the Town's trial balance in an Excel or comma-separated value (CSV) file format will facilitate the use of our software applications.
- IDEA data analysis software may be utilized to import, analyze, sample and/or extract data from the electronic data files provided by the Town.

7. Type and Extent of Analytical Procedures

As required by auditing standards generally accepted in the United States of America analytical procedures are performed both in the planning and the final phases of the audit. The following are analytical methods and informational sources that may be used during the audit:

- Trend analysis:
 - Reporting transaction classes
 - Receivables and payables
 - Inventories
 - Compensated absences
 - Salaries and benefits
 - Depreciation
- Reasonableness testing:
 - Current year activity to budget
 - Investment income
 - Salaries and benefits
 - Depreciation
- Ratio analysis:
 - Margin analysis (enterprise activities)
 - Inventories
 - Salaries and benefits
 - Year-end cutoff
 - Interest expense
 - Functional expense
- Other analytical procedures as deemed necessary

The use of analytical procedures will assist in identifying high risk areas as well as help us focus the audit test work on significant areas and accounts that require detailed testing. The use of the Town's internal reports will be used to the extent possible to perform the analytical procedures.

8. Gaining an Understanding of Internal Controls

An understanding of the Town's financial operations, funding source requirements, transaction processing procedures, and internal control structure will be achieved through inquiry, observation, and tests of transactions. As outlined in the Town responsibilities, your personnel will complete a series of internal control questionnaires to assist in this process. We will also use other resources such as the Town's budget, organizational charts, policy and procedure manuals, and other management information systems.

9. Determining Laws and Regulations Subject to Test Work

The determination of which laws and regulations that will be subject to audit test work will be determined through a number of inquiry and review procedures such as the following –

- Inquiry with Town personnel, including finance staff and grant administrators.
- Consideration of compliance requirements that have been identified in prior years’ audits.
- Review the relevant portions of any directly related agreements, such as those related to grants and debt agreements.
- Review pertinent sections of laws and regulations, including State statutes.
- Review the minutes of meetings of the governing body.
- Inquiry of oversight organizations about applicable compliance requirements.
- Review of the Office of Management and Budget (OMB) Uniform Guidance, the Catalog of Federal Domestic Assistance, federal audit guides, and state and local policies and procedures.

10. Identification of Anticipated Potential Audit Problems

Based upon known information provided by the Town during the proposal process, there appears to be only two potential audit problems in future fiscal years. Significant changes in Federal funding in future years could potentially create audit issues if the Town does not meet the compliance requirements of the new funding source. Significant changes in Federal funding may also require a change in the scope of the audit depending on the nature and scope of required audit procedures of the new program. In addition, personnel changes or position vacancies in key financial or accounting positions can potentially create audit problems if the change or vacancy prevents audit requests from being completed in an accurate and timely manner.

E. Project Schedule

Our firm’s approach is to minimize work conducted on-site at our clients to minimize disruption to their employees’ daily routines. We estimate that three to four staff members will be on-site for fieldwork for approximately five days in total for the first audit. Below are proposed dates for key project milestones as requested by the Town; upon the contract award, exact dates will be determined upon discussions between assigned firm staff and the Town’s audit liaison.

Audit Segment	Date
Contract Award Date	April 7, 2016
Notice to Proceed Date	By May 1, 2016
Proposed Kick-Off Meeting	Week of May 16 or May 23, 2016
Beginning of Interim Work	June 2016
Beginning of Field Work	August or September 2016
End of Field Work	By late September 2016
Reports Due Date (Auditor’s Opinion submitted to Finance Division)	By October 21, 2016
Report Presentation to Council	November 2016 (date as determined by the Town)

Exhibit 1. Vendor Information Form

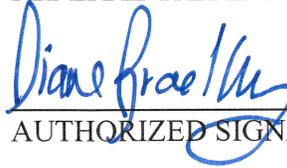
IV. VENDOR INFORMATION FORM

By submitting a Proposal, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

Heinfeld, Meech & Co., P.C.
VENDOR SUBMITTING PROPOSAL

86-0558065
FEDERAL TAX ID NUMBER

Diane Bradley, Partner - Administration
PRINTED NAME AND TITLE


AUTHORIZED SIGNATURE

10120 N. Oracle Rd.
ADDRESS

520-742-2611 520-742-2718
TELEPHONE FAX #

Tucson AZ 85704
CITY STATE ZIP

2/12/16
DATE

WEB SITE: www.heinfeldmeech.com

E-MAIL ADDRESS: info@heinfeldmeech.com

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

- Small Business Enterprise (SBE)
- Minority Business Enterprise (MBE)
- Disadvantaged Business Enterprise (DBE)
- Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise? No

If yes, please provide details and documentation of the certification.

Exhibit 2. Resumes and Continuing Professional Education

Jennifer L. Shields, CPA, CGFM – Engagement Partner

A graduate of the University of Arizona, Jennifer Shields has 21 years of experience at Heinfeld, Meech & Co., P.C. and is a Certified Public Accountant (Arizona license #10065-E). As an engagement partner, she has overseen more than 1,100 audits for governments and non-profits and her clients have included municipalities, counties, school districts, state agencies, and employee benefit trusts.

In addition to financial audit services, Jennifer has participated on a supervisory level in the following: *MAS* reviews for courts, cost studies, claims audits, payroll audits, procurement audits, FLSA audits, procedural reviews, fraud reviews, and other special investigations.

Jennifer has spoken professionally on accounting and compliance issues at events sponsored by the AICPA and Arizona ASBO, as well as firm-sponsored conferences. Jennifer is a member of the AICPA, ASCPA, AASBO, Government Finance Officers Association, and Association of Government Accountants.

Other Professional Development:

Jennifer has directed her professional development toward audit and quality control standards, firm practice management, as well as the accounting and reporting issues in the governmental and non-profit niche. Her professional accomplishments include:

- Committee member of the ASCPA's Annual Governmental Accounting Conference
- Speaker for AICPA and Arizona Association of School Business Officials conferences and trainings
- Member of the AICPA Task Force on Single Audit Training Needs and CPE Evaluation
- Committee member for AASBO winter, spring and summer conferences

Selected Audit List:

- City of Yuma
- Yuma County Intergovernmental Public Transportation Authority
- Glendale Union High School District
- City of Phoenix Health Care Benefit Trust
- City of Phoenix Long-Term Disability Program
- Mesa Unified School District
- Gilbert Unified School District
- Yuma County
- Chandler Unified School District
- Scottsdale Unified School District
- Navajo County Community College
- Phoenix Union High School District
- Paradise Valley Unified School District
- Higley Unified School District
- Arizona Department of Transportation
- Mohave County Water Authority
- Mohave Valley Irrigation & Drainage District (reviews)
- Glendale Union High School District Employee Benefit Trust
- Parker Unified Employee Benefit Trust
- Schools Medical Insurance Trust
- Paradise Education Center

Contact Information:

Phone: (602) 277-9449, ext. 310

Cell: (602) 881-1424

E-mail: jennifer@heinfeldmeech.com



Jennifer Shields

Continuing Professional Education - 2014-2015

<i>Date</i>	<i>Class</i>	<i>Sponsor</i>	<i>Type</i>	<i>Total Hours</i>	<i>Gov. Hours</i>
1/10/2014	Audit Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
1/23/2014	2014 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	4
3/7/2014	Audit Compliance	Arizona Association of School Business Officials (AASBO)	Teaching (CE Presenter)	12	12
3/13/2014	990 Training	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
4/11/2014	2014 Spring Conference	AASBO	Live Seminar	8	6
5/1/2014	Annual Inspection & Updates Training	Heinfeld, Meech & Co., P.C.	Live Seminar	14	9.5
6/5/2014	13th Annual School District Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
6/18/2014	2014 OMB Compliance Supplement and New Uniform Grant Guidance Key Points	American Institute of Certified Public Accountants (AICPA)	Online (Audio - Live)	2	2
7/19/2014	AASBO Annual Summer Conference	AASBO	Live Seminar	12	12
9/10/2014	Bi-Monthly Meeting	AASBO	Live Seminar	3	2
9/12/2014	Creating Efficiencies with Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
9/25/2014	Uniform Guidance for Federal Awards: The New Cost Principles, Time and Effort Reporting, Procurement	AICPA	Online (Self-Study)	2	2
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
1/28/2015	2015 Winter Conference	AASBO	Live Seminar	5	5
2/13/2015	Governmental Accounting Conference	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	8	8
3/4/2015	GASB Pensions: Are You Ready for June 30, 2015, Audit Implementation?	AICPA	Online (Audio - Live)	2	2
4/10/2015	Spring Conference	AASBO	Live Seminar	9	9
4/28/2015	GAQC 2015 Annual Update Webcast	AICPA	Online (Audio - Live)	2	2
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	ASCPA	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10.5	8
6/4/2015	14th Annual Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
7/18/2015	Annual Summer Conference	AASBO	Live Seminar	12	12
9/9/2015	September Bi-Monthly Meeting	AASBO	Live Seminar	3.5	3.5
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
9/30/2015	AICPA Governmental Accounting and Auditing Update Conference West 2015	AICPA	Live Seminar	18	16.5
			TOTAL:	161.5	136.5

Corey Arvizu, CPA – Partner

Corey Arvizu received his bachelor's degree in accountancy from Arizona State University and has 19 years of experience working with public sector and non-profit agencies. An expert in GASB pronouncements and auditing standards, he has provided auditing and accounting services to a wide range of entities including municipalities, state agencies, counties, school districts, benefit plans, special districts, and non-profit organizations.

In addition to financial audits, Corey has assisted our clients with policy and procedural reviews, special investigations, expenditure limitation reports, and MAS reviews for courts. He also has assisted several governmental entities plan and prepare for the additional requirements of new GASB statements.

Other Professional Development:

Corey has committed his time and efforts to assist both our clients and the profession. His professional accomplishments include:

- Chairperson of the AICPA's Governmental Audit Quality Center Executive Committee (2008-2011)
- Member of the AICPA's Practice Monitoring Task Force for Single Audits
- Former member of the AICPA's Professional Ethics Executive Committee
- Special Review Committee member of the GFOA's certificate program
- Member of the planning committee for the AICPA National Governmental & Not-for-Profit Training Program conference
- Speaker and trainer for the AICPA, State Societies, ASBO, GFOA and AGA
- Chairperson for the AICPA Task Force on the SEFA

Selected Audit List:

- City of Chandler
- Town of Gilbert
- Town of Oro Valley
- City of Maricopa
- City of Eloy
- City of El Mirage
- City of Rio Rancho
- City of Sierra Vista
- Valley Metro Rail, Inc.
- Valley Metro Regional Public Transportation Authority
- Public Safety Personnel Retirement System
- Arizona Department of Transportation
- City of Chandler Self-Insurers' Fund
- Pima County Employee Benefit Trust
- Pima County Stadium District
- Tucson Unified School District
- Regional Transportation Authority of Pima County
- New Mexico Self Insurers' Fund

Contact Information:

Phone: (520) 742-2611, ext 101

Cell: (520) 591-2313

Email: carvizu@heinfeldmeech.com

Memberships:

Arizona license No. 11434-E

AICPA Member No. 01674896

GFOA Member No. 300100323

AGA Member No. 80082

ISACA Member No. 608571



Corey Arvizu
Continuing Professional Education - 2014-2015

<i>Date</i>	<i>Class</i>	<i>Sponsor</i>	<i>Type</i>	<i>Total Hours</i>	<i>Gov. Hours</i>
1/10/2014	Audit Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
1/23/2014	2014 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	4
1/29/2014	Professional Ethics Executive Committee Meeting	American Institute of Certified Public Accountants (AICPA)	Live Seminar	9	
2/12/2014	Group Audits: A Look Back One Year Later and Lessons Learned	AICPA	Online (Audio - Live)	2	2
3/12/2014	Don't be the Last to Know: Fraud Considerations in Governmental, NPO, and Single Audits	AICPA	Online (Audio - Live)	2	2
3/13/2014	990 Training	Heinfeld, Meech & Co., P.C.	Live Seminar	2	
3/21/2014	2014 Regional Meetings of Members of Council	AICPA	Live Seminar	4.5	
4/10/2014	Not-for-Profit Organizations: Accounting and Audit Update	CCH a Wolters Kluwer business	Live Seminar	2	
4/25/2014	The 21st Annual Professional Development Conference	Association of Government Accountants Phoenix Chapter	Live Seminar	8	8
5/1/2014	Annual Inspection & Updates Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10	7
5/8/2014	Professional Ethics Executive Committee Meeting	AICPA	Live Seminar	11	
6/5/2014	13th Annual School District Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
6/18/2014	2014 OMB Compliance Supplement and New Uniform Grant Guidance Key Points	AICPA	Online (Audio - Live)	2	2
7/23/2014	Defined Benefit Plans Part II - Actuarial Issues	AICPA	Online (Audio - Live)	2	
8/6/2014	Professional Ethics Executive Committee Meeting	AICPA	Live Seminar	9.5	
9/12/2014	Creating Efficiencies with Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
9/15/2014	AICPA Peer Review Program Advanced Course	AICPA	Live Seminar	8	
9/22/2014	ASBO International Annual Meeting & Expo	Association of School Business Officials International	Live Seminar	9.5	9.5
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
1/21/2015	EBPAQC Designated Partner 2015 Audit Planning	AICPA	Online (Audio - Live)	2	
2/5/2015	Uniform Guidance for Federal Awards: Auditor Planning Considerations for the New Single Audit Rules	AICPA	Online (Audio - Live)	2	2
3/4/2015	GASB Pensions: Are You Ready for June 30, 2015, Audit Implementation?	AICPA	Online (Audio - Live)	2	2
3/18/2015	Joint Meeting - GASB Update, Finance & Accounting Best Practice Roundtable, Center for Governmental Auditing	Association of Government Accountants	Live Seminar	4	4
4/28/2015	GAQC 2015 Annual Update Webcast	AICPA	Webconference	2	2
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	8.5	6
6/4/2015	14th Annual Client Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
6/10/2015	2015 OMB Compliance Supplement and Single Audit Update	AICPA	Online (Audio - Live)	2	2
6/22/2015	Employee Benefit Plan Audit Quality and Firm Best Practices	AICPA	Online (Audio - Live)	2	
7/18/2015	Annual Summer Conference	Arizona Association of School Business Officials (AASBO)	Live Seminar	12	12
7/21/2015	What is Unrelated Business Income and How do I Know if I Have It?	AICPA	Online (Audio - Live)	2	
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
9/15/2015	Revenue Recognition in a State and Local Government Environment	AICPA	Webconference	2	2
10/16/2015	Professional Ethics update for AZ CPAs	ASCPA	Online (Self-Study)	4	
10/21/2015	AICPA Governmental and Not-for-Profit Training Program	AICPA	Live Seminar	14	12
10/26/2015	ASBO 2015 Annual Meeting	AICPA	Live Seminar	6	6
			TOTAL:	182.5	105.5

Joshua Jumper, CPA – Audit Supervisor

Joshua (Josh) Jumper received a M.S. in Accountancy and Information Systems from Arizona State University. He has seven years of auditing experience with our firm. Josh has been awarded his Certified Public Accountant license (Arizona #15338-E) and is a member of the AICPA and ASCPA.

Knowledge and Experience:

- Manager or audit supervisor on more than 85 financial and compliance audits for governmental and non-profit organizations
- Single Audits (OMB Circular A-133)
- Reviews of CAFRs for ASBO's Certificate of Excellence Program
- Instructor for trainings for governmental entities sponsored by our firm
- Federal program-specific audits and agreed-upon procedures
- MAS reviews for municipal courts
- Special Review Committee Member for the GFOA's CAFR certificate program

Other Professional Development:

Josh has expanded his knowledge with the following trainings:

- Governmental Accounting Conferences (*ASCPA*)
- GFOAz Quarterly and Summer Trainings
- Governmental Accounting and Auditing Update Conference West 2015 (*AICPA*)
- 2014 Annual Professional Development Conference (*AGA Phoenix Chapter*)
- Professional Ethics Update for Arizona CPAs (*ASCPA*)
- Fraud Considerations in Governmental, NPO and Single Audits (*AICPA*)
- Annual Local & State Government Accounting & Auditing Conferences

Selected Audit List:

- City of Chandler (2012 through 2015)
- City of Tempe (2009 through 2015)
- Lake Havasu City (2010 through 2014)
- City of Yuma (2013)
- City of El Mirage (2015)
- City of Peoria (2008 through 2011)
- Town of Queen Creek (2009 and 2011)
- City of Chandler Workers' Compensation and Employer Liability Trust (2014 and 2015)
- City of Chandler Self-Insurers' Fund (2014)
- City of Phoenix Health Care Benefit Fund (2013)
- City of Phoenix Long-Term Disability Program (2013)
- Scottsdale Unified School District (2011 through 2015)
- Chandler Unified School District (2012 through 2015)
- Creighton Elementary School District (2013 through 2015)
- Higley Unified School District (2013 through 2015)
- Roosevelt Elementary School District (2012 through 2015)
- Gila Crossing Community School (2014 and 2015)
- Yavapai Combined Trust (2009 and 2010)
- Yavapai Unified Employee Benefit Trust (2009 and 2010)

Contact Information:

Phone: (602) 277-9449, ext. 374
Cell: (480) 600-8191
Email: joshuaj@heinfeldmeech.com



Joshua Jumper

Continuing Professional Education - 2014-2015

<i>Date</i>	<i>Class</i>	<i>Sponsor</i>	<i>Type</i>	<i>Total Hours</i>	<i>Gov. Hours</i>
1/10/2014	Audit Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5	5
1/23/2014	2014 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	4
2/1/2014	Governmental Accounting Conference	Arizona Society of Certified Public Accountants (ASCPA)	Live Seminar	8	8
3/12/2014	Don't be the Last to Know: Fraud Considerations in Governmental, NPO, and Single Audits	American Institute of Certified Public Accountants (AICPA)	Online (Audio - Live)	2	2
4/10/2014	Not-for-Profit Organizations: Accounting and Audit Update	CCH a Wolters Kluwer business	Live Seminar	2	
4/25/2014	The 21st Annual Professional Development Conference	Association of Government Accountants (AGA) Phoenix Chapter	Live Seminar	8	8
5/1/2014	Annual Inspection & Updates Training	Heinfeld, Meech & Co., P.C.	Live Seminar	15	9.5
5/15/2014	GFOAz Quarterly Training	Government Finance Officers Association of Arizona (GFOAz)	Live Seminar	5	5
8/8/2014	GFOAz Summer Training	GFOAz	Live Seminar	14	12
9/12/2014	Creating Efficiencies with Outlook 2010	Heinfeld, Meech & Co., P.C.	Live Seminar	1	
9/12/2014	Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	2.5	2.5
1/9/2015	January Training Day	Heinfeld, Meech & Co., P.C.	Live Seminar	5.5	2
1/22/2015	2015 Local and State Governmental Conference	Heinfeld, Meech & Co., P.C.	Live Seminar	6	3
1/28/2015	2015 Winter Conference	Arizona Association of School Business Officials	Live Seminar	5	5
2/20/2015	GFOAz 2015 Winter Conference	GFOAz	Live Seminar	13	7
4/29/2015	Professional Ethics Update for Arizona CPAs - Including Case Studies	ASCPA	Live Seminar	4	
4/30/2015	Annual Working Paper Updates and Inspection Training	Heinfeld, Meech & Co., P.C.	Live Seminar	10.5	8
9/11/2015	Fall 2015 Technical Updates	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	1.5
9/11/2015	Attitudes for Service	Heinfeld, Meech & Co., P.C.	Live Seminar	1.5	
9/30/2015	AICPA Governmental Accounting and Auditing Update Conference West 2015	AICPA	Live Seminar	18	16.5
			TOTAL:	133	99

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HEINFELD, MEECH & CO., P.C.

[Scope of Work]

See following pages.

SCOPE OF WORK

Financial Auditing Services

1. Background Information.

1.1 The Town.

- A. The Town is a municipal entity governed by an elected Mayor and Council that serves an area of approximately 20 square miles with a population of 22,489 (per the 2010 Census).
- B. The Town is organized into three departments and has approximately 52 full-time equivalent (“FTE”) employees. An organizational chart of the Town is attached hereto as Attachment 1 and incorporated herein by reference.
- C. The Town has a total payroll of approximately \$2.9 million.
- D. All full-time Town employees participate in a defined contribution pension plan administered by the ICMA Retirement Corporation as a 401(a) plan.
- E. The Town does not offer any post-employment benefits.
- F. The Town’s fiscal year begins on July 1 and ends on June 30.
- G. The fiscal year 2015-16 budget for the Town is \$37.9 million.
- H. The Town provides a range of services to its citizens including police and fire protection, municipal court, streets, recreational activities, building safety and cultural events.
- I. The Town contracts with outside agencies for law enforcement and fire/emergency medical services.
- J. The Town does not provide any utility-type services.
- K. Detailed information on the Town and its finances can be found on the Town’s website by reviewing the Town’s Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2015 (<http://www.fh.az.gov/170/Financial-Reports-Budgets>) and the Town’s Adopted Budget (<http://www.fh.az.gov/170/Financial-Reports-Budgets>).
- L. The Town will provide Consultant reasonable work space, photocopying facilities and telephone and internet access to perform the Services.

1.2 Finance Division.

- A. The Finance Division (“Finance”) is headed by Craig Rudolph, Finance Director (the “Director”), who will be Consultant’s principal contact.
- B. Finance has six employees and one volunteer who perform the following functions:
 - 1. Accounting: Two full-time; one part-time volunteer.
 - 2. Accounts Payable: one full-time.
 - 3. Licensing: one part-time equaling .63 FTE.
 - 4. Customer Service: Two part-time equaling one FTE.
- C. Confirmations will be prepared by Finance employees.
- D. Finance employees will provide information and documentation to assist Consultant. (Note: Assistance concerning federal grants should be directed to the applicable federal program.)
- E. A description of working papers the Town has prepared in the past are attached hereto as Attachment 2 and incorporated herein by reference.

1.3 Information Technology; Computer System.

- A. Hardware.
 - 1. Dell PowerEdge R430.
 - 2. Intel Xeon 3.1 GHz Processor – X2.
 - 3. Windows Server 2012 R2 Standard.
 - 4. 32 GB Memory.
 - 5. 2 TB Hard Drive Raid 10 H.D.
- B. Software – Tyler Technologies – MUNIS.
 - 1. Accounts payable.
 - 2. Accounts receivable.
 - 3. Budget preparation.
 - 4. Contract management.
 - 5. Fixed assets.
 - 6. General ledger.
 - 7. Licensing – business and animal.
 - 8. Parcel manager.

- 9. Permits and inspections.
- 10. Project accounting.
- 11. Purchasing.

- C. Class – Point of Sale.
- D. ActiveNet – Class registration, memberships and facility rental.
- E. Microsoft – Office Professional 2007.
- F. Databases – Microsoft SQL Server 2012 Standard.
- G. Payroll – Provided by Paychex.
- H. Systems documentation and explanations will be provided to Consultant by the Information Technology Division.

1.4 Component Units. The Town is defined, for financial reporting purposes, in conformity with Governmental Accounting Standards Board (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, the following component units are to be audited and included in the Town’s financial statements:

- A. Town of Fountain Hills Municipal Property Corporation (“MPC”). The MPC, an Arizona not-for-profit corporation, was organized for the purpose of financing the construction of municipal facilities and purchase of open space within the Town through the issuance of bonds. Concurrent with these bond issues, the Town entered into an agreement with MPC whereby the Town will pay to MPC amounts sufficient to retire MPC bonds and related interest. MPC is reported as a blended component unit in the Town’s financial statements. The outstanding MPC bonds are reported as a debt service fund in the Town’s financial statements. No separate financial statements are prepared for the MPC.
- B. Districts. The Town has one Community Facilities District and one Maintenance District (the “Districts”). These Districts are reported as blended component units in the Town’s financial statements. The outstanding bonds are reported as a debt service fund in the Town’s financial statements. No separate financial statements are prepared for the Districts.

1.5 Fund Structure. The Town will use the following fund types in its financial reporting as of June 30, 2016:

<u>Fund Type/ Account Group</u>	<u>No. of Individual Funds</u>	<u>No. of Major Funds</u>	<u>No. of Funds with Legally Adopted Budgets</u>
Operating Funds	4	1	4
Special Revenue Funds	8	1	8
Debt Service Funds	3	2	3
Capital Projects Funds	2	1	2

2. Nature of Services Required.

- 2.1 Consultant will express an “in relation to” opinion on the fair presentation of the combined and individual non-major fund financial statements and supporting schedules, including the internal service funds in conformity with generally accepted accounting principles in the United States of America (“GAAP”). An audit of the introductory or statistical section of the report will not be necessary. However, review will be required for content and consistency.
- 2.2 Management’s discussion and analysis is not a required part of the basic financial statements, but is supplemental information required by GAAP. Consultant will apply certain limited procedures to this required supplemental information.
- 2.3 The Town does not currently anticipate it will prepare any official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor’s report thereon. In the event debt is issued, it is not anticipated that Consultant will be required to issue a “consent and citation of expertise” as the auditor and any necessary “comfort letters.”
- 2.4 The Town expects that it is free to distribute copies of its financial statements without the prior consent of its auditors.

3.0 Services to be Provided by Consultant.

3.1 Annual Audit (“Audit”).

- A. The Town’s financial records are maintained on the fund basis, so the Consultant will be required to prepare government-wide financial statements in addition to fund basis statements.
- B. Consultant shall make a determination as to whether its financial statements present fairly, in all material respects, the respective financial position of:
 - 1. The governmental activities.

2. The business-type activities.
 3. Each major fund.
 4. The discretely presented component units.
 5. The Town's aggregate remaining fund information which collectively comprise the Town's basic financial statements ("in relation to").
- C. The Audit shall be performed in accordance with:
1. GAAP.
 2. Auditing standards generally accepted in the United States of America ("GAAS") as set forth by the American Institute of Certified Public Accountants.
 3. The standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards ("GAS").
 4. The provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.
 5. The provisions of U.S. Office of Management and Budget ("OMB") Uniform Guidance.
 6. State of Arizona Uniform Expenditures Reporting System requirements mandated by ARIZ. REV. STAT. § 41-1279.07, with guidelines set forth by the Arizona Auditor General.
 7. State of Arizona Highway User Revenue Fund ("HURF") expenditure requirements pursuant to ARIZ. REV. STAT. § 9-481(B)(2).
- D. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on the internal controls and compliance, are not to be included in the CAFR but are to be issued separately.
- E. The Audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- F. Consultant shall plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

- G. If applicable, as required by the Single Audit Act Amendments of 1996 and Uniform Guidance, the Audit shall include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. The Town currently does not have a Single Audit reporting requirement.

3.2 Audit-related Reports. Following the completion of the Audit of each fiscal year's financial statements, Consultant shall issue:

- A. An independent auditor's report on the fair presentation of the basic financial statements in conformity with GAAP and an in-relation-to opinion on the combined and individual non-major governmental fund financial statements.
- B. An independent auditor's report on compliance and internal control over financial reporting based on an audit of the financial statements performed in accordance with GAS.
- C. An independent auditor's report on compliance with requirements applicable to each major federal program, internal control over compliance and schedule of expenditures of federal awards in accordance with OMB Uniform Guidance, if applicable.
- D. A schedule of findings and questioned costs, if applicable.
- E. A summary schedule of prior audit findings and corrective action plan, if applicable.
- F. A schedule of LTAF II Expended Revenues and Expenditures.
- G. Auditor's letter of recommendations to management which shall include statements on audit findings and recommendations affecting the financial statements, internal controls, accounting system, legality of actions, instances of noncompliance with laws and regulations and any other material matters. A draft of the letter shall be delivered to the Director for review and approval prior to its release.
- H. An independent auditor's report on the Annual Expenditure Limitation Report prepared in compliance with A.R.S. § 41-1279.07.
- I. An independent auditor's report affirming the Town is in compliance with the HURF and other dedicated transportation revenues requirements pursuant to A.R.S. § 9-481(B)(2).

- J. Schedule of Expenditures of Federal Awards, if applicable. Consultant will provide an “in-relation-to” report on that schedule based on the auditing procedures applied during the audit of the financial statements.
- K. External review of the Fountain Hills Municipal Court every three years performed in accordance with the Minimum Accounting Standards, Compliance Checklist and Guide for External Review by Auditors. The next audit will be required for the fiscal year ending June 30, 2017.
- L. Consultant will immediately give a written report to the Director, Town Manager and Town Council of all irregularities and illegal acts or indications of illegal acts of which they become aware.
- M. Consultant shall submit a Management Letter of Comments and Recommendations for improvement of programs and financial management per the Consultant’s opinion with the financial statements after examining the Town’s systems of internal control. Consultant shall include the following deficiencies:
 - 1. Control deficiency – A deficiency that exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.
 - 2. Material weakness – A deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.
 - 3. Significant deficiency – A deficiency, or a combination of deficiencies, in internal control over financial reporting, which is less severe than a material weakness yet important enough to merit attention by those responsible for oversight of the company’s financial reporting.

3.3 Reporting to Town Council. Consultant shall make an oral presentation of the annual reports to the Town Council no later than the last regular Council meeting in December of each year, which shall be included in the fiscal year end audit fee. During the presentation, Consultant shall inform the Town Council of the following:

- A. Consultant’s responsibility under GAAS.
- B. Significant accounting policies.

- C. Management judgments and accounting estimates.
- D. Significant audit adjustments.
- E. Other information in documents containing audited financial statements.
- F. Disagreements with management.
- G. Management consultation with other accountants.
- H. Major issues discussed with management prior to retention.
- I. Difficulties encountered in performing the audit.

3.4 Additional Duties.

- A. Consultant shall be available for intermittent requests for information relevant to technical accounting issues, implementation of new authoritative pronouncements and other significant issues that may affect the Town's financial statements.
- B. The Town sends its CAFR to the Government Finance Officers Association of the United States and Canada ("GFOA") for review in their Certificate of Achievement for Excellence in Financial Reporting program (the "Certificate Program") and has been awarded a certificate for the last 19 consecutive years. Consultant will be required to review the financial statements against the Certificate Program checklist to ensure compliance with the requirements of the Certificate Program. Consultant shall also (i) consolidate the audit, financial statements, Management Discussion and Analysis and all other supplemental information for the CAFR, (ii) bind the final copy of same and (iii) submit same to the GFOA.

3.5 Report Review and Distribution.

- A. Following completion of draft audit reports, Consultant shall submit copies of the draft reports and management letter to the Director for review and approval.
- B. Upon completion of the final reports, Consultant shall provide paper copies and one electronic (PDF) copy of all audit reports, management letter and required communications to the Town.
- C. If applicable, Consultant shall submit one electronic copy of the audit reporting package and data collection form to the Federal Audit Clearinghouse and provide one electronic copy of the audit reporting package to other pass-through entities when the schedule of findings and

questioned costs discloses audit findings related to federal awards that the pass-through entities provided or the summary schedule of prior audit findings reports on the status of prior findings related to federal awards that the pass-through entities provided.

D. Consultant will make no other distribution unless approved by the Town.

E. Consultant must prepare, type, print and bind all reports and schedules.

3.6 Exit Conference. Consultant must be available to participate in one or more exit conferences with members of the Town. Exit conferences will be coordinated through the Director. The purposes of the exit conferences are to discuss the draft audit reports with the Town, identify any errors and obtain comments on report findings and recommendations.

3.7 Retention. The audit firm shall retain the audit documentation in its entirety for a period of five years after the date of the audit reports. The audit documentation shall be subject at all reasonable times to review upon request by the Auditor General or designee, the United States Government Accountability Office, or other appropriate governmental agencies, if so requested. The working papers shall also be made available to any public accounting firm for the purpose of conducting quality monitoring programs of Consultant's work. The Town shall be notified in writing of any requests to review Consultant's working papers.

4.0 Time Requirements.

4.1 Work and Conference Schedule for the Fiscal Year 2015-2016 Audit. The following are key dates to the Town's preparation of the CAFR and the related Audit, which are subject to change upon mutual agreement during the contract term. A similar time schedule will be developed for future fiscal year audits if the Town exercises its option for renewal terms.

A. May or June 2016 – Entrance Conference. The purpose of this meeting will be to provide a preliminary review of the Town's operations and discuss the interim work to be performed. This meeting will also be used to establish overall liaison for the Audit, to make arrangements for Consultant's work space and needs and Consultant shall provide a list of all interim schedules to be prepared by the Town.

B. June or July 2016 – Interim Work and Progress Conference. Consultant may begin interim work at this time. At the completion of interim work, a meeting will be held for the purpose of summarizing the results of the preliminary review and interim work and identifying the key internal controls or other matters to be tested.

- C. July or August 2016 – Detailed Audit Plan. Consultant shall provide the Town with a detailed Audit plan and a list of all year-end schedules, including Audit confirmation letters, to be prepared by the Town.
- D. September 2016 – Fieldwork. Consultant shall complete all fieldwork during the month of September.
- E. Late September 2016 to Early October – Exit Conference. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.
- F. Early to Mid-October 2016 – Auditor’s Opinion. The signed auditor’s opinion will be delivered to the Finance Division.

4.2 Final Reports and Schedules Due Dates.

- A. The Finance Division shall prepare the working papers, which will be ready for Consultant’s arrival in September 2016. Consultant shall provide all recommendations, revisions and suggestions for improvement by early to mid-October 2016.
- B. Once all issues for discussion are resolved, the independent auditors’ report shall be delivered to the Director no later than mid-October 2016.

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HEINFELD, MEECH & CO., P.C.

[Engagement Letter]

See following pages.

March 22, 2016

Honorable Mayor, Town Council, and Management
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

We are pleased to confirm our understanding of the services we are to provide for Town of Fountain Hills, Arizona (Town) for the year ended June 30, 2016. We encourage you to read this letter carefully as it includes important information regarding the services we will be providing to the Town. If there are any questions on the content of the letter, or the services we will be providing, we would welcome the opportunity to meet with you to discuss this information further.

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Fountain Hills, Arizona as of and for the year ended June 30, 2016. We will also audit the budgetary comparison statements for the General Fund and all major Special Revenue Funds. We have also been engaged to report on supplementary information that accompanies the Town's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the basic financial statements as a whole:

1. Combining and individual fund financial statements and schedules

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town's basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis

The following other information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information.

1. Other information included with the audited financial statements such as the transmittal letter and statistical data

In addition, we will audit the following and issue an audit opinion (or disclaimer of opinion) based on our audit for the year ended June 30, 2016.

1. The Annual Expenditure Limitation Report

We will also provide the necessary services to prepare a report on Highway User Revenue Fund (HURF) expenditures in accordance with ARS §9-481(B)(2).

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We will also report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our responsibility in the expression of opinions is to plan and perform the audit to obtain reasonable assurance, but not absolute assurance, that the financial statements are free from material misstatements.

An important aspect to our expression of opinions on the financial statements is understanding the concept of materiality. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable for us to assume that users –

1. have a reasonable knowledge of business and economic activities and accounting principles, and a willingness to study the information in the financial statements with reasonable diligence;
2. understand that financial statements are prepared, presented, and audited to levels of materiality;
3. recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment, and the consideration of future events; and
4. make reasonable economic decisions on the basis of the information in the financial statements.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town's financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is responsible for (1) establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information for which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Town involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former

employees, grantors, regulators, or others. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is also responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (1) you are responsible for presentation of supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Nonaudit Services

As part of the audit, we will assist with preparation of your financial statements, notes to the financial statements and supplementary information. You have expressed your intention to use these nonaudit services within the scope of your request for proposal for audit services. Upon engagement of the audit we will utilize the general ledger, accounting records, Town prepared schedules and other information provided by Town personnel in order to prepare the necessary year-end adjusting journal entries and to prepare drafts of the financial statements, notes to the financial statements, and the supplementary information. You are responsible for the information provided by the Town and assuming all management responsibilities related to this service. You are also responsible for designing, implementing, and maintaining internal controls over the financial statements processes. Prior to their issuance you will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and acknowledge that you have accepted responsibility for them. Further, you are required to designate an individual with suitable

skill, knowledge, or experience to oversee the nonaudit services we provide, and for evaluating the adequacy and results of these services. As the Town's independent auditor, professional standards place specific requirements on our provision of certain nonaudit services. We are strictly prohibited from assuming management responsibilities or making management decisions; therefore, the nonaudit services we provide are limited to those indicated above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities or making management decisions. Accordingly, to maintain our independence it is imperative that management understand its responsibilities and is capable of fulfilling these responsibilities. If there are any questions or concerns regarding management's responsibilities or ability to fulfill these responsibilities we request that you immediately contact us so that we may assess the circumstance and our continued independence with respect to providing audit services.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Town or to acts by management or employees acting on behalf of the Town. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the Town and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with applicable laws, regulations, contracts, agreements, and grants. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit in May 2016 and conclude audit procedures and date our report in October 2016.

Engagement Administration, Fees and Other

We understand that your employees will prepare and provide us with the items listed in our request for audit information and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will provide copies, which may include electronic copies, of the reports to the Town. It is management's responsibility to submit the reports to any other agencies that request or require the reports.

The audit documentation for this engagement is the property of Heinfeld, Meech & Co., P.C., and constitutes confidential information. However, we may be requested to make certain audit documentation available to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, the U.S. Government Accountability Office, or other authorized governmental agency for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of Heinfeld, Meech & Co., P.C., personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by governmental agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Jennifer Shields is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$31,000, which is the amount in the request for proposal without a Single Audit. Our fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We exercised care in estimating the fee and believe it accurately indicates the scope of the work. Our fee includes one exit meeting to discuss audit results and findings. Subsequent review of documentation and additional meetings will be billed at the hourly rates indicated below. Our fee does not include factors beyond our control, such as new GASB requirements, consultation and assistance in correcting errors in Town-prepared information, or rescheduling of the audit when the Town is not prepared. It will be necessary for you to complete the requested information by certain timelines in order to meet the applicable filing deadlines for your audit reports. Not completing the requested information on time will jeopardize meeting the applicable filing deadlines. Additional fees incurred for factors beyond our control will be billed at the following hourly rates: Partner - \$230; Manager - \$190; Senior - \$125; Staff - \$105. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2015 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Town of Fountain Hills, Arizona and believe that this letter accurately summarizes the significant terms of our engagement. Please feel free to contact us at any time if you have questions or concerns. If you have any questions regarding this letter, please let us know.

Very truly yours,

A handwritten signature in blue ink that reads "Heinfeld, Meech & Co., P.C." in a cursive style.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

cc: Craig Rudolphy, Finance Director



SYSTEM REVIEW REPORT

To the Partners of Heinfeld, Meech & Co., P.C.
and the Peer Review Committee of the
CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Heinfeld, Meech & Co., P.C in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Heinfeld, Meech & Co., P.C has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "M. Urrutia, N. Nelson".

Sacramento, California

August 6, 2015

EXHIBIT D
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HEINFELD, MEECH & CO., P.C.

[Fee Proposal]

See following pages.

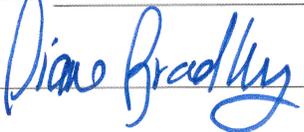
Fee Proposal

Financial Auditing Services

Service	Year 1	Year 2*	Year 3*	Year 4*	Year 5*
Fiscal Year End Audit	\$ 27,250	\$ 28,075	\$ 29,075	\$ 30,075	\$ 31,050
Fiscal Year End Audit of Federal Funds, if applicable	\$ 3,500	\$ 3,600	\$ 3,700	\$ 3,850	\$ 4,000
Additional Audit Reports (HURF)	\$ 750	\$ 775	\$ 800	\$ 825	\$ 850
Annual Expenditure Limitation (AELR) Report	\$ 1,500	\$ 1,600	\$ 1,700	\$ 1,800	\$ 1,900
Local Transportation Assistance (LTAF II) Funds	\$ 1,000	\$ 1,050	\$ 1,100	\$ 1,150	\$ 1,200
Fountain Hills Municipal Court (every 3 years)	\$ N/A	\$ 3,750	\$ N/A	\$ N/A	\$ 4,000
GFOA Fees for Certificate of Achievement	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Other	\$ N/A				
TOTAL	\$ 34,500	\$ 39,350	\$ 36,875	\$ 38,200	\$ 43,500

*Proposed annual increase should not exceed 5% per year.

Company Name: Heinfeld, Meech & Co., P.C.

Signature: 

(CONTINUED ON NEXT PAGE)

Supporting Schedule Of Professional Fees And Expenses

Financial Auditing Services (Year 1)

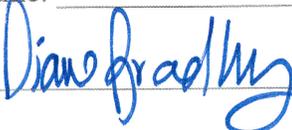
Category	Hours	Hourly Rates	Total
Partner	35	\$ 200	\$ 7,000
Manager (Audit Supervisor)	80	\$ 130	\$ 10,400
Supervisory Staff	90	\$ 100	\$ 9,000
Staff	80	\$ 85	\$ 6,800
Other (specify) Admin	20	\$ 40	\$ 800
GFOA CAFR application fee	N/A	N/A	\$ 500
Total*	305	\$ N/A	\$ 34,500

*Total must agree with price shown on Fee Proposal page.

Rates for Additional Professional Services

If it should become necessary for the Town to request Consultant render additional services to either supplement the Services to be provided in this Agreement or to perform additional work as a result of the specific recommendations included in any report issued, then such additional work shall be performed only if set forth in an addendum to the agreement between the Town and Consultant. Any such additional work agreed to between the Town and Consultant shall be performed at the same rates set forth in this Fee Proposal.

Company Name: Heinfeld, Meech & Co., P.C.

Signature: 

Rates for Additional Professional Services: Partner - \$230; Manager/Audit Supervisor - \$190;
Supervisory Staff - \$125; Staff - \$105; Administrative - \$40

Any additional work authorized by the Town completed before June 30, 2017 will be billed at the following hourly rates. These hourly rates will be increased 3% annually for any work completed after June 30, 2017. Any required additional services will be discussed with the Town in advance and may be billed at the hourly rates listed below or at a negotiated fixed fee, depending on the nature of the additional work.



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Consent

Submitting Department: Development Services

Staff Contact Information: Randy Harrel, Town Engineer; 480-816-5112; e-mail: rharrel@fh.az.gov

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of directing Staff to authorize approval of the supplemental SRP Municipal Aesthetics Fund project - "El Pueblo and Grande Conversion and 69 kV Pole Replacement".

Applicant: N/A

Applicant Contact Information: N/A

Owner: Salt River Project

Owner Contact Information: Janice Cacioppo/ SRP Municipal Aesthetics Fund Program Administrator

Tele: 602-236-3735

E-mail: Janice.Cacioppo@srpnet.com

Property Location: vicinity of El Pueblo Blvd./ Grande Blvd.

Related Ordinance, Policy or Guiding Principle: N/A

Staff Summary (background): On 11-20-14, Staff presented the history, purpose, and current status of the Town's account in the Salt River Project Municipal Aesthetics Fund (SRP MAF) to the Town Council, and 6 projects funded by that account were directed to be authorized. The current status of those projects are:

1. Faux Saguars (fiberglass poles for the SRP Smart Router system) - Construction completed.
2. MCO-Adero Upgrade (replacing wood poles with steel poles on the 69 kV line through Adero Canyon, per the Revised Settlement Agreement) - Construction substantially completed.
3. Underground at Shea (at east Town limits; 3-span option) - Authorized; SRP design underway.
4. Underground at Palisades (near Wheeler Substation; downscoped by SRP to 1-span) - Authorized; SRP design underway.
5. Scottsdale IGA Swap - Not implemented (Scottsdale terminated project.)
6. Underground at Caliente Wash - Authorized; SRP design underway.

The Town's available MAF account balance will exceed SRP's allowed cap, and an additional project needs to be authorized by the Town prior to the end of April, to avoid loss of those excess funds, due to the:

* Annual SRP contribution into the MAF account.

* Fort McDowell's participation in the "Underground at Palisades" project. (Fort McDowell had excess SRP MAF funds in 2015, without their own available replacement project.)

* SRP downscoped the "Underground at Palisades" project from the 2-span option authorized by the Town to 1-span.

- * Deletion of the "Scottsdale IGA Swap" project.
- * SRP cost estimate decreases at several of the above-noted projects.

Per the attached SRP Municipal Aesthetics Program Funding Summary dated 3-17-16, the Town's available funding in its SRP MAF account is currently \$561,200 (which will exceed SRP's maximum allowed carry-forward balance at the end of April. "At-risk" funds = \$361,200. Note that SRP has normally allocated an additional \$100,000 contribution to the Town's MAF account on each May 1.)

At the Town's request, SRP has provided an "Aesthetics Updated Conceptual Cost Estimate" for an additional MAF project - "El Pueblo and Grande Conversion and 69 kV Pole Replacement" (attached), which is valid through April 30. (In Staff's 11-20-14 presentation to the Town Council, this project had been shown as an "Other Potential Project", and had been labelled as potential Project "B3".) This project will underground the overhead 12 kV lines crossing the El Pueblo Blvd./Grande Blvd. intersection. (Note: The existing overhead 12 kV wires are underhung below the 69 kV wires at this location. The cost of undergrounding 69 kV wires greatly exceeds the Town's MAF account value. The underhung CATV/Tele wires will need to be relocated in joint trench, by that utility.) This project will also replace two existing wood poles with steel poles (and in doing so, will remove 14 steel guy wires, one overhead guy span wire, and one wood guy pole). SRP's Updated Conceptual Estimate for this work is \$451,400.

Risk Analysis (options or alternatives with implications): SRP indicates that the Town would forfeit \$361,200 in SRP MAF funding at the end of April, if this project is not approved.

Fiscal Impact (initial and ongoing costs; budget status): All of this project's above-noted design and construction costs will be paid for by SRP's MAF.

(Note: If new easements are needed for this project (e.g. if electrical cabinets need to be set in new easements, outside of the Town's existing right-of-way), the Town will be directly responsible for any costs to prepare the easement documents and to obtain the easements.)

Budget Reference (page number): N/A

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): N/A

Staff Recommendation(s): Staff recommends approval of the SRP MAF "El Pueblo and Grande Conversion and 69 kV Pole Replacement" project.

List Attachment(s):

SRP MAF Proposed Project Locations Map, dated 10-21-14, revised (to show this added project) 3-21-16.

Aerial Photo Map

Existing Wiring Photos (2)

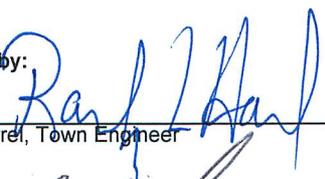
J. Cacioppo/SRP "Municipal Aesthetics Program Funding Summary", dated 3-17-16

J. Cacioppo/SRP "Aesthetics Updated Conceptual Cost Estimate", dated 3-16-16, w/ Funding Agreement attachment.

J. Cacioppo/SRP "Aesthetics Conceptual Cost Estimate", dated 11-12-15, w/ attachments.

SUGGESTED MOTION (for Council use): Move to direct Staff to authorize the SRP MAF "Aesthetics Updated Conceptual Cost Estimate", dated 3-16-16, for the "El Pueblo and Grande Conversion and 69 kV Pole Replacement" project.

Prepared by:



Randy Harrel, Town Engineer 3/22/2016

Director's Approval:



Paul Mood, Development Services Director 3/22/2016

Approved:



Grady E. Miller, Town Manager 3/29/2016

SRP MAF PROPOSED PROJECT LOCATIONS

SEE SEPARATE MAPS:

- 1 SRP SMART ROUTER SYSTEM: **CONSTRUCTION**
FAUX SAGUAROS (STEEL POLES) **COMPLETED**
- 2 MCO - ADERO 69 KV STEEL POLE UPGRADE **CONSTRUCTION**
COMPLETED



**CONSTRUCTION
COMPLETED**

LEGEND

- WOOD SRP POLE - 69 KV
- WOOD SRP POLE - 12 KV OR GUY
- STEEL SRP POLE
- UNDERHUNG WIRING



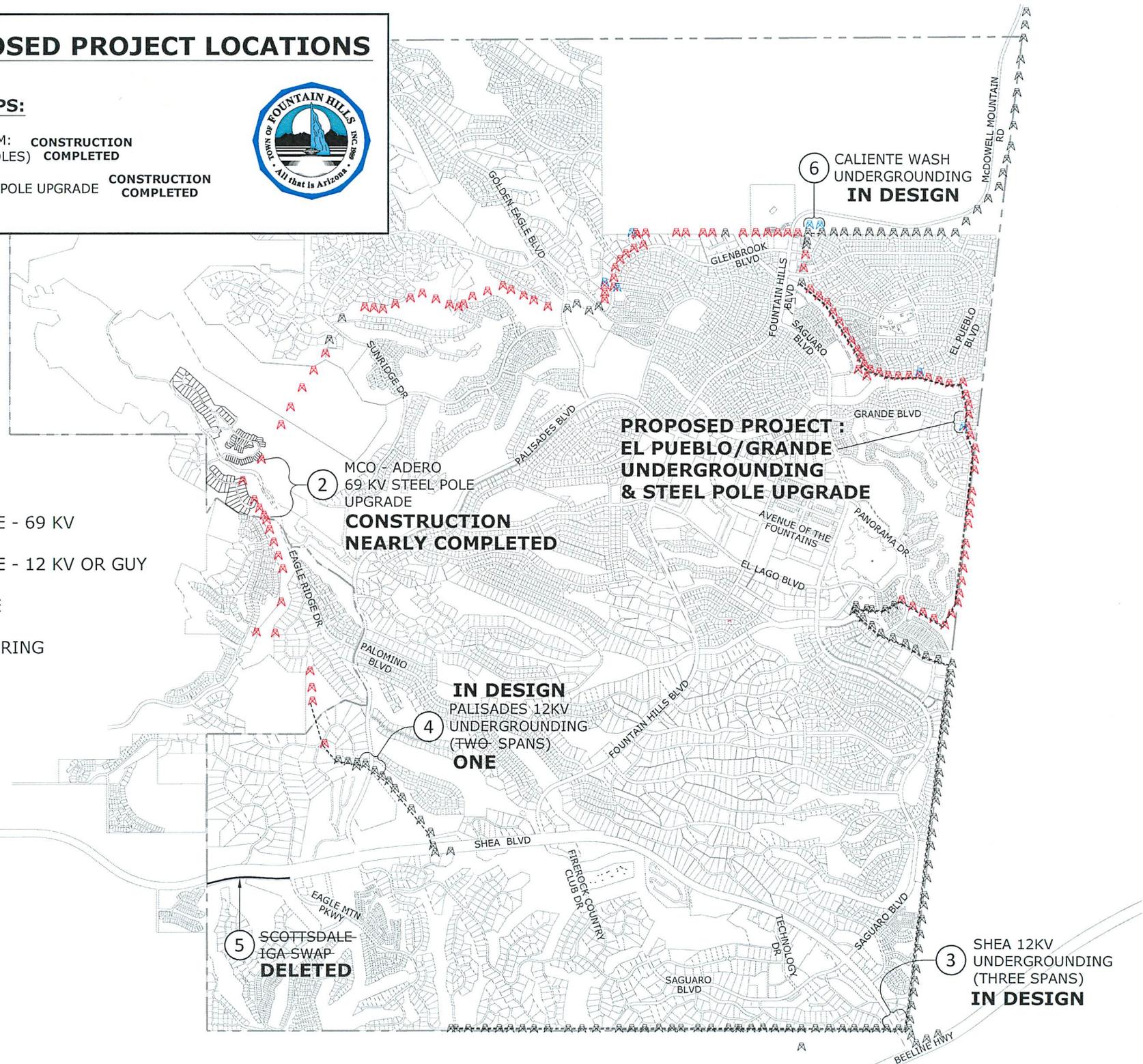
NORTH

0 1750' 3500'

SCALE: 1"=3500'

MAP DATE: 10-21-14

REV DATE: 3-21-16



2 MCO - ADERO 69 KV STEEL POLE UPGRADE
CONSTRUCTION NEARLY COMPLETED

4 **IN DESIGN**
PALISADES 12KV UNDERGROUNDING (TWO SPANS)
ONE

5 SCOTTSDALE IGA-SWAP
DELETED

6 CALIENTE WASH UNDERGROUNDING
IN DESIGN

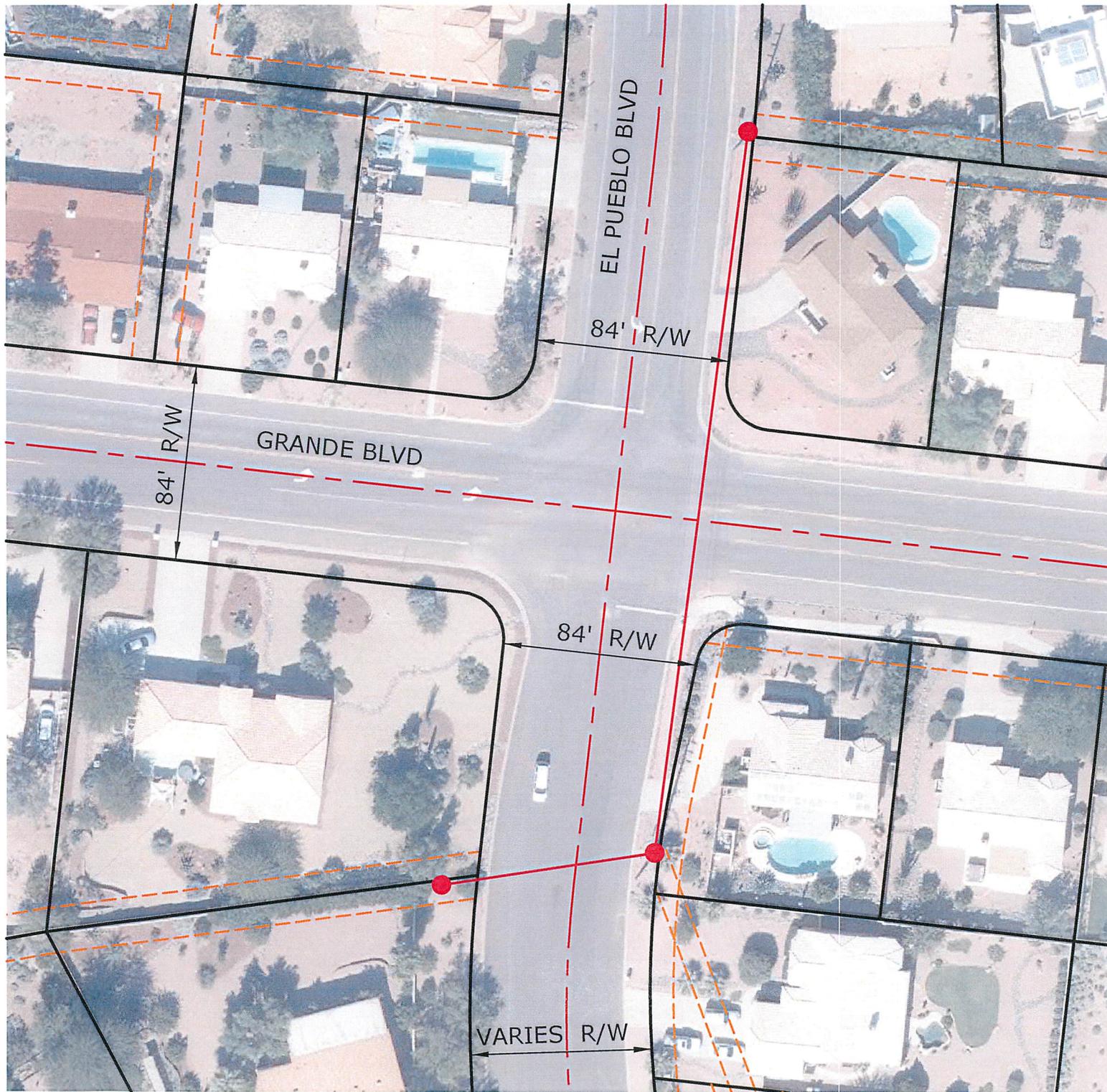
**PROPOSED PROJECT:
EL PUEBLO/GRANDE
UNDERGROUNDING
& STEEL POLE UPGRADE**

3 SHEA 12KV UNDERGROUNDING (THREE SPANS)
IN DESIGN



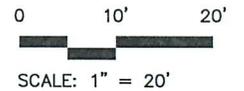
DEVELOPMENT SERVICES

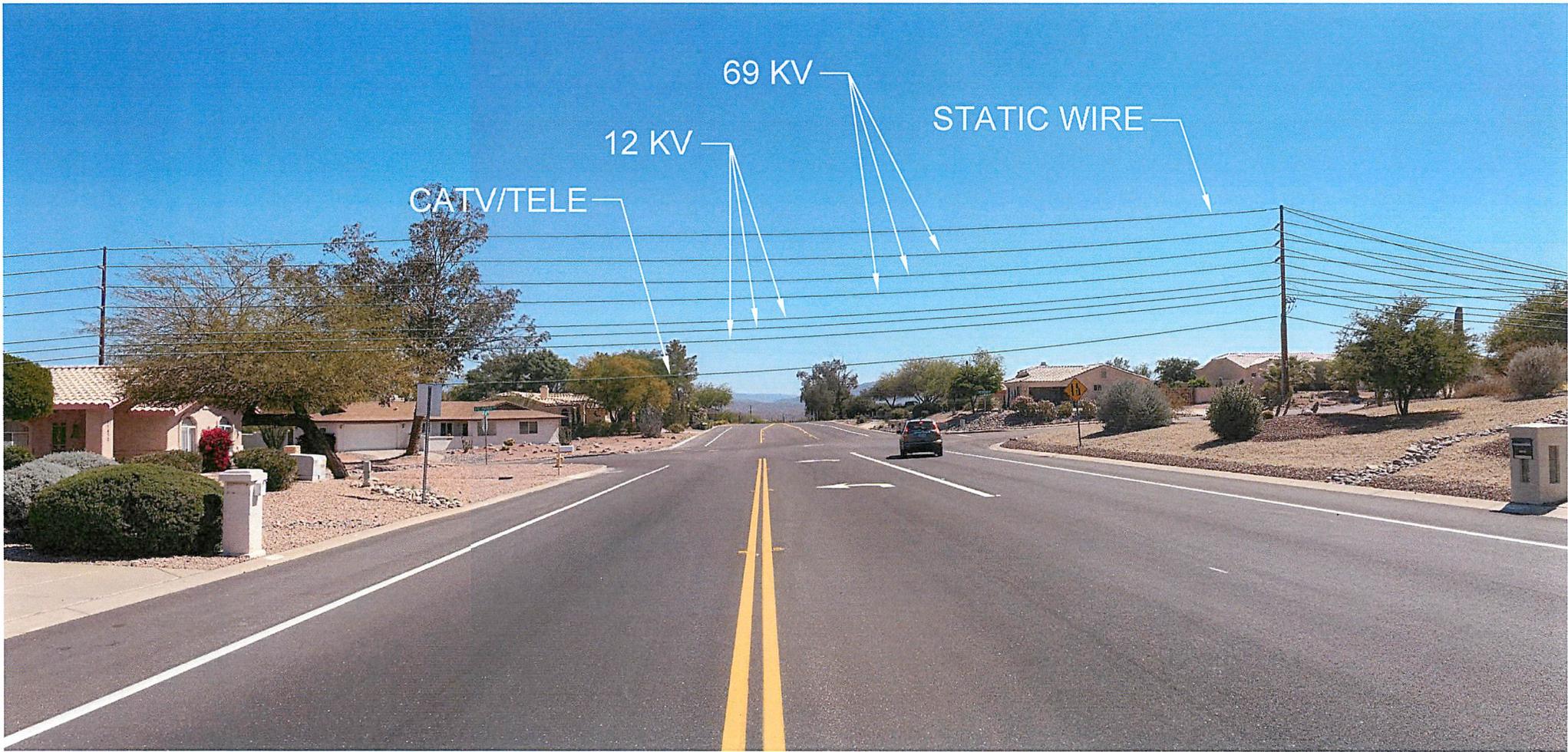
2014 PHOTO MAP



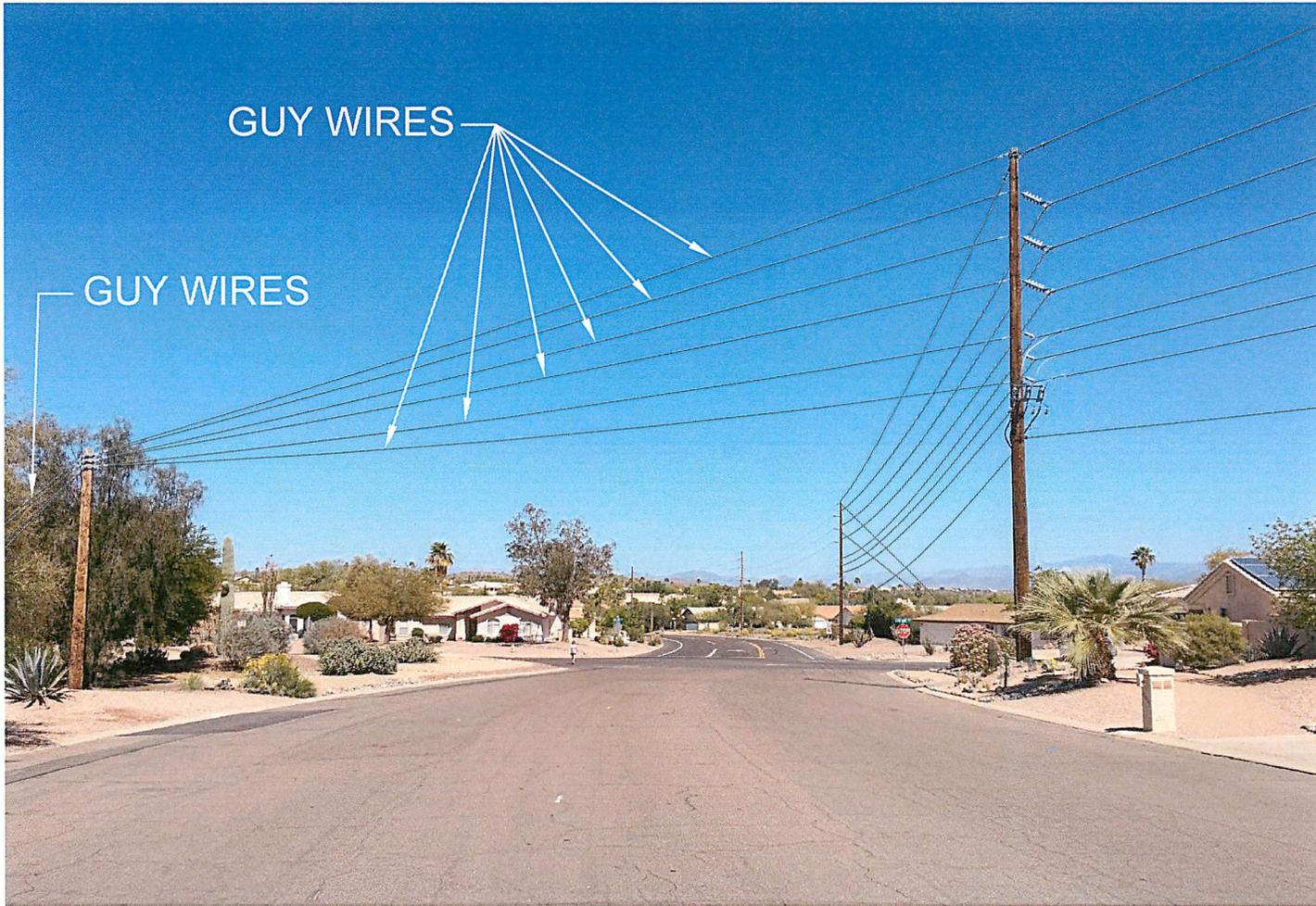
LEGEND:

- LOTLINE
- ROW
- CENTERLINE
- EASEMENT
- EXISTING SRP FACILITIES TO BE MODIFIED





TYPICAL WIRING
GRANDE BLVD - LOOKING EAST



TYPICAL WIRING
EL PUEBLO BLVD - LOOKING NORTH



MUNICIPAL AESTHETICS PROGRAM FUNDING SUMMARY
March 17, 2016
FOUNTAIN HILLS

SRP FISCAL YEAR (May 1-Apr 30)	FUNDING ALLOCATION	ALLOCATION FORFEITED (5)	SRP MATCHING FUNDS	LOANS/GIFTS TO/FROM OTHER MUNIS	MUNI	ADVANCED FUNDING	ADVANCED FUNDING REPAYMENT	FISCAL YEAR FUNDING TOTAL
1991/1992	\$ 50,000		\$ -	\$ -				\$ 50,000
1992/1993	\$ 27,000		\$ -	\$ -				\$ 27,000
1993/1994	\$ 72,000		\$ -	\$ -				\$ 72,000
1994/1995	\$ 110,000		\$ -	\$ -				\$ 110,000
1995/1996 (1)	\$ 521,018		\$ -	\$ -				\$ 521,018
1996/1997	\$ 357,820		\$ -	\$ -				\$ 357,820
1997/1998	\$ 646,680		\$ -	\$ -				\$ 646,680
1998/1999	\$ 58,171		\$ -	\$ -				\$ 58,171
1999/2000	\$ 110,947		\$ -	\$ -				\$ 110,947
2000/2001	\$ 278,108		\$ -	\$ -				\$ 278,108
2001/2002	\$ 542,326		\$ -	\$ -				\$ 542,326
2002/2003	\$ 171,994		\$ -	\$ -				\$ 171,994
2003/2004	\$ 134,565		\$ -	\$ -				\$ 134,565
2004/2005 (2) (3)	\$ 43,449		\$ -	\$ (155,942)	FM			\$ (112,493)
2005/2006	\$ 28,787		\$ -	\$ -				\$ 28,787
2006/2007	\$ 52,338			\$ -		\$ -	\$ -	\$ 52,338
2007/2008	\$ 36,732			\$ -		\$ -	\$ -	\$ 36,732
2008/2009	\$ 540,543			\$ -		\$ -	\$ -	\$ 540,543
2009/2010	\$ 73,389			\$ -		\$ -	\$ -	\$ 73,389
2010/2011 (4)	\$ 100,000			\$ -		\$ -	\$ -	\$ 100,000
2011/2012 (4)	\$ 100,000			\$ -		\$ -	\$ -	\$ 100,000
2012/2013	\$ 100,000			\$ -		\$ -	\$ -	\$ 100,000
2013/2014	\$ 100,000			\$ -		\$ -	\$ -	\$ 100,000
2014/2015	\$ 100,000	\$ -		\$ -		\$ -	\$ -	\$ 100,000
2015/2016	\$ 100,000	\$ -		\$ -		\$ -	\$ -	\$ 100,000
								\$ -
								\$ -

TOTALS \$ 4,455,867 \$ - \$ - \$ (155,942) \$ - \$ - \$ - \$ 4,299,925

LESS COMPLETED PROJECTS TOTAL \$ 2,735,454

ADVANCED FUNDING SUMMARY	
Amount Advanced	\$ -
Amount Repaid	\$ -
Advancement Amount Owed	\$ -

SUBTOTAL \$ 1,564,471

LESS ACTIVE PROJECTS TOTAL \$ 1,003,271

AVAILABLE FUNDING \$ 561,200

LESS PENDING PROJECTS TOTAL \$ 451,400

FUNDING BALANCE IF PENDING PROJECTS APPROVED \$ 109,800

AT RISK FUNDING	FY14 FUNDS
At Risk incl Active Projects	\$ 361,200
At Risk incl Active + Pending Projects	\$ -

(1) FY95/96 FH committed use of \$573,518 in funding to Ft McDowell Indian Nation for aesthetically qualifying projects. FM is not part of program at that time

(2) FY04/05 FH transfer of \$60,842 of unused funds from prior commitment to Ft McDowell Indian Nation.

(3) 5/19/10 Audit: Corrected amount transferred to Ft McDowell. From \$60,842 to \$155,942. Also moved 2 completed jobs to FM Funding Summary



MUNICIPAL AESTHETICS PROGRAM FUNDING SUMMARY

March 17, 2016

FOUNTAIN HILLS

ESTIMATING

LINE #	SRP REF #	MUNI PROJ #	JOB NAME	DATE REQUESTED	ESTIMATE REQUESTED
1					
2					
3					

PENDING APPROVAL

LINE #	SRP REF #	MUNI PROJ #	JOB NAME	ESTIMATE DATE	ESTIMATE AMOUNT
1	T2107979		EL PUEBLO AND GRANDE CONVERSION	11/12/15	\$ 280,500
2	T2107982		EL PUEBLO AND GRANDE REMOVAL	11/12/15	\$ 9,900
3	ARC00001860		EL PUEBLO AND GRANDE 69KV POLE REPLACEMENT	11/12/15	\$ 161,000
4					
				TOTAL	\$ 451,400

ACTIVE

LINE #	SRP REF #	MUNI PROJ #	JOB NAME	ESTIMATE DATE	ESTIMATE AMOUNT
1	T2052829		CALIENTE WASH CONVERSION	10/21/15	\$ 152,400
2	T2052830		CALIENTE WASH REMOVAL	10/21/15	\$ 14,400
3	T2052827		SHEA BLVD/BEELINE CROSSING CONVERSION	10/21/15	\$ 596,300
4	T2052828		SHEA BLVD/BEELINE CROSSING REMOVAL	10/21/15	\$ 34,400
5	T2052824		PALISADES BLVD CONVERSION (co-fund w/FM)	11/4/15	\$ 100
6	T2052825		PALISADES BLVD REMOVAL (co-fund w/FM)	11/4/15	\$ 100
7	ARC0001855		PALISADES BLVD 69KV POLE REPLACEMENT (co-fund w/FM)	11/4/15	\$ 13,971
8	T1951204		ADERO CANYON 69KV POLE UPGRADES	9/25/14	\$ 191,600
				TOTAL	\$ 1,003,271



P. O. Box 52025
 Phoenix, AZ 85072-2025
 (602) 236-5900
 www.srpnet.com

March 16, 2016

Paul Mood
 Town of Fountain Hills
 16705 E Avenue of the Fountains
 Fountain Hills, AZ 85268

File No.: PSG-103.09.09
 Ref No.: MAPE-1531

**SUBJECT: EL PUEBLO AND GRANDE CONVERSION AND 69KV POLE REPLACEMENT –
 AESTHETICS UPDATED CONCEPTUAL COST ESTIMATE**

Dear Paul,

Per Randy Harrel's email dated March 10, 2016, Fountain Hills has requested an extension to the Aesthetics Conceptual Estimate valid thru date. The estimate provided to the town dated November 12, 2016 expired on March 11, 2016 and was never approved by Fountain Hills. Therefore, SRP has prepared an Aesthetics Updated Conceptual Cost Estimate to bury an existing 12kV overhead span underbuilt on 69kV poles along El Pueblo Blvd crossing Grande Blvd and replace both two 69kV wood poles to steel at both ends of the 12kV span. The scope of work for this conversion project has not changed. The estimate has been updated to reflect current costs.

UPDATED CONCEPTUAL COSTS:

SRP REF #	JOB SCOPE	COSTS
T2107979	Trench/Conduit	\$ 71,400
	Electrical	\$ 209,100
	Underground Subtotal	\$ 280,500
T2107982	Overhead Removal	\$ 9,900
TBD	69kV Pole Replacement	\$ 161,000
TOTAL UPDATED CONCEPTUAL ESTIMATE		\$ 451,400

We have extended the estimate expiration date through **April 30, 2016** so this project can be presented to Town Council on April 7th. Please sign and email the attached updated Aesthetics Funding Agreement to me. A Definitive Cost Estimate will be prepared and sent to you upon completion of design and prior to construction.

This estimate must be approved and sent to SRP before April 20, 2016 to avoid forfeiture of Aesthetics funds at the end of April. Failure to approve this project's funding before the end of April may result in forfeiture potentially \$361,200.

Please contact me at (602) 236-3735 or at Janice.Cacioppo@srpnet.com if you have any questions regarding the Aesthetics funding.

Sincerely,



Janice Cacioppo
 Municipal Aesthetics Program Administrator

Sent via Email

c: Randy Harrell, Fountain Hills
 V Silvestro
 B Priest
 File



P. O. Box 52025
 Phoenix, AZ 85072-2025
 (602) 236-5900
 www.srpnet.com

November 12, 2015

Paul Mood
 Town of Fountain Hills
 16705 E Avenue of the Fountains
 Fountain Hills, AZ 85268

File No.: PSG-103.09.09
 Ref No.: MAPE-1511

**SUBJECT: EL PUEBLO AND GRANDE CONVERSION AND 69KV POLE REPLACEMENT –
 AESTHETICS CONCEPTUAL COST ESTIMATE**

Dear Paul,

Per Randy Harrel's request, SRP has prepared an Aesthetics Conceptual Cost Estimate to bury an existing 12kV overhead span underbuilt on 69kV poles along El Pueblo Blvd crossing Grande Blvd and replace both two 69kV wood poles to steel at both ends of the 12kV span.

JOB SCOPE:

Underground Conversion: Install approximately 250 linear feet of trench and conduit and bore approximately 200 linear feet. If SRP does civil work then SRP will be responsible for backfill and restoration. SRP to install approximately three (3) three phase pad mounted devices, approximately two (2) risers, and approximately 6,890 linear feet of underground primary and feeder aluminum conductor.

Overhead Removal: SRP to remove approximately 750 linear feet of conductor with neutral.

69kV Pole Replacement: SRP to remove two (2) wood 69kV transmission poles (P-25 and P-26), one (1) guy pole, and associated guy wires and transfer existing conductors. SRP to install two (2) self-supporting, unguyed steel poles. Estimate assumes new poles can be set in place. If additional excavation and rocky soils are encountered, the cost could increase substantially. The pole replacements are required with the 12kV conversion work due to the added load from construction of new facilities on the poles; however, the pole replacements can also be done without the conversion so the guy wires and guy pole can be eliminated.

COSTS:

Conversion Project Costs including 69kV Pole Replacement:

SRP REF #	JOB SCOPE	COSTS
T2107979	Trench/Conduit	\$ 79,800
	Electrical	\$ 228,400
	Underground Subtotal	\$ 308,200
T2107982	Overhead Removal	\$ 10,800
TBD	69kV Pole Replacement	\$ 182,000
TOTAL COST ESTIMATE - 12kV Conversion, 69kV Poles		\$ 501,000

69kV Pole Replacement Only:

SRP REF #	JOB SCOPE	COSTS
TBD	69kV Pole Replacement	\$ 182,000
TOTAL COST ESTIMATE - 69kV Poles Only		\$ 182,000

This Conceptual Cost Estimate is valid through **March 10, 2016**. Please sign and email the attached Aesthetics Funding Agreement to me. A Definitive Cost Estimate will be prepared and sent to you upon completion of design and prior to construction.

Please contact me at (602) 236-3735 or at Janice.Cacioppo@srpnet.com if you have any questions regarding the Aesthetics funding.

Sincerely,



Janice Cacioppo
Municipal Aesthetics Program Administrator

Sent via Email

c: Randy Harrell, Fountain Hills
V Silvestro
B Priest
File

SUPERSEDED



November 12, 2015
 File No.: PSG-103.09.09
 Ref No.: MAPE-1511

**MUNICIPAL AESTHETICS PROGRAM
 FUNDING AGREEMENT**

CONCEPTUAL ESTIMATE DEFINITIVE COSTS REVISED COSTS

PROJECT NAME: EL PUEBLO AND GRANDE CONVERSION AND 69KV POLE REPLACEMENT

MUNICIPALITY PROJECT #:

ESTIMATE DATE: 11/12/15

VALID THROUGH: 03/10/16

SUPERSEDED

SRP REF #	JOB SCOPE	SRP TRENCH/CONDUIT	MUNICIPALITY TRENCH/CONDUIT
T2107979	Trench/Conduit	\$ 79,800	\$ -
	Electrical	\$ 228,400	\$ 228,400
	Underground Subtotal	\$ 308,200	\$ 228,400
T2107982	Overhead Removal	\$ 10,800	\$ 10,800
TBD	69kV Pole Replacement	\$ 182,000	\$ 182,000
	TOTAL COST ESTIMATE	\$ 501,000	\$ 421,200

CONDITIONS:

- This estimate is valid for 120 days from the date of this agreement after which a revised cost may be determined.
- A Definitive Cost will be sent to the Municipality upon design completion.
- SRP reserves the right to adjust the estimate to reflect current costs.
- The Municipality's SRP Municipal Aesthetics allocation exposure for this project will not exceed actual costs incurred by SRP.
- Any future relocation of the facilities associated with this project will be at the cost of those other than SRP, including use of SRP Municipal Aesthetics funds.
- Construction will be done during normal SRP work hours unless otherwise agreed to.
- Lane closures that do not impede the normal workflow of traffic will be allowed unless otherwise agreed to.

Power Projects:

- As a condition of the use of SRP Aesthetics funds the Municipality is required to provide SRP with a land right that is acceptable to SRP for all relocated and new facilities installed on Aesthetics projects.
- If the Municipality requires any additional conduits be placed in the trench an agreement must be in place with SRP prior to the start of construction.
- If applicable, Telco and CATV will be offered a joint trench opportunity per existing agreements. Joint trench costs for other utilities are not fundable through the SRP Municipal Aesthetics Program.
- Municipality streetlight requirements, if applicable, will be provided early in the design process. Streetlight pole installation and connection costs are the responsibility of the Municipality.

Trench Provider: SRP _____ Municipality _____ (please initial choice of provider)

69KV Pole Replacement Only: _____ (please initial if replacing 69kV poles only-No conversion)

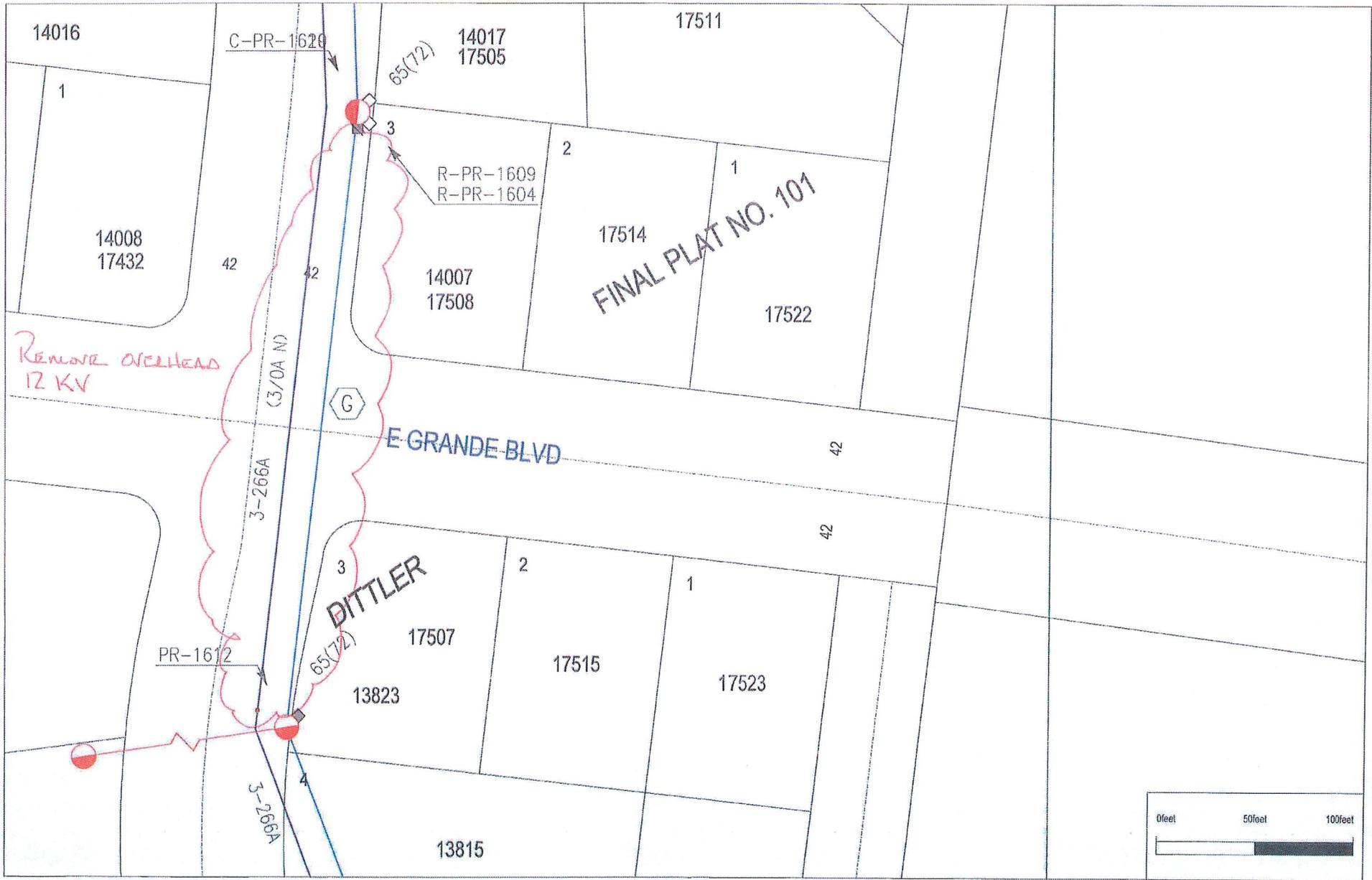
Municipality: TOWN OF FOUNTAIN HILLS

Print Name: _____ Title: _____

Approved: _____ Date: _____
 Signature

Declined: _____ Date: _____
 Signature

Return signed Funding Agreement to: Janice.Cacioppo@srpnet.com



14016

C-PR-1629

14017
17505

17511

1

65(72)

3

R-PR-1609
R-PR-1604

2

1

14008
17432

42

42

17514

FINAL PLAT NO. 101

14007
17508

17522

REMOVE OVERHEAD
12 KV

(3/0A N)

G

E GRANDE BLVD

42

3-266A

42

DITTLER

3

2

1

PR-1612

65(72)

17507

17515

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13823

3-266A

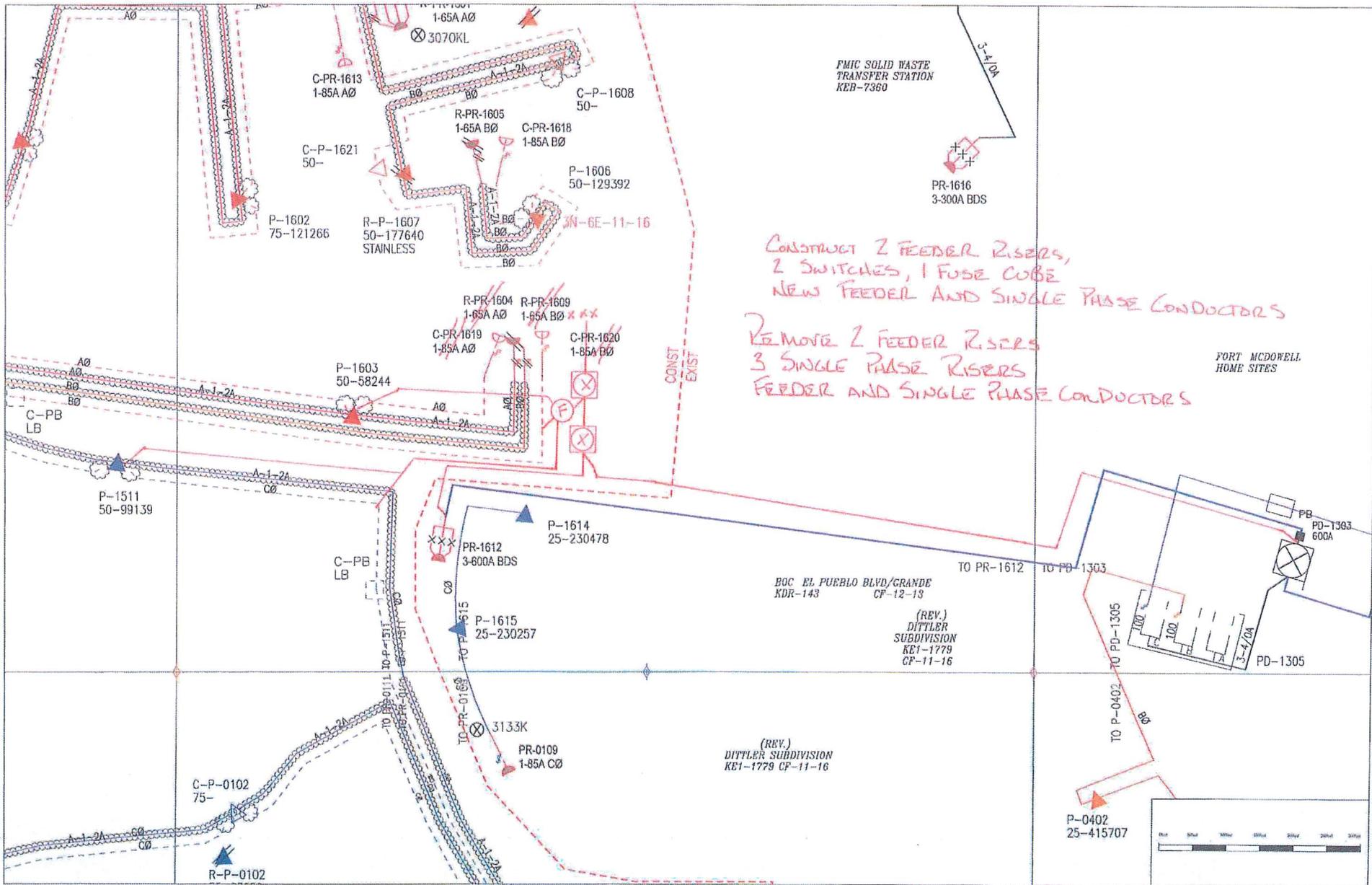
4

13815

0feet 50feet 100feet



THESE PRINTS OF THE SRP OVERHEAD AND UNDERGROUND ELECTRICAL FACILITIES SHOULD BE CONSIDERED AS A GUIDE TO, BUT NOT AN EXACT LOCATION OF, THE LOCATION OF OUR EXISTING FACILITIES. SRP MAKES NO REPRESENTATION AS TO THEIR ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.



FMIC SOLID WASTE
TRANSFER STATION
KEB-7360

PR-1616
3-300A BDS

CONSTRUCT 2 FEEDER RISERS,
2 SWITCHES, 1 FUSE COBE
NEW FEEDER AND SINGLE PHASE CONDUCTORS

REMOVE 2 FEEDER RISERS
3 SINGLE PHASE RISERS
FEEDER AND SINGLE PHASE CONDUCTORS

FORT MCDOWELL
HOME SITES

BOC EL PUEBLO BLVD/GRANDE
KDR-143 CF-12-13

(REV.)
DITTLER
SUBDIVISION
KE1-1779
CF-11-16

(REV.)
DITTLER SUBDIVISION
KE1-1779 CF-11-16



THESE PRINTS OF THE SRP OVERHEAD AND UNDERGROUND ELECTRICAL FACILITIES SHOULD BE CONSIDERED AS A GUIDE TO, BUT NOT AN EXACT LOCATION OF, THE LOCATION OF OUR EXISTING FACILITIES. SRP MAKES NO REPRESENTATION AS TO THEIR ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Community Services

Staff Contact Information: Mark C. Mayer - mmayer@fh.az.gov / (480) 816-5190

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): Consideration of approving the donation of a bronze sculpture titled, "Aviator" for placement in Fountain Park

Applicant: N/A

Applicant Contact Information: N/A

Owner: N/A

Owner Contact Information: N/A

Property Location: N/A

Related Ordinance, Policy or Guiding Principle: Public Art Master Plan

Staff Summary (background): The Public Art Committee is requesting that the Town Council accept a donated bronze sculpture titled, "Aviator" by Colorado artist George Lundeen. The donors of the piece, which is valued at \$6,000, are Walter and Betty Martin. Placement would be in Fountain Park adjacent to the Veterans Memorial.

Risk Analysis (options or alternatives with implications): N/A

Fiscal Impact (initial and ongoing costs; budget status): N/A

Budget Reference (page number): N/A

Funding Source: NA

If Multiple Funds utilized, list here: N/A

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): S

Staff Recommendation(s): Staff is recommending acceptance of the piece and placement as proposed

List Attachment(s): Letter from the Chair of the Public Art Committee Sandi Thompson / picture of the piece / site map

SUGGESTED MOTION (for Council use): Motion to approve acceptance of the donated piece and its placement in Fountain Park as requested

Prepared by:

NA 8/25/2015

Director's Approval:



Mark Mayer, Community Services Director 3/28/2016

Approved:



Grady E. Miller, Town Manager 3/31/2016



FOUNTAIN HILLS CULTURAL & CIVIC ASSOCIATION

Post Office Box 18254
Fountain Hills, AZ 85269

March 14, 2016

Honorable Mayor Kavanagh
Town Council Members
Town of Fountain Hills
Fountain Hills, AZ 85268

Dear Ladies and Gentlemen,

The Public Art Committee of the Fountain Hills Cultural & Civic Association would like to propose the acquisition of a bronze sculpture of a WWII Aviator entitled “*Aviator*” by Colorado artist George Lundeen. The dimensions are 38”x32”x13” and weighs about 50 lbs.

This piece has an acquisition and insured value price of \$6,000. It is being donated by Walter and Betty Martin of Fountain Hills who also donated Fred & Ginger that resides in Fountain Park.

We are recommending the piece be placed near the Veterans Memorial just east of the archway near the two benches. Acquisition of this piece has been approved by the Public Art Committee and by the Board of the Fountain Hills Cultural & Civic Association.

A photo of this sculpture has been sent to you in a separate email.

Very Truly Yours,

Sandi Thompson

Sandi Thompson
Chair, Public Art Committee
FHCCA



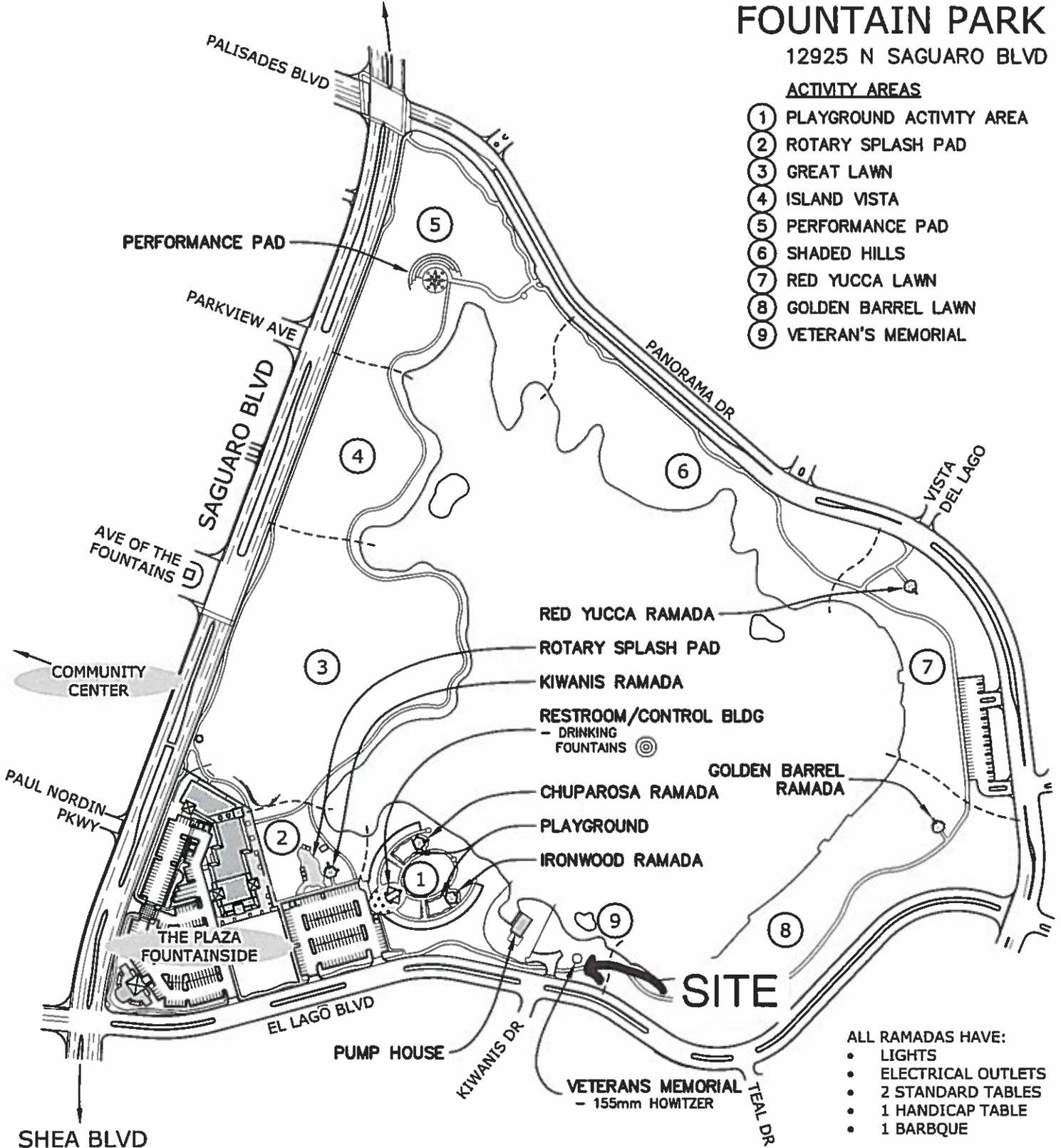
FOUNTAIN HILLS BLVD

FOUNTAIN PARK

12925 N SAGUARO BLVD

ACTIVITY AREAS

- ① PLAYGROUND ACTIVITY AREA
- ② ROTARY SPLASH PAD
- ③ GREAT LAWN
- ④ ISLAND VISTA
- ⑤ PERFORMANCE PAD
- ⑥ SHADED HILLS
- ⑦ RED YUCCA LAWN
- ⑧ GOLDEN BARREL LAWN
- ⑨ VETERAN'S MEMORIAL



- ALL RAMADAS HAVE:
- LIGHTS
 - ELECTRICAL OUTLETS
 - 2 STANDARD TABLES
 - 1 HANDICAP TABLE
 - 1 BARBQUE



Built in 1970, Fountain Hills World Famous Fountain draws from a 33 acre, million gallon lake and reaches a height of 330 ft. with two pumps for 15 minutes on the hour from 9am to 9pm daily. On special occasions the fountain can attain 560 ft. with all three pumps running. In the event winds exceed 10 mph the fountain will automatically shut-down.



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Administration

Staff Contact Information: Grady E. Miller, Town Manager
On Behalf of Councilmembers Brown, Deporter, and Yates

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): That the Mayor and Council review a request to address the governance of Salt River Project (SRP) and provide direction to staff.

Applicant: N/A

Applicant Contact Information: N/A

Owner: N/A

Owner Contact Information: N/A

Property Location: N/A

Related Ordinance, Policy or Guiding Principle: N/A

Staff Summary (background): Over the past several months, the Town Council has been contacted by Fountain Hills resident Paul Getty regarding his concerns about the governance of Salt River Project (SRP). Mr. Getty has requested that the Mayor and Council adopt a resolution supporting a change in the governance structure of SRP. Mr. Getty provided the attached resolution which petitions Arizona state legislators to sponsor legislation to amend the SRP Power District so that all SRP customers and/or landowners will have the ability to vote in the SRP Board of Directors meetings.

In reviewing Mr. Getty's concerns, staff ascertained that there is a long and complicated history on how SRP's governance was established. The Salt River Project (SRP) is the umbrella name for two separate entities: the Salt River Project Agricultural Improvement and Power District, an agency of the state of Arizona formed in 1937 that serves as an electrical utility for the Phoenix metropolitan area, and the Salt River Valley Water Users' Association, a utility cooperative founded in 1903 that serves as the primary water provider for much of central Arizona.

The Association and District both lie within the overall boundary of the Salt River Reservoir District and are divided into ten geographical voting areas, with certain excluded voting areas as illustrated on the map. The Association is divided into 10 voting districts and the District is divided into 10 voting divisions. Each company of SRP is governed separately. Both are elected by all landowners in the SRP service area through a "debt-proportionate" system. For instance, a person who owns five acres casts five votes.

For the Association, landowners elect a president, a vice president, a 10-member board of governors and 30 council members. One governor and three council members are elected from each of the 10 voting districts. The president and vice president are elected at-large, meaning they are elected by the sum of the votes from all voting districts.

For the District, landowners elect a president, a vice president, a 14-member board of directors and 30 council members. One director and three council members are elected from each of the 10 voting divisions. The president, vice president and four remaining directors are elected at-large from all voting divisions. The Association is headed by a 10-member board and a 30-member council, while the District is headed by a 14-member board and a 30-member council.

As Mr. Getty points out, this is a complicated governance structure and he would like Fountain Hills and residents in other SRP service areas to participate in SRP elections. The governance structure is based on the fact that ranchers and farmers who put up their land as collateral in order to sell bonds that paid for the construction of SRP improvements. In exchange for collateralizing their lands, they received voting rights in proportion to the amount of land owned. Over time a great deal of these agricultural lands have been converted to other land uses such as residential, commercial, and industrial uses allowing more people to vote in SRP elections. Since there were no farmers or ranchers in Fountain Hills who were a part of the co-op at the time that SRP was founded, residents do not vote in SRP elections. However, Fountain Hills residents have the ability to attend and speak at SRP Board of Director meetings on matters of concern.

Risk Analysis (options or alternatives with implications): N/A

Fiscal Impact (initial and ongoing costs; budget status): N/A

Budget Reference (page number): N/A

Funding Source: NA

If Multiple Funds utilized, list here: N/A

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): N/A

Staff Recommendation(s): Staff recommends that the Mayor and Council not become involved in addressing the governance and elections of SRP. SRP is a political subdivision of the State and cities and towns are not typically engaged in advocating for changes in the governance structures of other political subdivisions.

List Attachment(s): SRP Governance Flow Chart
Outline of SRP Governance and Elections
Draft Resolution Provided by Mr. Getty

SUGGESTED MOTION (for Council use): MOVE TO PROVIDE DIRECTION TO STAFF.

Prepared by:

NA 3/29/2016

Director's Approval:

NA 3/29/2016

Approved:



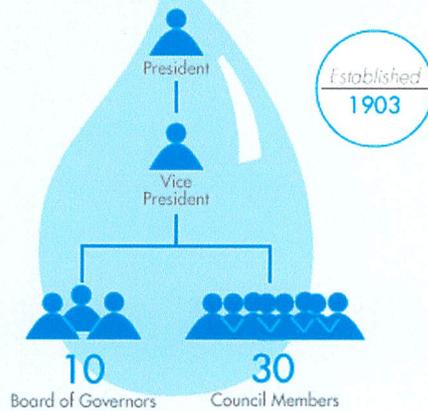
Grady E. Miller, Town Manager 3/29/2016

SRP GOVERNANCE

SRP'S TWO ORGANIZATIONS:

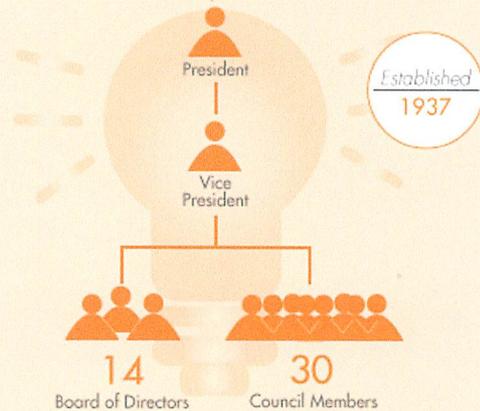
Salt River Valley Water Users' Association (the "Association")

Elected officials in the Association are composed of:



Salt River Project Agricultural Improvement and Power District (the "District")

Elected officials in the District are composed of:



VOTING AREAS

The Association and the District are governed separately and are divided into 10 voting areas (districts and divisions).

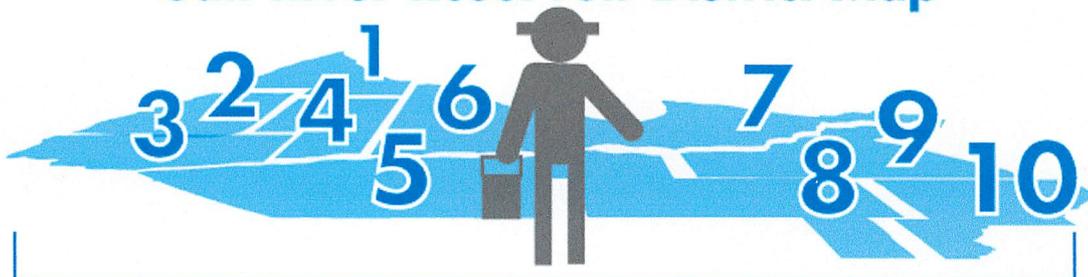
In each voting **district**, landowners elect:
 1 Governor (10 total)
 3 Council Members (30 total)

Elected at large:
 President
 Vice President

In each voting **division**, landowners elect:
 1 Director (10 total)
 3 Council Members (30 total)

Elected at large:
 President
 Vice President and 4 At-Large Directors

Salt River Reservoir District Map



11-14

- | | | | |
|---|-----------------------------|-------|--|
| 1 | Glendale, Peoria, Phoenix | 7 | Phoenix, Scottsdale, Tempe |
| 2 | Avondale, Glendale, Phoenix | 8 | Guadalupe, Tempe, Chandler, Mesa |
| 3 | Avondale, Tolleson | 9 | Tempe, Mesa |
| 4 | Glendale, Phoenix | 10 | Chandler, Gilbert |
| 5 | Phoenix, Tempe | 11-14 | At-Large Directors represent entire District |
| 6 | Phoenix | | |

SRP Governance and Elections

The Salt River Project ("SRP") is composed of two separate organizations: the Salt River Valley Water Users' Association (the "Association"), a private water corporation formed in 1903; and the Salt River Project Agricultural Improvement and Power District (the "District"), an agricultural improvement district and a political subdivision of the State of Arizona formed in 1937.

The Association and District both lie within the overall boundary of the Salt River Reservoir District and are divided into ten geographical voting areas, with certain excluded voting areas as illustrated on the map. The Association is divided into 10 voting districts and the District is divided into 10 voting divisions.

Each company of SRP is governed separately.

For the Association, landowners elect a president, a vice president, a 10-member board of governors and 30 council members. One governor and three council members are elected from each of the 10 voting districts. The president and vice president are elected at-large, meaning they are elected by the sum of the votes from all voting districts.

For the District, landowners elect a president, a vice president, a 14-member board of directors and 30 council members. One director and three council members are elected from each of the 10 voting divisions. The president, vice president and four remaining directors are elected at-large from all voting divisions.

A list of the president, vice president, board and council members is available.

Early ballots

The deadline to request an early ballot by mail has ended for the April 5, 2016 Elections. To vote in person, visit the Voting Center located at 1521 N. Project Drive, Tempe, Monday through Friday, 8:30 a.m. - 5 p.m., through Monday, April 4, 2016; and 6 a.m. - 7 p.m. on Election Day, Tuesday, April 5, 2016. Online requests to be added to the Permanent Early Voting List for future elections will be available on Friday, April 15, 2016.

Elections

The officials of each organization are elected on the first Tuesday in April of even-numbered years. The next scheduled Association and District elections are April 5, 2016. Positions open for election are:

Association: One position on the Board of Governors in each of voting districts 1, 3, 5, 7, and 9; and three positions on the Council in each of voting districts 1, 3, 5, 7, and 9. All Association positions have four-year terms. See the Association 2016 Fact Sheet for additional election information regarding the Association election.

District: One position on the Board of Directors in each of voting divisions 1, 3, 5, 7, and 9; two at-large Board of Director positions, 11 and 13; and three positions on the Council in each of voting divisions 1, 3, 5, 7, and 9. All District positions have four-year terms. See the District 2016 Fact Sheet for additional election information regarding the District election.

RESOLUTION NO. _____

**A RESOLUTION OF THE TOWN COUNCIL OF FOUNTAIN HILLS,
ARIZONA SUPPORTING A STATE LEGISLATIVE CHANGE TO SRP POWER DISTRICT
BOUNDARY, VOTING RIGHTS, AND REPRESENTATION FOR FOUNTAIN HILLS.**

WHEREAS, the Salt River Project (SRP) electric utility Power District Boundary, the SRP Board of Directors (BOD), and SRP Voting Rights relate to the Town of Fountain Hills because SRP is the sole provider of electricity to our town; and

WHEREAS, SRP is comprised of 2 separate organizations: the Salt River Valley Water Users' Association **and** the *Salt River Project Agricultural Improvement and Power District*, an agricultural improvement district and a political subdivision of the State of Arizona formed in 1937, the latter of which is the subject of this Resolution; and

WHEREAS, Years ago, SRP agreed to extend their electric service to the Town of Fountain Hills, and other areas, outside the original 1937 District boundary; and

WHEREAS, The SRP Board of Directors sets rates and policies that affect the SRP electric utility customers of Fountain Hills and the BOD is elected by property owners within the District boundaries; but

WHEREAS, the citizens of Fountain Hills have No representation on the SRP BOD, have No voting rights for electing representatives to the BOD, and cannot run for a position on the BOD, because the Town of Fountain Hills lies outside the SRP District boundaries; and

WHEREAS, the citizens and SRP customers of Fountain Hills are subject to the SRP BOD decisions and control, such as rate increases, without representation; and

WHEREAS, the Town of Fountain Hills is committed to American Values, Justice, Fairness, and Representation for Fountain Hills' citizens in general and as they relate to representation on the Board of Directors of the SRP Power District specifically; and

WHEREAS, the Town of Fountain Hills wishes to lead by example; and

WHEREAS, the Town of Fountain Hills desires to obtain fair and equitable representation for their citizens on the SRP BOD; and

WHEREAS, the SRP Power District is in theory a non-profit public electric utility service; though

HOWEVER, the SRP BOD answers to No overseeing authority (such as the Arizona Corporation Commission).

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, as follows:

- That the Town of Fountain Hills, Arizona, hereby petitions our State Legislative District Senators and Representatives to sponsor and/or support legislation:
 1. To Amend the SRP *Power District*, such that all of SRP's electric service area is annexed or included into SRP's Power District and such that all SRP customers/landowners will then have a right to vote in the SRP Board of Directors (BOD) elections.
 2. To fairly and equitably create new district areas in the expanded SRP Power District to include all present-day customers of the SRP electric utility.
 3. To Amend the SRP Power District BOD election voting rules to allow All property owners within the expanded District to vote in district elections for the BOD and Councils, in accordance with current voting limitations based on acreage owned and 1 vote per owner for At-Large seats.
 4. To Amend the SRP Power District election/candidate eligibility rules to allow any property owner within the expanded District to run as a potential candidate for the Board of Directors in their district area, and for district area Councils, and for district At-Large seats.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA,
this _____ day of _____, 2016.

Honorable Linda Kavanagh, Mayor

ATTEST:

Bevelyn Bender, Town Clerk

APPROVED AS TO FORM:

Town Attorney

Version 2, 3/22/16



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Development Services

Staff Contact Information: Robert Rodgers, Senior Planner rrodgers@fh.az.gov 480-816-5138

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language):

CONSIDERATION of an appeal of the administrative issuance of TEMPORARY USE PERMITS allowing the Copperwynd Resort to conduct Wedding Events and Receptions both inside the resort and on the outdoor event lawn after 10:00 PM.

Applicant: Fountain Hills Zoning Administrator

Applicant Contact Information: Town Hall, Fountain Hills, AZ

Owner: Copperwynd Resort,

Owner Contact Information: 13225 N. Eagle Ridge Drive, Fountain Hills

Property Location: Copperwynd Resort,

13225 N. Eagle Ridge Drive, Fountain Hills

Related Ordinance, Policy or Guiding Principle:

Fountain Hills Zoning Ordinance , Section 2.03.D.3 through 2.03.D6 - Temporary Use Permits

Staff Summary (background):

In 2013 the Town revised the Temporary Use Permit regulations to allow for administrative approval by the Zoning Administrator for events and similar activities that, in the opinion of the Zoning Administrator, would not be detrimental to the immediately surrounding area or Town.

Such administrative approvals are subject to the provision in Zoning Ordinance Section 2.03.D that if an objection to the issuance of the permit is received, in writing, the Zoning Administrator must forward the request to the Town Council for a decision rather than issue the permit himself.

Since 2013 the Zoning Administrator has routinely issued Temporary Use Permits administratively to the Copperwynd Resort which allow for outdoor Weddings and Receptions beyond the 10:00 PM limit allowed in the Noise ordinance. These permits have typically included permission to conduct the events until 12:00 AM (midnight) and have allowed DJ's, music, dancing and dining both inside the resort and on the outdoor event lawn (typical permit attached).

Staff received written objections to the issuance of the permits on March 22, 2016 and March 25, 2016 (attached). Staff informed the Copperwynd Resort of the objections and they have requested this hearing in order to ask that the Town Council allow the permits to continue to be issued administratively.

Staff also informed the parties who filed the objections and requested that they be present to answer questions and further explain their reasons for their objections.

Pursuant to Zoning Ordinance Section 2.03.D the Town Council must find;

"that the establishment, maintenance, or operation of the use applied for will not be detrimental to the public health, safety, peace, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, nor shall it be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the town."

Also,

"The Council may designate such conditions in connection with the temporary use permit, as it deems appropriate to secure the intent and purposes of this ordinance and may require such guarantees and evidence that the applicant will comply with the conditions placed upon the temporary use permit."

Staff believes that the continued operation of the Resort, including permitted events that may continue past 10:00 PM, is not detrimental to the public health, safety or general welfare of the neighborhood or the town. Staff further believes that the occasional event that lasts until midnight is an integral part of the resort's operation and continuing to allow them will not destroy the peace and comfort of the area as it is only an occasional 2-hour increase in an event's duration.

Risk Analysis (options or alternatives with implications):

Approval of the appeal will allow the Zoning Administrator to continue to issue the Temporary Event Permits administratively, subject to any restrictions the Town Council deems appropriate.

Denial of the appeal will require that all future outdoor events at Copperwynd either end at 10:00 PM or come before the Town Council for specific approval for each event.

Fiscal Impact (initial and ongoing costs; budget status): NA

Budget Reference (page number): NA

Funding Source: NA

If Multiple Funds utilized, list here: NA

Budgeted; if No, attach Budget Adjustment Form: NA

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s):

Staff recommends approval of the resort's appeal in order to allow the continued administrative issuance of the Temporary Use Permits allowing outdoor events at the Copperwynd Resort to continue until 12:00 AM.

List Attachment(s):

- Site Location Map
- Zoning Section 2.03.D.
- Letters of Objection (2x)
- Typical Administrative Use Permit (6 pgs)

SUGGESTED MOTION (for Council use):

Move to find that the continued operation of the Copperwynd Resort's evening wedding events will not be detrimental to the public health, safety, peace, comfort, and general welfare of persons residing or working in the neighborhood and that the Town Council approve the continued issuance of Administrative Use Permits for said events as has been done previously.

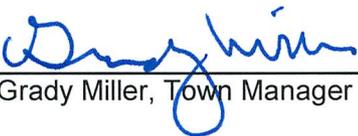
Prepared by:

Robert Rodgers  3/28/2016
Senior Planner Date

Director's Approval:

 3/28/2016
Paul Mood, Development Services Director

Approved:

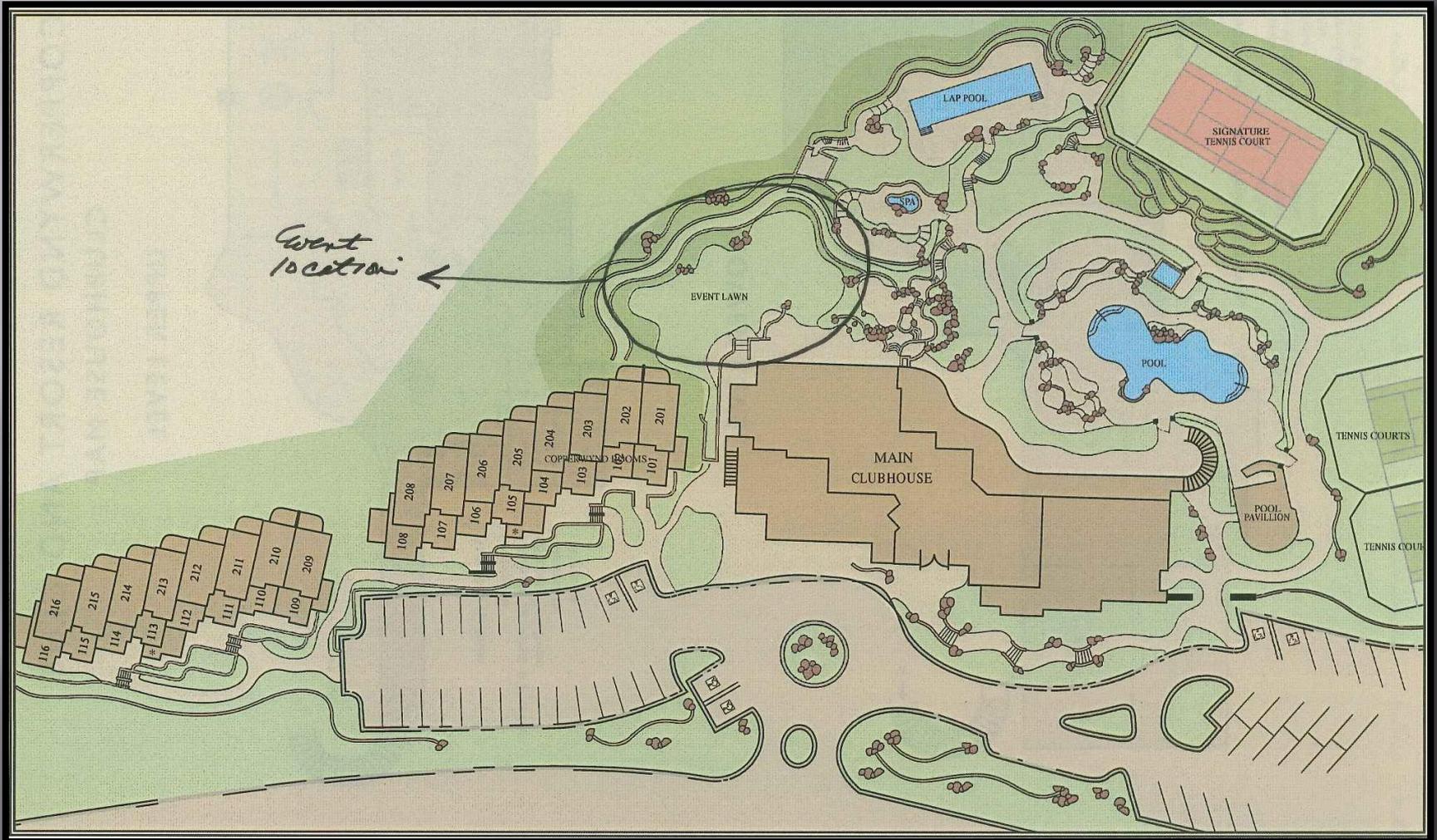
 3/29/2016
Grady Miller, Town Manager Date

Town of Fountain Hills Staff Presentation



Copperwynd
Temporary Use Permit

Location Map



TYPICAL PERMIT ISSUED SINCE 2013

TOWN OF FOUNTAIN HILLS

ADMINISTRATIVE USE PERMIT

PERMITTED ACTIVITIES:

Sesso-Leonhardt Wedding

After hours wedding reception party located inside the resort and on the outdoor event lawn.

Live band and approximately 200 guests.

Dinner, Entertainment and Dancing

Outdoor event lighting may be used as needed until midnight.

Hours: 4:00 PM – 12:00 AM

Permit holder to inform nearby condominium association prior to the event .

APPROVED
Town of Fountain Hills
BY: 
DATE: 7/24/14
Planning Dept.

PROPERTY ADDRESS:

Copperwynd Resort
13225 N. Eagle Ridge Drive
Fountain Hills, AZ 85268

CASE NO:

AUP #14-07-24

PERMITTED DATES:

October 25, 2014

ISSUED BY:

Robert Rodgers

DATE OF ISSUANCE: July 24, 2014

Recommendations

Staff: Approve

Subject to the standard conditions.

CopperWynd Resort

Commitment to Excellence

Special Event Permits – Town of Fountain Hills



Town Council Hearing – April 7, 2016

CopperWynd: Commitment to Excellence

A Partnership

**CopperWynd has always enjoyed
a great partnership with the
Town of Fountain Hills**



CopperWynd: Commitment to Excellence

New Ownership

The new owner is a Town resident.

So far has put more than **\$5 million into improvements** as a commitment to continually improving their excellence.

- Pool refinishing and restoration
- Pool heaters
- Pool handicap ramps and lifts
- Pool furniture and shade umbrellas
- Increased pool seating
- New landscaping
- Tennis Courts - restored and repainted
- New park-like fitness lawn
- Reopened the Pool Café
- Resigned and decorated the main lobby
- Updated hotel rooms
- New outdoor seating on patios
- Fitness Center – Completely renovated
- Refurbished the spin and yoga rooms
- New gym lockers
- New sound system
- New Juice/Smoothie Bar
- All new high end fitness programming
- Spa refurbishments making it world-class
- All new spa equipment and programming
- New retail area for clothing and other items
- Updated Flourish restaurant and menus
- New Happy Hours with live music
- Packages to support the FH Theater

CopperWynd: Commitment to Excellence

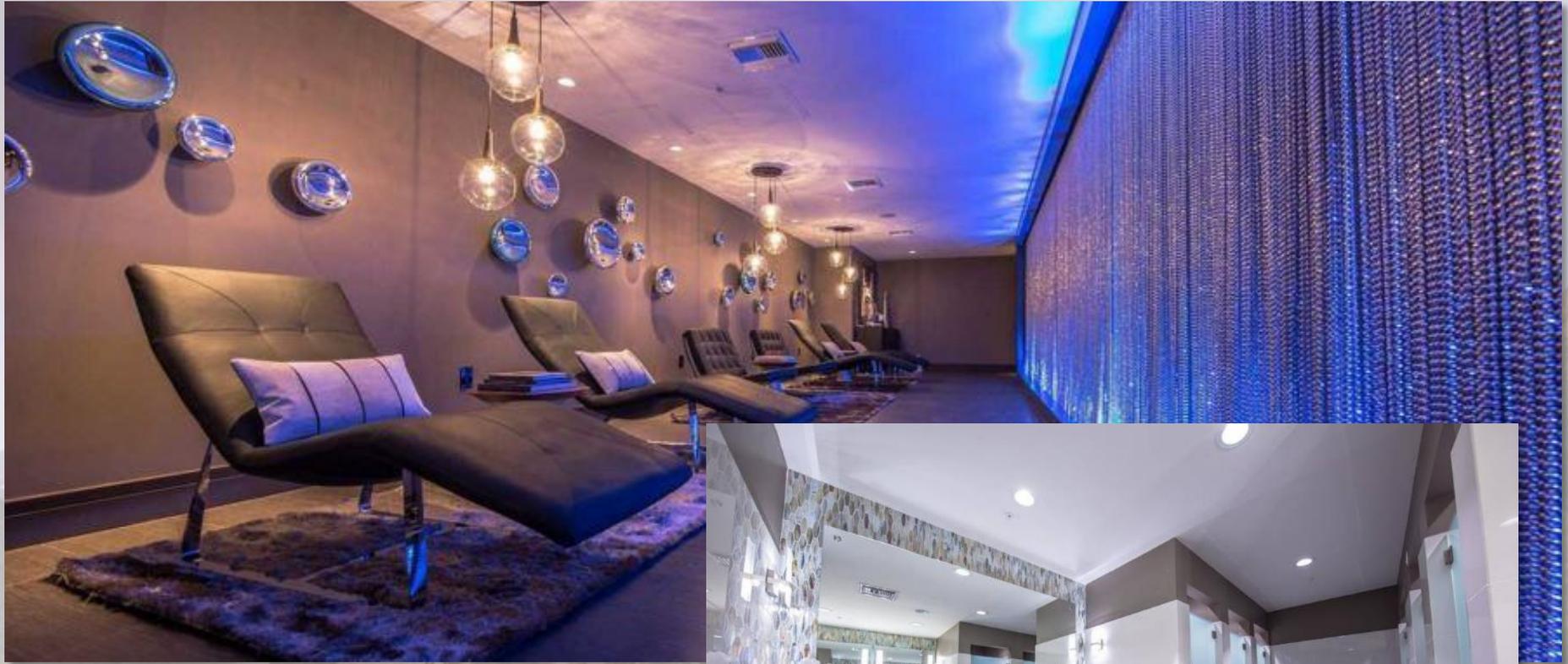


Updated Lobby encourages community gathering

Natural material and Arizona artists



CopperWynd: Commitment to Excellence



**A totally renovated,
world-class spa facility**



CopperWynd: Commitment to Excellence



Hotel rooms updated with new carpets, benches, blankets, draperies, club chairs, art, mirrors and outdoor seating



CopperWynd: Commitment to Excellence

Updated pool area,
restaurant and
fitness center



CopperWynd: Special Use Permit

The Objective

Striving to become even more
of a world-class resort

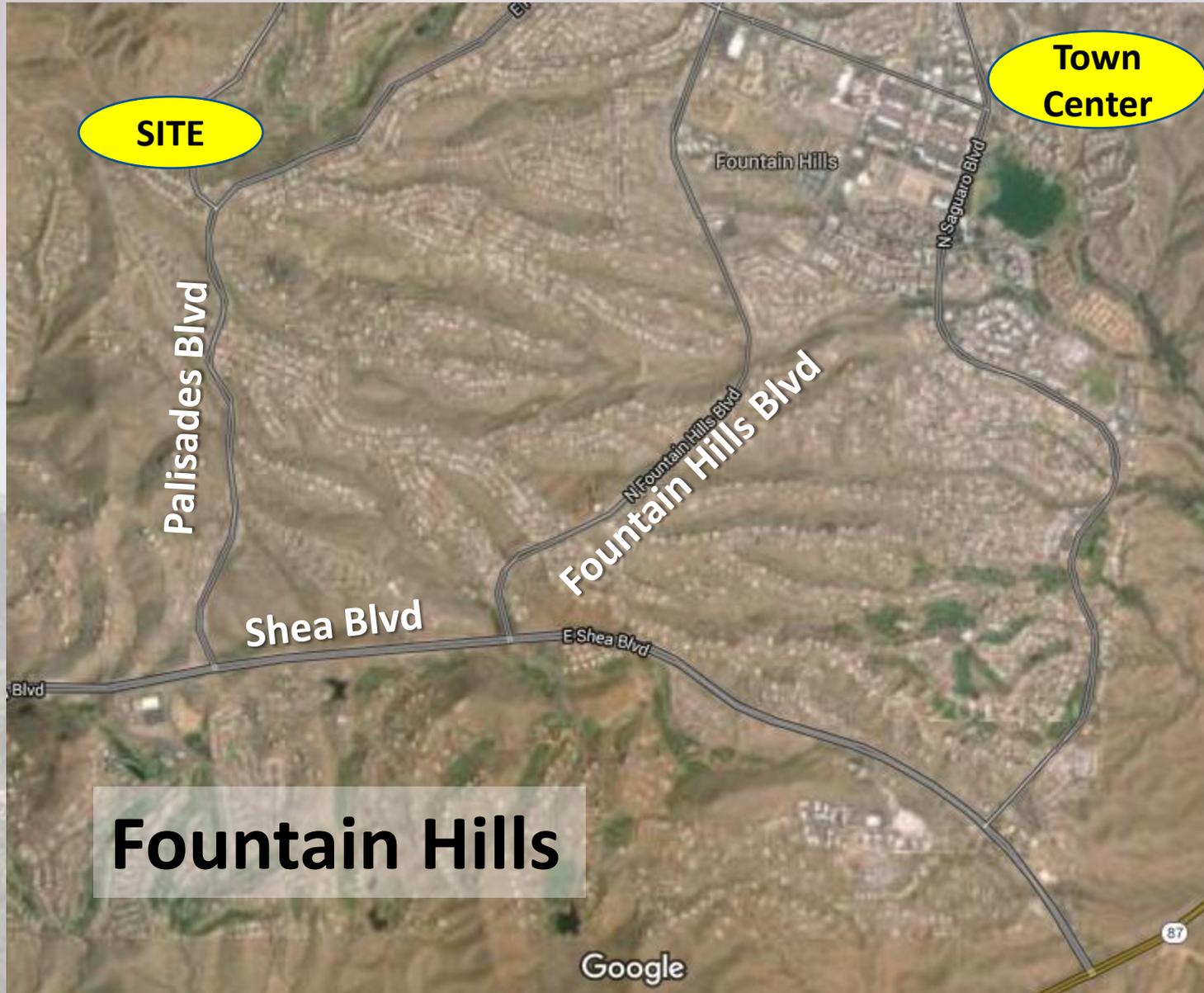
Wedding business is really
crucial to viability

Restricting the party
wedding business severely
limits their ability to:

- Have a successful business
- Fill up rooms
- Attract more visitors



Far Removed From The Town



CopperWynd: Commitment to Excellence

CopperWynd Resort and Club has been in existence since around 2000

- **Housing developed with CopperWynd**
- **Residents moving to immediate area know of the existence of the resort**
- **Can reasonably expect resort uses to include indoor or outdoor parties**
- **Special Events permit is not new**

CopperWynd: Commitment to Excellence

CopperWynd wants to be a good neighbor

- **Reorienting outdoor speakers**
- **Working with nearest neighbor to provide a comfortable Decibel level**
- **Restricting outdoor parties to last call at 10:30 p.m. with outdoor bar closed at 11:00 p.m.**
- **Outdoor music to stop at 11:00 p.m.**



**Please allow
CopperWynd
to continue to
Invest and Succeed!**

Fountain Hills Zoning Ordinance Chapter 2 Procedures

Section 2.03 Temporary Use Permits

D. Action and Findings:

1. It is the express intent of this ordinance that any use for which a temporary use permit is required shall be permitted in the particular zoning district, provided that all special conditions and requirements of this ordinance are met. Therefore, the action of the staff shall be one of approval if the applicant agrees to conform to all applicable regulations and the conditions placed upon the permit by the staff. If there is any objection to the temporary use permit application or to the conditions stipulated by staff, the matter shall be appealed to the Town Council. The Town Council shall determine if the temporary use permit is to be granted based upon its judgment as to whether the specified conditions have been or will be met; and whether such use can be compatible with the neighborhood and area where it is located. The staff and Council shall consider not only the nature of the use and the special conditions influencing its location in the particular district, but also the proposed location of buildings, parking and other facilities within the site, the amount of traffic likely to be generated and how it will be accommodated, and the influence that such factors are likely to exert on adjoining properties.

2. Reserved

3. Objections to the issuance of a temporary use permit shall be in writing. Such objections shall state the reason(s) for the objection and protest. The written objection must also contain the name, address, telephone number, and signature of the objector.

4. If there is a written objection received within ten (10) days of the commencement of the use allowed by the temporary use permit, the Zoning Administrator shall suspend the temporary use permit until Council renders a decision. The Council shall consider the application at the first regular meeting held not less than fifteen (15) days after receipt of said protest. At this meeting, the Council may render a decision on the matter or continue the matter to a specified date (but not later than the next regularly scheduled meeting).

5. In order to grant an appealed temporary use permit, the findings of the Council must be that the establishment, maintenance, or operation of the use applied for will not be detrimental to the public health, safety, peace, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, nor shall it be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the town.

6. The Council may designate such conditions in connection with the temporary use permit, as it deems appropriate to secure the intent and purposes of this ordinance and may require such guarantees and evidence that the applicant will comply with the conditions placed upon the temporary use permit.

March 22, 2016

Mr. Robert Rodgers
Senior Planner & Zoning Administrator
Development Services Department
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

3/22/16 2:46 PM RCV

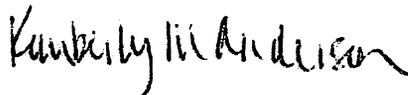
Dear Mr. Rodgers,

Per our discussion, I am writing to document my objection to the Development Services Department granting permits for events (e.g. weddings, etc.) extending beyond 10:00 p.m. at the Copperwynd Resort in Fountain Hills.

I am a homeowner and full-time resident of Fountain Hills. In addition to homeowners, our neighborhood has numerous winter visitors who rent properties resulting in a positive economic impact to our local economy. The outdoor events (e.g. weddings, etc.) held at the Copperwynd Resort include excessively loud outdoor music which is offensive to the senses, disturbs the peace and quiet of our community and interferes with the comfortable enjoyment of life and property for the homeowners and winter visitors residing in our community (Section 11.1.7 Noise, Fountain Hills Town Code).

Please notify me of future Town Counsel Meetings that include Copperwynd Resort permit requests so I may attend those meetings.

Sincerely,



Kimberly Anderson
Redact E Grandview Dr Unit Redact
Fountain Hills, AZ 85268

Redact

March 25, 2016

Mr. Robert Rodgers
Senior Planner & Zoning Administrator
Development Services Department
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

03-28-16A07:00 RCVD

Dear Mr. Rodgers,

I am writing to you for the Board of Directors on behalf of the Villas at Copperwynd Home Owners Association (HOA). The HOA objects to the Development Services Department granting permits extending outdoor events that create noise concerns (e.g. weddings, etc.) beyond 10:00 p.m. at the Copperwynd Resort in Fountain Hills.

Our community is comprised of 106 homeowners as well as numerous winter guests and visitors enjoying our community and the city of Fountain Hills. The outdoor events (e.g. weddings, etc.) at the Copperwynd Resort include excessively loud outdoor music that impinges on the peace and quiet of our community and interferes with the comfortable enjoyment of life and property for our homeowners, visitors and guests (Section 11.1.7 Noise, Fountain Hills Town Code).

As a point of clarification, the Copperwynd Resort has not communicated or consulted with our HOA regarding any permit requests for planned outdoor events extending beyond 10:00 p.m. My understanding is the Copperwynd Events Manager has specifically told you these communications have taken place. **This is untrue.** The Villas at Copperwynd HOA is opposed to granting any permits extending outdoor events beyond 10:00 p.m. at the Copperwynd Resort.

Please notify the Villas at Copperwynd HOA of future Town Council Meetings that include Copperwynd Resort permit requests so our homeowners may have the opportunity to attend those meetings.

Sincerely,

For the Board of Directors
Villas at Copperwynd Association
CO Ken Flynn, Brown Community Management
480-339-8825

TOWN OF FOUNTAIN HILLS

ADMINISTRATIVE USE PERMIT

PERMITTED ACTIVITIES:

Wedding events and Receptions

After hours wedding reception party located inside the resort and on the outdoor event lawn.

DJ playing music and approximately 140 guests.

Dinner, Entertainment and Dancing

Outdoor event lighting may be used as needed until midnight.

Hours: 5:00 PM – 12:00 AM

Permit holder to inform nearby condominium association prior to the event .

PROPERTY ADDRESS:

Copperwynd Resort
13225 N. Eagle Ridge Drive
Fountain Hills, AZ 85268

CASE NO:

AUP #2016-02

APPROVED
Town of Fountain Hills
BY: 
DATE: 2/4/16
Planning Dept.

PERMITTED DATES:

March 5, 2016
March 12, 2016
March 25, 2016

ISSUED BY:

Robert Rodgers

DATE OF ISSUANCE: February 4, 2016

March 2016 upcoming weddings & Events:

Saturday, March 5, 2016: Shebal-Duffy Wedding 100 guests

Saturday, March 12, 2016: Watt Scoville Wedding 100 guests

Friday, March 25, 2016: Humphrey-Jennings Wedding 150 guests

APPROVED
Town of Fountain Hills
BY: [Signature]
DATE: 2/4/16
Planning Dept.



COPPERWYND
RESORT & CLUB

APPROVED
Town of Fountain Hills
BY: *BP*
DATE: 2/4/16
Planning Dept.

February 2, 2016

Robert Rodgers, Zoning Administrator
16705 E. Ave of the Fountains
Fountain Hills, AZ 85268

Dear Sir,

As Catering & Event Manager for CopperWynd Resort, I am coordinating the details for all of my March 2016 wedding receptions to be held at our resort.

The wedding and receptions will be held on our outdoor event lawn at CopperWynd from 5:00pm-12:00 midnight. CopperWynd will be catering a dinner that evening from 4:30pm-7:00pm and the wedding party has hired a DJ to play music on the lawn from 7:00pm-12:00 midnight.

We are aware of the ordinance that normally requires sound and lighting to end at 10:00pm on this outdoor area, however, at the request of the bridal party, CopperWynd Resort would like to apply for a temporary use permit for that one night only, to have the music and lighting permit extended to 12:00 midnight.

We are aware that there will be a charge for this special temporary use permit, and would like to move forward with your approval of the permit. I have listed all my events for March 2016.

Thank you for your consideration.

Sincerely

Nella Best
Catering & Events Manager
CopperWynd Resort & Club
480-333-1830
nbest@copperwynd.com



C O P P E R W Y N D

13225 North EagleRidge Drive
Fountain Hills, Arizona 85268
Phone: 480.333.1900
www.copperwynd.com

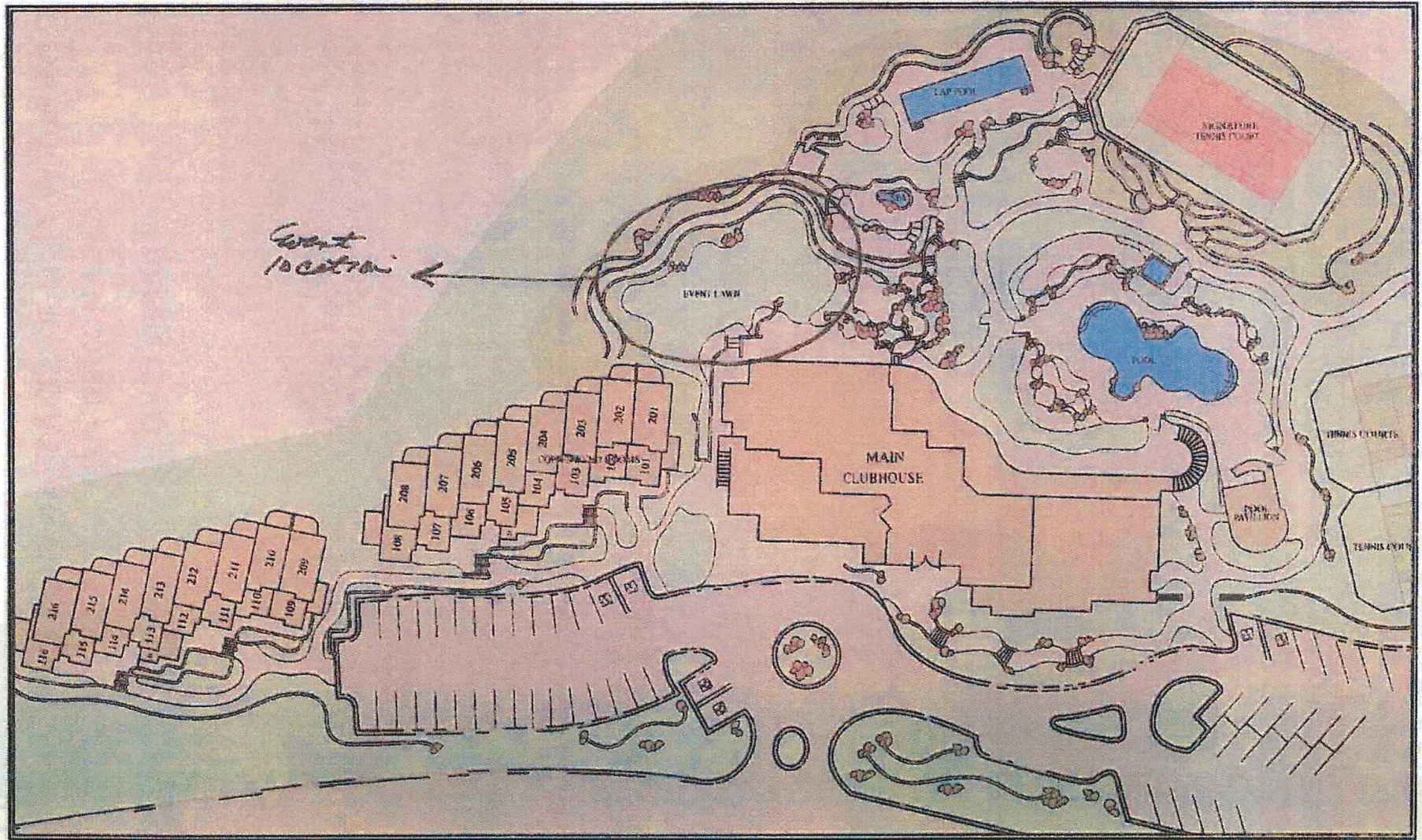


Directions:

From the airport, take the Red Mountain Freeway (202) east until you reach the Pima Freeway (101). Take the 101 north to Shea Boulevard. Turn right (east) on Shea Boulevard, travel approximately 8.8 miles to Palisades Boulevard. Turn left (north) on Palisades Boulevard and travel 1 mile. Then turn left (west) on EagleRidge Drive and continue to the top of the mountain. The Club and Inn at CopperWynd are on the right.

COPPERWYND RESORT AND CLUB PROPERTY MAP

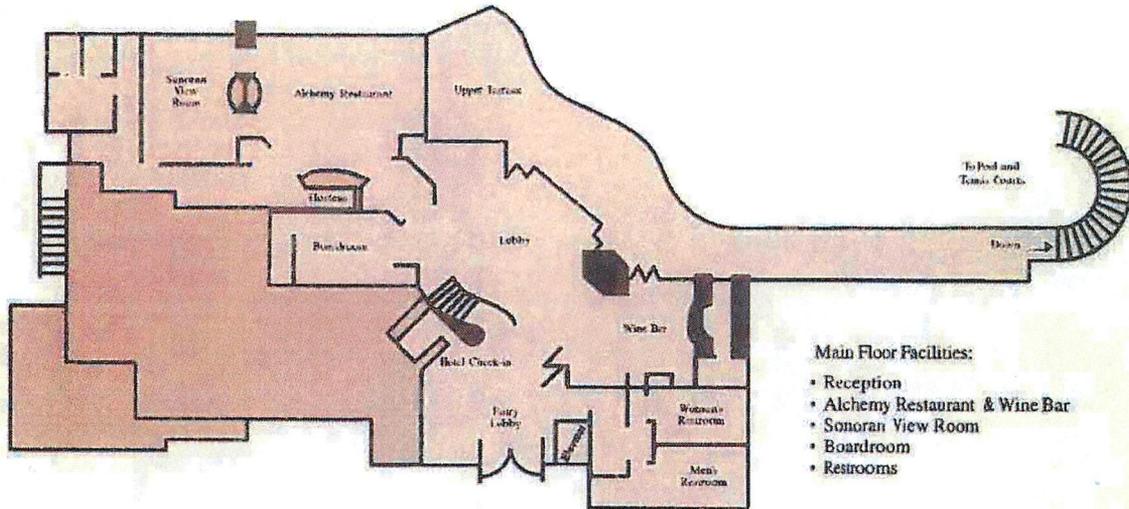
*Sesso-Leonhardt
Wedding Dinner/Dance
10-25-14*



* Ice machines on lower level

COPPERWYND RESORT AND CLUB CLUBHOUSE MAP

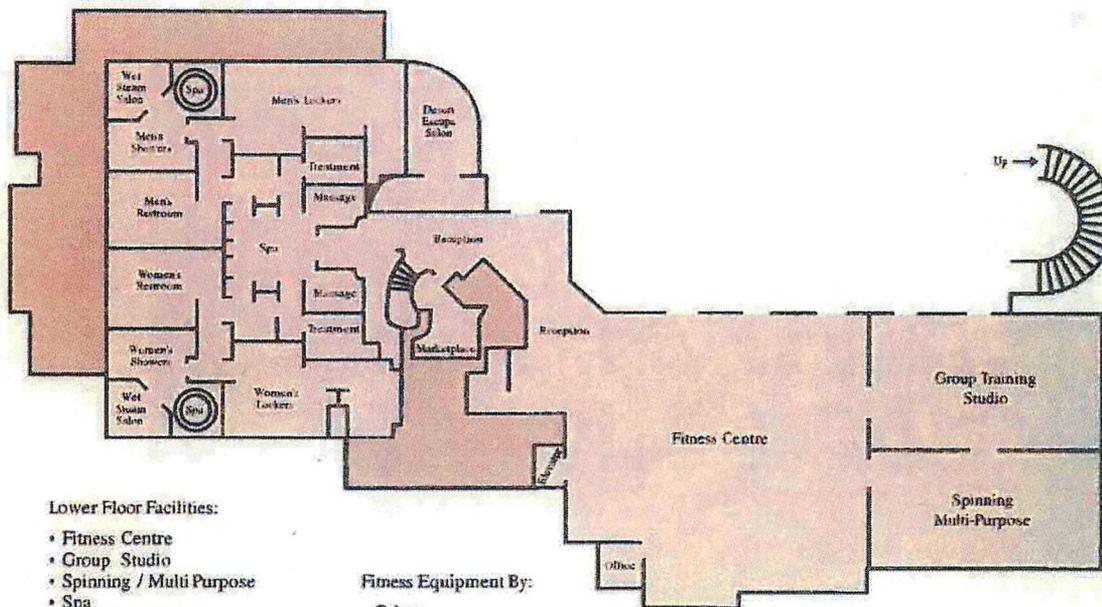
UPPER LEVEL



Main Floor Facilities:

- Reception
- Alchemy Restaurant & Wine Bar
- Sonoran View Room
- Boardroom
- Restrooms

LOWER LEVEL



Lower Floor Facilities:

- Fitness Centre
- Group Studio
- Spinning / Multi Purpose
- Spa
- Wet Steam Rooms
- Desert Escape Nail Salon
- Treatment Rooms
- Massage Rooms
- Men's & Women's Locker Rooms
- Spa/Fitness Centre Reception
- Marketplace

Fitness Equipment By:

- Cybex
- Precor
- Tectrix
- Stairmaster



TOWN OF FOUNTAIN HILLS

Development Services Department
Planning & Zoning Division

MEMO

TO: Mayor & Town Council	DATE: March 30, 2016
FR: Robert Rodgers,  Senior Planner & Zoning Administrator	RE: Copperwynd Event Hours

Staff has received numerous letters in opposition to the issuance of a Temporary Use Permit which would allow the Copperwynd Resort to continue having events that last past 10:00 PM.

One letter is from The Villas at Copperwynd HOA. The other four are from residents of The Villas.

As many of them have been delivered after the original staff report was submitted it is likely that the Council may not have seen some of them. Please regard this memo as an addendum to the staff report. The attachments to this memo are all the letters received as of this date and time.

Robert 'Bob' Rodgers

From: Kevin Steele [Redact]
Sent: Tuesday, March 29, 2016 9:41 PM
To: Robert 'Bob' Rodgers
Subject: Copperwynd Resort

Mr. Rodgers,

03-30-16A06:57 RCV

My wife and I live at the Villas at Copperwynd. We have owned here since 2007 and we are full time year round residents. We will be traveling on April 7th for my wife's monthly chemotherapy treatment and unable to attend the scheduled meeting. This will be trip number 34 which we make every 28 days. Obviously, her medical condition is very challenging.

We purchased this unit after living at Cordabella (the other Copperwynd community) for 7 years.

When we purchased this Villa, what appealed to us is just how quiet it is. Other than an occasional car, we are very isolated from all of the traffic noise such as motorcycles and trucks on Palisades and Sunridge Drive.

Therefore, we are opposed to any and all requests to allow Copperwynd to play music until midnight. We did not invest in a luxury villa to be located next to a nightclub.

I do believe that many who own here who have now traveled back to their primary homes feel the same way we do. It is unfortunate, that this meeting was not in March when all of our owners are here.

Thank you for allowing us to provide feedback on this very important matter.

Kevin and Nancy Steele
[Redact] East Grandview Drive, [Redact]
Fountain Hills, AZ 85268

[Redact]

Sent from my iPad

Robert 'Bob' Rodgers

From: Paul Klebba [Redact]
Sent: Tuesday, March 29, 2016 12:07 PM
To: Robert 'Bob' Rodgers
Cc:

[Redact]

Subject: CopperWynd Resort & Club Variance Request

Robert Rodgers
Senior Planner
Town of Fountain Hills

03-29-16P12:56 RCVD

Mr. Rodgers

Just wanted to make you aware that we are not in favor of the Town approving a variance to allow the CopperWynd Resort & Club to conduct outdoor venues beyond the 10:00 PM currently allowed by Town ordinances. We believe approval of this variance would negatively impact quality of life issues not only for residents of the Villas at CopperWynd, but also residents of Cordabella at CopperWynd, Eagle Ridge, and SunRidge Canyon, along with future residents of Adero Canyon (who will have no input on this variance, but will certainly be affected by it, if approved).

Additionally, we are not in favor of the Town approving the Special Use Permit (SU 2016-02) submitted by the CopperWynd Resort allowing potentially unlimited use of its facilities as an alcohol and drug rehabilitation and wellness center. We fail to believe that its approval is in the best interests of the community, or that the current CopperWynd Resort facilities can adequately accommodate an expanded use for the purpose of successful rehabilitation. The Resort's SUP application states 'this request is being made simply to alleviate the potential for non-compliance with the Ordinance if the majority of the guest population ever is visiting for the primary treatment of a substance abuse issues'(sic). It is our understanding that the Resort can currently engage in addiction treatment of guests up to 50% of the Resort's room capacity which is equal to 16 of the total 32 rooms. The Resort's application statement implies that, at least at some point, they expect a majority of 'guests' to be enrolled in a substance abuse program at the Resort.

We are residents of the Villas at CopperWynd in Villa [Redact]. Thanks for your consideration.

Paul and Terry Klebba

Robert 'Bob' Rodgers

From: Leslie Kirkeide [Redact]
Sent: Tuesday, March 29, 2016 12:08 PM
To: Robert 'Bob' Rodgers
Subject: Fwd: Copperwynd

Subject: Copperwynd

Robert Rodgers
Senior Planning Dept.
Town of Fountain Hills, AZ

03-29-16P12:56 RCVD

Dear Mr. Rodgers,

My husband and I are strenuously opposed to an extension of the quiet hours past the current 10 PM limit for Copperwynd Resort.

Not only would it be a noise problem for the homeowners of Copperwynd, but it would also encourage a different clientele than the current one.

From the city's perspective, if this exemption is granted to Copperwynd, there will be other venues wanting the same treatment, setting up the city for problems all over town.

No; if this was needed for their business model, why are they just now requesting it? It's a bad idea for all of us.

Leslie Kirkeide, Uni [Redact] E. Grandview Drive, Fountain Hills, AZ

[Redact]

March 22, 2016

Mr. Robert Rodgers
Senior Planner & Zoning Administrator
Development Services Department
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

03-22-16 10:46 RCVD

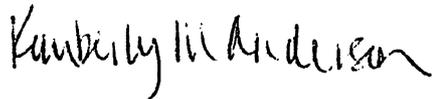
Dear Mr. Rodgers,

Per our discussion, I am writing to document my objection to the Development Services Department granting permits for events (e.g. weddings, etc.) extending beyond 10:00 p.m. at the Copperwynd Resort in Fountain Hills.

I am a homeowner and full-time resident of Fountain Hills. In addition to homeowners, our neighborhood has numerous winter visitors who rent properties resulting in a positive economic impact to our local economy. The outdoor events (e.g. weddings, etc.) held at the Copperwynd Resort include excessively loud outdoor music which is offensive to the senses, disturbs the peace and quiet of our community and interferes with the comfortable enjoyment of life and property for the homeowners and winter visitors residing in our community (Section 11.1.7 Noise, Fountain Hills Town Code).

Please notify me of future Town Counsel Meetings that include Copperwynd Resort permit requests so I may attend those meetings.

Sincerely,



Kimberly Anderson
Redact E Grandview Dr Unit Redact
Fountain Hills, AZ 85268

Redact

March 25, 2016

Mr. Robert Rodgers
Senior Planner & Zoning Administrator
Development Services Department
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

03-28-16A07:00 RCVD

Dear Mr. Rodgers,

I am writing to you for the Board of Directors on behalf of the Villas at Copperwynd Home Owners Association (HOA). The HOA objects to the Development Services Department granting permits extending outdoor events that create noise concerns (e.g. weddings, etc.) beyond 10:00 p.m. at the Copperwynd Resort in Fountain Hills.

Our community is comprised of 106 homeowners as well as numerous winter guests and visitors enjoying our community and the city of Fountain Hills. The outdoor events (e.g. weddings, etc.) at the Copperwynd Resort include excessively loud outdoor music that impinges on the peace and quiet of our community and interferes with the comfortable enjoyment of life and property for our homeowners, visitors and guests (Section 11.1.7 Noise, Fountain Hills Town Code).

As a point of clarification, the Copperwynd Resort has not communicated or consulted with our HOA regarding any permit requests for planned outdoor events extending beyond 10:00 p.m. My understanding is the Copperwynd Events Manager has specifically told you these communications have taken place. **This is untrue.** The Villas at Copperwynd HOA is opposed to granting any permits extending outdoor events beyond 10:00 p.m. at the Copperwynd Resort.

Please notify the Villas at Copperwynd HOA of future Town Council Meetings that include Copperwynd Resort permit requests so our homeowners may have the opportunity to attend those meetings.

Sincerely,

For the Board of Directors
Villas at Copperwynd Association
CO Ken Flynn, Brown Community Management
480-339-8825

Robert 'Bob' Rodgers

From: [Redacted]
Sent: Wednesday, March 30, 2016 9:44 AM
To: Robert 'Bob' Rodgers
Subject: Loud noise Villas at Copper Wyndt

As the owner of unit # [Redacted] closest to Activities Building of Villas at Copperwyndt I find the loud music after 10:00 P.M. unacceptable and this violation should be addressed by the Town.

Gary & Liliana Ganz
Unit # [Redacted]

March 26, 2016

03-30-16A11:51 RCVD

Mr. Robert Rodgers
Senior Planner & Zoning Administrator
Development Services Department
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

Dear Mr. Rodgers,

We are writing to you as a concerned Home Owner of Copperwynd Villas and a Member of Copperwynd Resort. We purchased our home in Copperwynd by reason of the beautiful location, breathtaking views, peacefulness, and overall upscale atmosphere of our Neighborhood. We have several Winter Guests and visitors enjoying our Copperwynd Community and the City of Fountain Hills all commenting on the quietness and cleanliness of our location.

We object to the Development Services Department granting a permit extending outdoor events beyond 10:00 pm at the Copperwynd Resort in Fountain Hills. The outdoor events held at Copperwynd Resort would be heard not only in the Villas of Copperwynd but echoes down the canyon and can be heard by the surrounding Neighborhoods. The loud outdoor noise would disturb the peace and quiet of our communities and would negatively impact quality of life for existing homeowners as well as visitors, renters and the new Adero Canyon development residents.

Please keep Fountain Hills and its neighborhoods the unique places they are, by not accepting the permit to extend outdoor events at the Copperwynd Resort.

Sincerely,

Marlies and Markus Fisch
Copperwynd Villa Redact

Redact

Robert 'Bob' Rodgers

From: Ann Tropeano [Redacted]
Sent: Wednesday, March 30, 2016 6:26 PM
To: Robert 'Bob' Rodgers
Subject: CopperWynd

03-31-16A07:51 RCVD

Mr. Rodgers,

I am more concerned about the 4 way intersection at the intersection of Eagle Ridge & Palisades as I take my life in my hands daily. Now, with the inclusion of Adero in the mix and increased traffic, I am less concerned about the noise at Copperwynd than safely getting through a 4 way stop without a red light.

Ann Tropeano

Sent from [Mail](#) for Windows 10



TOWN OF FOUNTAIN HILLS

**Development Services Department
Planning & Zoning Division**

MEMO

TO: Mayor & Town Council	DATE: April 4, 2016
FR: Robert Rodgers, Senior Planner & Zoning Administrator	RE: Copperwynd Event Hours

Since the previous March 30th memo, staff has received additional correspondence regarding the issuance of a Temporary Use Permit which would allow the Copperwynd Resort to continue having events that last past 10:00 PM.

As they have been delivered after the original staff report was submitted it is likely that the Council may not have seen some of them. Please regard this memo as the 2nd addendum to the staff report. The attachments to this memo are all the letters received as of this date and time.

Robert 'Bob' Rodgers

04-04-16A09:28 RCVD

From: nniazi [Redacted]
Sent: Friday, April 1, 2016 6:51 AM
To: Robert 'Bob' Rodgers
Subject: Deny granting of permits to Copperwynd Resort allowing loud outdoor music past 10pm

Mr. Rodgers,

It has come to my attention as a homeowner at Corabella that the Copperwynd Resort is filing for a special use permit to allow them to play loud outdoor music past the 10pm limit.

Please accept this as my official objection and deny the Copperwynd Resort their request.

Fountain Hills is a beautiful community which needs to be preserved and the playing of loud noise past the 10pm curfew would have a negative impact on the immediate surrounding communities real estate value.

Help preserve our property values and the beauty of our serenity.

Thank you,
Nevine Niazi

Robert 'Bob' Rodgers

From: David Berry [Redact]
Sent: Friday, April 1, 2016 3:51 PM
To: Robert 'Bob' Rodgers
Cc: Flynn Ken; Hellstrom Anders
Subject: Copperwynd Resort Noise Permit & Special Use Permit Application (Case #SU 2016-02)
Attachments: Copperwynd ltr. - signed 20160401.pdf; ATT00001.htm

Mr. Rodgers:

Please accept and consider the comments in the attached letter related to the subject of this email. This is a very important matter and potentially has extremely significant negative impacts on our community, the Villas at Copperwynd, and neighboring communities. Based on the historical operation and experiences that we have observed related to the Resort's special events and their impact on our community, My wife and I strongly recommend that the Town not only deny the Resort's request to extend the allowable hours for its special events from 10:00 pm to mid-night, but also put mitigating conditions on its existing permit to lessen the negative impacts to our community.

I intend to submit additional comments for your consideration related to the Special Use Permit Application for the Resorts "Club Wellness Center" after I attend the informational meetings that the Resort has scheduled for April 04, 2016, for its members and for homeowners in the Villas at Copperwynd, and some independent research.

Please do not hesitate to contact me if you have questions or need additional information.

Thank you very much for your consideration of my comments.

David Berry

[Redact] E. Grandview Drive, Unit [Redact]
 Villas at Copperwynd

Redact

The contents of this message, together with any attachments, are intended only for the use of the individual or entity to which they are addressed and may contain information that is legally privileged, confidential and exempt from disclosure. If you are not the intended recipient, you are hereby notified that any review, retransmit, print, copy, use, dissemination, or distribution, of this message, or any attachment, is strictly prohibited. It is the recipient's responsibility to take measures to ensure, that this e-mail is virus free, and no responsibility is accepted by us for any loss or damages arising in any way from its use. If this e-mail contains a forward e-mail or is a reply to a prior e-mail, the contents may not have been produced by the sender and therefore we are not responsible for its contents. If you have received this message in error, please notify us immediately by telephone [Redact] or by return e-mail and delete this message, along with any attachments, from your computer. This notice is automatically appended to each e-mail.

DAVID B. BERRY

Redact E. GRANDVIEW DRIVE Redact

FOUNTAIN HILLS, ARIZONA 85268

Redact

April 01, 2016

04-04-16A09:24 RCVD

Mr. Robert Rodgers
Development Services Department
16705 E. Avenue of the Fountains
Fountain Hills, Arizona 85268

via email & U.S. Mail

**Re.: Copperwynd Resort
Comments re. "Permit Request to Play Music Past 10:00 pm"
and "Special Use Permit Application (Case #SU 2016-02)"**

Dear Mr. Rodgers:

My wife and I are owners of Unit Redact in the Villas at Copperwynd. Our property is contiguous to the Copperwynd Resort. It is our understanding that the Copperwynd Resort ("Resort") has requested that its permit for special events be amended to allow music and other noise to go past its currently permitted time of 10:00pm to mid-night.

Since the current owners acquired the Resort there has been a significant increase in the "noise" during various times at the Resort. Presently it is common for the resort to play music in a loud and obnoxious manner during the late afternoon on many days. During the "special events" that are held at the Resort, music is played very loud, offensively, and interferes with the peace. The Resort has also had tennis "clinics" starting at 6:00 am in the morning that have been high energy (read loud voices and shouting). In summary, the Resort regularly and repeatedly generates music at various times that is loud, annoying, unwanted, and is an intolerable interruption of normal human activities at our residence and reportedly other nearby residences.

After one particularly loud "special event" that went on until shortly after mid-night in October 2015, I attempted to talk to the staff at the Resort about the noise and how offensive it was to the neighbors of the Resort. The staff at the Club showed no interest or concern about their "neighbors" and only responded that the City had given them a permit. I asked to speak to Mr. Bill Hinz and was summarily told he is unavailable. I left a message requesting that Bill call me to discuss the noise issue. As of this writing, despite my initial request to talk to Mr. Hinz and subsequent discussions with Resort

staff requesting that Mr. Hinz or a manager contact me, I have not received any communication related to my concerns about noise from Mr. Hinz or the Resort.

I would sincerely hope that the City of Fountain Hills will not only deny the Resort's request to extend the time for its special events from 10:00 pm to mid-night, but will curtail and shorten the time that special events can be held. Limits on the decibels and the noise elements to ensure that the noise does not leave the Resort property at any time should be implemented. The Resort's actions since its change of ownership with regard to the loud, obnoxious noise generated at various times by the Resort have demonstrated its lack of regard for the neighbors right to a quiet, peaceful community. They appear to hide behind the response that "they have a permit from the City".

Lastly, the request to extend the time for special events and loud music past 10:00 am appears to be completely at odds with statements in the Resort's Special Use Permit ("SUP") application for a "Wellness Center". The Resort's proposed "Wellness Center" is reported in the Resort's SUP application to be a place where guests will "find the peace and solitude" they purportedly need. In some cases the guests at the proposed "Wellness Center" will reportedly be dealing with "drug and alcohol addictions" and "de-stressing". I do not see how loud, offensive, late night parties (including alcohol) or for that matter any loud, offensive music at any time of the day, contribute to or be compatible with the conditions necessary to successfully achieve "the peace and solitude" that the Resort's guests will reportedly be seeking if the Resort's SUP application is approved.

I appreciate your consideration of my comments and trust that the Resort's request to extend the time for special events from 10:00 pm to mid-night will be firmly and decisively denied. We are continuing to review the Resort's SUP Application documentation and may have additional comments related to it.

Please feel free to contact me if you have questions or need additional documentation or information.

Sincerely,



David B. Berry
Villas at Copperwynd, Unit **Redact**
email: **Redact**

- c: Ken Flynn, Brown Community Management, Villas at Copperynd (email)
Anders Hellstrom, **Redact** E. Grandview Drive **Redact** Villas at Copperynd (email)

APR -4 2016

Mar. 28, 2016

Town of Fountain Hills
 Senior Planning Dept.
 Robert Rodgers

Dear Mr. Rodgers,

My husband and I are strenuously opposed to the extension of the quiet hours past the current 10PM limit for Copperwynd Resort.

Not only would it be a noise problem for the Copperwynd homeowners; but it would also encourage a different clientele than the current one.

From the city's perspective, if this exemption is granted to Copperwynd, there will be other venues wanting the same treatment, setting up the city for problems all over town.

No; if this was needed for their business model, why are they just now requesting it? It's a bad idea for all of us.

Jessie Kuehnl
 Redact E. Grandview Drive, #Redact
 Fountain Hills, AZ 85268

APR -4 2016

Steven Hunter

Redact E. Crestview Ct.

Fountain Hills, AZ 85268

March 30, 2016

Robert Rodgers

Development Services Dept.

16705 E Avenue of the Fountains

Fountain Hills, AZ 85268

Dear Mr. Rodgers:

We live in Cordabella at Copperwynd and object to the loud outdoor music the Copperwynd Resort plays after 10 pm. **Please do not grant them permits to play outdoor music after 10 pm in the future.**

Thank you for hearing my concern,


Steven Hunter



TOWN OF FOUNTAIN HILLS

**Development Services Department
Planning & Zoning Division**

MEMO

TO: Mayor & Town Council	DATE: April 6, 2016
FR: Robert Rodgers, Senior Planner & Zoning Administrator	RE: Copperwynd Event Hours

Since the previous two memos, staff has received still more correspondence regarding the issuance of a Temporary Use Permit which would allow the Copperwynd Resort to continue having events that last past 10:00 PM.

As they have been delivered after the original staff report was submitted it is likely that the Council may not have seen some of them. Please regard this memo as the 3rd addendum to the staff report. The attachments to this memo are all the letters received as of this date and time.

Robert 'Bob' Rodgers

From: Jim Horvath [Redact]
Sent: Monday, April 4, 2016 12:13 PM
To: Robert 'Bob' Rodgers
Subject: Copperwynd Request for Longer Hours of Operation

Dear Mr. Rodgers:

04-04-16P01:43 RCVD

We just became aware of a request by Copperwynd to continue to have administrative rather than Town Council approval for special use permits to extend its hours of operation beyond the normal ordinance closing time of 10:00 p.m. to instead 12:00 midnight for parties to be held both inside and outside of their buildings.

While not all of the residence of SunRidge Canyon (788 homes) would be concerned about this, there are a number of owners who live directly down the Canyon from Copperwynd and are directly affected by these, often times, loud parties. Because the Zoning Ordinances at Sec. 2.03D state in part that variances such as these must not be detrimental to the peace, comfort and general welfare of the persons residing in the neighborhood of such proposed use, it seems logical to me that the Town Council should be aware of each such variance and vote on the approval of each request as they are our elected officials. This would ensure that residence would have knowledge of each request via the Council's meeting agendas and be able to voice their opinion on each matter to the Town Council before the extension of hours is either approved or disapproved.

We believe the Town's ordinances concerning closing times were written with reason and that variances should only be granted in rare and unusual circumstances. Shutting down loud parties at 10:00 p.m. seems in tune with maintaining the peace, comfort and general welfare of the persons, such as many residence of SunRidge Canyon, residing near Copperwynd.

On behalf of the Board of Directors
SunRidge Canyon Community Association
James J. Horvath, President
[Redact] North Manzanita Lane
Fountain Hills, Arizona 85268

APR -4 2016

March 28, 2016

Robert Rodgers
Senior Planning Department

Dear Mr. Robert Rodgers:

04-04-16P01:38 RCVD

I am a homeowner living for the last 16 years at Copperwynd Villas.

I object to the granting of permits beyond 10:00 p.m. to the Copperwynd Resort.

I can clearly hear the music going on and believe 10:00 p.m. is sufficient.

Sincerely:



Muriel Lippman

Redact E. Grandview Dr. Unit Redact

Fountain Hills, Az. 85268

March 28, 2016

APR 24 2016

Robert Rodgers
Senior Planner
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills Az.

04-04-16P01:38 RCVD

Dear Sir,

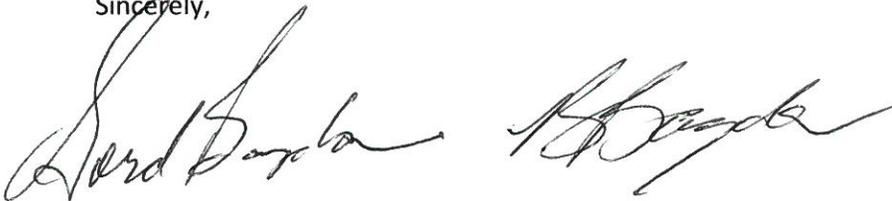
Re: Copperwynd Resort, Special Permit Request to Extend the Towns Quiet Hours Policy past 10pm

We object to the granting of permits beyond 10:00pm to the Copperwynd Resort.

We live in the Copperwynd Villas adjacent to the main Resort building. Our Villa is 250 feet from their building.

We believe that granting this permit will be detrimental to the peace, comfort, property values and resale opportunities for our residence. Our Villa was purchased with the knowledge of existing Town Noise policies. We do not want it changed.

Sincerely,



Gord and Bonny Bayda
Redact 14850 E. Grandview Dr.
Fountain Hills Az.

Robert 'Bob' Rodgers

From: KENNETH HONEYCUTT [Redacted]
Sent: Tuesday, April 5, 2016 8:43 AM
To: Robert 'Bob' Rodgers
Cc: Georganne Honeycutt; Anders Hellstrom
Subject: Copperwynd Noise Abatement Variance

Robert Rodgers
Senior Planner & Zoning Administrator
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, Arizona 85268

04-05-16A09:47 RCVD

Dear Mr. Rodgers,

My wife and I have recently purchased a villa in Copperwynd and are opposed to the variance being requested by Copperwynd Resort management to change the noise abatement start time from 10PM to midnight. In considering this request we hope you will appreciate the critical factors that lead residents like us to choose Fountain Hills over other local options such as Scottsdale or Mesa.

Fountain Hills is a "Dark Sky" city and we and many others love the quiet time (before and after 10PM) to enjoy the inspiring views of the night sky in tranquility. We also appreciate the sense of safety and security, the lack of traffic congestion, the close sense of community and family and the nearby natural world of National Forests, preserves and reservations we find here. Fountain Hills is made special by these characteristics. There are many other places that offer better restaurants, entertainment venues and shopping but which lack the natural beauty and safe convenience of our city.

10PM has been set by statute as the standard for outdoor quiet in the city in general and the close proximity of the resort facilities at Copperwynd to our residences makes this a particularly important factor that insures our right for quiet enjoyment of our properties. I can tell you based on personal experience that the parties and happy hours already being held in the evenings can be definitely be heard at the villas and beyond. We understand that Copperwynd is a resort and as residents appreciate the benefits that a successful resort nearby brings to us. We bought into this neighborhood in large part because of the resort lifestyle options and sincerely want the resort to prosper. Nevertheless we think that 10PM is a reasonable cutoff point for noisy outdoor activities.

Thanks very much for your consideration.

Ken and Georganne Honeycutt
Copperwynd Villa [Redacted]

Sent from my iPad

Robert 'Bob' Rodgers

From: Anders Hellstrom [Redacted]
Sent: Tuesday, April 5, 2016 12:50 PM
To: Robert 'Bob' Rodgers
Subject: Noise Variance for Copperwynd Resort and Club

Robert Rodgers
Senior Planner & Zoning Administrator
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, Arizona 85268

04-05-16P12:50 RCVD

Dear Mr. Rodgers,

My wife and I have lived at Villas at Copperwynd since 2002 and we love it here. We are, however, opposed to the variance being requested by Copperwynd Resort and Club to allow outdoor music to be played after 10:00 PM.

We bought into this neighborhood in large part because of the resort lifestyle options and sincerely want the resort to prosper. Nevertheless we think that 10:00PM is a reasonable cutoff point for noisy outdoor activities. The music is mostly for weddings at the resort. We do not believe that moving the music indoors at 10:00 PM will hurt the "Wedding" business for the resort as most of the older people (usually the people paying the bill) are ready to call it a day. The younger people who still would like to dance a little longer can then move indoors with the music and continue to enjoy themselves.

Thanks very much for your consideration.

Anders and Nancy Hellstrom
Villas at Copperwynd, Unit [Redacted]
14850 E Grandview Drive
Fountain Hills, AZ 85268

April 4, 2016

04-05-16A11:55 RCVD

Robert Rodgers
Development Services Department
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

Dear Mr. Rodgers;

As a resident of Cordabella and a member of Copperwynd I am writing to you in support of granting the resort a permit to extend the playing of outdoor music after 10:00 pm. It is unreasonable to expect a resort to close down a wedding reception or private party at 10:00 pm. Being the house closest to Copperwynd, I barley hear the music. While I understand the first couple of buildings of the Villas do hear the music, (we use to own unit **Redact**) but we would have to be outside to hear the music. I believe that is the price you pay for living within walking distance to the resort.

I would think the residence of the Villa's would rather have a few weekends of music than the option of closing the resort due to lack of business. The new resort if beautiful and a much needed amenity for Fountain Hills, it should be able to operate at a level to accommodate their members and hotel guest.

Regards,



Steve & Kate Lowry
Redact Summit Dr. N
Fountain Hills AZ 85268

Robert 'Bob' Rodgers

From: [Redact]
Sent: Tuesday, April 5, 2016 7:42 PM
To: Robert 'Bob' Rodgers
Subject: CopperWynd Resort; After Hours Permit

Dear Mr. Rogers:

First, please allow me congratulate you on a wonderful job you have been delivering serving our beautiful town while maintaining a sensitive balance between preserving the unique character of our community and helping local businesses to thrive.

I am writing you to express my support of upholding the After Hours Permit for Copperwynd Club and Resort.

I have been enjoying Copperwynd club membership since 2004. It is my sincere opinion, that the club cannot stay financially profitable without allowing events, such as weddings taking place there. You will probably understand that limiting weddings to end up by 10 PM would dramatically decrease marketability of such venues. I am afraid it will have a negative financial impact not only for the club, but will also result in loss of sales and bed tax revenues for the town.

As you may know, the new owners recently remodeled the whole resort and invested a lot of their efforts and resources into creating a world class resort. As a member, and as a Fountain Hills resident, I am very grateful to see such passion and commitment.

I understand that there is a quiet enjoyment issue raised by some members and homeowners. I can assure you, our new owners are very accommodating and involved with the community needs. I am positive that they will be willing to demonstrate their preparedness to minimize the impact of extended hours on members and homeowners.

Thank you for considering my opinion.

Yours truly,

Sarka Hulpach
Copperwynd Member

[Redact] E Kensington Pl, Fountain Hills
[Redact]



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Development Services

Staff Contact Information: Robert Rodgers, Senior Planner rrodgers@fh.az.gov 480-816-5138

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language):

PUBLIC HEARING to receive comments on a proposed SPECIAL USE PERMIT to allow Truck Rentals by Desert Dawg Auto Repair at 9521 Technology Drive, located in the "IND-2 IUPD" zoning district. (Case #SU 2016-15)

CONSIDERATION of a proposed SPECIAL USE PERMIT to allow Truck Rentals by Desert Dawg Auto Repair at 9521 Technology Drive, located in the "IND-2 IUPD" zoning district. (Case #SU 2016-15)

Applicant: Albert Kurdzialek

Applicant Contact Information: 9521 Technology Drive, Fountain Hills, AZ 85268
(480) 837-3294

Property Location: 9521 Technology Drive, Fountain Hills, AZ 85268

Related Ordinance, Policy or Guiding Principle:

1. Zoning Ordinance - Section 2.02 Special Use Permits
2. Zoning Ordinance - Section 2.04 Concept Plan Review
3. Zoning Ordinance - Section 12.05.K Uses Subject to Special Use Permits in C-2 Zoning Districts Only
4. Zoning Ordinance - Chapter 19, Architectural Review Guidelines
5. Subdivision Ordinance - Section 6.09 Low Water Use Landscaping Requirements

Staff Summary (background):

EXISTING CONDITIONS:

The subject property is the existing Unit C-3 of the Firerock Commerce Park Industrial Condominiums, located at 9521 Technology Drive. Unit C-3 is approximately 4,889 square feet in size and shares the enclosed storage yard behind the building with units C-1 and C-2.

Parking is common to all units on the property. The property is zoned IND-2 IUPD. The General Plan identifies this area as "Industrial".

Surrounding Land Uses:

- North – Four Peaks (Target) plaza – Zoned C-2 PUD
- South – Technology Drive, then U-haul Storage – Zoned IND-2
- East – Saguaro Blvd, then Multi-Family Residential – Zoned R-3
- West – Technology Drive, then Van's Storage – Zoned IND-1

The proposed use (U-Haul Truck Rentals) is consistent with this district, subject to a Special Use Permit in order to be located within the IND-2 IUPD zoning district.

REQUEST:

This application requests approval of a Special Use Permit to allow truck rentals pursuant to Zoning Ordinance Section 13.03.D.

SPECIAL USE PERMIT:

Section 13.03.D of the Zoning Ordinance allows Truck Rental uses by Special Use Permit provided that the applicant provides the number of trucks that will be rented and allows intermittent periodic inspections to ensure compliance with any conditions of the Special Use Permit.

Section 2.02.D of the Zoning Ordinance indicates that the following factors should be considered in the review of a Special Use Permit:

1. Special conditions influencing its location.

Staff: The Firerock Commerce Park industrial condominiums are located behind Target Plaza which is on Shea Blvd, the main east-west arterial street in Fountain Hills. Access to Technology Drive and Shea Blvd is excellent. The property is zoned for industrial uses and this tenant currently occupies the proposed location as an automotive repair facility.

2. Proposed location of buildings, parking and other facilities.

Staff: No new buildings are proposed. The walled enclosure will contain the trucks to be rented as well as any vehicles under repair. The existing unit will receive tenant improvements on the inside only. The shared parking is adequate to handle this expanded use.

3. Amount of traffic likely to be generated.

Staff: The proposal will not generate traffic in excess of the parking lot's circulation and design capacity.

4. Influence that the above factors are likely to exert on adjoining properties.

Staff: The character of the area immediately around the property is currently industrial. Saguaro Blvd is not accessible by car directly from the property. Noise, litter, or other undesirable conditions that could negatively affect the area are not expected to be any greater than normally associated with industrial parks.

In order to approve a Special Use Permit, the findings of the Council must be that the establishment, maintenance, or operation of the use or building applied for will not be detrimental to the public health, safety, peace, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, nor shall it be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the town.

The Town Council may include any conditions in connection with the Special Use Permit that it deems appropriate to secure the intent and purposes of the ordinance and may require guarantees and evidence that the conditions are being, or will be followed.

An example of such conditions may be found in the neighboring storage facility's Special Use Permit that also allows truck rentals. This facility was limited to 6 trucks at a time due to inadequate parking areas. (See 7/1/2003 Council Minutes; attached)

Risk Analysis:

Approval of the proposal will permit the applicant to rent U-haul trucks at the proposed location.

Denial of the proposal will require that the applicant either re-design portions of the project and/or provide additional information. Or, that the applicant move the business to another location.

Fiscal Impact:

There is no immediate fiscal impact anticipated.

Budget Reference (page number): NA

Funding Source: NA

If Multiple Funds utilized, list here: NA

Budgeted; if No, attach Budget Adjustment Form: NA

Staff Recommendation(s):

The following stipulations are recommended by Staff as conditions of approval:

1. The applicant shall not store any inventory or repair vehicles in the areas designated as shared parking. All for-rent vehicle storage as well as storage of vehicles under repair shall be within the enclosed area behind the building.
2. Signage is not included in this approval. All signage shall comply with the requirements of the Fountain Hills Zoning Ordinance, Chapter 6 and shall require separate Building Permits.

Recommendation(s) by Board(s) or Commission(s):

The Planning & Zoning Commission held a public hearing on March 10, 2016. During the public hearing, members of the commission noted that the property was currently in violation of staff's proposed stipulations of approval for the requested Special Use Permit.

The Commission has forwarded a recommendation to Town Council to approve the Special Use Permit subject to the stipulations recommended by staff and two additional stipulations as follows:

3. The applicant shall be permitted to have trailer displays in the cut out area in front of the currently vacant Unit "C-2" until that unit is occupied.
4. The Special Use Permit is for Desert Dawg only and it is not transferable to another business or another address should the applicant move location.

Attachment(s):

- Current Plat Map
 - Aerial Photo
 - Application
 - Photos (5 pgs)
 - Applicant's Narrative (1 pg)
 - 3/10/2016 – DRAFT P&Z Commission Minutes
 - 7/1/2003 – Town Council Minutes
-
-

SUGGESTED MOTION (for Council use):

Move to approve the proposed SPECIAL USE PERMIT to allow Truck Rentals by Desert Dawg, Auto Repair at 9521 Technology Drive, located in the "IND-2 IUPD" zoning district, subject to the stipulations recommended by the Planning & Zoning Commission as outlined in the staff report.

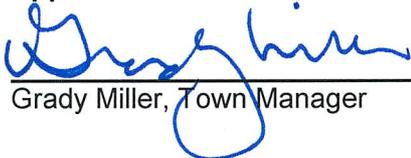
Prepared by:

Robert Rodgers  3/28/2016
Senior Planner & Zoning Administrator Date

Director's Approval:

 3/28/2016
Paul Mood, Development Services Director

Approved:

 3/29/2016
Grady Miller, Town Manager Date

Town of Fountain Hills Staff Presentation



Desert Dawg
Special Use Permit - Truck Rental
9521 Technology Drive

Location Map



Proposed Special Use Permit U-Haul Truck Rental 9521 Technology Drive



Recommendations

P&Z Commission: Approve
Staff: Approve

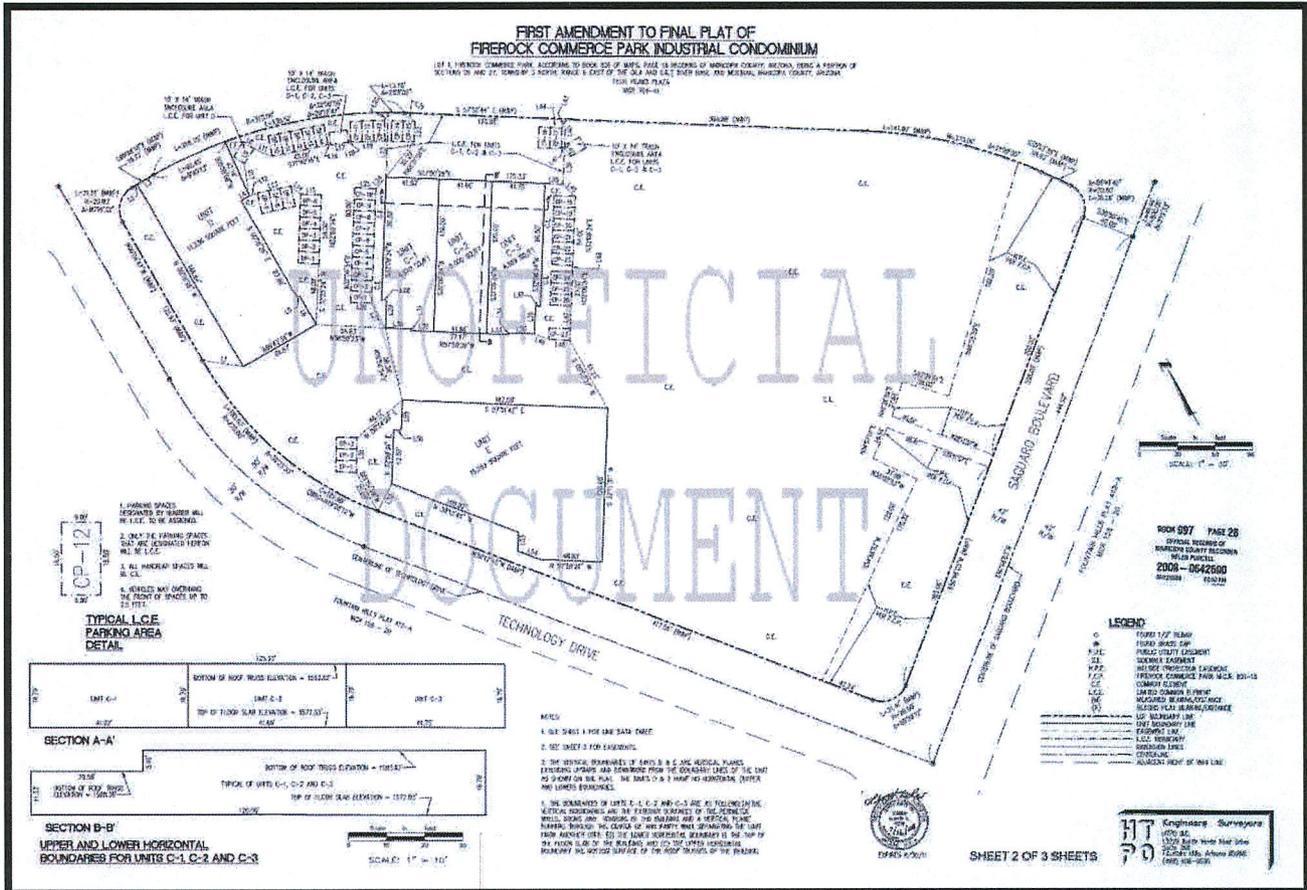
Special Use Permit to allow U-Haul Truck Rentals
at
9521 Technology Drive

Subject to the stipulations outlined in the staff report:

Site Photos



Location Map





DO Not write in this space -official use only
 Filing Date 11/19/15
 Accepted By (PW)
 Fee Accepted 665.00
 Case Manager Bob Rodgers

The Town of Fountain Hills

PLANNING & ZONING DEPARTMENT - APPLICATION

<input type="checkbox"/>	Abandonment (Plat or Condominium)	<input type="checkbox"/>	Appeal of Administrator's Interpretation
<input type="checkbox"/>	Area Specific Plan & Amendments	<input type="checkbox"/>	Concept Plan
<input type="checkbox"/>	Condominium Plat	<input type="checkbox"/>	Cut/Fill Waiver
<input type="checkbox"/>	Development Agreement	<input type="checkbox"/>	HPE Change or Abandonment
<input type="checkbox"/>	General Plan Amendment	<input type="checkbox"/>	Ordinance (Text Amendment)
<input type="checkbox"/>	Planned Unit Development	<input type="checkbox"/>	Preliminary / Final Plat
<input type="checkbox"/>	Replat (Lot joins, lot splits, lot line adjustments)	<input checked="" type="checkbox"/>	Special Use Permit & Amendments
<input type="checkbox"/>	Rezoning (Map)	<input type="checkbox"/>	Temporary Use Permit (Median Fee, if applicable)
<input type="checkbox"/>	Site Plan Review (vehicles sales)	<input type="checkbox"/>	Other
<input type="checkbox"/>	Variance		

PROJECT NAME / NATURE OF PROJECT: U-Haul Truck & Trailer Rental

LEGAL DESCRIPTION: Plat Name Fountain Hills Com Park Condo Block _____ Lot _____
PROPERTY ADDRESS: 9521 Technology Dr. Suite 142 FH, AZ 85268
PARCEL SIZE (Acres) 4.910 **ASSESSOR PARCEL NUMBER** 17609512
NUMBER OF UNITS PROPOSED _____ **TRACTS** _____
EXISTING ZONING C1 FNO-2 **PROPOSED ZONING** _____

Applicant
 Mrs. ALBERT WUDZIALYK Day Phone 480-837-3294
 Mr. _____
 Ms. Address: 9521 Technology Dr City: F.H. State: AZ Zip: 85268
 Email: AK.DesertDogAuto & Yahoo.com

Owner
 Mrs. same as above Day Phone _____
 Mr. _____
 Ms. Address: _____ City: _____ State: _____ Zip: _____

If application is being submitted by someone other than the owner of the property under consideration, the section below must be completed.

SIGNATURE OF OWNER Charles Lorber **DATE** 11/19/15

I HEREBY AUTHORIZE Al Kundzalek TO FILE THIS APPLICATION.
Please Print

Subscribed and sworn before me this 19 day of November, 20 15

[Signature]
 Notary Public

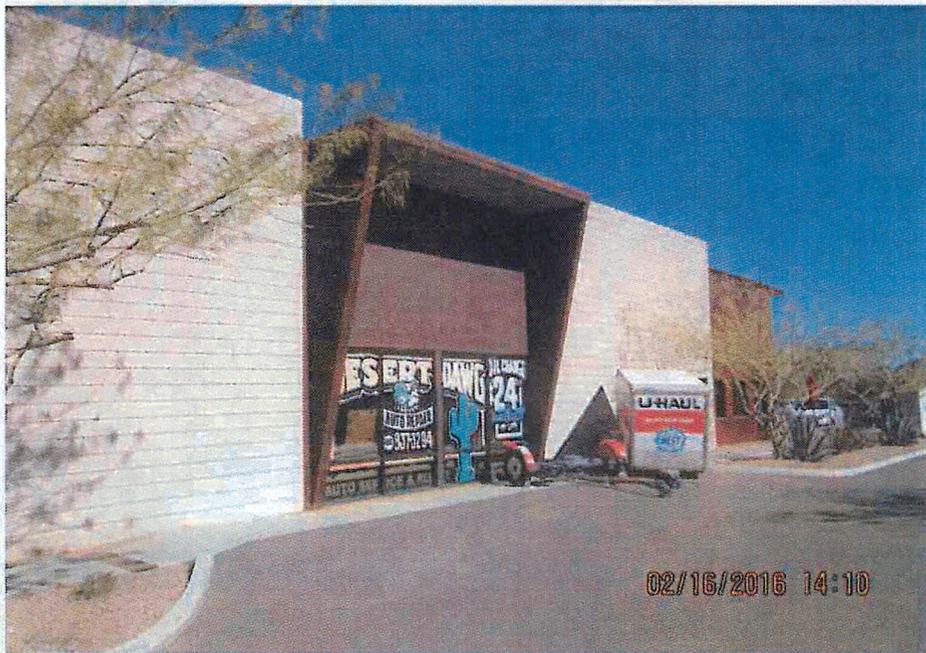
 My Commission Expires 1/29/15
 MUNIS 6380
 APPLICATION # 52201615



02/16/2016 14:10



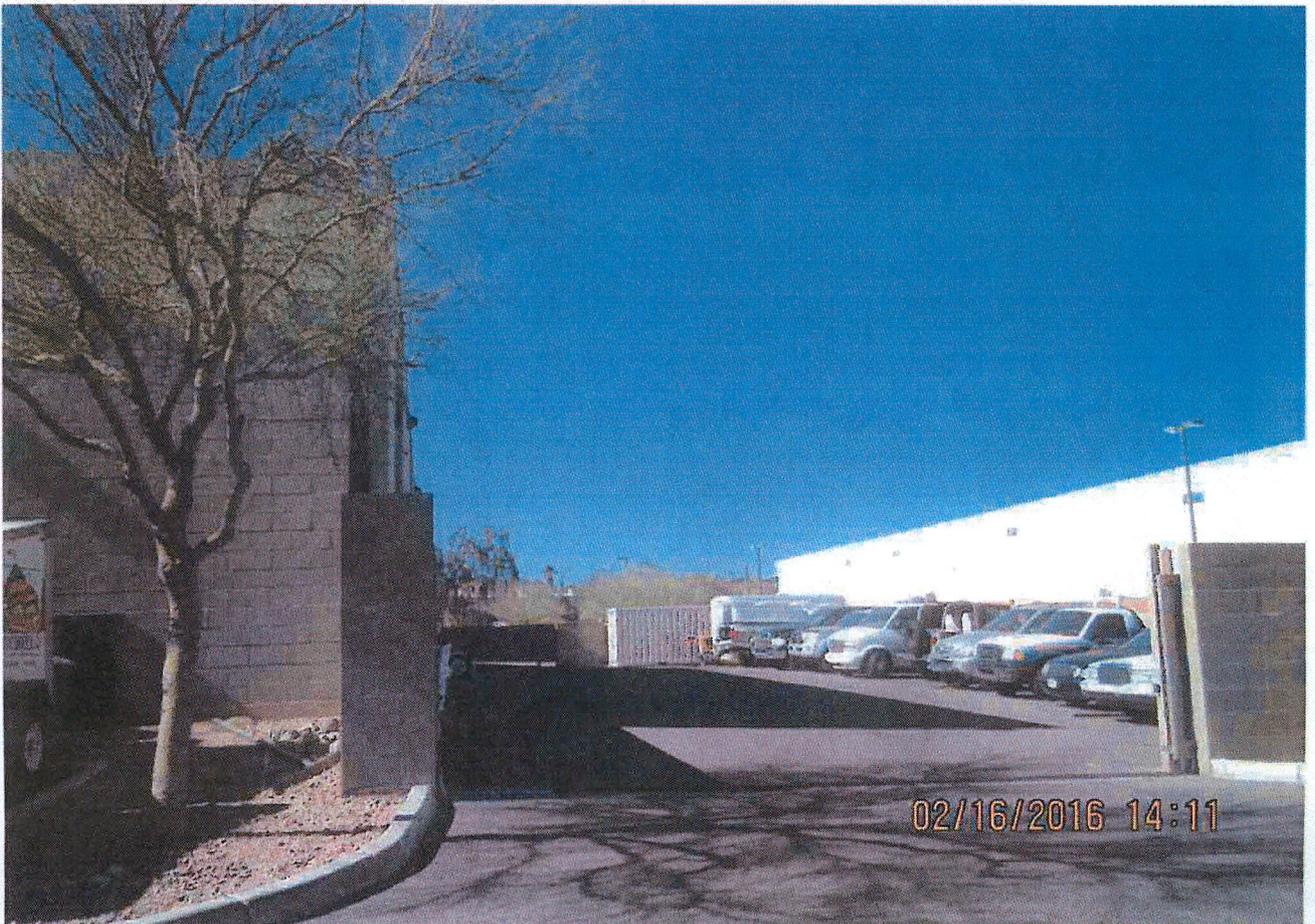
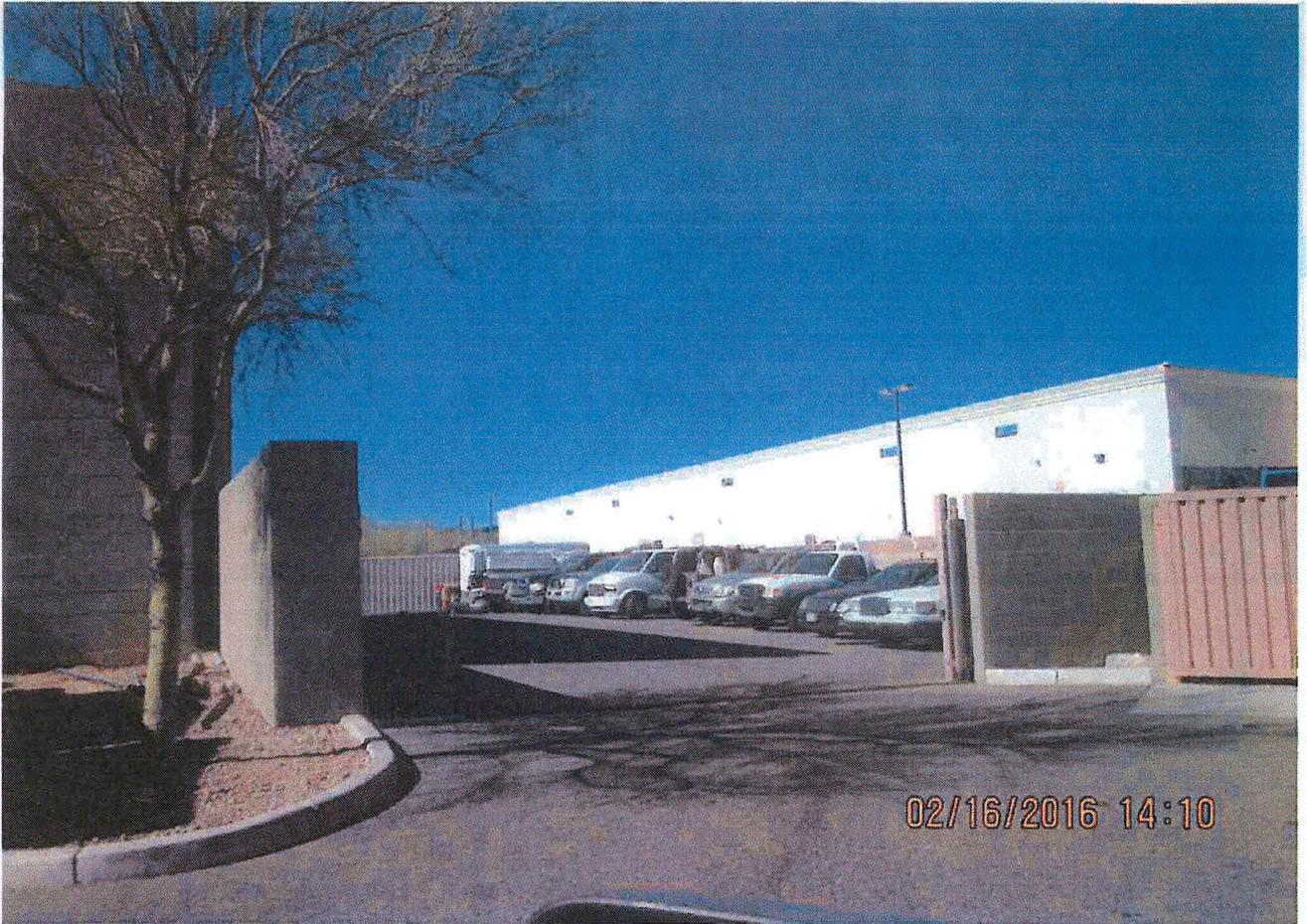
02/16/2016 14:11



02/16/2016 14:10



02/16/2016 14:11











480.837.DAWG (3294) • Fax 480.816.5926

9521 Technology Drive • Fountain Hills, AZ 85268

DesertDogAuto.com • E mail: AI@DesertDogAuto.com

Also Offering U-Haul Truck & Trailer Rentals

A Community Leaders New Journey

Al & Noreen Kurdzialek have had their home and businesses in the Town of Fountain Hills for over 31 years. Al has a unique skill when it comes to vehicles. Old, New, Classic, Antique, Diesels, Boats & Trailers, nothing can stump him. He always talks to his customers so they understand the details of their vehicle's needs. Noreen is always the friendly smile to greet them and expedite their work in a timely manner. People's cars are very important to them in many ways.

Our new journey is offering the community convenient, friendly service for all of their moving needs by providing a number of U-Haul Trucks & Trailer for Rent either in town or round trip to a new out of state location.

U-Haul brings the Truck & Trailer to our location and sometime when needed to pick them up at another location to accommodate the size they need if we don't have it in our inventory. Previously residents were being sent to Scottsdale, Mesa etc. to pick up the rental they need. Now they have the opportunity to get what they need, when they need it in their very own Town of Fountain Hills.

All of the employees of the former Desert Dog Auto Service & Repair followed Al to his 10K square foot automotive facility now named Desert Dawg Auto Repair.

Currently members of the Fountain Hills Chamber of Commerce, we are very excited for the new changes that have already begun to take place and look forward to expanding services to the Residents and Businesses of Fountain Hills.

Thank you for your time and consideration in the matter of seeking a Special Use Permit for U-Haul to allow us to bring this important service to our Town.

Al Kurdzialek - Owner

Where it's all about the customer.....over 30 years experience.

I hereby authorize the repair work to be done along with the necessary material and hereby grant your employees permission to operate the vehicle herein described on streets, highways or elsewhere for the purpose of testing and/or inspection. If automobile is returned to customer before authorized service is performed, a diagnostic and handling charge will be made. I have read and understand the above estimate and terms. I authorize service to be performed including body work, and acknowledge receipt of this estimate. CUSTOMER IS HEREBY NOTIFIED THAT THE SAID PROPERTY IS NOT INSURED OR PROTECTED AGAINST LOSS OCCASIONED BY THEFT, FIRE OR VANDALISM WHILE THE PROPERTY REMAINS WITH OUR FACILITY. NOTICE TO CONSUMER PLEASE READ IMPORTANT INFORMATION ON REVERSE SIDE. CUSTOMER ACKNOWLEDGES RECEIPT OF COPY HEREOF SUBJECT TO CONDITIONS ON REVERSE SIDE OF THIS CONTRACT. PLEASE READ REVERSE SIDE.

CUSTOMER
SIGNATURE **X**

FREE LOCAL SHUTTLE SERVICE • SERVICE ON ALL MAKES & MODELS.



READ IMPORTANT INFORMATION ON REVERSE SIDE.

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR SESSION OF THE
PLANNING & ZONING COMMISSION
March 10, 2016**

Chairman Michael Archambault opened the meeting at 6:30 p.m.

DRAFT

ROLL CALL:

The following Commissioners were present: Chairman Michael Archambault. Vice-Chairman Eugene Mikolajczyk. Commissioners: Jeremy Strohan, Howie Jones, Susan Dempster and Roger Owners. Also in attendance were Paul Mood, Development Services Director and Paula Woodward, Executive Assistant and Recorder of the minutes. Commission Connick was absent.

Chairman Michael Archambault requested participation in the Pledge of Allegiance and a moment of silent reflection.

CALL TO THE PUBLIC

No one wished to speak.

AGENDA ITEM #1 - CONSIDERATION OF APPROVING THE PLANNING AND ZONING COMMISSION MEETING MINUTES DATED February 11, 2016.

Vice-Chairman Eugene Mikolajczyk **MOVED** to **APPROVE** the meeting minutes dated Thursday, February 11, 2016 as written. Commissioner Howie Jones **SECONDED** and the **MOTION CARRIED UNANIMOUSLY.**

AGENDA ITEMS #2 - CONTINUED PUBLIC HEARING TO RECEIVE COMMENTS ON A PROPOSED SPECIAL USE PERMIT TO ALLOW TRUCK RENTALS BY DESERT DAWG AUTO REPAIR AT 9521 TECHNOLOGY DRIVE, LOCATED IN THE "IND-2 IUPD" ZONING DISTRICT. (CASE# SU2016-15)

Chairman Archambault opened the Public Hearing at 6:32 p.m.

Paul Mood, Development Services Director gave a PowerPoint presentation & stated the application is for a Special Use Permit to allow Desert Dawg Auto to rent U-Haul Trucks in the Ind-2 IUPD zoning district. The property is located at 9521 Technology Drive, Unit C-3, in the "Firerock Commerce Park, industrial Condominiums, directly behind the Target Plaza. Mr. Mood referred to aerial photos showing the location and a walled in area at the rear which is the designated outdoor storage area for all three condominium units in this building. This is the area that staff has noted in the recommended stipulations for the U-Haul truck inventory storage and/or display. Mr. Mood said the parking spaces in the foreground are common spaces for the Commerce Park and are required to be available for employee and customer parking and are not to be used as outdoor display areas. Mr. Mood said staff has discussed the proposal with the applicants and they originally indicated their agreement with the two stipulations outlined in the staff report. Staff has recommended approval subject to the two stipulations outlined in the staff report but since then it has become evident additional stipulations may be needed. Mr. Mood referred to photos taken this week by Chairman Archambault. They appear to show the current situation on this site. The rental trucks are still overflowing into the customer parking areas. If so, the current situation does not comply with staff's recommended conditions of the Special Use Permit.

Mr. Mood said Chairman Archambault can elaborate on the photos and the applicant is present to answer any questions.

Chairman Archambault commented the photos were taken this morning and noticed the amount of vehicles shown in the photo are less than in the past. He said this afternoon he observed cars parked in the dirt area. Chair Archambault asked Mr. Mood if it was okay for parking on dirt.

Mr. Mood responded that parking is not allowed on dirt unless there is a dust palliative or "DG."

Chairman Archambault asked for any Call to the Public.

Wayne Warrington, resident and a business owner in Fountain Hills came forward and spoke in favor of Desert Dawg's application for a Special use Permit to allow Desert Dawg Auto to rent U-Haul trucks. Mr. Warrington stated he has known the business owner for several years and their business operations. He pointed out in the overhead presentation photo the closed parking area. Mr. Warrington stated he personally witnessed numerous customers throughout the year utilizing Desert Dawg indicating they are a valuable business to the Fountain Hills community.

Chairman Archambault commented on the upper left overhead presentation photo showing Desert Dawg in compliance within the gated area.

Chairman Archambault commented the public hearing was still open and **closed the Public Hearing at 6:39 p.m.**

AGENDA ITEM #3 - CONSIDERATION OF A PROPOSED SPECIAL USE PERMIT TO TRUCK RENTALS BY DESERT DAWG AUTO REPAIR AT 9521 TECHNOLOGY DRIVE, LOCATED IN THE "IND-2 IUPD" ZONING DISTRICT. (CASE #SU2016-15)

In response to Commissioner Jones, Mr. Warrington stated he heard from customers that this is a great company. Desert Dawg made a move to an industrial park that remained vacant and struggling. They are making this location work and by having the special use permit they could meet the needs of the community.

Commissioner Jones asked if this was the fourth U-Haul facility in Fountain Hills.

Mr. Warrington said there is one behind Desert Dawg which is a U Haul storage but they could not keep up with the rental demand. Desert Dawg would be able to offer the rentals the U Haul storage could not. Desert Dawg has been named a dealer for U Haul and is busy since taking on the truck & trailer rentals.

Commissioner Dempster asked the business owner about his landlord, the building and tenant improvements.

Mr. Kurdzialek presented a letter from his landlord. The letter stated if at all possible please park the trailers on the recess part of the building. The photos shown today display trucks parked behind the curbed area and the trailers parked on the recess area. The landlord does not want cars or trucks parked in the recess area because the slots are not long enough to accommodate. The trailers fit the slot size. Mr. Kurdzialek said, The U Hauls are not visible from Technology Drive. The graphics on the windows are the only advertising for U-Haul. Mr. Kurdzialek said, the public won't even know we provide U-Haul because they are out of site at the back of the building. Mr. Kurdzialek stated he is allocated 3 trucks and 4 trailers for inventory. The other U Haul rentals in town on Saguro have vans & 10 foot trucks. The U - Haul behind Desert Dawg rents cube vans. Mr. Kurdzialek stated he is proposing that Desert Dawg be allowed to park the trailers in the recess area and the trucks in the enclosed area in the back.

Vice-Chairman Mikolajczyk asked how long is Desert Dawg's agreement with U-Haul and if Desert Dawg vacates the premises does the arrangement from U-Haul go with Desert Dawg.

Mr. Kurdzialek said there is no specific timeframe or contract. He stated he is licensed to rent out the U-Hauls. U-Haul knows what inventory Desert Dawg has on hand and handles all the paperwork. They book the rentals through their traffic. The landlord is very happy with the trailers parked in the recess area because it prevents customer cars from parking there and sticking out.

Chairman Archambault stated the special use permit requires Desert Dawg to put all the trucks and trailers behind the wall area.

Mr. Kurdzialek stated he was not aware of that until code enforcement came to his business and he is now aware of the stipulations. Mr. Kurdzialek stated he was applying for the SUP to sell trucks and didn't realize it included restrictions about where the trucks or trailers were parked.

Chairman Archambault stated, although the landlord has requested the trailers to park on the side recess area they cannot because of the zoning. In response to the landlord owning the property, the common area is owned by the association. The association is made up of more than one owner.

In response to Commissioner Dempster, Chairman Archambault said the U-Hauls on Saguaro Blvd. are zoned C-3 which allows truck rentals without a Special Use Permit. Desert Dawg is in an I-2 zoned area which requires a SUP for trucks. SUP is not required for trailers. Stipulations state all rentals are required to have the trucks in the back and behind gated area.

Mr. Kurdzialek stated he will abide by the stipulations but stated if the rentals cannot be seen business may suffer.

Commissioner Owers asked Mr. Kurdzialek if he uses the vacant dirt lot adjacent to his business. Mr. Kurdzialek said, sometimes it's used to turn around vehicles because the gate in the back is closed. Delivery trucks have to back out into the vacant lot to turn around and exit.

In response to Vice-Chairman Mikolajczyk Mr. Mood stated Bob Rodgers advised him that the parking areas or drive isles cannot be used for outdoor display. Ultimately the Planning and Zoning Commission will be making the recommendation to council. For this zoning area, rental vehicles are required to be behind a gate.

Vice Chairman Mikolajczyk **MOVED** to forward a recommendation to the Town Council to approve the Special Use Permit to Truck Rentals by Desert Dawg Auto Repair at 9521 Technology Drive, located in the "IND-2 IUPD" zoning district as submitted, and add an amendment to allow the applicant to have a trailer display in the cut out area until the vacant suite is occupied. Commissioner Jones **SECONDED**.

Commissioner Owers requested to add an amendment that the SUP is for Desert Dawg only and it would not be transferable should the applicant move location.

Chairman Archambault stated there are two (2) staff stipulations and two (2) amendments. He said if there was no further discussion or questions among the commission a vote would be taken. A voice vote was taken on the amendments and the **MOTION CARRIED UNANIMOUSLY (6-0)**.

Chairman Archambault asked for a voice vote on the main motion which is to forward a recommendation to the Town Council to approve the Special Use Permit to Truck Rentals by Desert Dawg Auto Repair at 9521 Technology Drive, located in the "IND-2 IUPD" zoning district as submitted. The **MOTION CARRIED UNANIMOUSLY (6-0)**.

AGENDA ITEM #4 - COMMISSION DISCUSSION/REQUEST FOR RESEARCH TO STAFF.

Items listed below are related only to the propriety of (i) placing items on a future agenda for action or (ii) directing staff to conduct further research and report back to the Commission.

None

AGENDA ITEM #5 - SUMMARY OF COMMISSION REQUESTS FROM SENIOR PLANNER.

None

AGENDA ITEM #6 - REPORT FROM SENIOR PLANNER AND ZONING ADMINISTRATOR, PLANNING AND ZONING DIVISION OF DEVELOPMENT SERVICES.

None

AGENDA ITEM #7 - ADJOURNMENT.

Commissioner Jones **MOVED** to adjourn the meeting at 7:09 p.m. and Commissioner Owers **SECONDED** and the **MOTION CARRIED UNANIMOUSLY.**

FOUNTAIN HILLS PLANNING & ZONING COMMISSION

BY:

Chairman Mike Archambault

ATTEST:

Paula Woodward, Executive Assistant

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Fountain Hills Planning and Zoning Commission held on the 10th day of March 2016, in the Town Council Chambers, 16705 E. Avenue of the Fountains, Fountain Hills, AZ 85268. I further certify that the meeting was duly called and that a quorum was present.

Dated this 14th day of March 2016

Paula Woodward, Executive Assistant

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR AND EXECUTIVE SESSION OF THE
FOUNTAIN HILLS TOWN COUNCIL
JULY 1, 2003**

ROLL CALL - Present for roll call were the following members of the Fountain Hills Town Council: Councilman Archambault, Mayor Nichols, Councilwoman Stevens, Councilman Kavanagh, Councilman Melendez, Councilwoman Nicola, Vice Mayor Ralph. Town Attorney Andrew McGuire, Town Manager Tim Pickering, Director of Public Works Tom Ward, Director of Parks, Recreation, & Community Center Mark Mayer, Planner Denise Ruhling, Senior Planner Dana Burkhardt, Accounting Supervisor Julie Ghetti, and Bevelyn Bender, Town Clerk, were also present.

AGENDA ITEM #11 - PUBLIC HEARING TO RECEIVE COMMENTS ON A REQUEST FOR A SPECIAL USE PERMIT TO ALLOW TRUCK RENTAL AT 9264 TECHNOLOGY DRIVE, AKA, FOUNTAIN HILLS BUSINESS PARK REPLAT, BLOCK 6, LOT 1. CASE NUMBER SU2003-05.

Mayor Nichols stated that this item was a public hearing to allow comments to be heard and declared the public hearing open at this time.

Town Manager Tim Pickering indicated that Ms. Ruhling would provide an overview of this issue and expressed appreciation to U-Haul for their cooperative efforts.

Ms. Ruhling said that this was a request for a Special Use Permit to allow truck rental in an industrially zoned area. She referred to slides displayed in the Council Chambers and noted that the site was currently referred to as the "U-Haul" site and was located at 9264 Technology Drive. She noted that the site currently housed a mini-storage facility and the request was to allow truck rentals to occur in this area. She noted that previously the Town had not allowed truck rentals to take place in industrial zoned areas but added that a text amendment was previously done to allow this use to be approved. She said that U-Haul was the first applicant to apply for this use and said that Staff believed the use was compatible with the area and added that the application met all Town of Fountain Hills' Zoning Ordinance requirements.

Discussion ensued relative to the fact that one of the concerns brought forward by the Planning and Zoning Commission as well as adjacent residential development had to do with landscaping and buffering and the fact that the proposed plan provided for landscaping to be put in place that would screen the trucks but not necessarily keep them behind closed doors; the fact that a nicely screened fence was being proposed to serve as a buffer; the fact that the entire site would also be screened by a masonry wall to the rear and sides and a wrought iron fence with slats to the front of the property; the fact that at the "very most" only the top portion of trucks would be able to be viewed; the fact that the text amendment that was approved allowed for a minimum of four trucks to be on site and that parking be provided for those and the fact that Staff had determined that based upon parking shown on the site plan, this site would allow up to six rental trucks to be stored on site; the fact that any additional trucks would be removed immediately to the site in Scottsdale; and the fact that adequate parking was provided for up to six trucks,

Ms. Ruhling reiterated Staff's opinion that the request be approved and noted that the Planning and Zoning Commission had also reviewed the plan and recommended approval. She said that the applicant was present and would like to address the Council.

In response to a question from Councilman Archambault, Ms. Ruhling advised that the property was under a PUD and added that before the Council approved the text amendment, the ordinance did not allow for any car or truck rental to occur anywhere other than in C-3 zoning districts.

Councilman Archambault stated the opinion that the PUD that was on this property was the same as the one on his property and said it was his understanding that rentals were not allowed. Ms. Ruhling commented that she did not remember reading anywhere that truck rentals were not allowed on this site but indicated her intention to double check this matter.

Todd Williams, 2727 North Central Avenue, Phoenix, the applicant in this case, said that they were happy that they had reached this point and that the process had been a long but productive one. He expressed his appreciation to the Town of Fountain Hills for efforts to work with U-Haul on this request said that they were basically happy with all that Staff had done and the information included in their presentation, including all of their recommendations.

Councilman Melendez commended Mr. Williams for presenting positive comments relative to Staff.

Mayor Nichols also complimented the applicant on his efforts to work with the neighbors in an effort to alleviate their concerns.

There being no requests from the public to speak on this issue, the Mayor declared the public hearing closed at this time.

AGENDA ITEM # 12 - CONSIDERATION OF APPROVING A REQUEST FOR A SPECIAL USE PERMIT TO ALLOW TRUCK RENTAL AT 9264 TECHNOLOGY DRIVE, AKA FOUNTAIN HILLS BUSINESS PARK REPLAT, BLOCK 6, LOT 1. CASE NUMBER SU2003-05.

Mayor Nichols said that he would entertain a motion on this item.

Councilman Kavanagh commented that in terms of neighborhood groups, this issue has been one of the most contentious brought before the Council and complimented everyone involved on their efforts to bring this issue to a successful, positive conclusion. He also commended Staff, particularly the Town Prosecutor, on their extensive efforts.

Councilman Kavanagh **MOVED** to approve the request for a Special Use Permit to allow truck rentals at 9264 Technology Drive.

The Mayor clarified that the motion was to approve the issuance of the Special Use Permit and Councilwoman Nicola **SECONDED** the motion.

MOTION CARRIED UNANIMOUSLY (7 to 0).



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Development Services

Staff Contact Information: Paul Mood, Development Services Director, pmood@fh.az.gov

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Fire Station #2

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of Cost Share Agreement C2016-253 between the Town of Fountain Hills and Chaparral City Water for the Fire Station No. 2 driveway improvements.

Applicant: NA

Applicant Contact Information: NA

Property Location: Southwest corner of FountainHills Blvd. and Muskrat Lane

Related Ordinance, Policy or Guiding Principle:

Staff Summary (background): The Town and Chaparral City Water (CCWC) entered into a temporary license agreement on August 28, 2015. The temporary license agreement allowed CCWC to cross the newly acquired Fire Station No. 2 site to access their facilities to the west. The proposed agreement will allow the Town and CCWC to share in the cost of constructing a driveway on CCWC property immediately north of the site. The driveway location is anticipated to line up with Muskrat Lane and will provide access for both the Town and CCWC to their facilities.

The anticipated cost for the design and construction of the driveway is \$300,000 and includes retaining walls, SRP cabinet relocation, paving and the potential vertical realignment of a 24" and 6" water main. A permanent access easement will also be provided to the Town.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status): \$150,000 (included in Fire Station #2 budget)

Budget Reference (page number): 306

Funding Source: Capital Projects Fund

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: Yes

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s): Staff recommends approval of Cost Share Agreement C2016-253

List Attachment(s): Cost Share Agreement C2016-253

SUGGESTED MOTION (for Council use): Motion to approve Cost Share Agreement C2016-253 between the Town of Fountain Hills and Chaparral City Water for the Fire Station No. 2 driveway improvements.

Prepared by:

NA 3/29/2016

Director's Approval:



Paul Mood, Development Services Director 3/29/2016

Approved:



Grady E Miller, Town Manager 3/29/2016

**COST SHARE AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
CHAPARRAL CITY WATER COMPANY**

THIS COST SHARE AGREEMENT (this "Agreement") is entered into as of April 21, 2016, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Chaparral City Water Company, an Arizona corporation ("CCWC").

RECITALS

A. The Town is the record owner of certain real property, Maricopa County Assessor's parcel number 176-13-617W, at the location depicted on Exhibit A, attached hereto and incorporated herein by this reference (the "Town Property").

B. CCWC is the record owner of certain real property, as depicted on Exhibit A, adjacent to the Town Property, Maricopa County Assessor's parcel number 176-13-617G and Maricopa County Assessor's parcel number 176-13-617J, where it operates a retention basin and storage and treatment facility (collectively, the "CCWC Property").

C. The Town and CCWC entered into that certain Temporary License Agreement, dated August 28, 2015, whereby the Town granted CCWC access over certain portions of the Town Property to access the CCWC Property.

D. The Town plans to construct a fire station (the "Fire Station") on the Town Property. In connection with the construction of the Fire Station, the Town desires to design and construct a driveway over certain portions of the CCWC Property, as conceptually depicted on Exhibit B, attached hereto and incorporated herein by reference. The driveway will provide shared access to the Fire Station and to the CCWC Property.

E. The Town and CCWC have agreed, subject to the provisions of this Agreement, that the Town will perform the Work (defined below) and the parties will equally share the cost of the completion of the Work.

F. The Town and CCWC desire to enter into this Agreement to establish the parties' rights and responsibilities with respect to (i) the completion of the Work and (ii) reimbursement to the Town of 50% of the costs associated with the completion of the Work.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and CCWC hereby agree as follows:

1. Design and Construction of the Work. At such time as the Town commences the design and construction of the Fire Station on the Town Property, the Town shall design and construct the driveway and other appurtenances, as necessary (the "Work"), on portions of the CCWC Property at the locations conceptually depicted on Exhibit B, attached hereto.

2. Costs; Reimbursement. The Town will pay for all costs and expenses associated with the completion of the Work. CCWC shall reimburse the Town 50% of all costs incurred in completing the Work. CCWC shall reimburse the Town for all design costs associated with the Work after the award of the construction contract. CCWC shall reimburse the Town for all construction costs associated with the Work upon substantial completion of the construction. CCWC shall pay the Town within 30 days from receipt of an invoice.

3. Access Easement. CCWC agrees that the Work will provide a benefit to the CCWC Property and therefore agrees to provide the Town with a perpetual access easement over and across the driveway at no cost to the Town. Prior to completion of the Work, CCWC shall enter into an easement agreement with the Town for shared access of the driveway.

4. Further Acts. The parties hereto shall promptly and expeditiously execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

5. Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511.

6. Agreement Subject to Appropriation. The Town is obligated only to pay its obligations set forth in the Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep CCWC informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. CCWC hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town's termination of this Agreement pursuant to this section.

7. Miscellaneous.

7.1 Independent Contractor. CCWC acknowledges and agrees that the services provided under this Agreement by the Town are being provided as an independent contractor, not as an employee or agent of CCWC. CCWC does not have the authority to supervise or control the Work performed by the Town, its employees or its subcontractors. The Town, and not CCWC, shall determine the time of its performance of the services provided under this Agreement. The Town and CCWC do not intend to combine business operations under this Agreement.

7.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts located in Maricopa County, Arizona.

7.3 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of CCWC and the Town.

7.4 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

7.5 Severability. In the event that any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the remaining terms shall remain effective, provided that the elimination of the invalid provision does not materially prejudice either party with regard to its respective rights and obligations.

7.6 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to the cost share of the Work, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of and entry into this Agreement.

7.7 Assignment. Neither party may assign, sublet, mortgage or encumber any right or interest under this Agreement without the prior, written consent of the other party, which either party may withhold in its absolute and sole discretion.

7.8 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy

available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of payment for the Work, shall not release CCWC from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

7.9 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to CCWC: Chaparral City Water Company
c/o EPCOR Water Arizona, Inc.
2355 West Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027
Attn: Andrew D. Brown, Engineering Director

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Grady E. Miller, Town Manager

With copy to: GUST ROSENFELD, P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire, Esq.

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

7.10 Time is of the Essence. Time is of the essence with regard to the performance of all of the parties' obligations under this Agreement.

7.11 Benefits and Burdens. The terms of this Agreement shall be binding upon and inure to the benefit of the parties' permitted successors and assigns.

7.12 Captions. Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be deemed to limit or alter any provisions hereof and shall not be deemed relevant to construing this Agreement.

7.13 Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original of this Agreement.

8. Indemnification. To the fullest extent permitted by law and subject to Section 6 above, each party shall indemnify and hold harmless the other party and each council member, officer, director, employee or agent thereof (any such person being herein called an “Indemnified Party”), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”) to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of the other party, its officers, directors, employees, agents, or any tier of subcontractor in connection with the Work in the performance of this Agreement.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Grady E. Miller, Town Manager

ATTEST:

Bevelyn J. Bender, Town Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2016, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.

Notary Public

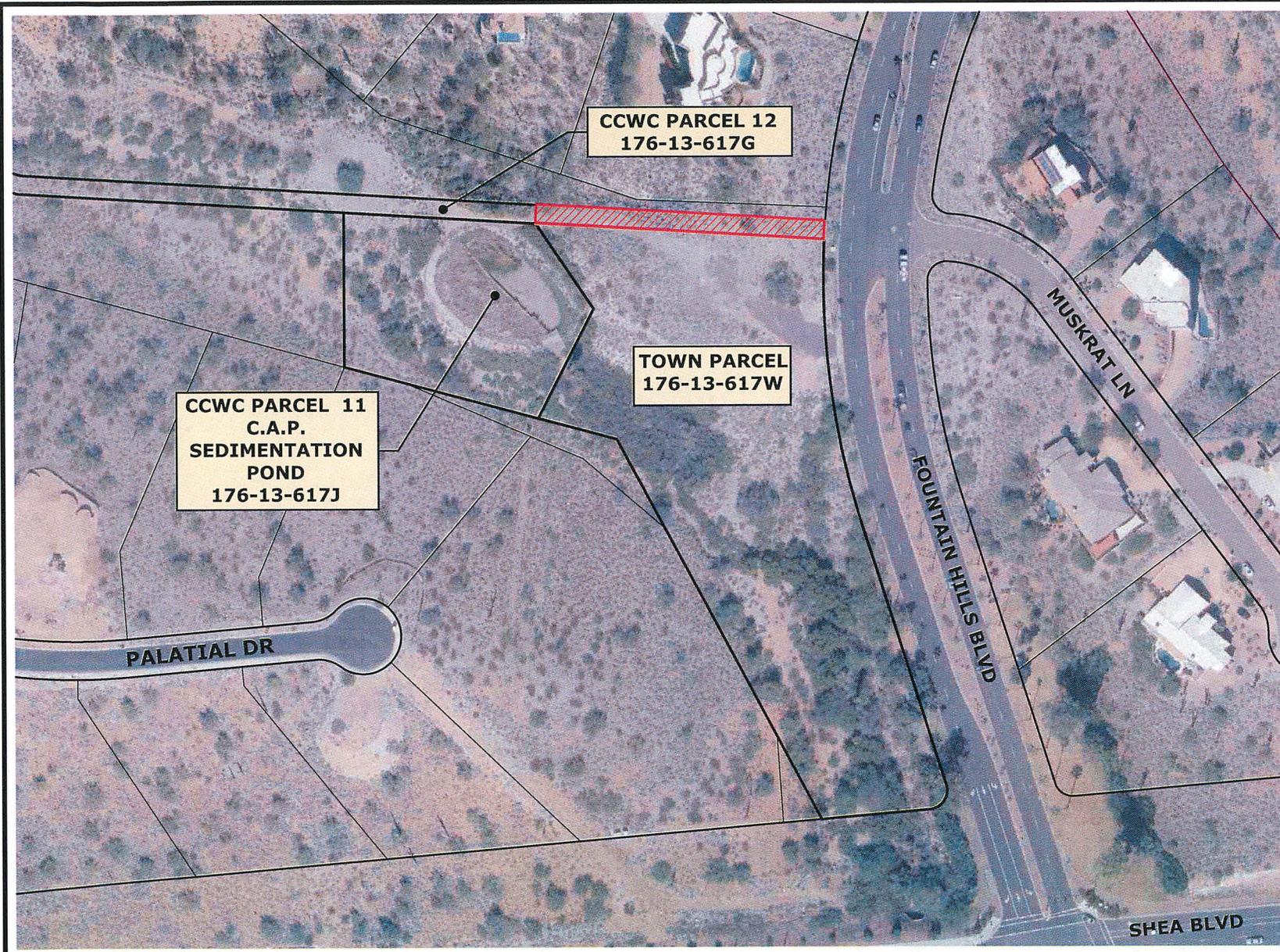
(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A
TO
COST SHARE AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
CHAPARRAL CITY WATER COMPANY

[Depiction of Town Property and CCWC Property]

See following page.



DEVELOPMENT SERVICES

 **LIMITS OF SHARED DRIVEWAY**



0 50' 100'
SCALE: 1" = 100'

• AERIAL PHOTO FLIGHT: 10/14

THIS TOPO/AERIAL MAPPING IS SUITABLE FOR GENERAL PLANNING PURPOSES, BUT SHOULD NOT BE USED FOR DESIGN.

EXHIBIT B
TO
COST AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
CHAPARRAL CITY WATER COMPANY

[Conceptual Design of the Work]

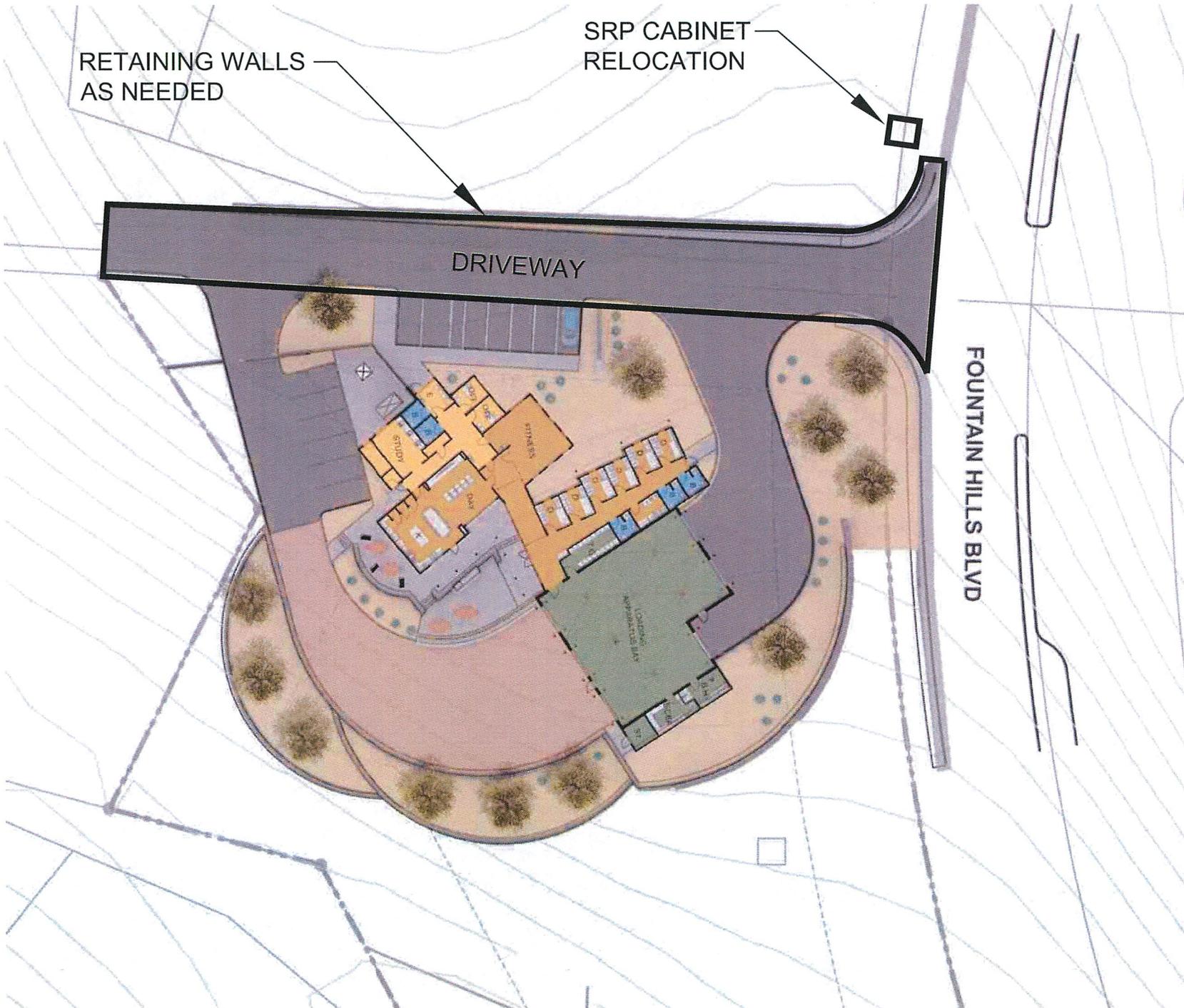
See following page.

RETAINING WALLS
AS NEEDED

SRP CABINET
RELOCATION

DRIVEWAY

FOUNTAIN HILLS BLVD





TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Development Services

Staff Contact Information: Paul Mood, Development Services Director, pmood@fh.az.gov

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Fire Station #2

REQUEST TO COUNCIL (Agenda Language): CONSIDERATION of Professional Services Agreement C2016-250 with Hunt & Caraway Architects, LTD for the Fire Station No. 2 architectural services in the amount of \$315,197.20.

Applicant: NA

Applicant Contact Information: NA

Property Location: Southwest corner of FountainHills Blvd. and Muskrat Lane

Related Ordinance, Policy or Guiding Principle:

Staff Summary (background): On November 11, 2015, the Town advertised a request for qualifications from architectural firms for the Fire Station No. 2 project. A mandatory pre-submittal conference was held on December 2, 2015 and statements of qualifications were received from eight firms on December 16, 2015. Based on the scoring criteria provided in the request for qualifications three firms were short-listed for interviews. On February 2, 2016 interviews were held with Arrington Watkins, Hunt & Caraway Architects and WSM Architects. Based on the scoring criteria for the interviews, the selection panel chose Hunt & Caraway as the top ranked firm and staff began contract negotiations. The qualifications based selection process was done pursuant to Arizona Revised Statute Title 34-603.

The new fire station will be approximately 5,000 square feet with an additional 3,900 square feet for three apparatus bays, emergency generator, radio tower and landscaping. The intent is to design the fire station so that its architectural features blend within the surrounding area. Meetings during the schematic design phase will be planned with the neighboring properties in the area. The project also includes a joint access driveway on EPCOR property immediately north of the site to enable EPCOR access to their facilities to the west of the site. The design and construction of the driveway is estimated at approximately \$300,000 and will be shared between the Town and Chaparral City Water. The design portion of the attached contract for the shared driveway is \$32,282.50.

The professional services agreement will provide for architectural services during design as well as the construction and warranty phases of the project. The agreement also includes an owner's allowance of \$15,000.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status): \$315,197.20

Budget Reference (page number): 306

Funding Source: Multiple Funds

If Multiple Funds utilized, list here: CIP Fund, Development Fees and Other

Budgeted; if No, attach Budget Adjustment Form: Yes

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s): Staff recommends approval of Professional Services Agreement C2016-250

List Attachment(s): Renderings, Contract C2016-250

SUGGESTED MOTION (for Council use): Motion to approve Professional Services Agreement C2016-250 with Hunt & Caraway Architects, LTD for the Fire Station No. 2 architectural services in the amount of \$315,197.20.

Prepared by:

NA _____ 3/29/2016

Director's Approval:

Paul Mood, Development Services Director _____ 3/29/2016

Approved:


Grady E Miller, Town Manager _____ 3/29/2016



FOUNTAIN HILLS FIRE STATION





**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HUNT & CARAWAY ARCHITECTS, LTD.**

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made as of April 7, 2016, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Hunt & Caraway Architects, Ltd., an Arizona corporation (the "Consultant").

RECITALS

A. The Town issued a Request for Qualifications, "Fire Station No. 2 Architectural Services" (the "RFQ"), a copy of which is on file in the Town Clerk's Office and incorporated herein by reference, seeking statements of qualifications from vendors for (i) the design of Fountain Hills Fire Station No. 2 located at the northwest corner of Fountain Hills Boulevard and Muskrat Lane (APN 176-13-617W), (ii) assisting the Town with the bidding of the construction for the facility and (iii) architectural services during construction (collectively, the "Services").

B. The Consultant responded to the RFQ by submitting a Statement of Qualifications (the "SOQ"), attached hereto as Exhibit A and incorporated herein by reference, and the Town desires to enter into an Agreement with the Consultant for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Consultant hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until April 6, 2017 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up to two successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Consultant requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Consultant's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. Consultant shall provide the Services as set forth in the Scope of Work, attached hereto as Exhibit B and incorporated herein by reference, within the timeframe set forth in the Schedule of Work, attached hereto as Exhibit C and incorporated herein by reference.

3. Compensation. The Town shall pay Consultant an amount not to exceed \$315,197.20, of which \$15,000.00 is an owner's contingency which shall be utilized at the Town's sole discretion, for the Services at the rates set forth in the Fee Proposal, attached hereto as Exhibit D and incorporated herein by reference.

4. Payments. The Town shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. The contract number must be referenced on all invoices.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the Town pursuant to this Agreement shall be the property of the Town.

6. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire Town residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The Town has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Consultant.

9. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and to the highest professional standards in the field.

10. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an “Indemnified Party”), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (“Claims”) to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of the Consultant, its officers, employees, agents, or any tier of subcontractor in connection with Consultant’s work or services in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town’s option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Consultant. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has 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 Consultant 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.

C. Additional Insured. All insurance coverage, 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 Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

F. 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 years past completion and acceptance of the services. Such continuing coverage shall be 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.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains 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 Town. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Town and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of insurance and declarations required by this

Agreement shall be identified by referencing the RFQ title or this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFQ title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFQ title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant’s insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers’ Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) 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.

11.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain “occurrence” form Commercial General 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 ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured

under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, 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 subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Consultant’s owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant’s work or services under this Agreement. Coverage will be at least as broad as ISO 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 the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

D. Workers’ Compensation Insurance. Consultant shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant’s employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days’ prior written notice to the Town.

12. Termination; Cancellation.

12.1 For Town’s Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Consultant of written notice by the Town. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

12.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

12.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Consultant for the undisputed portion of its fee due as of the termination date.

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

12.5 Gratuities. The Town may, by written notice to the Consultant, cancel this Agreement if it is found by the Town that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is canceled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

12.6 Agreement Subject to Appropriation. Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during Town's then current fiscal year. The Town's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative decision of the Town concerning budgeted purposes and appropriation of funds. Should Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of Town's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is

executed and delivered. Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. Town shall keep Consultant informed as to the availability of funds for this Agreement. The obligation of Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of Town. Consultant hereby waives any and all rights to bring any claim against the Town from or relating in any way to Town's termination of this Agreement pursuant to this section.

13. Miscellaneous.

13.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above and in Exhibit B. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Consultant do not intend to nor will they combine business operations under this Agreement.

13.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

13.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations, (B) existing and future State and Federal laws and (C) existing and future Occupational Safety and Health Administration standards.

13.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Consultant.

13.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

13.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not

affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

13.7 Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant is advised that taxes or Social Security payments will not be withheld from any Town payments issued hereunder and Consultant agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Agreement.

13.8 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

13.9 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the Town, signed by the Town Manager, and no delegation of any duty of Consultant shall be made without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

13.10 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

13.11 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

13.12 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which

shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

13.13 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

13.14 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Consultant any amounts Consultant owes to the Town for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

13.15 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Grady E. Miller, Town Manager

With copy to: GUST ROSENFELD P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire, Esq.

If to Consultant: Hunt & Caraway Architects, Ltd.
1747 East Morten Avenue, Suite 306
Phoenix, Arizona 85020
Attn: Tamara Caraway

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and

refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

13.16 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the Town. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

13.17 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 13.18 below, Consultant's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.18 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.18 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the Scope of Work, the Fee Proposal, the RFQ and the Consultant's SOQ, the documents shall govern in the order listed herein.

13.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the Town. The Town reserves the right to obtain like goods and services from another source when necessary.

13.21 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions (“Eligible Procurement Unit(s)”) are permitted to utilize procurement agreements developed by the Town, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Consultant. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The Town assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The Town shall not be responsible for any disputes arising out of transactions made by others.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Grady E. Miller, Town Manager

ATTEST:

Bevelyn J. Bender, Town Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2016, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.

Notary Public

(Affix notary seal here)

"Consultant"

HUNT & CARAWAY ARCHITECTS, LTD.,
an Arizona corporation

By: *Tamara Caraway*

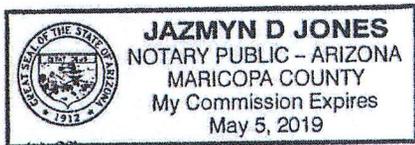
Name: *Tamara Caraway*

Title: *Executive Vice President*

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 30 2016, 2016, before me personally appeared Tamara D. Caraway, the Executive Vice President of HUNT & CARAWAY ARCHITECTS, LTD., an Arizona corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the corporation.



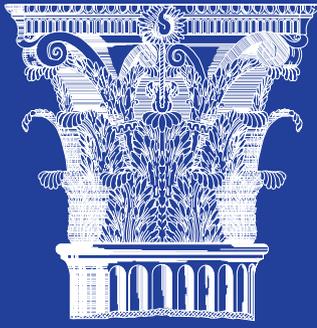
(Affix notary seal here)

Jazmyn D Jones
Notary Public

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HUNT & CARAWAY ARCHITECTS, LTD.

[Statement of Qualifications]

See following pages.



HUNT & CARAWAY ARCHITECTS



Statement of Qualifications

Fire Station No. 2
Architectural Services

December 16, 2015

COPY



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General Information _____ Tab A

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Key Positions _____ Tab C

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Schedule of Work _____ Tab E

Appendix



Tab A General Information



December 16, 2015

Paul Mood
Fountain Hills Town Hall
Council Chambers
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268

RE: Statement of Qualifications | Fire Station #2 Architectural Services

Dear Mr. Mood and Members of the Selection Panel:

As a design firm solely focused on public facilities, we see the Town of Fountain Hills project as an opportunity for Hunt & Caraway Architects to bring together all of the elements that make us excellent at planning and design. **We have designed numerous public works projects over our 21 year history and are excited for the opportunity to work once again for the Town of Fountain Hills.**

The Town of Fountain Hills will derive great benefit from working with Hunt & Caraway because we offer:

- Local knowledge, comparative experience, and a great relationship with the fire department.
- Direct, decisive involvement on a principal level that provides quick decision making and professional guidance at every step of the process.
- True collaboration by listening to your needs and goals.
- Follow through on everything to which we commit.
- Professional advice and best design practices from a firm that specializes in public work.
- Cost effective solutions that meet cutting-edge design criteria and sustainability goals.

Hunt & Caraway Architects is very familiar with the Town of Fountain Hills processes and the Fire Department's operational needs, having developed a permitted set of construction documents for your original Shea Boulevard site and a previous concept for this Fountain Hills Boulevard and Muskrat Lane site. This past relationship and dynamic, along with the alternative approach design concept presented in this proposal, will enable Hunt & Caraway Architects and the Town to gain input from the Palatial Estates property owners and expedite design and construction.

Hunt & Caraway Architects has provided a wide range of services for our clients that include assessments of existing sites to full programming, design, and construction for special use facilities. From infill projects to municipal buildings, remodels and additions, Hunt & Caraway has done it all—successfully!

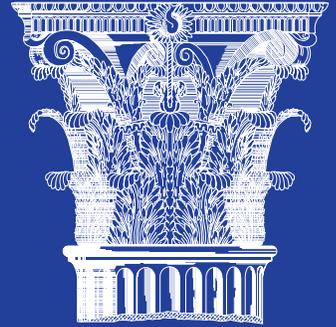
Hunt & Caraway has received Addendum 1 dated December 8, 2015 and incorporated it in this response. As well, we have read your Professional Service Agreement and understand all elements therein.

Sincerely,



Tamara Caraway
Executive Vice President
Hunt & Caraway Architects

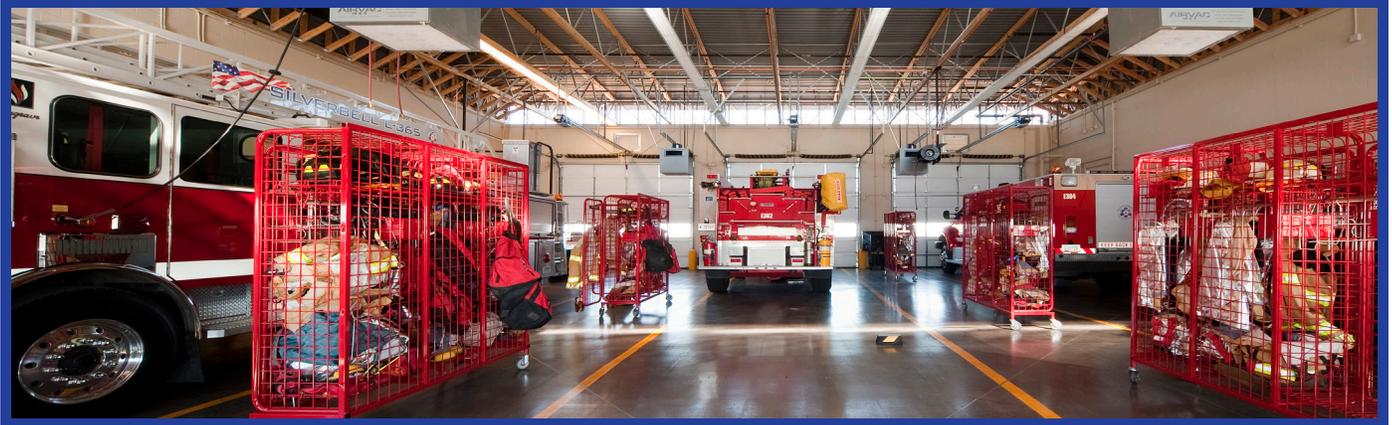
**HUNT & CARAWAY
ARCHITECTS**



**1747 East Morten Avenue #306
Phoenix, Arizona 85020
O 602.595.8200**

**Contact: Tamara Caraway,
Executive Vice President
tcaraway@huntcaraway.com
C 602.770.3115**

**Registered Architect
State of Arizona, #22538**



2. Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). Provide the name, address and telephone number of the person to contact concerning the SOQ.

Hunt & Caraway Architects is a Phoenix-based architectural firm organized as a corporation with 10 employees. Our office is located at 1747 E. Morten Avenue #306, Phoenix, Arizona.

The licenses/registrations held by members of the firm include the following:

Tamara Caraway, Registered Architect, State of Arizona #22538;

Jonathan Schmid, Registered Architect, State of Arizona #54502;

Neil Pieratt, Registered Architect, State of Arizona #54422

The Town of Fountain Hills' main contact will be Principal and Executive Vice President, Tamara Caraway. Ms. Caraway is located at the Hunt & Caraway office at 1747 East Morten Avenue, #306 in Phoenix, Arizona. She can be reached at the office at 602.595.8200 or on her cell at 602.770.3115.

3. Identify the location of the Vendor's principal office and the local work office, if different from the principal office.

Our office is located at 1747 E. Morten Avenue #306, Phoenix, Arizona. All services will be provided from this office, located 22 miles from Town of Fountain Hills' offices.

4. Provide a general description of the Vendor that is proposing to provide the Services, including years in business.

Hunt & Caraway Architects is a full service architecture firm and has been in business for 21 years. Since our founding in 1994, we have focused on municipal architecture that implements new design, building systems, and construction materials, while remaining committed to environmentally sustainable design principles.

5. Identify any contract or subcontract held by the Vendor or officers of the Vendor that has been terminated within the last five years. Briefly describe the circumstances and the outcome.

Hunt & Caraway Architects has not been terminated, nor our services discontinued, within the past 5 years.

6. Identify any claims arising from a contract that resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

Hunt & Caraway Architects has not been involved with, nor has pending any litigation or arbitration within the past 5 years.

7. Vendor Information Form.

Attached as appendix.



Hunt & Caraway is committed to supporting and implementing your goals.

Tab B Experience & Qualifications of the Vendor



Experience & Qualifications of the Vendor

Fire Station No. 2 Architectural Services

B

1. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town; specifically relating experience with respect to the design of fire stations, pre-design development and architectural programming, schematic design, design development, construction documents, bidding and evaluation, management of construction and post construction services.

Hunt & Caraway has a long tradition of serving public institutions through thoughtful, yet budget-conscious, design. We have designed fire stations and public safety facilities from ground up, modern architectural design, to the restoration and renovation of historical buildings.

We are dedicated to public design; therefore we have a long resume of public projects. Below is a list of recent completed public projects.

- Arizona Army National Guard, Camp Navajo Fire Station, Belmont, AZ, LEED Silver
- Arizona Army National Guard Fire Station at Silverbell, Marana, AZ
- City of Avondale Fire Station Nos. 173 and Remodel Fire and Police Substation No. 171, Avondale, AZ
- City of Casa Grande Fire Station No. 501 Structural Retrofit
- City of Casa Grande Fire Station No. 502 Addition & Remodel Planning
- City of Casa Grande Fire Department New Fire Station #504, Casa Grande, AZ
- City of Glendale Fire Station #156 and #157, Renovation of FS Nos. 151-155, Glendale, AZ
- City of Glendale Adult Center, Glendale, AZ
- City of Glendale TMC/EOC Remodel, Glendale, AZ
- City of Phoenix Fire Station No. 60, Phoenix, AZ
- City of Scottsdale D.C. Ranch Public Safety Facility, Fire Station and Police Sub-Station, Scottsdale, AZ
- City of Scottsdale Fire Station #609, #610, #614
- City of Scottsdale Mounted Patrol Office & Barn, Expansion District 3 Patrol Station
- City of Scottsdale Remodel Public Service Building
- City of Surprise Fire Station #301 and #303
- Pinetop Fire District Fire Station No. 2, Pinetop, AZ
- Sun City West Fire District Administration Building
- Sun City West Fire District Fire Station Nos. 101 Remodel and/or Additions, Sun City West, AZ
- Sun Lakes Fire District Remodel/Expansion Fire Station No. 2, Sun Lakes, AZ
- Sun Lakes Fire District, Fire Station #1, Sun Lakes, AZ

A limited number of LEED projects have been completed around the State of Arizona, however Hunt & Caraway completed the first LEED Silver facility for the Arizona Army National Guard on the Camp Navajo Training Facility. Hunt & Caraway design team members are LEED accredited professionals with experience in the submittal and documentation of multiple LEED projects. Although the Town of Fountain Hills is not seeking LEED certification, Hunt & Caraway strives to design high performing, long-life, easy to maintain facilities, predicated on sustainable principles. Our experience with LEED provides a strong basis to design an environmentally friendly facility within budget.



We will be present and dedicated to the Town. We pride ourselves on giving honest assessments to design problems, **always making certain that our design recommendations are achieved through the collaboration process.**

Experience & Qualifications of the Vendor

Fire Station No. 2 Architectural Services



2. Provide a list of three public or private organizations of a similar size or similar operation to the Town in which work has been performed. This list shall include, at a minimum, the following: (a) Name of company or organization. (b) Owner or representative directly responsible for oversight of the project (c) Owner/representative’s address, telephone number and email address.

a) Name of Company/ Organization	b) Owner or Representative directly responsible for project	c) Owner / Representative’s address, phone, and email
City of Casa Grande	Scott Miller, Fire Chief	373 E Val Vista Road Casa Grande, AZ 85222 P: 520-421-8777 x5940 E: smiller@ci.casa-grande.az.us
City of Glendale	Bill Passmore, Engineering Department	5850 W Glendale Avenue Glendale, AZ 85302 623-930-3647 E: bpassmore@glendaleaz.com
City of Phoenix	James Zwerg, Project Manager	2625 S 19th Avenue Phoenix, AZ 85009 602-370-7639 E: james.zwerg@phoenix.gov

3. A Past Performance Verification Form (“PPVF”) is included in Section A, Part V. Provide a copy of the PPVF to the owner/representative of the three organizations listed above to complete and submit to the Town via email or facsimile prior to the date and time listed on the form. It is the Vendor’s responsibility to ensure that the Town receives the PPVF prior to the deadline.

Name	Phone	Owner	Project Name	Date Completed	Cost of Project
Scott Miller	520-421-8777 x5940	City of Casa Grande	City of Casa Grande Fire Station #504	April 2011	\$3,700,000
Bill Passmore	623-930-3647	City of Glendale	Fire Station #157 Glendale Fire Department, Emergency Operations Center & Fire Science Classrooms	October 1998 (Concrete molding structural remediation in September 2015)	\$2,161,000
James Zwerg	602.370.7639	City of Phoenix Fire Department	City of Phoenix Fire Station #60	March 2008	\$3,562,706



Tab C Key Positions



Key Positions

Fire Station No. 2 Architectural Services



1. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed Project Manager and Project Engineer.



Tamara D. Caraway, AIA | Executive Vice President and Project Architect

As the Principal in Charge, Tamara will develop contracts and fees based on scope of service with owners and consultants; programming and concept design; design development; supervising project managers and staff; develop, coordinate, and ensure production and completeness of construction documents; oversee quality controls, participate in construction administration.

Architect Tamara Caraway has over 35 years of experience in the planning, programming, design, and construction administration of public safety, educational, municipal, religious, multi-family, and commercial architecture. As project architect, she works one-on-one with the client and stakeholders to understand the client's goals and objectives to develop conceptual design ideas.



Jonathan Schmid, RA, LEED AP | Project Manager

Jonathan Schmid has worked with Hunt & Caraway Architects for the past 17 years as a team member on a variety of educational, public safety, municipal, and religious projects. He holds a LEED Accredited Professional title and is a Registered Architect. Mr. Schmid's knowledge of emerging technology enhances his ability to organize and effectively complete projects on time with Owner satisfaction.

Jon will work directly with the Town of Fountain Hills during the initial programming and planning phases to identify and respond to their needs within the project design. As project manager, he is responsible for the coordination with consultants in addition to supervising the drafting team and formulation of all construction drawings. He will have overall management of the project schedule and provide quality control.



David Buchli | Construction Administrator

David has over 36 years of construction administration experience working for both architects and contractors, which will benefit the Town of Fountain Hills through his ability to foresee all issues and keep the construction activities moving along schedule. He will administer construction activities, attend weekly owner, architect and contractor meetings, and prepare meeting minutes. He is also responsible for reviewing pay applications, change order requests, and material test data. He will answer Requests for Information, issue Architectural Supplemental Instructions and Proposal Requests, coordinate design consultant activities, prepare punchlists, and coordinate warranty repairs with the Town of Fountain Hills and the general contractor.

2. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town.



Key Positions

Fire Station No. 2 Architectural Services



3. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

Discipline	Company & Contact	Brief Description
Civil Engineering	Montgomery Engineering & Management 16716 E Parkview Ave # 204 Fountain Hills, AZ 85268 480-837-1845 David Montgomery	Providing quality site plans, grading and drainage plans, topographic drawings and plats to residential and commercial customers in the Valley of the Sun since 1989.
Mechanical, Plumbing & Electrical Engineering	Maven Engineering 230 Baseline Road, Suite #103 Tempe, AZ 85253 480-303-0180 Kirk Hoffman	Maven Engineering provides exceptional engineering services to meet the diverse requirements of our clients. Our qualified engineering team has the ability to respond to each client's needs for any size project and to effectively staff multiple projects simultaneously.
Structural Engineering	Broderick Engineering 6859 E Rembrandt Ave # 124, Mesa, AZ 85212 Phone:(480) 926-6333 Greg Broderick	Broderick Engineering is highly qualified and has experience in diverse project types. They offer a full range of services for commercial, educational, medical, industrial, and residential projects.
Fire Protection	EJ Engineering Group 21505 N 78th Ave # 125, Peoria, AZ 85382 Phone:(623) 362-1400 John Echeverri	EJ Engineering Group provides complete Fire Protection Engineering, design, hydraulic calculations, flow testing, and due diligence studies for new commercial construction, educational facilities, health, public safety, military, tenant improvements as well as industrial/manufacturing, and storage facilities.
Cost Estimating	Marc Taylor 99 E Virginia Ave #225, Phoenix, AZ 85004 Phone:(602) 799-8032 Marc Taylor	Marc Taylor specializes in providing technical services, with an emphasis on construction cost estimating, value management, procurement, design management, bid-ability/constructability reviews, 3D Modeling and scheduling.

To effectively manage and communicate with our subcontractors, Hunt & Caraway Architects works in realtime through electronic transfer. Utilizing Revit and Software 360 allows all stakeholders to track various stages in the building's lifecycle, from concept to construction. All consultants use Revit as a tool for clash/collision detection; and every stakeholder is notified as soon as a decision or change is made in Revit. However, there is no substitute for regular, face-to-face meetings with all subcontractors and owner representatives for comprehensive understanding of design input.

4. Attach a résumé and evidence of certification, if any, for each key personnel member and/or subcontractor to be involved in this Project. Résumés should be attached together as a single appendix at the end of the SOQ and will not count toward the SOQ page limit.

Please find the resumes and license registration numbers of key personnel in the Appendix.

Tab D Project Approach



1. Describe the approach to performing the required Services in the Scope of Work described in the Professional Services Agreement, including the following processes: a) Planning. b) Designing. c) Estimating. d) Scheduling. e) Cost controls and management. f) Project management and team organization during design and construction phase services. g) Bid Package Management. h) Management of overhead costs. i) Managing subcontractors. j) Quality control. k) Safety.

Our ability to maintain costs and schedule on a variety of delivery methods is impeccable. At Hunt & Caraway Architects, our 7-step approach to cost and schedule control is simple—we solicit involvement from all stake-holders. We exercise a proactive approach to areas prone to problems, openly establishing each team member’s expectations and responsibilities and assigning action items.

Our 7-Step Approach

01

PLAN THE PLAN / INITIAL PROGRAMMING MEETING

Meet with Owner’s designated project representative, and end-user groups as identified, to review the approach, confirm the program and review the current design concept. This meeting help establish the Design Review team members, schedule meetings, establish expectations and responsibilities of team members, identify goals and objectives, and establish the project schedule and set “bench marks”. All fundamental elements of program, meetings, presentations, and basis of budget are developed for Town approval.

02

SCHEMATIC DESIGN PHASE / IMPLEMENT PROGRAM AND SCHEMATIC DESIGN

During this phase the team advances with Town approved program to further develop the Concept Design, develop master plan, outline specifications, and construction cost. Estimate for building and site costs separately. Obtain approval of schematic phase from Town prior to next phase.

03

DESIGN DEVELOPMENT PHASE / DEVELOP SCHEMATIC DOCUMENTS INTO DESIGN

At this phase the team will discuss key building systems compatible to existing; review options for energy savings, including exterior building materials. Hunt & Caraway will review these options with the Design Review Team, solicit input from all stakeholders, share discovery findings of the existing conditions, and provide options. We will review the three imperatives, Scope, Quality and Budget, back-checking to ensure all program elements have been satisfied. The final step will be to obtain approval of Design Development Phase before progressing to the Construction Documents Phase. Hunt & Caraway uses historical cost information for estimating with a third party review for real-time relevancy and market data. Regular meetings in this phase are critical for effective cost management.

04

CONSTRUCTION DOCUMENTS PHASE / DEVELOP FINAL BID DOCUMENTS

Hunt & Caraway will develop Construction Documents Final drawings, Narrative, Final Specifications (CSI Format), Final Calculations, and Final Cost Estimate, once again reviewing the three imperatives, Scope, Quality and Budget and back-checking to ensure all program elements have been satisfied. We will obtain permit approval of Construction Documents Phase before bid solicitations and review and seek approval by the Design Review Team.

05

CONSTRUCTION BID/AWARD PHASE / BIDDING AND NEGOTIATION

During this phase documents will be distributed for bidding to achieve the best possible price. Hunt & Caraway will respond to bid questions or clarification and issue addendum. We will review, administer and make recommendations to award to construct. We will facilitate the Pre-Bid Conference with the Town, and assist in conducting the bid opening and evaluation and recommendation.

06

CONSTRUCTION PHASE / CONSTRUCTION CONTRACT ADMINISTRATION

Hunt & Caraway will attend and co-facilitate pre-construction meetings to establish staging, operations requirements per local jurisdictions, communication processes, and meeting documentation. We will review shop drawings and submittals, issuing construction reports and necessary documents (RFI, ASI, PR, CO). As a team we will monitor progress (review 3 week construction look ahead schedule); reject nonconforming materials or workmanship; review pay applications, review “as-built” documentation regularly. Additionally we will oversee development of a “Punch List” and issue the Certificate of Substantial Completion and conduct final walk-through with Design Review Team.

07

POST CONSTRUCTION PHASE / CLOSEOUT AND COMPLETION

During the Post Construction Phase we will ensure all project closeout documents are completed (as-builts, certificate of occupancy, O & M Manuals and final pay application), systems and equipment personnel training is executed, and conduct a warranty and one or two year post-construction evaluation.

We will be present and dedicated to the Town. We pride ourselves on giving honest assessments to design problems, always making certain that our design recommendations are achieved through the collaboration process. As a team, we are here to listen to your wants and needs and make things happen! Principal involvement at every step, listening to the Town and end-users, and following through to help the Town make the best decisions is our primary job. We commit to ensuring your money is spent efficiently and gives the Town the best facilities to continue keeping the community safe. Hunt & Caraway Architects has the manpower, skills and resources to complete Fire Station No. 2 on schedule, while also achieving budget, quality, and safety goals.

2. Describe any alternate approaches, if it is believed that such an approach would best suit the needs of the town. Include rationale for alternative approaches and indicate how the vendor will ensure that all efforts are coordinated with the Town's Representatives.

Hunt & Caraway Architects understands the Town of Fountain Hills has previously engaged consultants to provide assessment and preliminary design documents for site utilization, including a traffic signal study. This is an excellent way to gather key information and a critical exploratory phase to gain insight on community perceptions and develop an understanding of tasks to proceed into a full design and engineering plan. We have provided and facilitated this early pre-planning process with other municipalities and public projects; this experience will enable us to utilize the information collected and developed to date to efficiently move forward developing a comprehensive site plan, design concepts / options and bidding documents for a facility that meets your budget and schedule requirements.

Utilizing a process involving all stakeholders, Hunt & Caraway endeavors to inform you as the client so critical decisions will be based on the conscientious, explicit, and judicious use of current best evidence collected. This results, when effectively translated by a creative, innovative team into a total pleasing environment: appealing public image from the street as you approach the facility, a confident visitor who easily navigates to find where they are going, safe vehicular and pedestrian movement between large emergency vehicles and visitors, and most important – a facility that is welcome within the residential environment – where the community has their thumbprint on the design.

Culling information from the comprehensive documents produced from your pre-planning meetings, Development Services and Planning and Zoning Departments for land use/open space and landscape, Hunt & Caraway Architects will transform your site on Fountain Hills Boulevard and Muskrat Lane to a high performing sustainable and environmentally friendly facility the community will be proud of. We recognize the commitment and passion of our first responders to their profession of protecting the community. The fire station is not only a place of work but also a home for our emergency responders. It is imperative to integrate their home into the fabric of the natural and beautiful environment Fountain Hills is so well known for. The station should be a reflection of the community, preserving the scenic views of the surrounding mountains; the Sonoran Desert and natural vegetation are all treasures to protect. Hunt & Caraway Architects' mission is to provide solutions that meet the Town of Fountain Hills citizens, Mayor, Fire Chief and first responders, City Council, and Development Services Director's goals and expectations.



During our visit to the site, Hunt & Caraway Architects made a number of observations to provide an alternative solution to enhance the site, preserve the natural beauty and connect with the neighborhood in ways listed on the following pages:

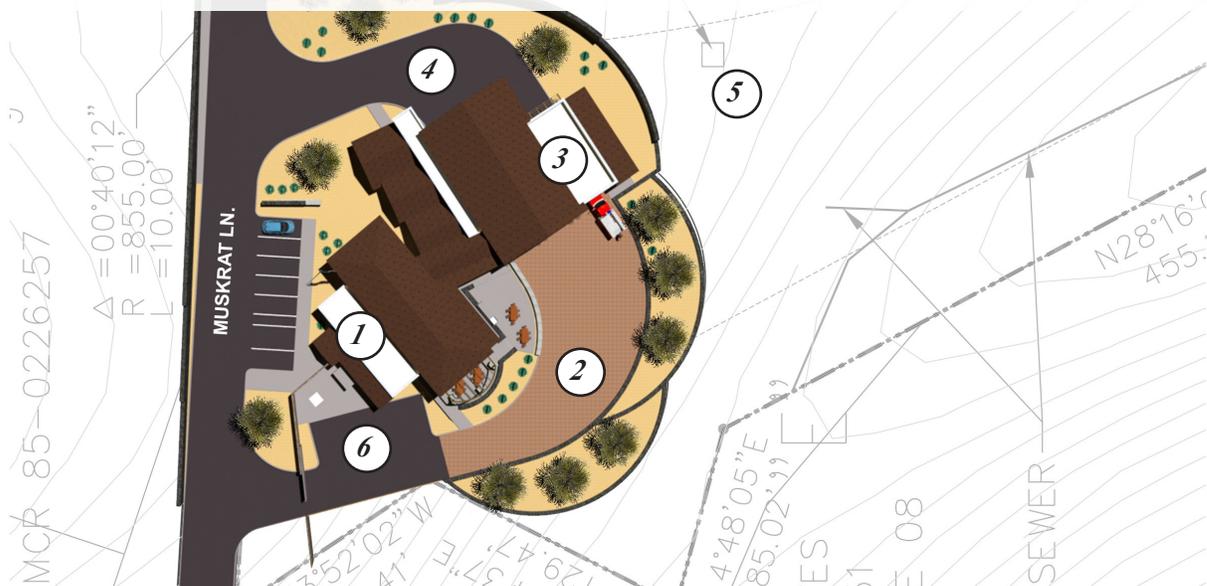


Site Plan Elements

1. Provide residential-friendly building elements near existing residences, such as dorms, study, and day room.
2. Ease the turning radius of large emergency vehicles by moving the bays further from the access road.
3. Minimize vertical elements' proximity to residences by moving higher volume bays away from the north residence to reduce obstruction of views and minimize scale.
4. No crossing of pedestrian or passenger vehicles on emergency vehicle exit or entry drive.
5. Design takes advantage of existing electrical and sewer locations, reducing connection runs.
6. Secured and private personnel space for employee parking, patio and care of emergency vehicles.

Front of Building - Design Elements

- A. Control and limit public access through design; public access has dedicated parking off of access road with direct pedestrian access to only north side of building.
- B. No crossing of pedestrian or passenger vehicles on emergency vehicle exit or entry drive.
- C. Utilizing terrain reduces and breaks up roof and building mass.
- D. Residential elevation blended with community, staggered bays and roof lines for sound mitigation and visual screening.





2

Back of Building - Design Elements

1. Take advantage of the steep grade to place larger elements at a lower elevation and improve balance of cut/fill of the site.
2. Reduce retaining walls of the site by taking advantage of placement of building elements.
3. Secured and private personnel space for employee parking, patio and care of emergency vehicles.
4. Utilizing terrain reduces mass sheet drainage of drives in preliminary design concept; reducing the concentration of driveway mass in the same areas better enables control of water run-off.
5. Private outdoor connection courtyard with extensive scenic site views.



A close-up photograph of a fire truck's equipment. Three thick hoses in yellow, red, and blue are draped across the frame. The background shows the side of a red fire truck with a diamond-plate metal panel and a large wheel. The scene is brightly lit, suggesting a sunny day.

Tab E Schedule of Work



Provide a schedule of work in the form attached to the Sample Professional Services Agreement as Exhibit D showing key project milestones and deliverables as described in the scope of work.

- A. Consultant shall complete all Services required under the Pre-Design and Architectural Programming Phase within **30** working days after written authorization from the Town to proceed. **February 8, 2016 - March 21, 2016.**
- B. Consultant shall complete all Services required under the Schematic Design Phase within **30** working days after written authorization from the Town to proceed. **March 21, 2016 - April 25, 2016**
- C. Consultant shall complete all Services required under the Design Development Phase within **30** working days after receipt of a written authorization from the Town to proceed. **April 25, 2016 - May 30, 2016**
- D. Consultant shall complete all Services required under Construction Document Phase up through and including the Substantial Completion stage within **270 (exclusive of contractor or construction delays)** working days after receipt of a written authorization from the Town to proceed. Excluded from this duration is the time associated with the construction document back-check stage. **May 30, 2016 - June 19, 2017 (58 working days are for Construction Document and Permit Phase; bar graph schedule based on calendar days)**
- E. Consultant shall proceed with all Services required under the Bidding Phase within **10** working days after receipt of a written authorization from the Town to proceed. **August 19, 2017 - October 6, 2017**
- F. Consultant shall proceed with all Services required under the Construction Phase, upon the commencement of construction, and shall continue through completion and acceptance of the Project by Town.
- G. The durations stated above include the review periods required by the Town and all other regulatory agencies.

Please see our further detailed schedule on the following page.

Appendix



Tamara D. Caraway, AIA | Executive Vice President and Project Architect

Years of Experience

35 years | 17 with Hunt & Caraway Architects



Education

Bachelor of Environmental Design |
School of Architecture | University of
Kansas | 1981

Certifications & Registrations

Registered Architect | State of Arizona |
#22538

Professional & Civic Affiliations

- Council of Educational Facility Planners International Southwest Region, Past Board President
- Arizona Association of School Business Officials
- Arizona Business & Education Coalition, Board President
- Alliance for Construction Excellence, Education Committee Chair
- Leadership West, President, 2011-2016
- AIA (American Institute of Architects)
- Arizona School Facilities / AIA Coalition

Honors & Awards

- Phoenix Fire Station #60 F.I.E.R.O. Recognition Award 2008
- Franklin Police & Fire High School Governor's Heritage Preservation Honor Award 2008
- City of Glendale Fire Station No. 157 "Crescordia" Award by Valley Forward Association for Arts in Public Buildings, September 1998
- Glendale Adult Center Excellence in Masonry Honor Award by Arizona Masonry Guild, October 2003

Architect Tamara Caraway has over 35 years of experience in the planning, programming, design, and construction administration of public safety, educational, municipal, religious, multi-family, and commercial architecture. As project architect, Tamara Caraway works one-on-one with the client and stakeholders to understand the client's goals and objectives to develop conceptual design ideas. She coordinates the team's collaboration throughout all phases of design and construction to ensure that the construction documents address function, operation, user needs, and unique programming requirements. Tamara also spent several years working on the construction side of the project team, so she is able to provide the Town of Fountain Hills with a well-rounded perspective.

Project Experience:

- Arizona Army National Guard Fire Station at Silverbell Heliport
- Arizona Army National Guard Fire Station at Camp Navajo
- City of Avondale Fire Station No. 173
- City of Avondale Remodel Fire and Police Substation No. 171
- City of Casa Grande Fire Department Fire Station Prototype Plans
- City of Casa Grande Fire Station No. 504
- City of Casa Grande Fire Station No. 502 Remodel Concept
- City of Casa Grande Fire Station No. 501 Structural Retrofit
- City of Glendale Fire Station No. 156
- City of Glendale Fire Station No. 157
- City of Glendale Adult Center
- City of Glendale Fraternal Order of Police - Obtaining Zoning, General Plan Revision & Use Permits to Remodel Building
- City of Glendale Northwest Valley Advocacy Center
- City of Glendale Remodel Bethany West Police/Fire Station No. 152
- City of Glendale Remodel five Fire Stations for Bio-hazard Cleaning Rooms
- City of Glendale TMC/EOC Remodel
- City of Phoenix Fire Station No. 60
- City of Phoenix Remodel City Hall 6th Floor for Traffic Control Center
- City of Scottsdale D.C. Ranch Public Safety Facility, Fire Station and Police Sub-Station
- City of Scottsdale Fire Station No. 609
- City of Scottsdale Fire Station No. 610
- City of Scottsdale Fire Station No. 614
- City of Scottsdale Mounted Patrol Office & Barn, Expansion District 3 Patrol Station
- City of Scottsdale Rio Montana Park Fire Station
- City of Scottsdale Remodel Chaparral Park Service Building
- City of Scottsdale Remodel Public Service Building
- City of Surprise Fire Station No. 301
- City of Surprise Fire Station No. 303
- Sun City West Fire Administration and Maintenance
- Town of Buckeye Sundance Park
- Golder Ranch Fire District Fire Station
- Pinetop Fire District Fire Station No. 2
- Sedona Fire District Fire Station No. 3/ Village of Oak Creek Canyon

Jonathan Schmid, RA, LEED AP | Project Manager Years of Experience

17 years | 17 with Hunt & Caraway Architects



Education

Bachelor of Arts Degree in History,
Emphasis in Architectural History |
Arizona State University | 2005

Certifications & Registrations

- LEED Accredited Professional
- Registered Architect | State of Arizona | #54502

Jonathan Schmid has worked with Hunt & Caraway Architects for the past 17 years as a team member on a variety of educational, public safety, municipal, and religious projects. He holds a LEED Accredited Professional title and is a Registered Architect. Mr. Schmid's knowledge of emerging technology enhances his ability to organize and effectively complete projects on time with Owner satisfaction. As a team member, he will work directly with the Owner during the initial programming and planning phases to identify and respond to their needs within the project design. As project manager, Mr. Schmid is responsible for the coordination with consultants in addition to supervising the drafting team and formulation of all construction drawings

Project Experience:

- Arizona Army National Guard Fire Station at Silverbell Heliport
- Arizona Army National Guard Fire Station at Camp Navajo
- City of Avondale Fire Station No. 173
- City of Avondale Remodel Fire and Police Substation No. 171
- City of Casa Grande Fire Station No. 504
- City of Casa Grande Fire Station No. 502 Remodel Concept
- City of Casa Grande Fire Station No. 501 Structural Retrofit
- City of Glendale Fire Station No. 157
- City of Glendale Adult Center
- City of Glendale TMC/EOC Remodel
- City of Phoenix Fire Station No. 60
- City of Scottsdale D.C. Ranch Public Safety Facility, Fire Station and Police Sub-Station
- City of Scottsdale Fire Station No. 817 (now 610)
- City of Scottsdale Fire Station No. 818 (now 614)
- City of Surprise Fire Station No. 301
- City of Surprise Fire Station No. 303
- City of Surprise Fire Stations No. 305 and No. 306 Conceptual Study
- Golder Ranch Fire District Fire Station
- Pinetop Fire District Fire Station No. 2
- Sun City West Fire Administration Building
- Sun City West Fire Station Concept
- Sun Lakes Fire District Demolish and Rebuild Replacement Fire Station No. 1
- West World Police Barn
- Young Town Police Station Remodel

David Buchli | Construction Administration Years of Experience

36 years | 2 with Hunt & Caraway Architects



Education

Bachelor of Science | General Building
Construction | Arizona State University |
2005

David has over 36 years of construction administration experience working for both architects and contractors, which will benefit City of Scottsdale through his ability to foresee all issues and keep the construction activities moving along schedule. He will administer construction activities, attend weekly Owner, Architect and Contractor meetings, and prepare meeting minutes. He is also responsible for reviewing pay applications, change order requests, and material test data. He will answer Request for Information, issue Architectural Supplemental Instructions and Proposal Requests, coordinate design consultant activities, prepare punchlists, and coordinate warranty repairs with the Town of Fountain Hills.

Project Experience:

- Arizona Western College Learning Center, Dormitory Remodel, Classroom/ Computer Room and Science Lab Renovations, Campus Wide Infrastructure Improvements, and Student Union Renovations
- Peoria Unified School District, Elementary #29*
- Higley Unified School District Bus Maintenance Facility Remodel
- Centennial Elementary
- Chaparral Elementary
- Gateway Pointe Elementary
- Cortina Elementary
- Higley Elementary & Middle School
- Higley High School
- Power Ranch Elementary
- Dysart Unified School District, Bus Transportation and Maintenance Facility*
- Dysart Unified School District, 10 New Elementary Schools*
- Shadow Ridge High School*
- Dysart Pre-School*
- Dysart Unified School District, Elementary School Renovations*

** denotes projects completed by Hunt & Caraway team members while at other firms*

Civil Engineer

Mr. Montgomery is a registered Civil and Structural Engineer in Arizona with over 39 years of engineering experience including 25 years as owner and manager of Montgomery Engineering & Management, LLC. He has also worked as a project manager for Kitchell CEM for 5 years on public construction projects in Arizona and California. Prior to that Mr. Montgomery worked for Davy McKee on large structural engineering projects and for Black and Veatch Consulting Engineers on power facilities design with 2 years of construction management.

Related Project Experience

- Site design for public projects including Fountain Hills Fire Stations on Saguaro Boulevard and Shea Boulevard.
- Residential subdivision designs including plat, grading, roads, drainage, surveying, hillside analysis, sewer plans and water plans. Projects include DC Ranch (19 Lots), Diamante Del Lago (139 lots), Greenfield Heights (58 lots), Eastview Estates (23 lots), Thunder Ridge Condominiums (81 units), Villa Estates (40 units), LaStrada Condominiums (60 units), Villas at Firerock Condominiums (26 units), Mirage Heights (52 units), Westridge Village (87 lots) and many other projects throughout the valley.
- Custom residential site plans for thousands of lots. Plans include grading, retaining walls, hydrology studies, drainage, surveying and driveways.
- Topographic surveys of Saguaro Boulevard for Fountain Hills Sanitary District plus residential and commercial lots throughout the valley.
- Site development plans for low income housing in Phoenix, Arizona.
- Site development plans for commercial and industrial projects in the Phoenix area.
- Paving design for alleys in Fountain Hills, Arizona including grading, drainage and street design.
- Project Manager for \$150 million State Prison in southern California, \$10 million expansion of Sun Devil Stadium entrance building, police facility in Pasadena, California and schools in Arizona.
- Structural design of power transmission lines, industrial facilities, materials handling structures, office buildings, churches and retaining walls.

**David R. Montgomery, P.E. |
Owner**

Education

Bachelor of Science in Civil Engineering, University of Wisconsin-Platteville 1974

Registrations

- Arizona Civil #21549
- Arizona Structural 24473

Affiliations

- Member of Pat 208 Architectural Review Committee
- Former member of Fountain Hills Architectural Committee



Appendix

Fire Station No. 2 Architectural Services

Mechanical, Plumbing and Electrical Engineering

Kirk Hoffman has over 32 years of experience in the mechanical engineering and consulting profession. Mr. Hoffman has experience on both large and small projects and has provided excellent engineering design with attention to all levels of details. Over the last 4 years he has been designing electrical projects with the intent to pursue his Electrical Engineering professional registration. The combination of Mechanical and Electrical background gives him a unique and comprehensive overview of the MPE systems that go into a building.

Mr. Hoffman is also experienced with computer and software programs that support the state of art engineering technology, including AutoCAD, energy analysis programs, and HydroCAD fire protection software, DesignMaster mechanical and electrical programs.

Related Project Experience

- Casa Grande Fire Station #504, Casa Grande, AZ
- Eloy Fire District Station #521, Eloy, AZ
- Department of Economic Security – Washington Business Park, Phoenix, AZ
- Department of Economic Security – Apache Junction
- Arizona Department of Administration - Phoenix, AZ
- Maricopa County Southeast Facility - Phoenix, AZ
- US CORP RECRUITING – LITCHFIELD - Litchfield, AZ
- US CORP RECRUITING – CASA GRANDE – Casa Grande, AZ
- FBI TENANT IMPROVEMENT - Lake Havasu, AZ
- ASU various projects – Tempe, AZ

Kirk Hoffman, PE, CIPE | Owner/Engineer

32 Years of Experience

Education

Bachelor of Science in
Mechanical Engineering,
Arizona State University 1991

Registrations

Mechanical Engineer, AZ No.
24488
Certified in Plumbing
Engineering (CIPE) given by
ASPE

Maven Engineering, ACC

Structural Engineer

Broderick Engineering, LLC, is a full service Civil & Structural engineering firm. Mr. Greg Broderick, P.E., M.S., is the principal in charge. Mr. Greg Broderick has over fifteen years of experience in his field. Mr. Greg Broderick's experience encompasses; educational facilities, municipal projects, commercial projects, religious facilities, and medical facilities. Mr. Greg Broderick established Broderick Engineering LLC, on September 2, 2005, in order to provide, and maintain, a quality of professional services to the client. Prior to establishing Broderick Engineering LLC, Mr. Greg Broderick was the Vice President of a thirty person firm and managed a branch office. Broderick Engineering has offices in Mesa and Tucson Arizona

Related Project Experience

- Fountain Hill Fire Station #2, Fountain Hills, AZ
- Arizona Army National Guard Silverbell Fire Station, Marana, AZ
- Avondale Fire Station #171 Addition, Avondale, AZ
- Avondale Fire Station #173, Avondale, AZ
- Camp Navajo Fire Station, Camp Navajo, AZ
- Camp Navajo Control Range Tower addition, Camp Navajo, AZ
- City of Phoenix Old Fire Station No. 30 – Partition Beam, Phoenix, AZ
- City of Phoenix Fire Station No. 31 & 42 – Column removal at Bay, Phoenix, AZ
- City of Tucson Public Safety Training Academy - Dormitory Facility, Tucson, AZ
- City of Tucson Public Safety Training Academy - USDA Forest Service Heliport Facility – Tucson, AZ
- City of Tucson Fire Station No. 6 & 7, Tucson, AZ
- City of Tucson Lambert Lane Fire Station, Tucson, AZ
- City of Tucson Fire Department Storage Facility, Tucson, AZ
- Golder Ranch Fire Station, Oro Valley, AZ
- McNary Fire Station, McNary, AZ
- Northwest Fire Station #35, Tucson, AZ
- Silverbell Fire Station, Marana, AZ
- Snowflake Fire Station, Snowflake, AZ
- Surprise Fire Station No. 301& 303, Surprise, AZ
- Sun City West Fire Administrative Facility, Sun City, AZ
- Sun Lakes Fire Station No. 1 & 2, Sun Lakes, AZ
- White Mountain Fire Management Building, Whiteriver, Arizona

Greg Broderick | Principal

15 Years of Experience

Registrations

Structural Engineer, Arizona,
2002, Reg. No. 37376

Professional Engineer, New
Mexico, Colorado, Texas,
Wyoming



Appendix

Fire Station No. 2 Architectural Services

Fire Protection

John Echeverri started EJ Engineering in January of 2000. He has personally engineered thousands of wet-pipe, dry-pipe and clean agent fire protection systems for small tenant improvement projects to large facilities of 600,000 sf or more in size. Projects include Private, Federal, State and Municipal projects of all types and scope. He has been a part of the local industry since 1984 for both his current firm and the two prior engineering firms where he was the director of their respective FP Departments.

John and our team of certified designers, licensed professional engineers and licensed contracting professionals are acutely aware of the intense coordination and precision required for all types of fire suppression projects. Our goal is to give our Clients complete peace of mind and provide them with value-added services. We always want to secure a long-term relationship with each Client.

Related Project Experience

- Apache Junction Fire Station 265 – Apache Junction, Arizona
- Buckeye 3 & 4 Bay Fire House Prototype Designs - Buckeye, AZ
- Buckeye Fire House 3 & 704 – Buckeye, Arizona
- Buckeye Fire House - Verrado – Buckeye, Arizona
- Buckeye Valley Fire Station – Buckeye, AZ
- Chandler Fire Department Headquarters – Chandler, Arizona
- Chandler Fire Station 3 – Addition/Renovation – Chandler, Arizona
- Drexel Heights Fire Station – Tucson, Arizona
- Lake Havasu Fire Station 1 – Lake Havasu City, Arizona
- Mesa Fire Station 218, 219, 203 – Mesa, Arizona
- Phoenix Fire Station 52 & 60 – Phoenix, Arizona
- Pinetop Fire Station 110 – Pinetop, Arizona
- Scottsdale ARFF Fire Station No. 609 (812) – Scottsdale, Arizona

Cost Estimating

Marc Taylor has completed \$6 billion in both horizontal and vertical construction projects throughout the Southwestern United States. He specializes in providing technical services, with an emphasis on construction cost estimating, value management, procurement, design management, bid-ability/constructability reviews, 3D Modeling and scheduling. Marc has overseen the design process; estimating, procurement, construction and closeout of 35 design-build projects. He has led the preconstruction process from concept through GMP on 76 Construction Management at Risk projects and has worked on over 400 projects as a consultant to architects, general contractors, developers, owners, subcontractors and sureties. Marc's primary goal is to make sure the program meets the budget, design intent and contractual obligations through strong leadership and planning.

Related Project Experience

- City of Mesa Police Holding Facility Improvements, Mesa, AZ
- City of Mesa Police Department Firearms Range Improvements, Mesa, AZ
- City of Surprise Public Safety Building, Surprise, AZ
- IXP Emergency Operations Center Master Plan Study, Cottonwood, AZ
- City of Phoenix 911 Fire Dispatch Center, Phoenix, AZ
- Pima Emergency Communications and Operations Center, Tucson, AZ
- Scottsdale Stadium & Club SAR Renovations, Scottsdale, AZ
- Adaptive Recreation Building Remodel, Scottsdale, AZ
- Via Linda Senior Center Automated Controls Upgrades, Scottsdale, AZ
- Mustang Library Automated Controls Upgrades, Scottsdale, AZ
- City Hall Automated Controls Upgrades, Scottsdale, AZ

John Echeverri, SET, CFPS | Principal

29 Years of Experience

Education

Bachelor of Science | Arizona State University | 1984

Registrations

- NICET Automatic Sprinkler Systems Technology Level IV Senior Engineering Technician
- City of Surprise Building and Fire Safety Appeals Board
- Arizona Fire Marshals Association Committee for Fire Sprinkler Standards
- Level III Technician in Special Hazards Systems



Marc Taylor | President / CEO

22 Years of Experience

Education

Southern Utah University

MARC TAYLOR INC.

IV. VENDOR INFORMATION FORM

By submitting a Statement of Qualifications, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

Hunt & Caraway Architects
VENDOR SUBMITTING SOQ

86-0774530
FEDERAL TAX ID NUMBER

Tamara Caraway, Executive Vice President
PRINTED NAME AND TITLE


AUTHORIZED SIGNATURE

1747 E Morten Ave
ADDRESS

602-595-8200 602-595-8399
TELEPHONE FAX #

Phoenix AZ 85020
CITY STATE ZIP

December 16, 2015
DATE

WEB SITE: www.huntcaraway.com

E-MAIL ADDRESS: tcaraway@huntcaraway.com

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

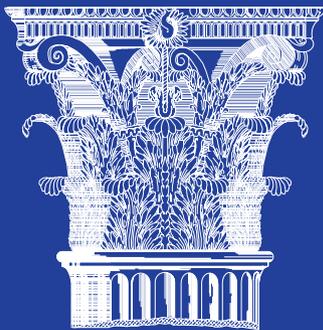
- Small Business Enterprise (SBE)
- Minority Business Enterprise (MBE)
- Disadvantaged Business Enterprise (DBE)
- Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise?

If yes, please provide details and documentation of the certification.



HUNT & CARAWAY
ARCHITECTS



1747 East Morten Avenue #306
Phoenix, Arizona 85020
www.huntcaraway.com

**Exhibit "B" – Hourly Fee Schedule
A Supplement to AIA Document B101-2007**

ARCHITECT'S HOURLY RATE AND MARK-UP FOR ADDITIONAL SERVICES

ARCHITECTURAL STAFF	HOURLY RATE
Principal Architect	\$ 175
Project Manager	\$ 120
Auto CADD/Technical	\$ 95
Construction Administration	\$ 120
Clerical/Support	\$ 60
MECHANICAL/PLUMBING & ELECTRICAL STAFF	HOURLY RATE
Manager	\$ 175
Engineer	\$ 160
Senior Designer	\$ 115
Drafter	\$ 85
Clerical	\$ 75
FIRE PROTECTION STAFF	HOURLY RATE
Manager	\$ 160
Engineer	\$ 145
Senior Designer	\$ 95
Drafter	\$ 80
Clerical	\$ 70
STRUCTURAL STAFF	HOURLY RATE
Manager	\$160
Engineer	\$150
Drafter	\$ 75
Clerical	\$ 40
Special Inspection	\$ 100

**Exhibit "B" – Hourly Fee Schedule
A Supplement to AIA Document B101-2007**

CIVIL STAFF

HOURLY RATE

Manager	\$110
Engineer	\$100
Drafter	\$ 80
CAD Operator	\$ 70

LANDSCAPING STAFF

HOURLY RATE

Manager	\$150
Designer	\$100
Drafter	\$ 75
Clerical	\$ 50

FOOD SERVICES STAFF

HOURLY RATE

Manager	\$120
Designer	\$ 95
CAD Operator	\$ 80
Clerical	\$ 35

Authorized Signature: _____

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HUNT & CARAWAY ARCHITECTS, LTD.

[Scope of Work]

See following pages.

SCOPE OF WORK

Fire Station No. 2 Architectural Services

1. General Scope of Work. Consultant shall provide the Services, which are further delineated as follows: (A) pre-design and architectural programming, (B) schematic design, (C) design development, (D) construction documents, (E) bid and award services and (F) construction and post-construction services (the “Services”) for the Town’s Fire Station #2, consisting of a new 5,000 s.f. fire station plus three apparatus bays totaling 3,900 s.f. with auxiliary space, (the “Project”). The Services shall also include site work, consisting of (A) shared access driveway with EPCOR, (B) parking, (C) landscaping, (D) the relocation of an existing 50 kW emergency generator, (E) coordination of communication tower with Rural Metro and (F) Fountain Hills Boulevard median improvements and preemptive warning flashers. Consultant shall be responsible for the professional quality, technical accuracy and the coordination of all studies, reports, projections, master plans, designs, drawings, specifications and other Services furnished by Consultant under this Agreement. Consultant shall, without additional compensation, correct or revise any errors or omissions in its studies, reports, projections, master plans, design, drawings, specifications and other Services. Consultant shall provide a detailed scope of work to cover all aspects and disciplines necessary for a separate contractor to construct a fully operational and functional facility. The Town’s representatives for this Project are Development Services Director Paul Mood, Fire Chief Randy Roberts and Assistant Fire Chief Dave Ott (“Town Representatives”). The Town reserves the right to adjust the Scope of Work to eliminate tasks, as necessary, to accommodate time and/or budgetary constraints.

1.1 Budget. The Consultant shall complete the schematic design, design development, and construction documents, such that construction cost of the Project designed by Consultant will not exceed the Town’s estimated construction budget of \$2,800,000 for the General Scope of Work identified in Paragraph 1 and shall not proceed from one phase to another unless the budget for the phase in is compliance with the construction budget or any approved revised construction budget. If at any time during the design of the Project it appears the cost of construction may exceed the construction budget, Consultant shall immediately notify the Town. If the proposed design would cause the construction budget to be exceeded, Consultant shall provide the Town with “value engineering” alternatives for the Project at no additional cost to the Town.

1.2 Logs. Consultant shall maintain a log of site visits or discussions held in conjunction with the Services, with documentation of major discussion points, observations, decisions, question or comments. These shall be furnished to the Town for inclusion in the overall Project documentation.

1.3 ADA. All designs and specifications prepared by Consultant shall comply with the Americans with Disabilities Act, as determined by permitting agencies.

2. Pre-Design and Architectural Programming Phase.

2.1 Project Initiation. Upon final execution of the Agreement with Town, the Consultant shall:

A. Task Analysis; Schedule. Meet with the Town and the Town's Representatives to prepare a detailed task analysis and work plan for documentation in a computer-generated project schedule. Town's Representatives will produce the final scheduling format based on data furnished by Consultant. This task analysis and work plan will identify specific tasks including, but not limited to, interviews, data collection, required Town filing standards, analysis, report preparation, planning, Architectural Programming Phase, Schematic Design Phase, Design Development Phase and Construction Document Phase. Also identified will be Design Phase milestone activities or dates, specific task responsibilities including presentations, estimates and required times for completion and additional definition of deliverables.

B. Review Work Plan. Review the developed work plan with the Town and the Town Representatives to familiarize them with the proposed tasks and schedule and develop necessary modifications.

C. Kick-off Meeting. Participate in a general Project kick-off meeting to include the Consultant's appropriate subconsultants, Town staff and Town Representatives. The Project kick-off meeting will:

1. Introduce key team members from the Town, the Town Representatives and the Consultant to each other and define roles and responsibilities relative to the Project.

2. Identify and review pertinent information and/or documentation from the Town necessary for the completion of the Project.

3. Review and explain the overall project goals, general approach, tasks, work plan, procedures and deliverable products of the Project.

4. Review and explain the task analysis and Project work plan for all parties present; determine any adjustments or fine tuning that needs to be made to the work plan.

5. Review documentation of the Project kick-off meeting prepared by Consultant and comment prior to distribution.

6. Consultant shall record and distribute Project kick-off meeting minutes to all parties in attendance.

2.2 Development of Architectural Programming; Programming Phase.

Consultant shall perform pre-design investigations to establish appropriate guidelines around which and within which the Project is to be designed. Consultant shall identify design issues relating to functional need, directives and constraints imposed by regulatory codes. The design of the Project shall take into consideration impacts of the Project on neighboring residential uses. The Consultant shall:

A. Critical Issues. Identify critical issues affecting: Project completion and certification; significant site considerations; applicable planning and zoning requirements; applicable Town Code requirements; applicable fire and life safety requirements; sanitary and storm sewer service requirements; electrical power service and requirements; heating, ventilating and air conditioning requirements; natural gas availability and requirements, dry utilities and domestic and fire water service requirements and shall immediately notify the Town Representatives of any such issues. Consultant, along with its subconsultants, shall notify and coordinate all utility companies and Town departments of Project needs and schedules and coordinate utility company construction plans and conflict reviews. Utility company construction plans shall be incorporated into the construction bid documents as required.

B. Design Schedule. Develop and manage the design schedule.

C. Public Meetings. Assist the Town Representative(s) in conducting a minimum of two public/neighborhood information meetings at a location designated by the Town and provide renderings, sketches and other information to adequately communicate Project information to the public. Meeting dates and times (to be determined) shall occur at the Schematic Design Phase and the Design Development Phase for community comment and input.

D. Stakeholder Meeting. Conduct an architectural programming meeting with Town's selected project stakeholders, if any, at the discretion of the Town.

E. Estimate Construction Cost. Develop an estimate of probable construction cost for the Project based on the developed functional architectural programs as approved by Town.

1. All costs are to be based on recent bid prices for similar projects, with escalation rate and duration clearly identified as a separate line item. The rate of cost escalation and projected bid and construction dates are to be as approved by the Town Representatives.

2. Contingencies for design, bidding or construction, if included in the estimate, are to be included as individual line items, with the percentage and base of calculation clearly identified.

3. All construction cost estimates developed as set forth above should also be summarized by the applicable Construction Specification Institute (“CSI”) category.

4. The Consultant’s proposed cost format must be submitted to the Town for review and approval.

5. Subconsultants shall participate in the design meetings as appropriate and shall provide input and feedback into the development of the cost estimate, when required.

F. Town Meetings. During the Architectural Programming Phase, it is anticipated that approximately two meetings per month will be convened between the Town, the Town Representative(s) and the Consultant at the Town’s municipal offices. Decisions made at such meetings and subsequently approved by the Town shall be binding. Consultant shall record and distribute meeting minutes to all parties in attendance.

2.3 Site Master Planning. Consultant shall prepare a Site Plan showing in detail the elements of the proposed fire station and its supporting elements of site development, including the appropriate accommodations of projected parking, resolution of access and on-site circulation and existing or proposed commitments of land to other uses.

2.4 Completion of Architectural Programming and Master Site Plan Phase.

A. Deliverables. Upon completion of the Architectural Programming and Master Site Plan Phase, the Consultant shall provide the appropriate number of copies for the following:

1. Functional and Architectural Programming Report
2. Master Site Plan
3. Estimate of probable construction cost

B. Presentations. The Consultant, along with its subconsultants and the Town Representative(s), shall present the programming conceptual design, studies, construction estimate and preliminary construction schedule to the Project team and the Town Manager and shall make any other presentations as shall be reasonably required by the Town.

1. The programming conceptual design studies shall be revised within the program parameters at no additional cost to Town until a final concept has been accepted and approved by the Town.

C. Cessation of Architectural Programming and Site Master Planning Phase. Upon completion and review of the functional and Architectural Programming and Site Master Planning Phase, no further work shall be done unless and until Town has given a written notice to proceed to the Consultant for Schematic Design.

3. Schematic Design Phase. The Consultant shall proceed with Schematic Design upon written authorization from Town. Schematic Design shall be prepared from the Programming Phase information and documents approved by Town.

3.1 Meetings. During the Schematic Design development it is anticipated that bi-weekly meetings will be held between the Town, Town Representative(s) and the Consultant to address specific design issues and to facilitate the decision making process. Such meetings shall be held at Town's municipal offices. Decisions made at such meetings and subsequently approved by Town shall be binding. Consultant shall record and distribute meeting minutes to all parties in attendance.

3.2 Deliverables. Upon completion of the Schematic Design Phase, the Consultant shall provide the appropriate number of copies for the following:

- A. Schematic Design Drawings with alternates
- B. Outline Specifications
- C. A statement indicating changes made to the program/master plan
- D. Schematic Design construction cost estimate, consisting of the following:

1. Unit cost applied to the major items and quantities of work. The unit cost shall reflect the complete direct current cost of work, including labor, material, waste allowance, sales tax and subcontractor's mark-up. General conditions shall be applied separately. This estimate shall be prepared by specification section and summarized by the CSI category.

2. Separate estimates for the Project's building cost from site and utilities cost. Consultant shall submit to the Town and Town's Representative, if applicable, the cost-estimating format for prior review and approval.

All estimates shall be priced out at current market conditions. The estimates shall incorporate all adjustments as appropriate, relating to mid-point construction contingency, and cost index (i.e., Lee Saylor Index).

3.3 Presentations. The Consultant along with its subconsultants, and the Town Representative(s), shall present the detailed Schematic Design, construction estimate and preliminary construction schedule to the Project team and the Town Manager and shall make any

other presentations as may be reasonably required by Town. Consultant, along with its subconsultants and Town Representatives, shall also present the detailed Schematic Design to the Town Council for comment and input.

3.4 Revisions. The Schematic Design studies shall be revised within the program parameters at no additional cost to Town until a final concept has been accepted and approved by the Town.

3.5 Permits. The Consultant shall identify, coordinate and begin preparation of all regulatory agency reports, permits and inspections that will be required for the Project.

3.6 Cessation of Schematic Design Phase. Upon completion of the Schematic Design Phase, the Town shall have the right to terminate this Agreement upon written notice of such termination to Consultant. The Town shall pay the Consultant only the fee associated with the Services provided for Schematic Design.

4. Design Development Phase. The Consultant shall proceed with the Design Development phase upon written authorization by the Town. The Design Development documents shall be prepared from the Schematic Design documents approved by the Town.

4.1 Meetings. During Design Development, it is anticipated that bi-weekly meetings will convene to address specific design issues and to facilitate the decision making process. Such meetings shall be held at Town's municipal offices. Documented decisions made at such meetings and subsequently approved by Town shall be binding. Consultant shall record and distribute meeting minutes to all parties in attendance.

4.2 Deliverables. Upon completion of the Design Development Phase, the Consultant shall provide the appropriate number of copies for the following:

- A. Design Development drawings from all disciplines
- B. Design Development specifications from all disciplines
- C. Design Development construction cost estimate, which the Consultant shall prepare by specification section, summarized by CSI category. The estimate shall include individual item unit costs of materials, labor and equipment. Sales tax, contractor's mark-ups and general conditions shall be listed separately.

4.3 Presentation. The Consultant, along with its subconsultants and the Town Representative(s), shall present the detailed Design Development, construction estimate and preliminary construction schedule to the Project team and the Town Manager and shall make any other presentations as shall be reasonably required by Town.

4.4 Revisions. The Design Development shall be revised within the program parameters until a final concept has been accepted and approved by Town at no additional cost to Town.

4.5 Permits. The Consultant shall provide an update as to the status of all required permit application submittals and approvals.

4.6 Cessation of Design Development Phase. Upon completion of the Design Development Phase, the Town shall have the right to terminate this Agreement upon written notice of such termination to Consultant. The Town shall pay the Consultant only the fee associated with the services provided for Design Development.

5. Construction Document Phase. The Consultant shall proceed with the Construction Document Phase upon written authorization from Town. Construction documents shall be prepared from Design Development documents approved by the Town. The construction documents shall be for the purpose of the Consultant preparing the final documents for the Town's use in bidding the Project construction, after Town's approval of the construction documents.

5.1 Meetings. During the Construction Document Phase, it is anticipated that bi-weekly meetings will convene to address specific design issues and to facilitate the decision making process. Such meetings shall be held at the Town's municipal offices. Documented decisions made at such meetings and subsequently approved by Town shall be binding. Consultant shall record and distribute meeting minutes to all parties in attendance.

5.2 Deliverables. Upon completion of the Construction Document Phase, the Consultant shall provide the appropriate number of copies for the following:

- A. Complete construction drawings from all disciplines necessary to deliver the Project.
- B. Complete construction specifications from all disciplines necessary to deliver the Project.
- C. The final construction cost estimate, prepared by specification section, summarized by CSI category. The estimate shall include individual item unit costs of materials, labor and equipment. Sales tax, contractor's mark-ups and general conditions shall be listed separately.

5.3 Presentation. The Consultant, along with its subconsultants and the Town Representative(s), shall present the detailed construction documents, construction estimate and preliminary construction schedule to the project team and the Town Manager and shall make any other presentations as shall be reasonably required by the Town.

5.4 Revisions. The construction documents shall be revised within the program parameters at no additional cost to Town until a final concept has been accepted and approved by Town.

5.5 Permits. Upon written authorization from the Town, submit construction drawings to all required regulatory agencies for approval.

A. Corrections. Make corrections as required, to reflect regulatory agencies' back-check comments into the drawings, specifications and estimate. All such corrections will be made in a timely manner and at no cost to Town.

B. Regulatory Comments. Upon approval from all regulatory agencies, Consultant shall provide to the Town any regulatory comments creating additional costs to the Project and confirmation that the final design is within the Project construction budget.

C. List of Requirements. Consultant shall furnish a complete, itemized list of all submittal requirements.

D. List of Instructions. Consultant shall furnish a complete, itemized list of all special inspections required.

6. Bidding Phase.

6.1 Delivery of Bid Documents. Consultant shall coordinate the delivery of bid documents to reproduction facility for printing, binding, wrapping and delivery to the bidders.

6.2 Pre-Bid Conference. In conjunction with the Town, Consultant shall facilitate the Pre-Bid Conference arranged by the Town. This conference shall be a forum for the Town and Consultant to explain the Project requirements to the bidders, including information concerning schedule requirements, time and cost control requirements, access requirements, the Town's administrative requirements, technical and other information.

6.3 Inquiries. Consultant shall respond to inquiries related to the contract documents. Consultant shall tabulate and maintain a summary of the inquiries received (verbally at the Pre-Bid Conference and otherwise in writing) and the responses made.

6.4 Bid Opening. Consultant shall assist the Town in conducting the bid opening and evaluating the bids. Consultant shall make recommendations to the Town concerning the acceptance or rejection of bids.

6.5 Bid Protest. Consultant shall assist the Town in evaluating any bid protest filed.

7. Construction Phase. [*WITHOUT PM/CM*]

7.1 Program Management.

A. Pre-Construction Conference. In consultation with the Town, the Consultant shall facilitate a Pre-Construction Conference during which Consultant shall review the Project organization, communication protocols, security, responsibilities,

general Project procedures and other matters set forth in the construction contract documents. Consultant shall record and distribute meeting minutes to all parties in attendance.

B. Construction Observation. Consultant shall provide contract administration and establish and implement coordination and communication procedures among Consultant, the Town and the selected contractor(s). Consultant shall visit the Project site at least weekly to review the construction progress. Construction observation for the Project shall be performed by Consultant's personnel with sufficient expertise to determine whether the construction is proceeding in accordance with the construction contract documents.

C. Procedures for Requests for Information; Submittals. Consultant shall establish and implement procedures for expediting and processing requests for information, shop drawings, material and equipment sample submittals, contract schedule adjustments, change orders, substitutes and payment requests and the maintenance of logs for tracking all relevant information related to the above. Consultant shall maintain weekly job reports and provide to the Town on a weekly basis. If provided for in the construction phase procedures approved by the Town, Consultant shall be the party to whom requests for information, submittals, contractor schedule adjustments, substitutes, change order requests and payment applications shall be submitted.

D. Quality Review. Consultant shall establish and implement a program to monitor the quality of the construction to assist in guarding the Town against defects and deficiency in the work of the contractor. While the Consultant shall not be responsible for construction means, methods, techniques, sequences and procedures employed by the construction contractor in the performance of its contract, nor be responsible for the failure of the construction contractor to carry out work in accordance with the contract documents, Consultant shall nevertheless advise the Town whether the construction means, methods, techniques, sequences or procedures will delay the work or cause a defect in the work. Consultant may reject work and transmit to the Town and contractor a notice of nonconforming work when it is the opinion of Consultant or the Town that the work does not conform to the requirements of the contract documents. Consultant is not authorized as a part of this service to change, revoke, alter, enlarge, relax or release any requirements of the contract documents or to approve or accept any portion of the work not performed in accordance with the contract documents. No action taken by Consultant shall relieve any or all of the contractors from their obligation to perform their work in strict conformity with the contract documents and in strict conformity with all other applicable laws, rules and regulations. Such limits of authority shall be made clear and enforced by Town in the contractor's contract documents. Communication between Consultant and contractor with regard to quality review shall not in any way be construed as binding Consultant or the Town or as releasing the contractor from the fulfillment of any of the terms of the contract documents. It is understood that Consultant's action in providing quality review as stated herein is a service to the Town and by performing as provided herein, Consultant is not acting in a

manner so as to assume responsibility or liability, in whole or in part, for all or any part of the construction work for the Project.

E. Construction Meetings. Consultant shall preside over weekly construction meetings at the Project site or Town's Municipal Center with the contractor and the Town. Consultant shall record and distribute meeting minutes to all parties in attendance.

F. Review of Submittals. Consultant shall review submittals including, but not limited to, shop drawings, samples, product information, shop and mill test results, alternate products, operation and maintenance manuals and warranties for compliance with the contract documents. Upon review, submittals shall be marked with appropriate comments by Consultant on six returned copies. Reviewed submittals shall be returned to the contractor within 21 days of the original submittal date from the contractor.

G. Response to Requests for Information. Consultant shall respond to Requests for Information. Responses shall be returned to the contractor within seven days of the original submittal date by the contractor.

H. Clarification of Plans. If any errors are discovered in the plans and specifications, Consultant shall issue supplemental drawings or details to clarify issues to the contractor. Consultant shall indicate if items are for clarification only or added scope (cost) to the contractor. Consultant shall not be compensated for such services.

I. Coordination of Inspections. Technical inspections and testing shall be coordinated by Consultant in conjunction with the Town's Chief Building Official. Consultant shall be provided a copy of all inspection and testing reports on the day of the inspection or test or within a reasonable time period. Consultant is not responsible for providing, nor does Consultant control, the actual performance of technical inspection and testing. Consultant is performing a coordination function and is not acting in a manner so as to assume responsibility or liability, in whole or in part, for any part of such inspection and testing.

J. Start-up. Consultant will be responsible for monitoring preliminary equipment start-up. Start-up will generally follow the procedure outlined in the contract documents. Consultant shall be responsible for determining existing process operational modifications to facilitate start-up of new facilities and monitor the initial process settings and initial equipment operation.

1. Consultant shall evaluate the initial process operations and contractor's preliminary equipment testing and seven-day process testing.
2. Consultant shall monitor all phases of start-up.

K. Special Inspections. Consultant shall perform all special inspections, including, but not limited to, structural and mechanical inspections.

L. Pay Applications. Consultant shall review and approve all contractor pay applications prior to submittal to the Town.

M. Review of Change Orders. Consultant shall review all requests for changes to the contract time or price submitted by a contractor, assemble information concerning the request and endeavor to determine the cause of the requests and make recommendations to the Town with respect to acceptance of the requests. Consultant will implement the Town's decisions regarding all requests for changes. All changes to the construction contract between the Town and contractor shall only be made by change orders or contract amendment executed by the Town.

N. As-built Drawings. Consultant shall review the contractors' as-built drawings throughout the construction phase to ensure that they are updated monthly and current. As-builts shall be submitted to the Consultant by the contractor for their review and certification prior to final completion.

O. Document Package. Upon receipt from the contractor, Consultant shall review for completeness contractor's as-built drawings, operation and maintenance manuals, warranties and guarantees for materials and equipment installed on the Project and shall submit one complete package of documents to the Town.

7.2 Time Management.

A. Initial Schedule. Upon receipt of the initial contract schedule and preliminary contract schedule, Consultant shall review such schedules and provide comments to the Town. Consultant shall also review contractor requests for time extensions and recovery schedules as required.

B. Master Schedule. Consultant shall recommend to the Town any such adjustments to the Master Schedule, and upon Town's approval, incorporate such adjustments. Consultant shall adjust and update the Master Schedule and distribute copies to the Town.

C. Construction Schedule. Consultant shall review the contractor's Construction Schedule and shall verify that the schedule is prepared in accordance with the requirements of the contract documents and that it establishes completion dates that comply with the requirements of the contract documents. If changes in the Master Schedule maintained by Consultant are appropriate, Consultant shall make such modifications as approved by the Town.

D. Construction Schedule Report. Consultant shall, on a monthly basis, (1) review the progress of construction of each contractor, (2) evaluate the percentage complete of each construction activity as indicated in the contractor's

construction schedule and (3) review such percentages with the contractor. This evaluation shall serve as data for input to the periodic construction schedule report that shall be prepared and distributed to the Town. The report shall indicate the actual progress compared to scheduled progress and shall serve as the basis for the progress payments to the contractor. Consultant shall advise and make recommendations to the Town concerning the alternative courses of action that the Town may take in its efforts to achieve contract compliance by the contractor.

E. Change Orders; Modifications. Prior to the issuance of change orders, Consultant shall advise the Town as to the effect of the change order on the Master Schedule. Consultant shall review any recovery schedule submitted by the contractor for compliance with the contract documents. If changes in the Master Schedule maintained by Consultant are appropriate, Consultant shall make such modifications as approved by the Town.

7.3 Cost Management.

A. Change Order Control System. Consultant shall establish and implement a change order control system. All proposed change orders shall first be described in detail by Consultant in a request to the contractor, and shall be accompanied by technical drawings and specifications prepared by the Consultant. In response to a request by Consultant, the contractor shall submit to the Consultant for evaluation detailed information concerning the cost and time adjustments, if any, as may be necessary to perform the proposed change work order. Consultant shall discuss the proposed change order with the contractor and endeavor to determine the contractor's basis of the cost and time impacts of performing the work. Consultant shall review and provide the Town with written reports as to engineering soundness and construction practicality regarding such decisions made or actions taken by the Consultant. Consultant shall make recommendations to the Town as to engineering soundness of the proposed change and whether Consultant believes the change in the work is in the best interest of the Project, prior to the Town's execution of change orders. Consultant shall verify that change order work and adjustments of time, if any, required by approved change orders have been incorporated in to the contractor's construction schedule.

B. Determination of Price. In instances when a lump sum or unit price is not determined prior to performing work described in a request, Consultant shall request from the contractor records of the cost of payroll, materials and equipment and the amount of payments to subcontractors incurred by the contractor in performing the work.

C. Payment Applications. Consultant shall review the payment applications submitted by each contractor and determine whether the amount requested reflects the progress of the contractor's work. Consultant shall make appropriate adjustments to each payment application and shall provide and forward to the Town a Progress Payment Report. The Report shall state the total contract price, payments to date, current payment requested, retainage, actual amounts owed for the current period

and an updated schedule for work completed to date. Included in this report shall be a Certificate of Payment that shall be signed by Consultant and delivered to the Town. The issuance of a Certificate of Payment by Consultant shall constitute a representation by Consultant to the Town, based on Consultant's observations and inspections at the site and on the data comprising the contractor's application for payment, that the work has progressed to the point indicated; that, to the best of Consultant's knowledge, information and belief, the quality of the work is in accordance with the contract documents (subject to an evaluation of the work for conformance with the contract documents upon Substantial Completion, and to the results of any subsequent tests required by or performed under the contract documents, to minor deviations from the contract documents correctable prior to completion, and to any specific qualifications stated in the application for payment); and that the contractor is entitled to payment in the amount certified. Issuance of a Certificate of Payment shall not be a representation that Consultant has made any examination to ascertain how and for what purpose the contractor has used the monies paid on account of the contract sum.

8. Post-Construction Phase.

8.1 Project Management.

A. Start-up. Consultant will be responsible for monitoring preliminary equipment start-up. Start-up will generally follow the procedure outlined in the contract documents. Consultant shall be responsible for determining existing process operational modifications to facilitate start-up of new facilities and monitor the initial process settings and initial equipment operation.

1. Consultant shall evaluate the initial process operations and contractor's preliminary equipment testing and seven-day process testing.

2. Consultant shall monitor all phases of start-up.

B. Inspections; Punch List. Consultant shall provide final inspections and prepare final punch list to be attached to the Certificate of Substantial Completion. Consultant shall perform back checks of the punch list until all items are complete.

C. Substantial Completion. Consultant shall submit a recommendation at the appropriate time for acceptance of the Project to the Town as substantially complete.

D. Certifying As-built Drawings. Consultant shall receive as-built drawings from contractor and incorporate changes onto 4 mil mylar drawings and deliver to Town staff. Consultant shall be responsible for certifying the as-built drawings. "Certify the as-built drawings" means the as-built drawings will be signed, sealed and dated by Consultant(s) registered in the State of Arizona in his/her field of competence.

E. Document Package. Prior to the Final Completion of the Project, Consultant shall compile manufacturers' operations and maintenance manuals, warranties and guarantees as received from the contractors, and submit one complete package to Town.

F. Final Completion. Consultant shall submit a recommendation for final acceptance of the Project to Town upon confirmation that the Project is complete, including all punch list items.

G. Warranties. Consultant shall respond to warranty issues as needed for a period of one year after final acceptance of the Project. Consultant shall schedule and conduct a warranty inspection ten months after final acceptance of the Project with the Town and contractor.

8.2 Cost Management. Consultant shall continue to provide services related to change orders during the Post-Construction Phase.

8.3 Management Information Systems. At the conclusion of the Project, Consultant shall prepare final project cost and close-out reports. Consultant shall submit all Project documents electronically to the Town in one complete package.

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HUNT & CARAWAY ARCHITECTS, LTD.

[Schedule of Work]

See following page.

SCHEDULE OF WORK

- A. Consultant shall complete all Services required under the Pre-Design and Architectural Programming Phase within 45 working days after written authorization from the Town to proceed.
- B. Consultant shall complete all Services required under the Schematic Design Phase within 45 working days after written authorization from the Town to proceed with the Schematic Design Phase.
- C. Consultant shall complete all Services required under the Design Development Phase within 45 working days after receipt of a written authorization from the Town to proceed with the Design Development Phase.
- D. Consultant shall complete all Services required under Construction Document Phase up through and including the Substantial Completion stage within 300 working days after receipt of a written authorization from the Town to proceed. Excluded from this duration is the time associated with the construction document back-check stage.
- E. Consultant shall proceed with all Services required under the Bidding Phase within 10 working days after receipt of a written authorization from the Town to proceed with the Bidding Phase.
- F. Consultant shall proceed with all Services required under the Construction Phase, upon the commencement of construction, and shall continue through completion and acceptance of the Project by Town.
- G. The durations stated above include the review periods required by the Town and all other regulatory agencies.

EXHIBIT D
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
HUNT & CARAWAY ARCHITECTS, LTD.

[Fee Proposal]

See following pages.

Fountain Hills Fire Station #2

Project Fee Worksheet

Description	Quantity	Unit	Unit Cost	Cost	Total Cost
Design Services					
9-Mar-16					
Civil Engineer					
Topo Survey	\$4,000.00	Amount	1.10	\$4,400.00	
On-Site G&D	\$14,000.00	Amount	1.10	\$15,400.00	
FHB Curb Modifications	\$5,000.00	Amount	1.10	\$5,500.00	
Drainage (100-Year Flows provided by Town)			1.10		
Erosion Control at Wash	\$3,000.00	Amount	1.10	\$3,300.00	
On-Site Drainage, Detention, Drain Pipes	\$3,000.00	Amount	1.10	\$3,300.00	
SWPPP	\$1,000.00	Amount	1.10	\$1,100.00	
Waterline Relocation MCESD Form	\$600.00	Amount	1.10	\$660.00	
Fire Hydrant On-Site w/ MCESD Form	\$1,000.00	Amount	1.10	\$1,100.00	
Meetings	\$1,300.00	Amount	1.10	\$1,430.00	
Bidding RFI	\$1,000.00	Amount	1.10	\$1,100.00	
Construction RFI	\$2,000.00	Amount	1.10	\$2,200.00	
Sub-total				\$39,490.00	\$39,490.00
Landscape Architect					
Plant Inventory & Salvage Phase	\$875.00	Amount	1.10	\$962.50	
Design Development Phase	\$975.00	Amount	1.10	\$1,072.50	
Contract Document Phase	\$1,575.00	Amount	1.10	\$1,732.50	
Bid and Award Phase	\$350.00	Amount	1.10	\$385.00	
Construction Administration Phase	\$550.00	Amount	1.10	\$605.00	
Sub-total				\$4,757.50	\$4,757.50
Architect					
Project Architect	50	Hours	\$175.00	\$8,750.00	
Project Manager	150	Hours	\$120.00	\$18,000.00	
Drafting	800	Hours	\$95.00	\$76,000.00	
Meetings (10 Meetings @ 3 hrs)	30	Hours	\$150.00	\$4,500.00	
Construction Administration	275	Hours	\$120.00	\$33,000.00	

Meetings (32 Meetings @ 2 hrs)	64	Hours	\$120.00	\$7,680.00	
Construction Observation Allowance	1	Amount	\$20,000.00	\$20,000.00	
Printing Allowance	1	Amount	\$7,500.00	\$7,500.00	
Sub-total, Design				\$175,430.00	\$175,430.00
Structural Engineer					
Construction Documents	\$7,000.00	Amount	1.10	\$7,700.00	
Construction Administration	\$1,000.00	Amount	1.10	\$1,100.00	
Special Inspection	\$2,450.00	Amount	1.10	\$2,695.00	
Sub-total				\$11,495.00	\$11,495.00
MPE Engineer					
Design	\$8,000.00	Amount	1.10	\$8,800.00	
RFI's	\$800.00	Amount	1.10	\$880.00	
As-Built Drawings	\$600.00	Amount	1.10	\$660.00	
6 Meetings	\$1,800.00	Amount	1.10	\$1,980.00	
Sub-total				\$12,320.00	\$12,320.00
Fire Protection					
Design	\$4,358.00	Amount	1.10	\$4,793.80	
Flow Test (2 Tests)	\$708.00	Amount	1.10	\$778.80	
CA	\$596.00	Amount	1.10	\$655.60	
As-Built Phase	\$240.00	Amount	1.10	\$264.00	
Sub-total				\$6,492.20	\$6,492.20
Geotechnical Work					
Report & Borings	\$2,200.00	Amount	1.10	\$2,420.00	
Sub-total				\$2,420.00	\$2,420.00
Cost Estimating					
SD Estimate	\$4,700.00	Amount	1.10	\$5,170.00	
DD Estimate	\$4,700.00	Amount	1.10	\$5,170.00	
CD Estimate	\$4,700.00	Amount	1.10	\$5,170.00	
Sub-total				\$15,510.00	\$15,510.00

Total Fee for Fountain Hills**\$267,914.70****EPCOR Driveway Items****9-Mar-16****Civil Engineer**

Topographic Survey	\$2,000.00	Amount	1.10	\$2,200.00	
Civil Design	\$7,500.00	Amount	1.10	\$8,250.00	
Relocate water line w/ MCESD Forms	\$2,500.00	Amount	1.10	\$2,750.00	
Sub-total				\$13,200.00	\$13,200.00

Landscape Architect

Plant Inventory & Salvage Plan	\$400.00	Amount	1.10	\$440.00	
Design Development Phase	\$450.00	Amount	1.10	\$495.00	
Contract Document Phase	\$625.00	Amount	1.10	\$687.50	
Bid and Award Phase	\$150.00	Amount	1.10	\$165.00	
Construction Administration Phase	\$250.00	Amount	1.10	\$275.00	
Sub-total				\$2,062.50	\$2,062.50

Architect

Project Manager	5	Hours	\$120.00	\$600.00	
Drafting	15	Hours	\$95.00	\$1,425.00	
Meetings (2 meetings @ 3 hrs)	6	Hours	\$150.00	\$900.00	
Construction Management	40	Hours	\$120.00	\$4,800.00	
Sub-total				\$7,725.00	\$7,725.00

Geotechnical Work

Report & Borings	\$1,200.00	Amount	1.10	\$1,320.00	
Potholing	\$1,100.00	Amount	1.10	\$1,210.00	
Sub-total				\$2,530.00	\$2,530.00

Structural Engineer

Retaining Wall Design	\$2,000.00	Amount	1.10	\$2,200.00	
Special Inspection	\$1,750.00	Amount	1.10	\$1,925.00	

Sub-total				\$4,125.00	\$4,125.00
Cost Estimating					
SD, DD, & CD Estimate	\$2,400.00	Amount	1.10	\$2,640.00	
Sub-total				\$2,640.00	\$2,640.00

Total Fee for EPCOR	\$32,282.50
Total Design Fee	\$300,197.20

Design scope of work includes the following items:

1. Fully designed fire protection system and flow tests to comply with code requirements and agency approval.
2. Public meeting to present and discuss the Fire Station design along with public input and feedback on the design.
3. Special inspections as defined by the structural engineer and governing agency to cover both roadway and building design.
4. Topographic survey to cover both roadway and building design areas.
5. Hillside civil design to cover both roadway and building design.
6. Comprehensive cost estimating at identified design phases for both the roadway and building designs.
7. Native plant survey to cover both roadway and building design.
8. Native plant inventory and salvage plan to cover both roadway and building design.
9. Separate design documents for driveway construction bidding under one bid package.
10. Weekly construction review meetings and field reports.
11. Civil design for existing water line relocations and MCESD forms.
12. Utility coordination and review of proposed design for approval and construction.
13. Verify 50 KW design capacity for relocating emergency generator.
14. Median and street improvements to Fountain Hills Blvd to support traffic flasher system.
15. Contractor provided As-Built drawings reviewed by design team.
16. Coordinate fire department communication tower and emergency operation systems.
17. FF&E to be identified in the construction documents for procurement by the General Contractor.

Design scope of work excludes the following items:

1. Review and permit fees for governing agency approval.
2. Design and construction of standard emergency traffic signal system and traffic study documentation.
3. Construction and material testing as required by governing agency.

4. FF&E procurement and payment.
5. Utility coordination and review fees for design and construction.
6. Drainage study for compliance and modification of easements or drainage washes as required by governing agency.
7. Soils testing, compaction testing, environmental studies, and contamination studies as required by governing agency.



TOWN OF FOUNTAIN HILLS

TOWN COUNCIL AGENDA ACTION FORM

Meeting Date: 4/7/2016

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Administration

Staff Contact Information: David Trimble, Admin. Services Director, 480-816-5125, dtrimble@fh.az.gov

Strategic Planning Goal: Not Applicable (NA)

Operational Priority: Not Applicable (NA)

REQUEST TO COUNCIL (Agenda Language): Consideration of Resolution 2016-05 approving Town membership into the Arizona Metropolitan Trust (AzMT) for the purpose of providing health benefits to Town employees in a more efficient and cost effective manner.

Applicant: NA

Applicant Contact Information:

Owner:

Owner Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle: ARS 11-981 (A), 11-952, 11-952.01

Staff Summary (background): The Town has historically offered a comprehensive health and life benefit package in order to attract and retain the best possible employees. Currently, the Town participates in the Arizona Public Employers Health Pool (APEHP) for medical benefits, United Concordia is the dental insurance provider, vision benefits are provided through Sightcare, and life insurance is provided through Lincoln Life Insurance. These separate providers have various open enrollments, billing, and COBRA practices (Consolidated Omnibus Budget Reconciliation Act, allowing continued coverage after employees cease service to the Town). Transitioning the Town to AzMT will consolidate benefits under one umbrella and allow the Town to operate more efficiently and cost effectively while retaining high-quality employee benefits. AzMT was formed in 2012 with four municipalities including Apache Junction, Avondale, El Mirage, and Youngtown. Since then Pinal County and the Buckeye Valley Fire District have joined AzMT for their employee benefits as well.

The advantages of joining AzMT include:

- Immediate and ongoing yearly savings of approximately \$100,000 per year
- Employee benefit coverage remains similar or improved
- Consolidation of open enrollment into one instead of three
- Consolidation of monthly invoicing into one instead of four
- COBRA management and administration through AzMT instead of Town Staff
- PPO Medical plan network continues to largely be consistent with current network and administrator - Blue Cross Blue Shield network administered by AmeriBen

- Expanded dental provider network – Delta Dental would be the AzMT dental network which is wider than United Concordia, the current provider
- No broker fees – the Town currently pays a 2% fee embedded within premiums, however with AzMT there would be no need to pay a broker
- Employees will continue to pay \$0 for individual coverage premium and dependent premiums remain affordable compared to other cities / towns (see “Town of Fountain Hills Monthly Medical Costs... attachment for specifics)
- Lower medical deductibles and out-of-pocket yearly maximums (see “AzMT Medical Schedule of Benefits” and “APEHP... Medical Benefits for 2015-2016”)
- APEHP has announced that after July 1, 2016, it will no longer offer a Flexible Spending Account to employees which is used on a pre-tax basis for employees to pay for medical and childcare expenses; AzMT administers a Flexible Spending Account which will be beneficial to our employees

The advantages to the Town and employees switching over to AzMT outweigh the perceived drawbacks. Due to a combination of medical premium pricing plans and previous internal administration strategies, employees currently on the high deductible health plan (HDHP) with health savings accounts (HSA) have received significant monthly payments from the Town to their HSAs in addition to paying \$0 for their premiums. This policy is not actuarially sustainable, so the strategy requires a change and this may be viewed as a drawback. However, as mentioned, employees with individual coverage will continue to pay \$0 for their health coverage and employees with dependent coverage remains affordable. Employees will have the option to mitigate this issue by choosing to move to the PPO plan and enjoying the lower out-of-pocket costs for medical services such as medical visits and prescriptions. The plan design of the PPO plan will likely lower total out-of-pocket costs of employees. The only other perceived drawback associated with this change is that Mayo Clinic is not currently part of the Blue Cross Blue Shield (BCBS) PPO network and is not considered an in-network provider by AzMT. Currently, APEHP has contracted with the Mayo Clinic as an in-network provider so Town employees receive services at the lower in-network rates. This issue may be mitigated under the AzMT plan by having those employees that currently have Mayo Clinic as their provider choose a different provider within the Blue Cross Blue Shield network, the largest provider network in Arizona. Or, employees can continue to obtain services from Mayo Clinic within the AzMT coverage however the pricing would be at the “out-of-network” level.

The Town joined APEHP, its current provider for medical coverage, in January of 2014. Since then the Town’s medical premiums, by far the largest driver of overall benefit costs, have increased 16% and APEHP recently announced a 2% increase effective July 1, 2016. By comparison, AzMT has not had an increase in medical premiums since its inception in 2012. Therefore, if this trend continues, under the AzMT plan the Town could continue to enjoy savings of nearly \$100,000 per year in comparison to the current plan.

If approved, staff plans to transition the Town from APEHP, United Concordia, and Sightcare in a manner acceptable to the providers and our employees. Staff will provide proper notice to the other benefit providers which will not cause significant timing issues based on the targeted July 1, 2016 effective date. Staff has provided some of the potential plan information to a small cross-section of employees and we plan to roll out more details to employees through meetings with our representative from AzMT at least a month prior to the open enrollment period. This should provide ample time for employees to make informed decisions.

If approved the Town would join AzMT effective on July 1, 2016 for at least 3 years. The AzMT agreement prohibits entities from joining for less than three years and a former participating entity cannot rejoin until at least three fiscal years have elapsed. This is done to stabilize the claims environment in a long-term approach, by preventing entities from quickly rotating in and out of the group.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status): It is estimated that the Town will save approximately \$100,000 each year on a continuing basis with the change to AzMT. Currently the Town is projected to spend over \$400,000 per year for medical, dental and vision benefits, whereas with the proposed AzMT adaptation this cost is projected to be approximately \$300,000. Life insurance cost is expected to remain flat at approximately \$9,000 per year.

Budget Reference (page number):

Funding Source: General Fund

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: Yes

Recommendation(s) by Board(s) or Commission(s): N/A

Staff Recommendation(s): Approve

List Attachment(s): Resolution 2016-05

AzMT GENERAL INFORMATION

AzMT Frequently Asked Questions

AzMT AGREEMENT AND DECLARATION OF TRUST

AzMT Bylaws

AzMT MEDICAL SCHEDULE OF BENEFITS (including Dental and Vision)

AzMT 2016-17 Premium Rate Structure

APEHP Copay Plan Medical Benefits for 2015-2016

APEHP \$2,500 HDHP with HSA Medical Benefits for 2015-2016

Town of Fountain Hills Monthly Medical Costs for Full-Time Employees

SUGGESTED MOTION (for Council use): Move to approve Resolution 2016-05 related to employee health & life benefits.

Prepared by:

David Trimble

David Trimble, Administrative Services Director 3/29/2016

Director's Approval:

David Trimble

David Trimble, Administrative Services Director 3/29/2016

Approved:

Grady E. Miller

Grady E. Miller, Town Manager 3/29/2016

GENERAL INFORMATION

The Arizona Metropolitan Trust (AzMT) was formed effective July 1, 2012 with four (4) member entities covering approximately 750 employees and their eligible dependents. As of July 01, 2015, AzMT has six (6) member entities covering approximately 2,300 employees and their eligible dependents.

The benefits offered by the Trust include:

- Medical/Prescription Drug (EPO, 2 PPO and 1 High Deductible Plans) – Partially Self-Insured
Claims Administrator – AmeriBen
Provider Network – Blue Cross Blue Shield of Arizona
Prescription Drug Administrator – Navitus
Utilization Review – American Health Group
- Dental – Fully Self-Insured
Claims Administrator – Delta Dental
- Vision – Fully Self-Insured
Claims Administrator – VSP
- Life/AD&D – Insured through MN Life
- Short-Term Disability – Insured through Mutual of Omaha
- Employee Assistance Program – Alliance Work Partners

Trust membership is open to cities, towns, counties, fire districts, municipal corporations and any other political subdivisions of these types of entities as may be eligible pursuant to A.R.S. § 11-952.01 et. seq. located within the State of Arizona. AzMT has established a guideline which targets a minimum of 100 benefit-eligible employees. However, AzMT will consider smaller applicants if they are an otherwise good fit for the Trust.

The initial membership term is a minimum of 3-years.

Each entity interested in Trust membership must go through an underwriting process and be offered membership by the current AzMT Board of Trustees.

Each member entity has a seat/vote on the Board of Trustees. Trustees meet at least quarterly, of which one of those meetings is a two-day renewal meeting, usually held in February.

The Trust offers a comprehensive Wellness program which offers on-site medical screenings such as health risk assessments to include cholesterol, diabetes and blood pressure testing, heart screenings, skin cancer screenings, mammograms, and flu/pneumonia shots just to name a few.

For more information, please contact Jaime Schulenberg at Erin P. Collins & Associates, Inc. (ECA) at:

1115 Stockton Hill Rd., Ste. 101
Kingman, AZ 86401
(928) 753-4700 x302
jaimes@ecollinsandassociates.com

Frequently Asked Questions

1. **Q. What is a public employee benefit trust?**
 - A. An employee benefit trust can take two forms. Individual public entities can form stand-alone self-insured employee benefit programs under the provisions of ARS § 11-981. Groups of public entities can come together to cooperatively provide employee benefit programs under ARS § 11-952 and ARS § 11-952.01. The organizations formed using this latter method are frequently called pools. AzMT is formed under ARS § 11-952.01.

2. **Q. Are there other entities in the State of Arizona or my area that already participate in a pool?**
 - A. Yes. Public entities have formed pools for a variety of purposes including employee benefits, workers' compensation, and property and liability coverage, since the mid-1980's.

3. **Q. When was AzMT formed?**
 - A. AzMT was formed on July 1, 2012 by the cities of Apache Junction, Avondale, El Mirage and the Town of Youngtown. Since its formation, AzMT added Buckeye Valley Fire District and Pinal County.

4. **Q. What employee benefits are being offered through the AzMT Trust?**
 - A. The following benefits are offered through the Trust:
 - Medical/Prescription Drug – partially self-insured (4 plans)
 - Dental – fully self-insured
 - Vision – fully self-insured
 - Life/AD&D – fully insured through The Standard Insurance
 - Short-Term Disability – fully insured through Mutual of Omaha
 - Employee Assistance Program – Alliance Work Partners

5. **Q. What happens if a pool like this gets hit by one or more large claims? Won't that bankrupt the program?**
 - A. Neither a single large claim nor a group of large claims can bankrupt an employee benefit trust. Why? Because pools of this type purchase a type of insurance called specific stop-loss (also known as reinsurance) that reimburses the pool for claims over a pre-determined amount. For example, if the specific stop-loss deductible is \$100,000 and a medical bill comes through for \$250,000, the stop loss company reimburses the difference between the cost of the bill and \$100,000 (in AzMT's case the deductible is \$240,000).

6. Q. **What happens if you get more small claims than are expected?**
- A. If this happens, there are three possible scenarios. The first is that the pool purchases a product called aggregate stop-loss that cuts in to protect the pool from a larger than anticipated number of small claims. Aggregate stop-loss can reduce or eliminate exposure to assessments for pool members. The second is to draw down the Trust's surplus. The third scenario is that participating entities are required to send in additional dollars to cover any resulting deficit. This process is called assessing members. Assessments are calculated on a pro-rata basis for the year in which the deficit arises. Simply put, if your entity's contributions represent ten (or some other) percent of the employee benefit pool, the entity pays that percentage of the deficit.
7. Q. **What happens if there are surplus funds?**
- A. Surpluses can either be held by the pool to provide a cushion against deficits that may accrue in the future or be returned to member entities according to a method approved by the Trustees. Like deficits, surpluses are distributed amongst the members on a pro-rata basis.
8. Q. **Why would my entity want to consider joining with other area municipalities to provide for employee benefits?**
- A. Whether buying photocopy paper, vehicles or employee benefits, the fact remains that the larger the number, the greater the negotiating power and potential for savings. Small entities operating alone have very little clout due to their small size. Bringing several entities together to form one large group not only enhances their ability to negotiate, but makes the claims experience for the group more stable and predictable due to the larger numbers of covered lives.
9. Q. **If my entity joins AzMT, doesn't that mean my entity's premiums may help pay some other public entity's losses?**
- A. Exactly! When it comes to health claims, every entity has its turn "at bat" as far as bad years are concerned. One year, your dollars may help another entity. The next year, their dollars may be helping yours. Coincidentally, if your entity is purchasing employee benefits from an insurance company today, aren't your claims being treated the same way? The key difference is that pooling offers your entity the opportunity to set policy rather than simply being along for the ride where benefit costs are concerned.
10. Q. **If we do decide to join, how long is the membership period?**
- A. Membership terms are set by the Board of Trustees, which is itself comprised of the entities having membership in the pool. Generally speaking, multi-year memberships, in this case a minimum of three years, are required. Why three years? Because the employee benefit trust should be comprised of entities that are looking for a long term solution to employee benefits issues and not a short term fix for those that have a bad year and need a place to hide their large claims. An approach of the latter type would only serve to seriously undermine the operation of the program from the outset.

11. Q. Who controls the Trust?
- A. ARS § 11-952.01 is very clear that any such pool be governed by a Board of Trustees consisting of the employees of the entities comprising its membership. Erin P. Collins & Associates, Inc. is the Administrator of the Trust. Claims administration, utilization review, provider networks, program actuarial, audit and legal are services which are contracted out to private firms, under the supervision of the Trustees.
12. Q. Is there a certain time of year that our entity can join AzMT?
- A. No. Entities may apply for membership at any time throughout the year, however the minimum three year membership period will always end as of June 30.
13. Q. If our entity joins in March when is our renewal date?
- A. Regardless of when an entity joins AzMT the renewal date for all coverage's is July 1st.
14. Q. Is there any buy-in to join the Trust?
- A. No. The cash position of the Trust is determined on a monthly basis. New entities do not receive any stake in the cash position prior to the date they join, therefore no buy-in is required.
15. Q. The Trust offers EPO, 2 PPO and a High Deductible Health Plan (HDHP), does our entity have to choose one?
- A. No. Your entity has the freedom to choose any combination or all of the medical plans.
16. Q. What does the Trust's wellness program include?
- A. The program has integrated preventive services into the medical benefit plan by covering those services that are required under Health Care Reform. In addition, AzMT goes beyond this and covers an additional \$500 in wellness services each calendar year at 100%. Where a large enough employee population exists, the program offers on-site medical screenings such as health risk assessments to include cholesterol, diabetes and blood pressure testing, heart screenings, skin cancer screenings, colorectal cancer screenings, prostate and testicular cancer screenings, mammograms, and flu/pneumonia shots just to name a few.

17. **Q. What does the membership underwriting process entail?**
- A. Each entity interested in AzMT membership must provide a current census of employees, copies of their current benefit schedules and complete an AzMT Underwriting Data form. This information will be reviewed by AzMT's actuary, administrator and the insurance carriers contracted with the Trust (stop-loss/reinsurance and life) who will make a determination on whether the entity is a good fit for AzMT. These recommendations are taken to Trustees for final membership determination. Only Trustees can offer AzMT membership. Once all the underwriting documents have been received, this process takes approximately 4 weeks to complete.
18. **Q. Will our entity have a seat on the Board of Trustees?**
- A. Yes. Currently each entity has the opportunity to appoint a Trustee and an Alternate Trustee to participate in Trust meetings.
19. **Q. How often does the Board of Trustees meet?**
- A. Trustees are scheduled for quarterly meetings in the metro Phoenix area. Additionally, the Trust holds an on-site renewal meeting every year in February/March. At the end of this 2 day meeting we generally have come to consensus on the benefits and premium rates to be offered at the upcoming plan year to begin July 1.
20. **Q. Is the Trust ever audited?**
- A. Per state statute the Trust is filed with the applicable State of Arizona agencies. The Trust is subject to Department of Insurance examination every 5 years. Additionally, per statute the Trust is subject to financial audit every year.
21. **Q. What options do I have to differentiate myself from other Trust members?**
- A. The benefit schedules are the same for all Trust entities, however your entity can decide your eligibility period for benefits (i.e., first of the month following 30 days), how much Life insurance you would like to offer (i.e., \$10,000, \$25,000), and the premium tier structure that best fits your needs (i.e., 2-tier [employee and family] or 4-tier [employee, spouse, child(ren), and family]).
22. **Q. What are the advantages to joining a Trust?**
- A. We see the advantages as reduced administration expenses, increased spread of risk, improved financial discipline and the opportunity to direct the future of your benefits program to a greater degree than what is available in the conventional insurance market.
23. **Q. What are the disadvantages to joining a Trust?**
- A. We see the disadvantages as the need for consensus with other Trust members.



MEDICAL SCHEDULE OF BENEFITS

PPO PLAN

	IN-NETWORK	OUT-OF-NETWORK
LIFETIME MAXIMUM BENEFIT	Unlimited	Unlimited
PLAN YEAR MAXIMUM BENEFIT	Unlimited	Unlimited
PLAN YEAR DEDUCTIBLE		
Single	\$500	\$1,000
Family	\$1,000	\$2,000
PLAN YEAR OUT-OF-POCKET MAXIMUM (includes deductible, coinsurance and medical copays)		
Single	\$3,000	\$5,000
Family	\$6,000	\$10,000
MEDICAL BENEFITS		
Allergy Serums and Injections If received during an office visit when a Physician is seen, then paid under the office visit benefit.	0%	50% after Deductible
Allergy Testing and Treatment	20% after Deductible	50% after Deductible
Ambulance Services	20% after Deductible	50% after Deductible
Chemotherapy (Outpatient)	20% after Deductible	50% after Deductible
Chiropractic Care/Spinal Manipulation Plan Year Maximum Benefit	\$20 Copay 30 Visits	50% after Deductible 30 Visits
Diagnostic Testing, X-Ray and Lab Services (Outpatient) Free Standing Laboratory Facility Free Standing Radiology Facility All Other Locations (except office visit)	0% 20% after Deductible 20% after Deductible	50% after Deductible 50% after Deductible 50% after Deductible
Durable Medical Equipment (DME)	20% after Deductible	50% after Deductible
Emergency Room	\$250 Copay plus 20% after Deductible (waived if admitted)	\$250 Copay plus 50% after Deductible (waived if admitted)
Home Health Care Plan Year Maximum Benefit	20% after Deductible 60 Visits	50% after Deductible 60 Visits
Hospice Care Lifetime Maximum Benefit	20% after Deductible 6 Months	50% after Deductible 6 Months
Hospital Expenses or Long-Term Acute Care Facility/Hospital (facility charges)		
Inpatient		
Room and Board Allowance*	20% after Deductible	50% after Deductible
Intensive Care Unit	20% after Deductible	50% after Deductible
Miscellaneous Services and Supplies	20% after Deductible	50% after Deductible
Outpatient	20% after Deductible	50% after Deductible

*A private room will be considered eligible with Medically Necessary. Charges made by a Hospital having only single or private rooms will be considered at the least expensive rate for a single or private room.

PPO

Maternity First Visit to Confirm Pregnancy Primary Care Physician Specialist Prenatal and Postnatal Care Delivery Charges	\$20 Copay \$40 Copay 20% after Deductible 20% after Deductible	50% after Deductible 50% after Deductible 50% after Deductible 50% after Deductible
Mental Disorders and Substance Use Disorders Inpatient Plan Year Maximum Benefit Lifetime Maximum Benefit Outpatient Primary Care Physician Plan Year Maximum Benefit	20% after Deductible Unlimited \$20 Copay Unlimited	50% after Deductible Unlimited 50% after Deductible Unlimited
Outpatient Therapies (e.g., physical, speech, occupational) Plan Year Maximum Benefit	20% after Deductible 20 Visits	50% after Deductible 20 Visits
Physician's Services Inpatient/Outpatient Services Office Visits Primary Care Physician Specialist Physician Office Surgery Primary Care Physician Surgery Costing under \$500 Surgery Costing \$500 or more Specialist Surgery Costing under \$500 Surgery Costing \$500 or More	\$20 Copay \$40 Copay \$20 Copay 20% after Deductible \$40 Copay 20% after Deductible	50% after Deductible 50% after Deductible 50% after Deductible 50% after Deductible 50% after Deductible 50% after Deductible
*Copay applies per visit regardless of what services are rendered.		
Preventive Services and Routine Care Preventive Services per Health Care Reform (PPACA) (includes the office visit and any other eligible item or service billed and received at the same time as any preventive service) Routine Care Not Covered Under the Preventive Services Benefit per Health Care Reform (PPACA) Plan Year Maximum Benefit	0%; Deductible Waived 0%; Deductible Waived \$500	Not Covered Not Covered
Radiation Therapy (Outpatient)	20% after Deductible	50% after Deductible
Skilled Nursing Facility and Rehabilitation Facility Plan Year Maximum Benefit	20% after Deductible 60 Visits	50% after Deductible 60 Visits
Urgent Care Facility *Copay applies per visit regardless of what services are rendered.	\$50 Copay	50% after Deductible
All Other Eligible Medical Expenses	20% after Deductible	50% after Deductible

PRESCRIPTION DRUG SCHEDULE OF BENEFITS

PPO

BENEFIT DESCRIPTION	IN-NETWORK BENEFIT		OUT-OF-NETWORK BENEFIT
	PREFERRED PHARMACY	NON-PREFERRED PHARMACY	
Retail Pharmacy: 30 – day supply			
Generic Drug	\$10 Copay	\$15 Copay	\$15 Copay + Difference between Non-Network & Contracted Pharmacy
Preferred Drug	\$30 Copay	\$35 Copay	\$35 Copay + Difference between Non-Network & Contracted Pharmacy
Non-Preferred Drug	\$50 Copay	\$55 Copay	\$55 Copay + Difference between Non-Network & Contracted Pharmacy
Specialty	20% To Max of \$200	N/A	20% To Max of \$200 + Difference between Non-Network & Contracted Pharmacy
Retail Pharmacy: 90 – day supply			
Generic Drug	\$25 Copay	\$30 Copay	\$30 Copay + Difference between Non-Network & Contracted Pharmacy
Preferred Drug	\$75 Copay	\$80 Copay	\$80 Copay + Difference between Non-Network & Contracted Pharmacy
Non-Preferred Drug	\$125 Copay	\$130 Copay	\$130 Copay + Difference between Non-Network & Contracted Pharmacy
Mail Order Pharmacy: 90 – day supply			
Generic Drug	\$25 Copay	\$30 Copay	N/A
Preferred Drug	\$75 Copay	\$80 Copay	N/A
Non-Preferred Drug	\$125 Copay	\$130 Copay	N/A

This document is provided for illustrative purposes only. Please consult the Summary Plan Description (SPD) for a complete statement of your benefits. In the event that any information in this document is inconsistent with the information in the SPD, the SPD will control.



MEDICAL SCHEDULE OF BENEFITS

HDHP PLAN

	IN-NETWORK	OUT-OF-NETWORK
LIFETIME MAXIMUM BENEFIT	Unlimited	Unlimited
PLAN YEAR MAXIMUM BENEFIT	Unlimited	Unlimited
PLAN YEAR DEDUCTIBLE*		
Single	\$2,600	\$5,000
Family	\$5,200	\$10,000
PLAN YEAR OUT-OF-POCKET MAXIMUM (includes deductible)*		
Single	\$2,600	\$10,000
Family	\$5,200	\$20,000
*Once any Single individual reaches the Single deductible in eligible expenses, the Plan will begin to pay for their eligible services. Any one person or combination of family members can meet the Family deductible.		
MEDICAL BENEFITS		
Allergy Serums and Injections If received during an office visit when a Physician is seen, then paid under the office visit benefit.	0% after Deductible	50% after Deductible
Allergy Testing and Treatment	0% after Deductible	50% after Deductible
Ambulance Services	0% after Deductible	50% after Deductible
Chemotherapy (Outpatient)	0% after Deductible	50% after Deductible
Chiropractic Care/Spinal Manipulation Plan Year Maximum Benefit	0% after Deductible 30 Visits	50% after Deductible 30 Visits
Diagnostic Testing, X-Ray and Lab Services (Outpatient)		
Free Standing Laboratory Facility	0% after Deductible	50% after Deductible
Free Standing Radiology Facility	0% after Deductible	50% after Deductible
All Other Locations (except office visit)	0% after Deductible	50% after Deductible
Durable Medical Equipment (DME)	0% after Deductible	50% after Deductible
Emergency Room	0% after Deductible	50% after Deductible
Home Health Care Plan Year Maximum Benefit	0% after Deductible 60 Visits	50% after Deductible 60 Visits
Hospice Care Lifetime Maximum Benefit	0% after Deductible 6 Months	50% after Deductible 6 Months
Hospital Expenses or Long-Term Acute Care Facility/Hospital (facility charges)		
Inpatient	0% after Deductible	50% after Deductible
Room and Board Allowance*	0% after Deductible	50% after Deductible
Intensive Care Unit	0% after Deductible	50% after Deductible
Miscellaneous Services and Supplies	0% after Deductible	50% after Deductible
Outpatient	0% after Deductible	50% after Deductible
*A private room will be considered eligible with Medically Necessary. Charges made by a Hospital having only single or private rooms will be considered at the least expensive rate for a single or private room.		
Maternity		
First Visit to Confirm Pregnancy	0% after Deductible	50% after Deductible
Prenatal and Postnatal Care	0% after Deductible	50% after Deductible
Delivery Charges	0% after Deductible	50% after Deductible

HDHP

	IN-NETWORK	OUT-OF-NETWORK
Mental Disorders and Substance Use Disorders		
Inpatient		
Plan Year Maximum Benefit	0% after Deductible	50% after Deductible
Lifetime Maximum Benefit	Unlimited	Unlimited
Outpatient		
Primary Care Physician	0% after Deductible	50% after Deductible
Plan Year Maximum Benefit	Unlimited	Unlimited
Outpatient Therapies (e.g., physical, speech, occupational)	0% after Deductible	50% after Deductible
Plan Year Maximum Benefit	20 Visits	20 Visits
Physician's Services		
Inpatient/Outpatient Services	0% after Deductible	50% after Deductible
Office Visits		
Primary Care Physician	0% after Deductible	50% after Deductible
Specialist	0% after Deductible	50% after Deductible
Preventive Services and Routine Care		
Preventive Services per Health Care Reform (PPACA) (includes the office visit and any other eligible item or service billed and received at the same time as any preventive service)	0%; Deductible Waived	Not Covered
Routine Care Not Covered Under the Preventive Services Benefit per Health Care Reform (PPACA)	0%; Deductible Waived	Not Covered
Plan Year Maximum Benefit	\$500	
Radiation Therapy (Outpatient)	0% after Deductible	50% after Deductible
Skilled Nursing Facility and Rehabilitation Facility	0% after Deductible	50% after Deductible
Plan Year Maximum Benefit	60 Visits	60 Visits
Urgent Care Facility	0% after Deductible	50% after Deductible
All Other Eligible Medical Expenses	0% after Deductible	50% after Deductible

PRESCRIPTION DRUG SCHEDULE OF BENEFITS

BENEFIT DESCRIPTION	BENEFIT
Retail Pharmacy: 30 – day supply	0% after Deductible
Generic Drug	
Preferred Drug	
Non-Preferred Drug	
Specialty	
Retail Pharmacy: 90 – day supply	
Generic Drug	
Preferred Drug	
Non-Preferred Drug	
Mail Order Pharmacy: 90 – day supply	
Generic Drug	
Preferred Drug	
Non-Preferred Drug	

**2016-17
Dental PPO Plan (Delta Dental)
Benefits & Rate Schedule**



Benefits

Dental Deductible	
Individual Deductible per Calendar Year	\$50
Family Deductible per Calendar Year	\$150

Percentage Payable	PPO/Premier Dentist	Out-of-Network
Routine/Preventive Care	100%	80%
Basic Services		
Fillings	80%*	60%*
Endodontics	80%*	60%*
Periodontics	80%*	60%*
Oral Surgery	80%*	60%*
Major Services		
Crowns/Onlays	50%*	40%*
Prosthodontic/Prosthetics	50%*	40%*
Implants	50%*	40%*
Orthodontics (Minimum Age 8)	50%	50%

Dental Benefit Maximums	
Maximum Payable per Calendar Year	\$2,000 per person
Lifetime Orthodontic Benefit	\$2,000 per person

Premium Rates	Employee Only	Emp + Spouse	Emp + Child(ren)	Emp + Family
4-Tier	\$34.31	\$66.01	\$75.21	\$110.91

**2016-17
Vision Plan (VSP)
Benefits & Rate Schedule**



Benefits	Frequency	Co-Pay			
Comprehensive WellVision Exam	One (1)/Yr.	\$10			
Routine Retinal Screening	One (1)/Yr.	No More than \$39			
Lenses					
Glass or plastic single vision, lined bifocal, lined trifocal, or lenticular lenses	One (1)/Yr.	\$20			
Lens Enhancements					
Anti-reflective coating		\$41 Single or Multifocal			
Polycarbonate (Covered in Full for Children)		\$31 Single / \$35 Multifocal			
Progressive		\$55			
Photochromic		\$70 Single / \$82 Multifocal			
Scratch-resistant coating		\$17 Single or Multifocal			
Frames	One (1)/Yr.	\$20			
Retail Allowance of \$150					
20% Off Amounts Over Allowance					
Contact Lenses (In Lieu of Lenses/Frames)					
Contact Lens Exam (Fitting & Evaluation)	One (1)/Yr.	No More than \$60			
Retail Allowance of \$150					
	Premium Rates	Employee Only	Emp + Spouse	Emp + Child(ren)	Emp + Family
		\$4.46	\$8.72	\$7.93	\$12.23



2016-17 Premium Rate Structure

Two-Tier

	EE	ES	EC	EF
EPO	\$486.43			\$1,179.31
PPO	\$464.48			\$1,120.85
PPO Buy-Up	\$474.84			\$1,148.43
HDHP	\$431.16			\$1,024.54
Dental	\$34.31	\$66.01	\$75.21	\$110.91
Vision	\$4.46	\$8.72	\$7.93	\$12.23

Four-Tier

	EE	ES	EC	EF
EPO	\$486.43	\$951.25	\$875.19	\$1,293.43
PPO	\$464.48	\$905.77	\$834.04	\$1,228.47
PPO Buy-Up	\$474.84	\$927.22	\$853.45	\$1,259.12
HDHP	\$431.16	\$827.07	\$761.21	\$1,123.38
Dental	\$34.31	\$66.01	\$75.21	\$110.91
Vision	\$4.46	\$8.72	\$7.93	\$12.23

APEHP Copay Plan Medical Benefits for 2015–2016

Each medical plan option covers the same range of services. The plans differ, however, in terms of the out-of-pocket medical costs—deductibles, copays, and coinsurance—you could incur for the year, as well as the premium. The Core Plan, Copay Plan, and three HDHP options offer lower monthly premiums in exchange for higher out-of-pocket costs for deductibles and coinsurance.

Benefit Overview	Copay Plan In-Network	Copay Plan Out-of-Network
Annual Deductible ⁽¹⁾	<ul style="list-style-type: none"> • \$750/person • \$1,500/family of 2 • \$2,250/family of 3+ 	<ul style="list-style-type: none"> • \$1,500/person • \$3,000/family of 2 • \$4,500/family of 3+
Annual Out-of-Pocket Limit ⁽²⁾	\$5,000/person; \$10,000/family of 2+	No maximum
Office Visit	\$20 copay primary care physician; \$40 copay specialist	Plan pays 50%
Well Adult Care	Plan pays 100% No deductible	Plan pays 50% No deductible
Well Child Care	Plan pays 100% No deductible	Plan pays 50% No deductible
Outpatient Lab and X-ray (including MRI, PET, & CT scans)	Plan pays 80%	Plan pays 50%
Urgent Care	\$40 copay	Plan pays 50%
Emergency Room	Plan pays 80%	Plan pays 80%
Inpatient Hospital	Plan pays 80%	Plan pays 50%
Outpatient Hospital	Plan pays 80%	Plan pays 50%
Outpatient Behavioral Health Visits	\$20 copay/visit No deductible	Plan pays 50%
Retail Prescription Drugs (30-day supply)	You pay: <ul style="list-style-type: none"> • Generic: \$10 • Preferred brand: Greater of \$20 or 30% (maximum of \$45) • Non-preferred brand: Greater of \$30 or 50% (maximum of \$90) 	
Mail Order Drugs (90-day supply)	You pay: <ul style="list-style-type: none"> • Generic: \$25 copay • Preferred brand: \$50 copay • Non-preferred brand: \$90 copay 	

RED are the 2015–2016 benefit changes

⁽¹⁾ The deductible must be met before benefits are payable under the medical plans. All benefits are subject to the deductible, unless otherwise noted. The medical plan deductible need not be met for outpatient retail and mail order prescription drugs. Under the Copay Plan, certain services are covered by a copay; all other benefits are subject to the deductible, unless otherwise noted.

⁽²⁾ The out-of-pocket (OOP) limit on in-network cost sharing includes deductibles, copayments, and coinsurance for all medical plan benefits.

APEHP \$2,500 HDHP with HSA Medical Benefits for 2015–2016

Each medical plan option covers the same range of services. The plans differ, however, in terms of the out-of-pocket medical costs—deductibles, copays, and coinsurance—you could incur for the year, as well as the premium. The Core Plan, Copay Plan, and three HDHP options offer lower monthly premiums in exchange for higher out-of-pocket costs for deductibles and coinsurance.

Benefit Overview	\$2,500 HDHP Plan In-Network	\$2,500 HDHP Out-of-Network
Annual Deductible *	<ul style="list-style-type: none"> • \$2,500/person • \$5,000/family of 2+ 	<ul style="list-style-type: none"> • \$5,000/person • \$10,000/family of 2+
Annual Out-of-Pocket Limit **	\$3,450/person; \$6,900/family of 2+	No maximum
Office Visit	Plan pays 80%	Plan pays 50%
Well Adult Care	Plan pays 100% No deductible	Plan pays 50% No deductible
Well Child Care	Plan pays 100% No deductible	Plan pays 50% No deductible
Outpatient Lab and X-ray (including MRI, PET, & CT scans)	Plan pays 80%	Plan pays 50%
Urgent Care	Plan pays 80%	Plan pays 50%
Emergency Room	Plan pays 80%	Plan pays 80%
Inpatient Hospital	Plan pays 80%	Plan pays 50%
Outpatient Hospital	Plan pays 80%	Plan pays 50%
Outpatient Behavioral Health Visits	Plan pays 80%	Plan pays 50%
Retail Prescription Drugs (30-day supply) After deductible ***	You pay: <ul style="list-style-type: none"> • Generic: \$10 • Preferred brand: Greater of \$20 or 30% (maximum of \$45) • Non-preferred brand: Greater of \$30 or 50% (maximum of \$90) 	
Mail Order Drugs (90-day supply) After deductible ***	You pay: <ul style="list-style-type: none"> • Generic: \$25 copay • Preferred brand: \$50 copay • Non-preferred brand: \$90 copay 	

RED are the 2015–2016 benefit changes

* The deductible must be met before the HDHP plan pays benefits. All benefits are subject to the deductible, unless otherwise noted. The family deductible must be met before claims are paid for any member of the family.

** The deductible applies toward the annual out-of-pocket limit on the HDHP plans.

*** You must meet the annual medical plan deductible before the HDHP plan pays a prescription drug benefit, with the exception of certain preventive medications and medical services not subject to the deductible. For a detailed list of medications that are exempt from this rule under the HDHP plans, please contact APEHP at (800) 718-8328.

NOTE: Please see the list of maintenance medications included in your enrollment materials that qualify for the discounted fee structure.

Town of Fountain Hills Monthly Medical Costs for Full-Time Employees

3/23/2016	FY 2015-16	FY 2016-17	FY 2015-2016	FY 2016-2017	FY 2015-2016	FY 2016-2017	FY 2015-2016	FY 2016-2017
PPO Co-Pay Plan - Medical/RX	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount (incl. \$5.75 FSA fee fy 16/17):	\$652.00	\$470.23	\$1,304.00	\$911.52	\$1,080.00	\$839.79	\$1,647.00	\$1,234.22
Total Employer Contribution:	\$652.00	\$470.23	\$977.00	\$683.64	\$867.00	\$671.83	\$1,149.00	\$863.95
Employee Cost Per Month:	\$0.00	\$0.00	\$327.00	\$227.88	\$213.00	\$167.96	\$498.00	\$370.27
HDHP Plan w/H.S.A.	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount (incl. \$2.75 hsa fee FY 16/17):	\$430.00	\$433.91	\$859.00	\$829.82	\$713.00	\$763.96	\$1,087.00	\$1,126.13
Employer HSA Contribution:	\$222.00	\$30.57	\$118.00	\$0.00	\$154.00	\$0.00	\$62.00	\$0.00
Employer Premium Contribution:	\$430.00	\$433.91	\$859.00	\$683.64	\$713.00	\$671.83	\$1,087.00	\$863.95
Total Employer Contribution (HSA + Premium, Same as PPO amt):	\$652.00	\$470.23	\$977.00	\$683.64	\$867.00	\$671.83	\$1,149.00	\$863.95
Employee Cost Per Month	\$0.00	\$0.00	\$0.00	\$146.18	\$0.00	\$92.13	\$0.00	\$262.18
Total Employee + Employer Contribution	\$652.00	\$470.23	\$977.00	\$829.82	\$867.00	\$763.96	\$1,149.00	\$1,126.13
Dental	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount:	\$36.40	\$34.31	\$69.90	\$66.01	\$75.80	\$75.21	\$118.50	\$110.91
Employer Contribution:	\$36.40	\$34.31	\$52.42	\$49.50	\$54.50	\$54.08	\$75.88	\$71.02
Employee Contribution:	\$0.00	\$0.00	\$17.48	\$16.51	\$21.30	\$21.13	\$42.62	\$39.89
Vision	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount:	\$5.36	\$4.46	\$9.63	\$8.72	\$10.72	\$7.93	\$17.86	\$12.23
Employer Contribution:	\$5.36	\$4.46	\$7.49	\$6.80	\$8.02	\$5.95	\$11.60	\$7.95
Employee Contribution:	\$0.00	\$0.00	\$2.14	\$1.92	\$2.70	\$1.98	\$6.26	\$4.28

RESOLUTION 2016-05

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, ACCEPTING MEMBERSHIP, AND APPROVING AN AGREEMENT AND DECLARATION OF TRUST AND NECESSARY ANCILLARY DOCUMENTS TO AUTHORIZE THE TOWN'S PARTICIPATION IN THE ARIZONA METROPOLITAN TRUST.

WHEREAS, the Mayor and Council of the Town of Fountain Hills (the "Town Council") is empowered pursuant to ARIZ. REV. STAT. § 11-981(A) to procure health, accident, life, and/or disability benefits for employees and officers of the Town of Fountain Hills (the "Town") through either an insurer licensed by the State or a program of self-insurance; and

WHEREAS, ARIZ. REV. STAT. §§ 11-952 and 11-952.01 provide that two or more public agencies may join together to provide for health, accident, life, and/or disability benefits for employees and officers of the Town through either an insurer licensed by the State or a program of self-insurance; and

WHEREAS, the Town desires to enter into an agreement with the Arizona Metropolitan Trust (the "Trust") to provide employee benefits of the type generally described under the provisions of ARIZ. REV. STAT. §§ 11-952 and 11-952.01; and

WHEREAS, the Trust has extended an invitation to the Town to join the Trust to provide for health, accident, life, and/or disability benefits for employees and officers of the Town; and

WHEREAS, the Trust requires the Town to accept the invitation by a resolution of the Town Council.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Town Council hereby approves membership in the Trust, commencing July 01, 2016, and terminating June 30, 2019; and

SECTION 3. The Town Council hereby approves and agrees to be bound by the provisions of the Arizona Metropolitan Trust Agreement and Declaration of Trust, effective July 01, 2012 (the "Trust Agreement"), in substantially the form and substance attached hereto and incorporated herein by reference, and as may be amended from time to time pursuant to the Arizona Metropolitan Trust Bylaws, effective October 21, 2015 (the "Trust Bylaws").

SECTION 4. The Town Council hereby authorizes the Town Manager to execute the Trust Agreement.

SECTION 5. The Town Council hereby accepts the Trust Bylaws in substantially the form and substance attached hereto as Exhibit B and incorporated herein by reference.

SECTION 6. The Town Council hereby approves and accepts the proposed schedule of contributions to be effective on July 01, 2016, in substantially the form and substance attached hereto as Exhibit C and incorporated herein by reference.

SECTION 7. The Town Council hereby appoints the following Trustee to serve on the Board of Trustees of Trust from July 01, 2016, until the appointment of a duly-qualified successor:

Trustee: Town Manager

SECTION 8. The Town Council hereby appoints the following Alternate Trustee to serve on the Board of Trustees of the Trust from July 01, 2016, until the appointment of a duly-qualified successor:

Alternate Trustee: Administrative Services Director

SECTION 9. This approval is contingent upon the Trust Agreement and Trust Bylaws reflecting compliance with ARIZ. REV. STAT. § 42-17106.

SECTION 10. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, April 7, 2016.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:

Linda M. Kavanagh, Mayor

Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

Grady E. Miller, Town Manager

Andrew J. McGuire, Town Attorney

EXHIBIT A
TO
RESOLUTION 2016-05

[Trust Agreement]

See following pages.

ARIZONA METROPOLITAN TRUST (AzMT)

AGREEMENT AND DECLARATION OF TRUST

Effective:
July 01, 2012

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This Agreement and Declaration of Trust, with an effective date of July 1, 2012, is made and entered into by and between the Participating Entities who have been invited to Join this Trust and who have provided a Resolution adopted by the Governing Board of the Participating Entity accepting membership in this Trust, for the purposes set forth in A.R.S. § 11-952.01.

RECITALS

WHEREAS, The Participating Entities desire to enter into an agreement pursuant to A.R.S. § 11-952.01 et seq. to pool and maintain a program of employee benefits for the Employees of the Participating Entities and to certain other persons deemed eligible for coverage hereunder; and

WHEREAS, To effect the aforesaid purpose, it is mutually beneficial to the parties hereto to declare and create a Trust which establishes a Trust Fund for and in the manner more particularly set forth herein; and

WHEREAS, The Participating Entities which accept this Agreement and Declaration of Trust and agree to be bound by the provisions hereof shall, upon acceptance by the Board of Trustees, be deemed parties to this Agreement and Declaration of Trust.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participating Entities hereby agree as follows:

ARTICLE I. DEFINITIONS

The following are definitions of terms as used in the By-Laws as well as this Trust Agreement. To the extent a term is not specifically defined in the By-Laws, but is defined in this Trust Agreement, the term shall have the meaning given to it in this Trust Agreement.

1.01 “A.R.S.” shall mean the Arizona Revised Statutes, as amended.

1.02 “Beneficiary” shall mean Employees, their dependents and such other persons designated by the Participating Entities as eligible for coverage as set forth in the Summary Plan Description and approved by the Board.

1.03 “Benefits Administrator” shall mean the person(s) or firm employed by the Board who is responsible for processing of claims and payment of benefits, and related services.

1.04 “Board of Trustees” or “Board” shall mean the Trustees of the Arizona Metropolitan Trust acting in their joint capacity as the governing board of the Trust.

1.05 “Employee” shall mean any person employed by a Participating Entity on a regular basis working not less than the number of hours per week required by the Participating Entities for eligibility, and who are not eligible for benefits under any other employee benefits to which the Participating Entity makes contributions.

1.06 “Employee Benefit Program” shall mean the program of benefits to be established by the Board pursuant to this Trust Agreement and A.R.S. § 11-952.01(c).

1.07 “Employee Contributions” shall mean any contributions made by Employees whether comprising part of the Entity Premium or whether made directly to the Fund in order to obtain coverage by the Employee Benefit Program.

1.08 “Entity Contributions” shall mean the contributions made by Participating Entities comprising all or part of the Entity Premium.

1.09 “Entity Premium” shall mean the total monies paid by each Participating Entity to the Fund for the Employee Benefit Program, and shall be equal to the sum of Entity Contributions and Employee Contributions.

1.10 “Fund” shall mean the Trust Fund created by this instrument, and shall mean generally, the monies, property, contracts or things of value, tangible or intangible, received and held by the Board for the uses and purposes of the Trust set forth herein, and those things of value which comprise the corpus and additions to the Fund.

1.11 “Governing Board” shall mean the policy making board of a Participating Entity duly elected or appointed to their respective positions in accordance with the laws and constitution of the State of Arizona.

1.12 “Participating Entities” shall mean those entities listed in Exhibit A which is attached hereto and incorporated by reference herein, and such additional Participating Entities as may be approved for membership by the Board of Trustees pursuant to Article XIII of this Trust Agreement.

1.13 “Summary Plan Description” shall mean the document(s) that generally describe the employee benefits to be provided by the Trust to the Beneficiaries.

1.14 “Trust” shall mean the entity established by the Trust Agreement pursuant to A.R.S. § 11-952.01 et seq., which shall be referred to as the Arizona Metropolitan Trust.

1.15 “Trust Agreement” shall mean this Agreement and Declaration of Trust and any modifications or amendments thereto.

1.16 “Trust Administrator” shall mean the employee benefit consultant retained by the Board to carry out the obligations of this Agreement in compliance with A.R.S. § 11-952.01(H)(5).

1.17 “Trustee or Trustees” shall mean the individual Trustees and their successors as provided for in this Trust Agreement.

ARTICLE II. PURPOSE OF TRUST AND APPLICATION OF THE FUND

2.01 Creation of Trust. There is hereby declared and created the Arizona Metropolitan Trust to provide employee benefits for the Beneficiaries of the Trust. Such benefits may include, but are not limited to those described under Article 4.05 of this Trust Agreement, whether provided through one or a combination of self-funded or insured programs or both.

2.02 Principal Office. The Principal Office of the Trust shall be located at the location specified in the Bylaws (hereinafter designated and referred to as the “Principal Office”).

ARTICLE III. BOARD OF TRUSTEES

3.01 Trustees. The Employee Benefit Program shall be operated and administered by a Board of Trustees for the benefit of the Beneficiaries. Individual Trustees shall be selected by the Participating Entities as provided herein and may resign or be removed at any time by the applicable Participating Entity’s Governing Board. Trustees must be employees of the Participating Entity.

3.02 Membership and Appointment. The Board of Trustees shall be comprised of one Trustee and one “Alternate Trustee” appointed by each participating entity. The Trustee shall be the City Manager (or that participating entity’s equivalent) and the Alternate Trustee shall be a management level staff member employed by the Participating Entity. The appointing Participating Entity may remove a Trustee at any time without cause. In the event of the removal or resignation of a Trustee, the appointing Participating Entity shall designate a successor to such Trustee to serve the remainder of the vacated term. The successor shall succeed to the legal interest of his/her predecessor and have the same powers and duties.

3.03 Votes. Each Participating Entity shall be entitled to cast one vote in matters requiring a vote of the Board of Trustees which vote may be cast by a duly-appointed Trustee or Alternate Trustee. In the event the Trustee and the Alternate Trustee are present at the same meeting, in person or by phone, only the Trustee shall cast the Participating Entity’s vote.

3.04 Terms of Office. Following appointment, Trustees and Alternate Trustees shall serve until such time as they resign, are removed by the appointing Participating Entity’s Governing Board or cease to be employees of the Participating Entity that they were designated to represent. In the event that a Trustee or Alternate Trustee resigns, is removed or ceases to be an employee of the designating Participating Entity, the position shall be deemed vacant and a new Trustee or Alternate Trustee shall be designated by that Participating Entity.

ARTICLE IV. POWERS AND DUTIES OF THE BOARD OF TRUSTEES

4.01 Appointment of Trustees. The Trust shall be administered by the Board of Trustees who shall be selected and shall serve as provided in Article III.

4.02 Duties of the Board of Trustees. The Board of Trustees shall:

- (a) Hold, manage, care for and keep the Fund for the benefit of the Beneficiaries and collect the income and increments thereof, and shall keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter mentioned.
- (b) Employ or hire such agents, attorneys, accountants, actuaries, employees or other persons and shall purchase, lease or rent real or personal property as may be necessary or desirable in administering the Fund and carrying out its purposes. Agreements for such expenditures shall be in writing and formally approved by the Board. Fees, salaries, wages, emoluments or compensation of any and all such persons and other such expenses shall be paid from the Fund. When acting upon and consistent with advice of counsel for the Trust, the Board shall be relieved of all responsibility for acts performed or not performed.
- (c) Pay any and all taxes of whatever nature the Fund is, or may be, obligated to pay and incur any expenses for supplies, rental of space, or other items, or anything else determined to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Trust and Trust Agreement.
- (d) Establish terms and conditions of coverage within the plan document including the exclusions of coverage.
- (e) Ensure that all claims are paid promptly.
- (f) Take all necessary precautions to safeguard the assets of the Trust.

4.03 Authority of the Board of Trustees. In carrying out the purposes of the Trust Agreement, the Board shall have all right, power and authority to:

- (a) Enter into contracts, procure insurance policies, or provide such benefits through self-funding, and to place into effect and maintain the desired schedule of benefits.
- (b) Provide the intended benefits under this Trust by means of self-funding by the Trust and/or by the procurement of group insurance contracts (as permitted by the laws of the State of Arizona) including group insurance contracts issued to and in the name of the Trust, together with such other forms of contracts issued by qualified insurance companies authorized to do business in the State of Arizona as may be selected by the

Board for the purpose of providing for all or part of the benefits provided for under this Trust. The Board is hereby expressly authorized to pay to any insurance company as may be selected by the Board the required insurance premiums in connection with such group insurance contracts issued to the Trust. Whether or not benefits are provided by means of self-funding or by the procurement of group insurance, such decision shall be at the sole and exclusive discretion of the Board.

- (c) Should the Board select or provide for any policy or program of self-funding, no claims for benefits or claims for liabilities shall be brought against the Board or any individual Trustee. The sole and exclusive liability of said Board in the management and operation of any program of self-funding shall be limited to due care in the selection of administrators, claims representatives, actuaries or other officials charged with the administration of such a program of self-funding, subject to the limitations upon such liability based on actions taken with advice of counsel as provided in Section 4.03 of this Agreement. In the event that submitted claims of employees exceed the funds available, the claims shall be paid in the order received.
- (d) Do all those things that the Board determines to be necessary or desirable for the administration and operation of and accomplishment of the objectives and purposes of the Fund and this Trust and Trust Agreement.

4.04 Selection of Benefits. The Board may, subject to their discretion and the continuing right to change, obtain for the Beneficiaries of the Trust forms of employee benefits which may include, but are not limited to, the following:

- (a) Medical and Prescription Drug;
- (b) Long and Short-Term Disability;
- (c) Accidental Death and Dismemberment;
- (d) Dental Benefits;
- (e) Vision Benefits;
- (f) Life Insurance;
- (g) Health Savings Accounts, Health Reimbursement Accounts and Flexible Spending Accounts; and
- (h) Employee Wellness Programs, Employee Assistance Programs, utilization review programs, claims management programs and other programs intended to (i) improve Employee health, (ii) reduce costs to the Trust and to Employees and (iii) otherwise control losses.

4.05 Deposits and Investments. All corpus or portion of the Fund not expended pursuant to Article IV may be deposited by the Board in the name of the Trust in such depository or depositories as the Board shall from time to time select in accordance with this Section, and any such deposit or deposits should bear interest. The Board is empowered to receive for the benefit of the Fund such interest as might accrue on the above deposits.

- (a) If not so deposited, any accumulated funds not currently required for the purposes of this Trust shall be invested by the Board in reasonably secure, reasonably liquid investments in a manner consistent with the adopted investment policy of the Trust and in compliance with the provisions of A.R.S. § 35-323 et seq.
- (b) The Board may accumulate dividends, experience rating refunds or other monies, if any, accruing from any insurance policy or policies, deposits or investments. Such dividends, refunds or other monies, or all of them, shall be held in the Fund, applied to the payment of self-funded claims, the payment of insurance premiums or held, used or applied as herein set forth.
- (c) The Board may enter into financial services agreements with banks and may authorize the Trust to issue checks in its own name as required to further the purposes and objectives of the Trust.

4.06 Trustees' Expense Reimbursement. The Trustees shall receive reimbursement for actual reasonable and necessary expenses incurred by the Trustees in carrying out their duties pursuant to the Trust Agreement. Expenses reimbursed under this provision shall be limited to those which would be reimbursable under the policies of the Participating Entity that the Trustee has been appointed to represent.

4.07 Trustees' Compensation. The Trustees shall not receive compensation for services rendered pursuant to the Trust Agreement.

4.08 Presumption of Validity. No person transacting business with the Board shall be obligated to (i) ensure proper application of any monies or property of the Fund, (ii) ensure that the terms of this Trust Agreement have been complied with or (iii) inquire as to the necessity of expediency of any act by the Board. Every instrument executed by the Board shall be conclusive in favor of every person who in good faith relies upon it that:

- (a) At the time of the delivery of the instrument, this Trust Agreement was in full force and effect;
- (b) The instrument was executed in accordance with the terms and conditions of the Trust Agreement; and
- (c) The Board was duly authorized to execute the instrument or direct its execution.

4.09 Withdrawals. All checks, drafts, vouchers or other withdrawals from the fund or

depositories and the transfer or liquidating of insurance policies of investments shall be signed by appropriate signatories as determined by the Board of Trustees.

4.10 Administrative Disputes. In the event of any dispute between the Board and the Benefits Administrator or any other parties providing services to the Trust over exercise of powers granted herein, the Board's interpretation shall prevail and the service organization shall have no liability to any person with respect to the disputed act or omission in the event that it gives written notice of its dissent from such act or omission to each Trustee and to the Participating Entities no later than thirty (30) calendar days from the date of such event or disputed act.

4.11 Selection of Chairperson. The Trustees shall elect from among themselves at their first meeting a Chairperson who shall preside at all meetings of the Board and who shall be empowered to perform ministerial duties of the Board as the Board may from time to time delegate to him/her.

4.12 Selection of Vice-Chairperson. The Trustees shall elect from among themselves at their first meeting a Vice-Chairperson who shall, in the absence or incapacity of the Chairperson, preside at all meetings of the Board and who shall, when acting as Chairperson, be empowered to perform ministerial duties of the Board as the Board may from time to time delegate to him/her.

4.13 Selection of Recording Secretary. The Chairperson shall appoint a Recording Secretary who shall keep minutes of all meetings, proceedings and acts of the Board, which record shall be available at the Principal Office for inspection by all the Trustees and interested persons during usual business hours. Such record and minutes need not be verbatim. The Recording Secretary need not be a Trustee.

4.14 Board of Trustees' Meetings. The Board shall hold an initial meeting as soon as practical after being appointed. The Board shall determine the time and place of the regular meetings which shall be held at least quarterly. Special meetings may be called by the Chairperson or by a number of Trustees equal to one less than a majority of the Board. Minutes of all meetings shall be taken. Meetings shall be conducted in accordance with applicable laws, rules, bylaws or regulations. At least seven (7) days written notice designating the time and place of an annual, regular or special meeting shall be given to the Trustees. In the event of an emergency, a special meeting may be held with such lesser notice as may be appropriate and otherwise permissible by law. Any meeting at which all Trustees are present, in person or concerning which all Trustees have waived notice in writing, shall be a valid meeting without requirement that notice be given to the Trustees.

4.15 Quorum Requirement and Voting. To constitute a quorum at any regular or special meeting of the Board, there must be present in person or telephonically at least one Trustee or Alternate Trustee from a majority of the Participating Entities. Unless otherwise specifically stated in this Agreement, or as required by applicable law, action of the Board of Trustees will be by a majority vote of the quorum present when such action is taken.

4.16 Location of Meetings. All meetings of the Board shall be held at such location or locations as designated from time to time by the Board, and Trustees may appear by telephonic or other electronic means if necessary. When meetings are conducted electronically, reasonable efforts will be made to accommodate public participation at a publicly accessible location in the Principal Offices or at a facility owned or controlled by a Participating Entity and in a manner consistent with applicable federal and Arizona laws and regulations.

4.17 Fiscal Year and Audit. The accounting year of the Fund shall be on a fiscal year basis. The initial fiscal year shall commence on July 1, 2012 and end on June, 30 2013. Subsequent fiscal years shall commence on July 1 and end on June 30 of the following year. Any report required by law, city, county, State or Federal or the respective subdivisions thereof, shall be made by the Board. The Board shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant in accordance with generally accepted accounting practices, at the end of each fiscal year. The Accountant shall certify to the accuracy of the audit and accounting. A statement of the results of each audit shall be available for inspection by authorized persons at the Principal Office of the Trust. Copies of the audit and generalized statements of the accounting and reports shall be filed with the Arizona Department of Insurance and also delivered to the Clerk of the Governing Board of each Participating Entity and to each Trustee after each audit or as otherwise required. Copies of the audit shall be retained by the Board of Trustees for a period of at least five years.

4.18 Bylaws, Rules and Regulations. The Board shall have the power to adopt bylaws, rules, procedures and regulations pertaining to the purpose, powers and administration of the Trust, which shall be consistent with covenants, terms, conditions and duties as set forth in the Trust Agreement. Such bylaws, rules, procedures and regulations shall be binding on all persons transacting business with the Trust and upon any and all persons claiming any benefits thereunder. Adoption or amendment of bylaws, rules, procedures or regulations shall require a majority vote of the Board of Trustees.

4.19 Bonding Requirements. The Board shall procure or provide for the procurement of fidelity bonds for the Trust and persons and organizations authorized to receive handle, deal with or draw upon the monies in the fund for any purpose whatsoever, said bonds to be in such amount to aid in the reimbursing of bondable loss of money, and in the event shall meet the requirements as may be required, from time to time as applicable under United States or State law. Such bonds are to be obtained from reputable fidelity or surety companies as the Board shall determine. If convenient, and in conformity with the law, such bonds may be position bonds. The cost of the premiums on such bonds may be paid out of the corpus or income of the fund or paid for by the persons or organizations required to purchase such bonds. If any fidelity or surety company refuses to bond or write a bond for any Trustee, or other person described in this section, said Trustee or person shall not serve and shall resign.

ARTICLE V. PAYMENTS TO THE FUND

5.01 Entity Contributions. In order to effectuate the purposes of the Trust, each Participating Entity shall contribute to the Fund an amount determined by the Board to be necessary to pay for the benefits provided hereunder to the Employees and other persons covered by the Employee Benefit Program. The Entity Contributions shall be due and payable as of the date specified in the Bylaws. The Entity Contributions shall not include amounts payable directly by persons receiving extended coverage under the Employee Benefit Program as required by law or otherwise.

5.02 Interest on Premiums in Arrears. Entity Premiums not paid as of the due date as provided in Section 5.01 shall be subject to the late payment process as outlined in the Bylaws.

5.03 Employer Contributions Not Wages. Employer Contributions paid or accrued to the order of the Fund through Entity Premiums shall not constitute or be deemed wages due employees, nor shall such contributions in any manner be subject to the debts, contracts or liabilities of the Participating Entity. No Participating Entity, Employee, or Beneficiary under the Plan shall have any rights, title or interest in the Fund, except as specifically provided in this Trust Agreement.

5.04 Employee Contribution. Employees may be required to contribute a portion of the Entity Premium in amounts to be determined by each Participating Entity as appropriate for the benefits to be provided hereunder. Nothing in this paragraph shall be deemed to preclude a Participating Entity from making all or any portion of Employee Contribution payments on behalf of its employees.

5.05 Payment in Lieu of Benefits. No employee shall have any right to receive any part of his/her own Employee Contributions or any part of Employer Contributions paid to such Employee in lieu of benefits.

5.06 Payroll Deductions. All Employee Contributions shall be paid by payroll deductions. The Participating Entity shall remit all monies obtained through payroll deductions in a lump sum to the Fund as part of the Entity Premium described herein.

5.07 Manner of Payment. All Entity Premiums and other payments to the fund shall be payable to the name of the Trust and shall be paid in the manner and form determined by the Board.

5.08 Wage Reports/Audits. The Participating Entity shall provide to the Trust or make available to the Trust for inspection all payroll or wage reports required by the Board upon request. The Board may at any time vote to have an audit of a Participating Entity's payroll records performed by an independent Certified Public Accountant or other qualified individual or organization as determined by the Board to confirm the accuracy of required reports and to confirm the correct levels of contributions.

5.09 Contributions Irrevocable. Subject to the provisions of Article XVII with respect to

termination of this Trust Agreement, Article XVI with respect to suspension and expulsion and Article XV with respect to voluntary termination of membership in the Trust, all Contributions to the Fund shall be irrevocable and under no circumstances shall any monies properly paid into the Fund, or any part of the Fund, be recoverable by or payable to a Participating Entity or any Employee, nor shall any of the same be used for or diverted to purposes other than for the exclusive program of benefits for Employees and other covered persons as provided in this Trust Agreement.

5.10 Assessments. In the event a deficit shall develop which is creditable to any plan or fiscal year, the Board shall specifically notify each Participating Entity of such deficit and vote to order an assessment to the Participating Entities sufficient to cure the deficit. Assessments shall be distributed among the Participating Entities on a pro-rata basis, as calculated by the amount of each member's contributions for the plan or fiscal year to which the deficit is credited. Assessments shall not exceed the amount of the member's annual contribution to the pool. All such assessments shall be made to comply with applicable provisions of A.R.S. § 11-952.01 et seq.

ARTICLE VI. PAYMENT OF BENEFITS

6.01 Benefits Liability. Subject to the terms and conditions set forth in this Trust Agreement, the Summary Plan Description and other procedures, rules, regulations and conditions established by the Board, the Trust shall pay all claims for which each Participating Entity's Beneficiaries would be liable and would be entitled to receive benefits under the Employee Benefit Program.

6.02 Discharge of Liability. Subject to the terms and conditions set forth in this Trust Agreement, the Summary Plan Description and other procedures, rules, regulations and conditions established by the Board, liabilities incurred for claims for services rendered to the Beneficiaries of Participating Entities under the Employee Benefit Program will be relieved only by payment of claims by the Trust, by the Beneficiary or by such other party who may be deemed responsible for payment of such claims.

6.03 Method of Payment. The Board shall arrange for disbursement of benefits under the Employee Benefit Trust through a Benefits Administrator appointed by the Board.

6.04 Summary Plan Description. The Benefits to be provided pursuant to the Trust Agreement, whether by self-funding or by insurance contract, shall be set forth in one or more Summary Plan Descriptions which shall also explain the eligibility rules for coverage for employees and dependents.

6.05 Protection of Employees. Prior to payment to an Employee or other Beneficiary, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any Employee. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, levy of execution, bankruptcy proceedings, or other legal process at any time subject to the Trustee's possession and control; but in any event, such assets shall be

subject to such process only to the extent of such Employee's benefits hereunder as they come due.

6.06 Employee Claims to Benefits. No Employee or other Beneficiary shall have any right or claim to benefits under the Employee Benefit Plan except as specified in the policy or policies or contract or contracts or self-funded benefits procured or entered into pursuant to Articles II and IV of this Agreement and as set forth in the Summary Plan Description. Any disputes as to eligibility, time, amount, or duration of benefits shall be resolved by the appropriate insurance carrier or Benefits Administrator, under and pursuant to the applicable policy or contract; and the Employee or other Beneficiary shall not have the right or claim in respect thereto against the Fund or The Board. Any dispute as to eligibility, type, amount, time or duration of benefits provided by the Fund as self-funded shall be decided by the Board, and all disputes shall be finally settled pursuant to Article VII of this Agreement.

6.07 Maintenance of Reserves. The Board shall maintain, as part of the Trust Fund, claim reserves in an amount at least equal to known incurred losses and reasonable estimates of claims incurred but not reported.

6.08 Failure to Pay Benefits. Neither the Participating Entities nor the Board shall be liable for the failure or omission, for any reason, to pay any benefits under the Employee Benefit Program. If for any reason, including, but not limited to, epidemics, catastrophes, or normal depletion, the Board determines that self-insured funds are insufficient to pay current claims, the amount of benefits payable to an eligible Employee or other Beneficiary shall, in all events, be limited to the extent that sufficient funds are available to the Board for the payment of all such claims; and, in such event, benefits payments to each eligible Employee or other Beneficiary shall be limited to the extent that sufficient funds are available from the Trust Fund, and shall be further prorated in such amounts that all such claims shall be treated proportionally equal to the ratio that such total claims bear to the funds that are available for such payment. If any controversy or dispute exists concerning such matters, they shall be settled in accordance with the provisions of Article VII of this Agreement.

ARTICLE VII. CONTROVERSIES AND DISPUTES

7.01 Interpretation of Trust Documents. The Board of Trustees shall have the power to construe, interpret and apply the provisions of the Agreement and Declaration of Trust or any amendments, rules or regulations adopted pursuant thereto and the terms used herein and any construction, interpretation or application adopted in good faith shall be final and binding upon the Participating Entities, and upon Employees and their respective families, dependents, successors, assigns, executors, administrators and/or their legal representatives.

7.02 Settlement of Benefit Claims. The Board may, in its sole discretion, compromise or settle any disputed benefits claim controversy in such manner as it deems appropriate and consistent with applicable law and regulation. All decisions made by the Board shall be conclusive and binding upon all parties.

ARTICLE VIII. RESPONSIBILITIES AND LIABILITIES

8.01 Responsibilities and Liabilities of the Board of Trustees. The Board shall only be responsible for monies when and if said monies are received in accordance with the provisions of this Trust Agreement. The Trustees shall only be responsible for any liability arising from their respective gross negligence, bad faith or willful misconduct in handling of the monies received in hand by them for execution and administration of the terms of the Fund. The Trustees shall not be responsible for the actions or omissions of their Co-Trustees, nor for the acts or omissions of other agents, or for any of the acts or omissions of any insurance company or its agents, servants or representatives, including, but not limited to non-payment of claims by an insurance company or companies for any reason. No Trustee shall be entitled to any indemnifications of court costs or attorneys' fees from any liability arising from his/her own willful misconduct, bad faith or gross negligence. To the extent that their actions do not constitute willful misconduct, bad faith or gross negligence, Trustees shall not be liable for actions taken on advice of counsel for the Trust as provided in Section 4.03.

8.02 Successors' Liability. No Successor Trustee shall be liable or responsible for any acts or defaults of his/her predecessor(s), or for any losses or expenses resulting from or occasioned by acts or omissions of the prior administration of the Fund or the Trust. A Successor Trustee is responsible solely for his/her actions as set forth in Section 8.01 herein.

ARTICLE IX. AMENDMENT OF THE TRUST AGREEMENT

9.01 Powers. It is anticipated that in the administration of this Trust, conditions may arise that are not foreseen at the time of execution of this Trust Agreement and it is the intention of the Participating Entities that the power of amendment which is herein granted be exercised in order to carry out the spirit, object and purposes of the Trust. Therefore the general power is granted by the Participating Entities to amend this Agreement in accordance with the procedures set forth in Article IX of this Trust Agreement. All parties to the Trust and all persons claiming any interest hereunder are and shall be bound thereby.

9.02 Procedures. Prior to amendment of this Trust Agreement, the Board shall notify each Participating Entity not less than thirty (30) calendar days prior to the date on which such proposed amendments are to be considered by the Board of Trustees. Such notice shall set forth in sufficient detail the nature of the proposed amendments and shall invite questions or comments. Amendments to the Trust Agreement shall require a 2/3 vote of the Board of Trustees. Approved amendments shall be signed by the Chairperson of the Board of Trustees. Amendments to the Trust Agreement shall be filed with the governmental entity or entities as required by law and in the manner provided by law for such agreements. Proposed amendments to the Trust Agreement shall be reviewed and approved in writing as to form by counsel for the Trust prior to consideration by the Board of Trustees. Following approval by the Board of Trustees, proposed amendments shall be submitted to the Governing Boards of the Participating Entities. A proposed amendment shall become effective on the date specified after approval by the Governing Boards of no less than ¾ of the total number of Participating Entities. Upon

approval of a proposed amendment by the requisite number of Governing Boards as provided herein, a Participating Entity whose Governing Board fails to approve the proposed amendment may elect to voluntarily terminate its membership in the Trust pursuant to the provisions of Article XV of this Trust Agreement.

ARTICLE X. NON-VESTING OF RIGHTS

10.01 Rights Not Vested. No Employee, family, dependent, Beneficiary nor any other person or group nor their respective successors, assigns, nor legal representatives, shall have any right, title or interest, vested or otherwise, in or to the Fund, its corpus (income or increments thereto), insurance dividends, cash value, if any, or any insurance or benefits or monies payable therefrom, payments from the Fund, or in or to the eligibility requirements for benefits as changed or altered. Any participating Employee who withdraws or ceases to participate in the Employee Benefit Program shall be deemed to expressly waive and forfeit any right, title or interest in and to the Fund, its corpus and assets. No Employee, family, dependent, Beneficiary nor any other person or group nor their respective successors, assigns nor legal representatives shall have any right in or to the Trust Fund, corpus, insurance dividends, cash value, if any, of insurance, interest, income, benefits, or any benefits or money payable therefrom, or anything arising out of or in this Trust during the term of this Agreement and any benefit he or they may have is forever terminated and discharged upon the Employee's termination of employment with the Participating Entity (voluntary or involuntary discharge or otherwise), or when this Trust Agreement is terminated, wound up or dissolved. No benefit, right or interest of the forgoing is transferable by the Employee to another Employee or person, corporate or otherwise except to physicians, hospitals and any other person or institution furnishing medical services within the terms of this Trust Agreement. No monies, property or equity of any nature in the Fund, nor insurance policies or benefits or monies payable therefrom, nor investments, nor deposits nor any part or portion of the Fund, shall be subject in any manner by any Employee, or person claiming through such employee, ownership, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution, mortgage lien or charge of whatsoever nature or kind and any attempt to cause the same is and shall be null and void.

ARTICLE XI. PROVISIONS RELATING TO INSURANCE COMPANIES

11.01 Status of Insurance Companies. No insurance company that issues any policies or contracts for the purpose of fulfilling the terms of the Agreement shall be deemed to be a party to this Agreement, nor shall it be responsible for the validity of this Agreement, nor is this Agreement in any manner for the benefit of any insurance company or companies. No insurance company shall be required to determine the validity of this Agreement or to question the authority of or action of the Board, or be responsible to confirm that any action taken by the Board is authorized by the terms of this Agreement.

ARTICLE XII. PROGRAM ADMINISTRATION

12.01 Allocation of Administrative Duties. The Board shall have the full obligation and

responsibility for administration of the Employee Benefit Program but may designate any person, firm, corporation or other entity as an agent or representative, for purposes of carrying out the objectives of the Trust. The Board shall designate an administrator to carry out the policies established by the Board and to provide day to day management. An administrator appointed pursuant to Section 12.03 may also serve in this capacity.

12.02 Termination of Agents. The Board may remove any agent for administration at any time, without cause, after thirty (30) calendar days written notice to the agent unless otherwise provided in contracts for employment of such agents that were approved by the Board.

12.03 Consultant/Administrator. The Board shall retain a Benefits Administrator and a Trust Administrator, both of whom must be licensed pursuant to Title 20, Chapter 2, Article 3 or 9 or such other law as may be applicable. Such licensing shall be verified by the Board prior to any appointment pursuant to this section. The Board shall keep minutes of its actions and shall reflect in those minutes the retention of these Administrators and the areas of their authority as required by A.R.S. § 11-952.01(H)(5).

12.04 Duties of Agents. Agents shall perform all designated duties in a workmanlike and professional manner and shall keep accurate and complete records of activities as prescribed by the Board. Any agent designated as Benefits Administrator shall, in addition to the other duties set forth in this section, keep its records open for examination at reasonable times during business hours by any person authorized by the Board of Trustees and shall, within sixty (60) calendar days after the end of each Trust year or such other date as determined by the Board, file with the Board a complete statement of its administrative activities during the period of time since the closing date of the previous statement.

12.05 Business Offices. The Trust may establish offices within the State of Arizona as required for the conduct of business and may employ necessary staff to carry out the purposes of the Trust.

ARTICLE XIII. ADDITIONAL MEMBERS

13.01 Eligibility for Membership. Effective July 02, 2012, cities, towns, counties, fire districts, municipal corporations and any other political subdivisions of these types of entities as may be eligible for membership pursuant to A.R.S. § 11-952 et seq. located within the State of Arizona shall be eligible to be considered for membership as a Participating Entity.

13.02 Application for Membership. An entity desiring membership in the Trust may petition the Board for permission to become a Participating Entity. Applicants shall submit application forms as prescribed by the Board and shall provide such additional information as may be requested in order to fully evaluate the application. Completed applications and supporting data shall be submitted no later than the deadlines established by the Board. Applications deemed incomplete by the established deadlines may be rejected at the sole discretion of the Board.

13.03 Approval of Applications. Completed applications will be reviewed and evaluated based on standards established by the Board to ensure that approvals of applications are based on the best interest of the Trust, its Participating Entities and their Employees. Decisions of the Board may be based upon recommendations of their employees or agents. The Board, in a regularly convened meeting, may, by two-thirds vote, approve the application for membership subject to such terms and conditions as may be established by the Board in their sole discretion. Decisions of the Board with respect to membership applications will be final. If accepted for membership, an entity will be bound by all applicable terms and conditions of this Agreement and Declaration of Trust as well as all policies, procedures and regulations established pursuant to this Agreement. Representatives of Participating Entities approved for membership may attend meetings of the Board of Trustees, but will not be allowed to vote or otherwise formally participate in the governance or benefits of the Trust until the date on which the Entity's Employees become eligible to receive benefits under the Employee Benefit Program.

ARTICLE XIV. DURATION OF AGREEMENT

14.01 Term of Agreement. This Declaration of Trust shall continue in full force and effect until terminated as provided in accordance with the procedures set forth in Article XVII of this Trust Agreement.

14.02 Initial Term of Participation; Renewals. The initial membership term for new members shall be for a period of not less than thirty six (36) calendar months. The length of the initial term shall be set to align the Participating Entity's membership term with the July 01 to June 30 Fiscal Year of the Trust at the earliest possible date. Membership in the Trust may not be terminated by any Participating Entity during the initial membership term except as expressly provided herein. Notwithstanding these limitations on voluntary termination, coverage under the Employee Benefit Plan may be suspended or terminated as provided herein for nonpayment of Entity Premiums or other violations of the terms of this Agreement and Declaration of Trust. After expiration of the initial membership term, a Participating Entity may terminate its participation as provided in Article XV herein or may request that the Board of Trustees approve an additional Renewal Term. Renewal terms shall be for thirty six (36) calendar months. Approval of Renewal Terms requires a 2/3 vote of the Board of Trustees. Membership in the Trust may not be voluntarily terminated during Renewal Terms except as expressly provided herein.

14.03 Non-Appropriation Penalty. In the event a Participating Entity fails to appropriate the funds for any particular plan year, or portion of a plan year, within that Participating Entity's initial term of participation, or the current renewal term, which is applicable, the Participating Entity agrees to pay a penalty in an amount equal to what that Participating Entity's obligations would have been for the entire remainder of the initial term of participation, or the current renewal term, whichever is applicable, had the appropriation been made. The "initial term of participation" and the "renewal term" are set forth in Section 14.02 above.

ARTICLE XV. VOLUNTARY TERMINATION OF MEMBERSHIP

15.01 Procedure. Membership in the Trust may be voluntarily terminated by a Participating Entity upon conclusion of its Initial Term of Participation or a subsequent Renewal Term, subject to the following conditions:

- (a) Written notice of voluntary termination must be received no later than ninety (90) calendar days prior to the last day of the Participating Entity's Initial Term of Participation or current Renewal Term, as applicable.
- (b) Termination will be effective as of the last day of the Participating Entity's Initial Term of Participation or current Renewal Term, as applicable.
- (c) Once termination is effective, a former Participating Entity shall not be eligible for readmission to the Trust for a minimum of three fiscal years. Application for readmission shall be made according to the procedures set forth in Article XIII of this Agreement.
- (d) Termination will not relieve a former Participating Entity of any obligations, financial or otherwise, imposed upon Participating Entities pursuant to this Agreement for the period during which the former Participating Entity was a member of the Trust.
- (e) Participating Entities terminating their membership in the Trust in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.02 of this Agreement.

15.02 Termination Due to Amendment of the Trust Agreement. Notwithstanding the provisions of Article 15.01 a Participating Entity may elect to voluntarily terminate its membership prior to the end of their Initial Term of Participation or their subsequent Renewal Term provided the Participating Entity provides a ninety (90) calendar days advance notice as required by A.R.S. § 11-952.01(L), under the following conditions:

- (a) The Governing Board of the Participating Entity wishing to terminate its membership pursuant to this Article must have failed to approve a proposed amendment to the Trust Agreement which was approved by the requisite number of Governing Boards pursuant to Article 9.02 of this Trust Agreement.
- (b) The approved amendment to the Trust Agreement is to become effective prior to the end of the current renewal period.
- (c) The proposed date of termination of membership is to be on or before the effective date of the approved amendment to the Trust Agreement or upon such later date as

may be approved by the Board of Trustees during which period the terminating entity shall not be subject to the provisions of the approved amendment to the Trust Agreement.

- (d) Any voluntary termination pursuant to this Article 15.02 shall also be subject to the provisions of Article 15.01(c) of this Trust Agreement.
- (e) Participating Entities voluntarily terminating their memberships in the Trust in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.02 of this Trust Agreement.

ARTICLE XVI. SUSPENSION AND EXPULSION

16.01 Suspension. In the event that any Participating Entity shall fail to make its contributions as specified herein, or shall fail to comply with any other terms or conditions of this Trust Agreement or other requirements established by the Board, the Board may suspend benefits provided to the Beneficiaries of that Participating Entity. Prior to any suspension, the Board shall provide written notice of default to the Participating Entity. The notice of default shall advise the Participating Entity that:

- (a) Unless the default is cured within ten (10) calendar days of receipt of the notice, coverage may be suspended for a period of up to eighty (80) calendar days without further notice or administrative process.
- (b) During the eighty (80) day suspension period, the Board of Trustees shall determine if the Participating Entity should be expelled as a Participating Entity effective ninety (90) calendar days following receipt of notice of expulsion.
- (c) That prior to removal of any previously-imposed suspension, the Board may impose specific reasonable conditions for reinstatement of coverage and continued membership in the Trust.
- (d) That the defaulting Participating Entity will be liable for unpaid premiums and/or benefit payments, administrative costs and other costs incurred by the Trust between the date that premium payments became in arrears and the date of suspension of benefits plus interest accrued as provided in Section 5.02 of this Trust Agreement.

16.02 Expulsion. Participating Entities may only be expelled from the Trust upon a majority vote of a quorum of Trustees and upon the statutory required ninety calendar (90) notice prior to the effective date of expulsion. Participating Entities that are expelled from membership in accordance with this Article shall receive surplus amounts due them and shall remain liable for deficits owed by them to the Trust in accordance with Article 18.03 of this Agreement.

ARTICLE XVII. TERMINATION OF TRUST

17.01 Termination by the Trustees. The Trust created by this Agreement and Declaration of Trust may be terminated at any time by formal resolution approved by majority vote of the Board of Trustees.

17.02 Notice of Termination. Upon termination of the Trust as provided herein, the Board shall forthwith notify all Employees and all other necessary parties.

17.03 Duration after Termination. Notwithstanding any provision set forth in this Trust Agreement regarding duration and termination of the Trust, the Trust shall continue in existence for as long a period as may be required to wind up its business. Upon termination, the Board shall continue in its capacity as a Board of Trustees for so long a period as may be required to wind up the business of the Trust.

17.04 Disposition of Trust Assets and Final Accounting. Upon termination of this Trust, any and all monies remaining in the Fund shall be disposed of in accordance with Article 18.01. At such time as the business of the Trust is wound up, the Board shall render a final accounting of the affairs of the Trust to the Participating Entities. Thereafter, there shall be no claim or action against the Board except as expressly provided herein and they shall have no further responsibility or duties and they shall be discharged.

ARTICLE XVIII. DISTRIBUTIONS OF SURPLUSES AND DEFICITS UPON TERMINATION OF THE TRUST, VOLUNTARY TERMINATION OF MEMBERSHIP OR EXPULSION

18.01 Termination of the Trust. Upon termination of the Trust, the Board shall, by majority vote, provide for the development of a plan (the termination plan) to wind up the Trust's business over the course of a period not to exceed thirty six (36) calendar months from the effective date of the Trust's termination. The termination plan shall provide for at least the following:

- (a) Payment of all administrative and other costs reasonably required to wind up the Trust's operations;
- (b) Payment of all outstanding claims liabilities of the Trust including, without limitation, all known claims and incurred but not reported liabilities;
- (c) Payment to the Trust of any deficits owed to it by any current or former Participating Entities; and
- (d) Payment of any outstanding amounts due to former Participating Entities that have previously voluntarily terminated their memberships in the Trust in accordance with Articles 15.01 or 15.02 of this Trust Agreement.

18.02 Voluntary Termination of Membership. For entities voluntarily terminating membership as provided under Article 15.01 or 15.02, surpluses and deficits allocated to the Participating Entity during the term of its membership, including adjustments for administrative expenses associated with the termination, shall be paid in accordance with the following schedule:

- (a) Surpluses payable to the former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination, and any remaining surplus balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Board.
- (b) Deficits payable to the Trust from the former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination and any remaining deficit balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Trustees.
- (c) At the time of the final distribution of surpluses or deficits as provided for in this section 18.02, the Board shall render a final accounting of the affairs of the Trust to the former Participating Entity whose membership terminated as provided hereunder.

18.03 Expulsion. In the event that a Participating Entity is expelled and membership involuntarily terminated in accordance with Article 16.02 above, surpluses and deficits allocated to the Participating Entity during the term of its membership, including adjustments for administrative expenses associated with the termination, shall be paid in accordance with the following schedule:

- (a) Former Participating Entities shall remain liable for the full amount of contributions that would otherwise have been due to the Trust during the period of time between the date of such Entity's expulsion and the scheduled end of such Entity's Initial or Renewal Term of Participation. Amounts due to the Trust under this Article may be collected through reduction of any surpluses otherwise due to the former Participating Entity in accordance with Article 18.03 (b) or, in the event the former Participating Entity has no surplus due to it, or that the amount due to the Trust under this Article exceeds the amount of surplus due to the former Participating Entity, through assessment in accordance with Article 18.03(c) of this Trust Agreement.
- (b) Surpluses payable to former Participating Entities that were expelled in accordance

with Article XVI shall be reduced by the amount of the Member Contributions that would otherwise have been due to the Trust during the period of time between the date of such Entity's expulsion and the scheduled end of such Entity's Initial or Renewal Term of Participation. The balance of any remaining surpluses due to the former Participating Entity after making such adjustment shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the remaining total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such expulsion, and any remaining surplus balances due being paid not later than twenty seven (27) months after the effective date of such expulsion, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Board.

- (c) Deficits payable to the Trust from an expelled former Participating Entity shall be paid in two (2) installments, with the first installment comprised of an amount not to exceed seventy five percent (75%) of the total estimated amount due being paid no later than one hundred eighty (180) calendar days after the effective date of such termination and any remaining deficit balances due being paid not later than twenty seven (27) months after the effective date of such termination, or in accordance with such other schedule as may be agreed to between the former Participating Entity and the Board.
- (d) At the time of the final distribution of surpluses or deficits as provided for in this section 18.03, the Board shall render a final accounting of the affairs of the Trust to the former Participating Entity whose membership terminated as provided hereunder.

ARTICLE XIX. MISCELLANEOUS

19.01 Prosecution and Defense of Lawsuits. In the event any claim, suit, action or legal or administrative proceeding is brought against the Trust, the Board of Trustees, one or more Trustees or the Fund, in connection with any matter arising out of the administration of the Trust or Fund or in connection with this Trust Agreement or in connection with any act or omission of the Board of Trustees or one or more of the Trustees, or in the event of any suit, action or proceeding commenced by the Board, including, but not limited to, a request for a judicial settlement of accounts, a suit for construction, a bill of interpleader, or any other matter relating to the Trust, the Board shall have the power and authority to employ legal counsel to represent it in any such suit, action or proceeding. Expenses, including legal counsel fees and other costs shall be paid from the Fund as long as the Board has acted in good faith and not with gross negligence, bad faith or willful misconduct, it being the intent to indemnify the Trustees, individually and as a Board, against all honest mistakes in judgment and all acts or omissions that are not deliberate or willful violations of the duties of the Board. In addition, the Board shall have the right to commence and prosecute such suits, actions or proceedings as it may determine are necessary and proper in order to protect the interest of the Trust or Fund, and, in this connection, the Board shall have the same rights and entitlement to reimbursement for costs and expenses as heretofore described for the defense of lawsuits.

19.02 Fiduciary Liability. The fiduciary liability and funding of all eligible benefits as determined by the Plan Document shall be the sole responsibility of the Board acting in their official capacity and shall not be determined to be a fiduciary duty of any Participating Entity.

19.03 Worker's Compensation. The insurance coverage contemplated by this Trust Agreement shall not apply in any case which is compensable under Worker's Compensation.

19.04 Situs of Trust. The City of Phoenix, County of Maricopa, State of Arizona, shall be deemed the situs of the Trust created hereunder. All questions pertaining to validity, construction and administration shall be determined in accordance with the laws of such State and County. This Trust Agreement is deemed made, executed and delivered in such State.

19.05 Interpretation of Trust Agreement. Whenever any words are used in this Trust Agreement in the masculine gender, they shall be construed as though they were also in the feminine or neuter gender in all situations where they would so apply and wherever any words are used in this Trust Agreement in the singular form, they shall also be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words are used in this Agreement in the plural form they shall be construed as though they were also in the singular form in all situations where they would so apply.

19.06 Captions. It is understood and agreed that the captions and headings contained in this Trust Agreement are included for convenience only and that they are not and shall not be deemed a part of the Agreement and that they shall in no way define, limit or expand any of the terms, obligations or conditions set forth herein.

19.07 Severability. The parties agree that, to the extent that any provision of this Trust Agreement is in conflict with any applicable statute, regulation or rule, that provision shall be deemed unenforceable and the applicable statute, regulation or rule shall govern. Should any provision or term in this Trust Agreement be deemed or held to be unlawful or invalid for any reason, such a determination will not adversely affect the remaining provisions contained herein unless such a determination will make the operation of the Trust impossible or impractical. In such a case, the appropriate parties shall immediately adopt such provisions as may be required to facilitate the proper functioning of the Trust.

19.08 Taxation of Contributions, Assets, Income and Benefits. This Trust Agreement is being entered into and contributions are being made based upon the expectation that contributions made hereunder will not be subject to taxation and that benefits received by employees or other beneficiaries will not be deemed compensation in determination of federal, state or local tax liability. The parties hereto, individually and collectively, agree to take or cause to be taken any and all steps that may be necessary or advisable in order to obtain and/or maintain a tax-exempt status for this Trust. In the event that any provisions of this Trust Agreement are determined to impose tax obligations on any Participating Entity or Employees or other Beneficiaries, any steps necessary to eliminate such obligations shall be taken immediately. Nothing in this section shall be deemed to impose liability on the Board, the Trust or Participating Entities in the event that

contributions or benefits are deemed taxable or in the event that investment income received by the Trust is determined to be subject to taxation.

19.09 Cancellation. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511.

ARTICLE XX. STOP LOSS PROVISIONS

20.01 Stop Loss Requirement. Specific stop-loss reinsurance shall be an integral part of any self-funded benefit program established pursuant to this Trust Agreement. It is the intent of the parties to this Trust Agreement that stop-loss coverage, with such attachment points and policy limits as may be deemed necessary to protect the loss fund and allow complete and timely payment of benefits, be provided by an authorized carrier licensed to execute contracts in the State of Arizona.

ARTICLE XXI. LOSS CONTROL PROGRAM

21.01 Loss Control Program. The Board shall provide for the development and implementation of a program of loss control for each plan year of Trust operations. The loss control program shall be further described in the Plan of Risk Management approved each year and may include one or combinations of:

- (a) Specific and/or aggregate reinsurance;
- (b) Conventional insurance, partial or full self-insurance;
- (c) Access to Preferred Provider Organizations (PPO) for benefit offerings;
- (d) Medical pre-certification, concurrent and/or post discharge review;
- (e) Large case management;
- (f) Health and wellness promotion;
- (g) Employee assistance programs; and
- (h) Such other loss control programs as the Board may determine to be appropriate.

ARTICLE XXII. USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION BY PARTICIPATING ENTITIES

22.01 The Participating Entities in the Arizona Metropolitan Trust shall only use protected health information ("PHI") to the extent of and in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Specifically, the Participating Entities may use and disclose PHI for purposes related to health care treatment,

payment for health care and health care operations.

22.02 Payment includes activities undertaken by the Participating Entities individually or through the Benefits Administrator to determine or fulfill its responsibility for coverage and provision of plan benefits that relate to a Beneficiary to whom health care is provided. These activities include, but are not limited to, the following:

- (a) Determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and copayments as determined for an individual's claim);
- (b) Adjudication of health benefit claims (including appeals and other payment disputes);
- (c) Subrogation of health benefit claims;
- (d) Establishing Employee Contributions;
- (e) Risk adjusting amounts due based on enrollee health status and demographic characteristics;
- (f) Billing, collection activities and related health care data processing;
- (g) Claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to Beneficiary inquiries about payments;
- (h) Obtaining payment under a contract for reinsurance (including stop-loss and excess of loss insurance);
- (i) Medical necessity reviews or reviews of appropriateness of care or justification of charges;
- (j) Utilization review, including precertification, preauthorization, concurrent review and retrospective review;
- (k) Disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of the provider and/or health plan); and
- (l) Reimbursement to the Trust.

22.03 Health Care Operations include, but are not limited to, the following activities:

- (a) Quality assessment;

- (b) Population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, contacting health care providers and patients with information about treatment alternatives and related functions;
- (c) Rating provider and plan performance, including accreditation, certification, licensing or credentialing activities;
- (d) Underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess of loss insurance);
- (e) Conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;
- (f) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Trust, including formulary development and administration, development or improvement of payment methods or coverage policies;
- (g) Business management and general administrative activities of the Trust, including, but not limited to:
 - (i) Management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements, or
 - (ii) Customer service, including the provision of data analyses for Employees, the Trust or other Beneficiaries; and
- (h) Resolution of internal grievances.

22.04 The Participating Entity agrees to:

- (a) Not use or further disclose PHI other than as permitted or required by the Plan Document or as required by law;
- (c) Ensure that any agents, including a subcontractor to whom the Participating Entity provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Participating Entity with respect to PHI;
- (d) Not use or disclose PHI for employment-related actions and decisions unless authorized by a Beneficiary;
- (e) Not use or disclose PHI in connection with any other benefit or employee benefit plan of

the Participating Entity unless authorized by a Beneficiary;

- (f) Report to the Trust any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;
- (g) Make PHI available to a Beneficiary in accordance with HIPAA's access requirements;
- (h) Make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;
- (i) Make available the information required to provide an accounting of disclosure;
- (j) Make internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the HHS Secretary for the purposes of determining the Trust's compliance with HIPAA; and
- (k) If feasible, return or destroy all PHI received from the Trust that the Participating Entity still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

22.05 In accordance with HIPAA, only the following employees or classes of employees of a Participating Entity may be given access to PHI:

- (a) The human resources director or the individual assigned by the governing body of a Participating Entity to perform said function; and
- (b) Staff designated by the person assigned pursuant to Article 22.05(a).

22.06 The persons described in Article 22.05 may only have access to and use and disclose PHI for plan administration functions that the Trust performs for the Participating Entity.

22.07 If the persons described in Article 22.05 do not comply with the Plan Document, the Trust may provide a mechanism for resolving issues on noncompliance, including disciplinary sanctions.

EXHIBIT A

Participating Entities – Arizona Metropolitan Trust as authorized and approved by the Board of Trustees as of July 1, 2012 including Initial Terms of Participation established pursuant to Article 14.02 of the Trust Agreement.

	<u>Participating Entity</u>	<u>Membership Term</u>
1.	City of Apache Junction	July 01, 2012 - June 30, 2018
2.	City of Avondale	July 01, 2012 - June 30, 2018
3.	City of El Mirage	July 01, 2012 - June 30, 2018
4.	Town of Youngtown	July 01, 2012 - June 30, 2018

Participating Entities – Arizona Metropolitan Trust as authorized and approved by the Board of Trustees effective March 1, 2015:

	<u>Participating Entity</u>	<u>Membership Term</u>
1.	Buckeye Valley Fire District	March 01, 2015 - June 30, 2018

Participating Entities – Arizona Metropolitan Trust as authorized and approved by the Board of Trustees effective July 1, 2015:

	<u>Participating Entity</u>	<u>Membership Term</u>
1.	Pinal County	July 01, 2015 - June 30, 2018

EXHIBIT B
TO
RESOLUTION 2016-05

[Trust Bylaws]

See following pages.

**Arizona Metropolitan Trust
(AzMT)**

Bylaws

Effective:

July 01, 2012

Revised:

October 21, 2015

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Section 1. Definitions

The following are definitions of terms as used in these By-Laws as well as the Trust Agreement. To the extent a term is not specifically defined in these By-Laws, but is defined in the Trust Agreement, the term shall have the meaning given to it in the Trust Agreement.

1.01 “A.R.S.” shall mean the Arizona Revised Statutes, as amended.

1.02 “Beneficiary” shall mean Employees, their dependents and such other persons designated by the Participating Entities as eligible for coverage as set forth in the Summary Plan Description and approved by the Board.

1.03 “Benefits Administrator” shall mean the person(s) or firm employed by the Board who is responsible for processing of claims and payment of benefits, and related services.

1.04 “Board of Trustees” or “Board” shall mean the Trustees of the Arizona Metropolitan Trust acting in their joint capacity as the governing board of the Trust.

1.05 “Employee” shall mean any person employed by a Participating Entity on a regular basis working not less than the number of hours per week required by the Participating Entities for eligibility, and who are not eligible for benefits under any other employee benefits to which the Participating Entity makes contributions.

1.06 “Employee Benefit Program” shall mean the program of benefits to be established by the Board pursuant to this Trust Agreement and A.R.S. § 11-952.01(c).

1.07 “Employee Contributions” shall mean any contributions made by Employees whether comprising part of the Entity Premium or whether made directly to the Fund in order to obtain coverage by the Employee Benefit Program.

1.08 “Entity Contributions” shall mean the contributions made by Participating Entities comprising all or part of the Entity Premium.

1.09 “Entity Premium” shall mean the total monies paid by each Participating Entity to the Fund for the Employee Benefit Program, and shall be equal to the sum of Entity Contributions and Employee Contributions.

1.10 “Fund” shall mean the Trust Fund created by this instrument, and shall mean generally, the monies, property, contracts or things of value, tangible or intangible, received and held by the Board for the uses and purposes of the Trust, set forth therein, and those things of value which comprise the corpus and additions to the fund.

1.11 “Governing Board” shall mean the policy making board of a Participating Entity duly elected or appointed to their respective positions in accordance with the laws and constitution of

the State of Arizona.

1.12 “Participating Entities” shall mean those entities listed in Exhibit A which is attached hereto and incorporated by reference herein, and such additional Participating Entities as may be approved for membership by the Board of Trustees pursuant to Article XIII of this Trust Agreement.

1.13 “Summary Plan Description” shall mean the document(s) which generally describe the employee benefits to be provided by the Trust to the Beneficiaries.

1.14 “Trust” shall mean the entity established by the Trust Agreement pursuant to A.R.S. § 11-952.01 et seq., which shall be referred to as the Arizona Metropolitan Trust.

1.15 “Trust Agreement” shall mean this Agreement and Declaration of Trust dated July 01, 2012 and any modifications or amendments thereto.

1.16 “Trust Administrator” shall mean the employee benefit consultant retained by the Trust to carry out the obligations of this Agreement in compliance with Arizona Revised Statute § 11-952.01(H)(5).

1.17 “Trustee or Trustees” shall mean the individual Trustees and their successors as provided for in this Trust Agreement.

Section 2. Investments

Investments of Trust cash assets not required for immediate operating expenses may be invested by the Trust, but the investments are to be limited to the following investments:

- A. Government Securities;
- B. State of Arizona Local Government Investment Pool (LGIP); and
- C. Other investments allowable under A.R.S. § 35-323.

Notwithstanding the provisions of this section, each type of investment actually utilized shall be subject to prior approval of the Board of Trustees.

Section 3. Expense Reimbursement

Trustees shall be entitled to receive reimbursement for actual reasonable expenses incurred in carrying out their duties as a Trustee and which are consistent with the Trust Agreement including, but not limited to:

- A. **Meals, Lodging, Air Travel.** Reimbursement for the actual amount of meals, lodging and air travel expenses as evidenced by receipts.

- B. **Automobile Mileage.** Reimbursement for automobile travel expenses at the rate established by the Internal Revenue Service for purpose of travel expense deductions.
- C. **Other Expenses.** Expenses reimbursed under this provision shall be limited to those which would be reimbursable under the policies of the Participating Entity that the Trustee has been appointed to represent.

Section 4. Meetings

- A. **Open Meeting Laws.** All meetings of the Trust shall comply with the requirements of the Arizona Open Meetings Law.
- B. **Annual Meeting.** The Trust shall designate one of its regular quarterly meetings as the Trust's Annual Organization Meeting for the purpose of selecting officers and to conduct such other business as may be necessary. To the extent possible, the Board of Trustees shall utilize the same quarterly meeting each year as the annual meeting.
- C. **Special Meeting.** The Chairperson may call a special meeting upon seven (7) days notice to Trustees. A special meeting may be also be called by a number of Trustees equal to one less than a majority of the Board. In the event of an emergency, a special meeting may be held with such lesser notice as may be appropriate and otherwise permissible by law. Upon calling a special meeting, the Chairperson or Trust Administrator shall promptly notify all Participating Entities and shall prepare and distribute a written agenda in compliance with the requirements of the Open Meeting Law.

Section 5. Officers

- A. **Election of Officers.** At the Annual Organization Meeting, there shall be selected from the Board of Trustees of the Trust, a Chairperson and a Vice Chairperson. In addition, the Chairperson shall designate a Recording Secretary. These officers shall have the authority to act in those circumstances and on those matters as specified in the Trust Agreement, in these Bylaws or as otherwise directed by a majority of the Board of Trustees acting in a public meeting.
- B. **Term of Office.** Each officer selected shall serve for a period of one year, and be eligible for re-election for successive terms, or until his/her successor is duly elected and takes office.
- C. **Duties of Officers.** The officers of the Trust shall have the following duties:
 - 1. **Chairperson.** The Chairperson shall preside at all meetings of the Board of Trustees and perform the usual and customary duties of the Chairperson and such other duties as may be prescribed by the Board of Trustees from time to time. The Chairperson, alone or together with such officer or officers as the Board of Trustees may designate by resolution or bylaw, may sign any contracts or other instruments which the Board of

Trustees have authorized to be executed.

2. Vice-Chairperson. The Vice Chairperson will, in the absence of the Chairperson or in the event of the inability or refusal of the Chairperson to act, perform the duties of the Chairperson.
3. Recording Secretary. The Chairperson shall appoint a Recording Secretary who shall keep minutes of all meetings, proceedings and acts of the Board of Trustees, which records shall be available at the Principal Office for inspection by all the Trustees and interested persons during usual business hours. Such records and minutes need not be verbatim. The Recording Secretary need not be a Trustee.

Section 6. Audits

- A. **Mandatory Financial Audit.** The Board of Trustees shall retain the appropriate independent professional to perform an annual financial audit as provided by applicable law and the Trust Agreement. In addition to complying with the requirements imposed by statute and the Trust Agreement, the financial auditor shall perform such additional duties as may be directed by the Board of Trustees.
- B. **Recommended Audits.** In addition to the mandatory audit, the Board of Trustees may conduct the following audits at such intervals as they may determine is in the best interest of the Trust:
 1. Claims Audit. The performance of the Benefits Administrator may be audited to determine whether claims have been paid in accordance with applicable provisions of the Plan Document or to otherwise evaluate the general or specific performance of the Benefits Administrator as deemed appropriate or desirable by the Board of Trustees.
 2. Operational Audit. The Board of Trustees may direct that an independent party conduct an operational audit of the Trust, its individual service providers or any aspect or operation of the Trust.

Section 7. Entity Contribution

- A. **Entity Contribution Payments.** Participating Entity Contribution payments shall be due and payable as of the last business day of each month.
- B. **Entity Contribution Rates.** Contribution rates shall be established annually or at other intervals if determined by the Board of Trustees to be in the best interest of the Trust and its beneficiaries. Rates shall be based upon sound actuarial principles consistent with fiscal stability of the Trust and the interest of the Beneficiaries.
- C. **Past Due Entity Contribution Payments.** Entity Contributions not paid as of the date specified in Paragraph A of this Section shall be subject to the following late payment

process which shall be in addition to any penalties set forth in the Trust Agreement:

- 1st Late Payment – Letter of Warning;
- 2nd Late Payment – Shall accrue a late payment penalty equal to 0.5% of the Entity's current monthly billing amount;
- 3rd Late Payment – Shall accrue a late payment penalty equal to 1.0% of the Entity's current monthly billing amount;
- 4th Late Payment – Shall accrue a late payment penalty equal to 1.5% of the Entity's current monthly billing amount;
- 5th Late Payment and thereafter – Shall accrue a late payment penalty equal to 2.0% of the Entity's current monthly billing amount.

1. Late Payment Penalty Timing. The late payment penalty shall be added by the Benefits Administrator, or Trust Administrator, to the Entity's monthly contribution statement and shall be due and payable as part of the Entity's next monthly contribution.
2. Penalties Cumulative. The late payment penalties set forth above are cumulative, such that any late payments during the term of the Trust Agreement, including payments that remain unpaid over more than one payment period, shall be counted for purposes of determining the total number of late payments. The following are two examples of the manner in which penalties may be cumulated:

Example 1: A Participating Entity's first late payment receives a letter of warning. If the first late payment is not paid by the next payment due date, a late payment penalty of 0.5% shall be applied to any outstanding late balances. If the first late payment remains unpaid by the next succeeding payment due date, a late payment penalty of 1.0% shall be applied to any outstanding late balances, including any penalty amounts.

Example 2: A Participating Entity makes the first three payments timely, but is late with the fourth, which results in a letter of warning. The Participating Entity then timely makes the next three payments, but is late with the eighth payment; a 0.5% penalty shall be assessed.

3. Discretionary Penalty Waiver. The Board of Trustees retains the authority to waive, at its sole discretion, the late payment penalty in the case of extenuating circumstances if requested by the Participating Entity. The decision whether to waive the late penalty shall be made at the Board's next-available regularly-scheduled meeting following the Participating Entity's request and such decision shall be final and binding.

Section 8. Membership

A. **Eligibility.** Effective July 02, 2012, cities, towns, counties, fire districts, municipal corporations and any other political subdivisions of these types of entities as may be eligible for membership pursuant to A.R.S. § 11-952 et seq. located within the State of shall be eligible to be considered for membership as a Participating Entity.

B. Application for Membership.

1. **Form of Application.** Application for membership shall be made on forms provided by the Trust.
2. **Deadline for Application.** Completed applications, as defined by the Board of Trustees, shall be received by the Trust no less than sixty (60) calendar days prior to the proposed date that membership would be effective.
3. **Evaluation Criteria.** Application for membership in the Trust shall be based upon criteria approved by the Board of Trustees.
4. **Board of Trustees Action.** The Board of Trustees shall act on applications no less than ten (10) business days after notification to the applicant that its application is complete. This limit may be extended in order to obtain additional information required by the Trust or other parties involved in the underwriting/selection process.

C. **Acceptance of Membership Invitation.** Upon notification to an applicant of an offer for membership in the Trust, the applicant shall provide to the Trust a resolution of its Governing Body, no more than thirty (30) calendar days following such notification accepting the offer to become a member of the Trust. The resolution shall include:

1. Approval of the Trust Agreement and designation of a representative to execute the agreement;
2. Acceptance of the proposed schedule of premiums as determined by the Board of Trustees;
3. Acceptance of the Trust Bylaws as approved and adopted; and
4. Determination by legal counsel for the entity that the resolution and agreements are in proper form and are within the powers of the entity to approve.

Section 9. Operations

A. **Applicable Laws.** The Trust and its officers, employees and contractors will conform to all applicable state and federal laws, rules and regulations.

B. **Principal Office.** The Principal Office of the Trust shall be the office of the Trust's legal counsel as follows:

Jones, Skelton & Hochuli, P.L.C.
ATTN: Michael Hensley, Esq.
2901 North Central Avenue, Suite 800
Phoenix, Arizona 85012

C. **Risk Management Plan.** The Board of Trustees shall prepare, or cause to be prepared, a Plan of Risk Management for the Trust. The Plan shall include one or combinations of the following:

1. The employee benefits to be offered through the Trust;
2. Limits of coverage, whether through self-insurance, conventional insurance purchased from a commercial carrier or reinsurance;
3. The amount of risk to be retained by the Trust;
4. Major loss control techniques to be implemented;
5. The proposed method of assessing Entity Contributions to be paid by each Participating Entity of the Trust;
6. A summary of the preceding year's operations and major activities planned for the coming year;
7. Coverage to be purchased from a commercial carrier, if any; and
8. Such additional information as may be identified by the Board of Trustees.

D. **Financial Statements and Operating Reports.** The Trust shall provide its members with periodic reports concerning the financial condition and operation of the Trust. These shall be provided at least quarterly and may be made more frequently if specified by the Board of Trustees.

E. **Requests for Information.** Requests for records or documents of the Trust shall be made through the Trust Administrator or the Trust's legal counsel.

F. **Allocation and Distribution of Surpluses and Deficits**

1. **Date Credited.** Surpluses and deficits shall be credited to the fiscal year in which they accrue.

2. Surplus/Deficit Allocation. Surpluses and deficits shall be allocated amongst Participating Entities in accordance with the Surplus/Deficit Allocation Policy and according to such Surplus/Deficit Allocation Formula/Methodology as the Board of Trustees may from time to time approve. Adoption of the Surplus/Deficit Allocation Policy and the Surplus/Deficit Allocation Formula/Methodology to be followed in allocating surpluses or deficits shall be by two thirds (2/3) vote of the Board of Trustees.
 3. Supplemental Assessments for Statutory Compliance. The Board of Trustees shall order supplemental assessments as needed to comply with applicable provisions of A.R.S. § 11-952.01. Supplemental assessments ordered by the Board of Trustees under this section shall be calculated in accordance with the Surplus/Deficit Allocation Formula/Methodology approved by the Board of Trustees at the time the supplemental assessment is ordered.
 4. Supplemental Assessments for Deficits. The Board of Trustees may order supplemental assessments to cure deficits that arise in any fiscal year but which are not sufficiently severe to jeopardize the overall solvency of the Trust. Supplemental assessments ordered by the Board of Trustees under this section shall be calculated in accordance with the Surplus/Deficit Allocation Formula/Methodology approved by the Trustees at the time the supplemental assessment is ordered.
 5. Release of Surplus. The Board of Trustees may allow for the release of surplus to Participating Entities through credits applied to monthly contributions in accordance with the Surplus/Deficit Allocation Policy and Surplus/Deficit Allocation Formula/Methodology approved by the Trustees at the time the release of surplus is authorized.
 6. Votes for Assessments. Decisions by the Board of Trustees to order supplemental assessments or allow for releases of surpluses as provided for under this section shall be by two thirds (2/3) vote of the Board of Trustees.
 7. Compliance with Applicable Law. The Board of Trustees shall comply with all applicable Federal, State and Local laws in allocating and/or distributing any surpluses or deficits.
- G. **Restrictions on Dissemination of Entity Loss Experience.** Consistent with the intent and policy of the Trust to spread risk among all members of the Trust, Participating Entities agree that only total (aggregate) loss experience of the Trust can be shared amongst its members; individual entity loss experience will only be shared with the entity for which it is applicable. Individual entity loss information shall never be shared with other Participating Entities.

Section 10. Amendments to Bylaws

- A. **Submission.** Proposed amendments to the Bylaws should be filed in writing with the Board of Trustees no less than thirty (30) calendar days prior to the scheduled date of consideration except in cases of a *bona fide* emergency. A statement explaining the purpose and effect of the amendment shall be included. Proposed amendments to the Bylaws shall be reviewed and approved in writing as to form by counsel for the Trust prior to approval by the Board of Trustees.

- B. **Notice to Trustees.** All proposed amendments and accompanying statements shall be transmitted in writing to each Trustee at least fifteen (15) business days prior to the scheduled date of consideration.

- C. **Consideration.** Except in a *bona fide* emergency, amendments shall be considered at a regular meeting of the Board of Trustees. Amendment of the Bylaws shall require a majority vote of the Board of Trustees.

EXHIBIT C
TO
RESOLUTION 2016-05

[Schedule of Contributions]

See following pages.



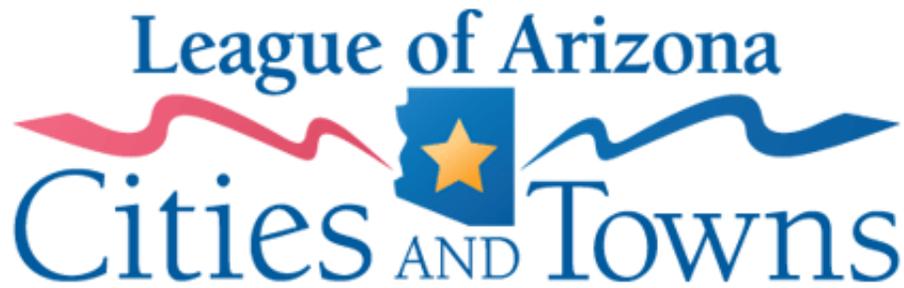
2016-17 Premium Rate Structure

<u>Two-Tier</u>	EE	ES	EC	EF
EPO	\$486.43			\$1,179.31
PPO	\$464.48			\$1,120.85
PPO Buy-Up	\$474.84			\$1,148.43
HDHP	\$431.16			\$1,024.54
Dental	\$34.31	\$66.01	\$75.21	\$110.91
Vision	\$4.46	\$8.72	\$7.93	\$12.23

<u>Four-Tier</u>	EE	ES	EC	EF
EPO	\$486.43	\$951.25	\$875.19	\$1,293.43
PPO	\$464.48	\$905.77	\$834.04	\$1,228.47
PPO Buy-Up	\$474.84	\$927.22	\$853.45	\$1,259.12
HDHP	\$431.16	\$827.07	\$761.21	\$1,123.38
Dental	\$34.31	\$66.01	\$75.21	\$110.91
Vision	\$4.46	\$8.72	\$7.93	\$12.23

Town of Fountain Hills Monthly Medical Costs for Full-Time Employees

3/23/2016	FY 2015-16	FY 2016-17	FY 2015-2016	FY 2016-2017	FY 2015-2016	FY 2016-2017	FY 2015-2016	FY 2016-2017
PPO Co-Pay Plan - Medical/RX	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount (incl. \$5.71 FSA fee fy 16/17):	\$652.00	\$470.23	\$1,304.00	\$911.52	\$1,080.00	\$839.79	\$1,647.00	\$1,234.22
Total Employer Contribution:	\$652.00	\$470.23	\$977.00	\$683.64	\$867.00	\$671.83	\$1,149.00	\$863.95
Employee Cost Per Month:	\$0.00	\$0.00	\$327.00	\$227.88	\$213.00	\$167.96	\$498.00	\$370.27
HDHP Plan w/H.S.A.	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount (incl. \$2.75 hsa fee FY 16/17):	\$430.00	\$433.91	\$859.00	\$829.82	\$713.00	\$763.96	\$1,087.00	\$1,126.13
Employer HSA Contribution:	\$222.00	\$30.57	\$118.00	\$0.00	\$154.00	\$0.00	\$62.00	\$0.00
Employer Premium Contribution:	\$430.00	\$433.91	\$859.00	\$683.64	\$713.00	\$671.83	\$1,087.00	\$863.95
Total Employer Contribution (HSA + Premium, Same as PPO amt):	\$652.00	\$470.23	\$977.00	\$683.64	\$867.00	\$671.83	\$1,149.00	\$863.95
Employee Cost Per Month	\$0.00	\$0.00	\$0.00	\$146.18	\$0.00	\$92.13	\$0.00	\$262.18
Total Employee + Employer Contribution	\$652.00	\$470.23	\$977.00	\$829.82	\$867.00	\$763.96	\$1,149.00	\$1,126.13
Dental	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount:	\$36.40	\$34.31	\$69.90	\$66.01	\$75.80	\$75.21	\$118.50	\$110.91
Employer Contribution:	\$36.40	\$34.31	\$52.42	\$49.50	\$54.50	\$54.08	\$75.88	\$71.02
Employee Contribution:	\$0.00	\$0.00	\$17.48	\$16.51	\$21.30	\$21.13	\$42.62	\$39.89
Vision	<u>Employee</u>	<u>Employee</u>	<u>Empl. + Spouse</u>	<u>Empl. + Spouse</u>	<u>Empl. + Children</u>	<u>Empl. + Children</u>	<u>Family</u>	<u>Family</u>
Total Premium Amount:	\$5.36	\$4.46	\$9.63	\$8.72	\$10.72	\$7.93	\$17.86	\$12.23
Employer Contribution:	\$5.36	\$4.46	\$7.49	\$6.80	\$8.02	\$5.95	\$11.60	\$7.95
Employee Contribution:	\$0.00	\$0.00	\$2.14	\$1.92	\$2.70	\$1.98	\$6.26	\$4.28



— Legislative Bulletin —

Issue 10 - March 18, 2016

Legislative Overview

Today is the 68th day of session. Most committees had lengthy agendas and floor sessions were also packed. This was the last week for all committees except for Appropriations to hear bills. Other committees may hear presentations or executive nominations in the weeks to come.

To date Governor Ducey has signed 46 bills.

Penalizing Cities

SB1487, state law; local violations; penalties, withholds shared revenue from cities and towns that are found by the Attorney General to have violated state law. Governor Ducey signed the bill at approximately 3 p.m. on Thursday after it passed out of the House on Wednesday by a 32-28 vote. The League and several Mayors had asked for a veto. The League has been strongly opposed to the bill as an attack on local authority and a bypassing of the constitutional protections of due process.

Census

HB2483, municipal population estimates; use, sponsored by Representative Justin Olson (R - Mesa) passed the Senate Appropriations Committee this week by a unanimous vote. It allows for cities and towns to use the U.S. Census Bureau's population estimates on a yearly basis to keep up with changes in growth. This measure was the result of cities and towns working together to reach a successful resolution. The bill now goes to the Rules Committee.

Online Homesharing

SB1350, online homesharing administration; definitions, allows for a city, town, or other taxing jurisdiction to levy a transaction privilege, sales, use or similar tax/fee on the business of operating an online lodging marketplace such as Airbnb. The bill also prohibits municipalities from banning this type of short-term housing rental; it is sponsored by Senator Debbie Lesko (R - Peoria). The League is continuing to engage in negotiations with the proponents in order to reach a reasonable compromise on these issues, therefore the League is officially neutral. The bill passed the House Ways and Means Committee by a vote of 8-1, and now goes to the Rules Committee.

Regulation Restrictions

The Senate Government Committee passed **HB2517, businesses; professions; regulation restrictions**, by a 4-3 vote. This bill is sponsored by Rep. Warren Peterson (R - Gilbert). It would limit municipalities, counties and state agencies from adopting any regulation that applies to business except for purposes of public health, safety and welfare. Additionally, these governmental entities would have to review all of their existing regulations and eliminate or modify any that do not meet this restriction and make a report to the legislature. The bill also establishes a private

right of action, allowing any person to sue the municipality if they believed they were not in compliance. The League opposed this bill. It will now go to the Rules Committee.

Drones

SB1449, unmanned aircraft; prohibited operations, passed the House Judiciary Committee this week by a vote of 6-0. Sponsored by Senator John Kavanagh (R - Fountain Hills), the bill prescribes various regulations associated with unmanned aircraft, or drones. The Judiciary Chair, Representative Eddie Farnsworth, successfully sponsored a committee amendment designed to streamline the bill and added that he would work with stakeholders to further refine the measure. The League opposes the bill as it is preemptive. It now goes to the Rules Committee.

Recovery Home Regulation

HB2107, substance abuse recovery homes, passed the Senate Health and Human Services Committee by a unanimous vote. Rep. Noel Campbell (R - Prescott) the sponsor of the bill, is seeking to provide some regulation on the substance abuse recovery home industry. There was a strike everything amendment in the Health Committee to further develop the bill. It now goes to the Rules Committee.

Community Facilities Districts

HB2568; community facilities districts; formation; governance, sponsored by Speaker of the House David Gowan (R - Sierra Vista) states that a community facilities district may be formed without the approval of the local jurisdiction if the land involved is 600 acres or more, and all the landowners sign the formation petition. It also specifies that the governing board will be made up of five members-two appointed by the local government, two appointed by the landowners and one from a list the landowners will supply to the local government. As amended in the Senate Government Committee, it provides indemnification for the local government, but does not allow for the land to be held for security, nor does it allow for the landowners' financial ability for repayment to be revealed. The League opposes the measure. HB2568 passed the Senate Government Committee by a vote of 5-1, and now proceeds to the Rules Committee.

Legislative Bill Monitoring

(All bills being actively monitored by the League [can be found here.](#))

SB1487: state law; local violations; penalties

HB2483: municipal population estimates; use

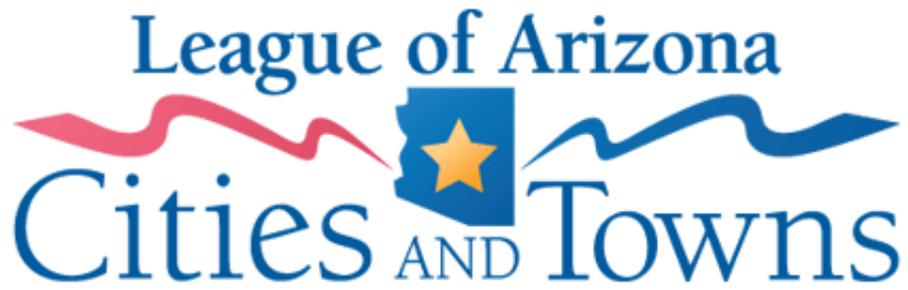
SB1350: online lodging; administration; definitions

HB2517: businesses; professions; regulation restrictions

SB1449: prohibited operations; unmanned aircraft

HB2107: substance abuse recovery homes

HB2568: community facilities districts; formation; governance



— Legislative Bulletin —

Issue 11 - March 25, 2016

Legislative Overview

Today is the 75th day of session. Both Appropriations Committees heard bills this week, and a few of the other committees had executive nominations or presentations. Floor calendars were moderately full in the Senate and very robust in the House.

To date 88 bills have passed, with 73 signed, and none vetoed.

Pawn Shops

HB2690; pawnbroker licensure; DPS passed the Senate Appropriations Committee this week by a vote of 5-3. The bill would transfer the licensing and oversight of pawn shops from counties and municipalities to the Department of Public Safety. The League opposed the measure as the current system is highly successful at finding stolen property, and local governments have much more familiarity with establishments in their own communities. The counties also opposed the bill, and no one signed in supporting the measure. The measure now goes to the Senate Rules Committee.

PTSD

On Tuesday **HB2350; post-traumatic stress disorder; occupational disease** unanimously passed the Senate Appropriations Committee. The bill, a product of stakeholder negotiations, was amended from Post-Traumatic Stress Disorder as a presumptive disease to offering a public safety worker up to 12 therapy sessions if he or she was involved with a traumatic workplace incident. These sessions are paid for by the employer. The measure now goes to the Senate Rules Committee.

Legislative Bill Monitoring

(All bills being actively monitored by the League [can be found here.](#))

HB2350: S/E post-traumatic stress disorder; occupational disease

HB2690: pawnbroker licensure; DPS

HB2163: S/E pet dealer regulations

HB2146: municipalities; property sale threshold; election

SB1282: public records; unduly burdensome requests

HB2486: telecommunications utilities; relocation; reimbursement

Legislative Bulletin is published by the League of Arizona Cities and Towns.
Forward your comments or suggestions to league@azleague.org.



Issue 12 - April 1, 2016

Legislative Overview

Today is the 82nd day of session. Almost all activity was on the floor this week, as only a few committees heard executive nominations or had presentations. Both chambers are clearing as many bills as possible and transferring them back to the house of origin or to the governor's office. This pattern is usually a portent to the budget deliberation process.

To date 106 bills have passed, with 89 signed, and one vetoed, the cursive writing mandate.

Drones

SB1449, prohibited operations; unmanned aircraft passed the House by a vote of 57-0 this week. Sponsored by Senator John Kavanagh (R - Fountain Hills) the bill sets forth various regulations on unmanned aircraft, or "drones." The bill was amended in House Judiciary by the chair of that committee, Representative Eddie Farnsworth (R- Gilbert) to remove many of the delineations of federal and state law and simply refer to current statute. There was also a floor amendment in the House that clarified the ability of cities and towns to regulate drones in parks or preserves. The measure does have penalties for inappropriate use of drones. The bill now returns to the Senate where the sponsor is expected to concur with the House changes, and then the bill will go to a Final Read in the Senate.

Online Home-Sharing

SB1350, online homesharing administration; definitions, allows for a city, town, or other taxing jurisdiction to levy a transaction privilege, sales, use or similar tax/fee on the business of operating an online lodging marketplace such as Airbnb. The bill also prohibits municipalities from banning this type of short-term housing rental; it is sponsored by Senator Debbie Lesko (R - Peoria). The League is continuing to engage in negotiations with the proponents in order to reach a reasonable compromise on these issues, therefore the League is officially neutral. The League has made significant progress toward ensuring cities and towns will still have the tools necessary to control undesirable activities such as noise and nuisance violations, and we are rapidly approaching an equitable tax treatment solution. The sponsor continues to hold the bill off the Rules committee agenda as work continues on the final language.

Legislative Bill Monitoring

(All bills being actively monitored by the League [can be found here.](#))

SB1449: S/E prohibited operations; unmanned aircraft

SB1350: S/E online homesharing; administration; definitions

SB1248: S/E pet store operators; dealers; regulations

HB2497: S/E equipment; permits; local governments

HB2391: municipalities; water rates; requirements

HB2538: municipal bonds; tax levy

SB1524: regulatory actions; limitations

HB2384: S/E: urbanized areas; incorporation

HB2076: annexation; single property owner; exception

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