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JUN 09 2011



Chandler • Arizona
Where Values Make The Difference

MEMORANDUM Economic Development – Council Memo ED11-018

DATE: MAY 31, 2011

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *PM*

FROM: CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR *CM*

SUBJECT: GREATER PHOENIX ECONOMIC COUNCIL CONTRACT
 FOR FISCAL YEAR 2011-12

RECOMMENDATION: Staff recommends approval of the proposed Fiscal Year 2011-2012 contract for regional economic development services with the Greater Phoenix Economic Council (GPEC) in the amount of \$78,384, and authorize the Mayor to sign the contract approved by the City Attorney.

BACKGROUND/DISCUSSION: The City of Chandler and other communities in Maricopa County contract with GPEC on an annual basis to provide regional economic development services. The City of Chandler and other major cities have contracted with GPEC since 1989 to conduct marketing and business lead generation activities for the Greater Phoenix market.

City Economic Development staff participates with GPEC on regional economic development activities, including formulating GPEC's Action Plan for FY 2011-2012. Staff participates on the Economic Development Director's Team (EDDT), made up of economic development professionals from each member organization (19 communities, Arizona State University, Maricopa Community College District, Arizona Department of Commerce, Arizona Public Service and Salt River Project).

The EDDT Team works with GPEC to market and attract new quality employers to the market and to develop and implement competitive strategies for the region. With input from the EDDT Team, GPEC's performance measures have evolved over the past

several years to focus less on quantity and more on quality indicators, such as targeting companies that create higher average salary jobs and higher capital investment.

As part of the City's contract with GPEC, Chandler receives two GPEC Board of Director's appointments (Councilmember Weninger and Jason Bagley with Intel).

The annual contract amount for GPEC is determined by 2010 Maricopa Association of Governments ("MAG") population estimate multiplied by a fixed amount per capita of approximately \$.39 per capita. Chandler's proportionate share, based on the MAG 2010 population estimate is \$78,384, which represents a 15% rate reduction to the actual contract payment to assist all member cities with the challenging budget year faced again this year. This concession was offered by GPEC in the 2010-2011 contract year as well and was appreciated by all cities allowing for additional marketing efforts during the fiscal year on a local level.

GPEC and the City of Chandler have partnered on three locate projects this fiscal year (International Rectifiers, Safelite AutoGlass and eBay. PayPal) as well as fourteen more since 2002.

The proposed FY11-12 contract has identifiable and measurable performance targets for GPEC, with monthly and quarterly reporting mechanisms built in. Exhibits to the contract include a scope of work with specific activities identified, performance targets, community industry targets, reporting mechanisms and insurance requirements.

Staff has reviewed the proposed contract and recommends continued support of GPEC's regional economic development efforts.

FINANCIAL IMPLICATIONS:

The contract amount of \$78,384 is budgeted in the Economic Development Division Cost Center (1520).

PROPOSED MOTION:

Move to approve the contract with the Greater Phoenix Economic Council for FY11-12 in the amount of \$78,384, and authorize the Mayor to sign the contract approved by the City Attorney.

ATTACHMENTS:

GPEC Contract
Exhibits

**AGREEMENT BETWEEN
THE GREATER PHOENIX ECONOMIC COUNCIL
AND THE CITY OF CHANDLER
City Contract No. _____**

The City Council of the CITY OF CHANDLER, a municipal corporation (the “City”), has approved participation in and support of the regional economic development program of the GREATER PHOENIX ECONOMIC COUNCIL (“GPEC”), an Arizona non-profit corporation. The purpose of this agreement (“Agreement”) is to set forth the regional economic development program that GPEC agrees to undertake, the support that the City agrees to provide, the respective roles of GPEC and the City and the payments of the City to GPEC for the fiscal year July 1, 2011 - June 30, 2012.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the CITY and GPEC agree as follows:

I. RESPONSIBILITIES OF GPEC

A. MISSION: GPEC works to attract quality businesses to the Greater Phoenix Region from around the world, and advocate and champion foundational effects to improve the region's competitiveness.

B. GOALS: GPEC is guided by and strategically focused on two specific long-range goals:

1. Marketing the region to generate qualified business/industry prospects in targeted economic clusters
2. Leveraging public and private allies and resources to locate qualified prospects, improve overall competitiveness, and sustain organizational vitality

C. RETENTION AND EXPANSION POLICY:

1. GPEC’s primary role is image building, marketing and new business attraction for the Greater Phoenix region.
2. Retention and expansion of existing businesses is primarily a local issue.
3. GPEC can add value to retention and expansion of existing businesses through regional support and research on key retention and expansion projects.
4. GPEC has a responsibility to advise the City when an existing company contacts GPEC regarding a retention or expansion issue.

D. ACTION PLAN AND BUDGET: In accordance with the Mission, Goals and Retention Policy set forth above and subject to the availability of adequate funding, GPEC shall implement the Action Plan and Budget adopted by GPEC's Board of Directors, a copy of which has been delivered to the City, receipt of which is hereby acknowledged. A summary of the Action Plan is attached hereto as **Exhibit A** (“GPEC Action Plan”). The City shall be informed of any changes in the adopted Action Plan which will materially affect or alter the priorities established therein. Such notification will be in writing and will be made

prior to implementation of such changes. Notwithstanding the foregoing, the City acknowledges and agrees that GPEC may, in its reasonable judgment in accordance with its own practices and procedures, substitute, change, reschedule, cancel or defer certain events or activities described in the Action Plan as required by a result of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control. GPEC shall solicit the input of the City on the formulation of future marketing strategies and advertisements. The Action Plan will be revised to reflect any agreed upon changes to the Action Plan.

- E. PERFORMANCE TARGETS:** Specific performance targets, established by GPEC's Executive Committee and Board of Directors, are attached hereto as **Exhibit B** ("GPEC Performance Measures") and shall be used to evaluate and report progress on GPEC's implementation of the Action Plan. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control, these performance targets may be revised with the City's prior written approval, or with the prior written approval of a majority of the designated members of GPEC's Economic Development Directors Team ("EDDT"). GPEC will provide monthly reports to the City discussing in detail its progress in implementing the Action Plan as well as reporting the numerical results for each performance measurement set forth in Exhibit B. GPEC shall provide a copy of its annual external audit for the preceding fiscal year to the City no later than December 31, 2011.

In the case of any benchmark which is not met, GPEC will meet with the EDDT to provide an explanation of the relevant factors and circumstances and discuss the approach to be taken in order to achieve the target(s). Failure to meet a performance target will not, by itself, constitute an event of default hereunder unless GPEC (i) fails to inform the City of such event or (ii) fails to meet with EDDT to present a plan for improving its performance during the balance of the term of the Agreement will constitute an event of default for which the City may terminate this Agreement pursuant to paragraph IV.J. below.

II. RESPONSIBILITIES OF THE CITY

- A. STAFF SUPPORT OF GPEC EFFORTS:** The City shall provide staff support to GPEC's economic development efforts as follows:
1. The City shall respond to leads or prospects referred by GPEC in a professional manner within the time frame specified by the lead or prospect if the City desires to compete and if the lead is appropriate for the City. When available, the City agrees to provide its response in the format developed jointly by EDDT and GPEC;
 2. The City shall provide appropriate local hospitality, tours and briefings for prospects visiting sites in the City;
 3. The City shall provide an official economic development representative to represent the City on the EDDT, which advises GPEC's President and CEO;
 4. The City shall cooperate in the implementation of GPEC/EDDT process improvement recommendations including the use of common presentation formats, exchange of information on prospects with GPEC's staff, the use of shared data

systems, land and building data bases and private sector real estate industry interfaces;

5. The City shall use its best efforts to respond to special requests by GPEC for particularized information about the City within three business days after the receipt of such request;
6. In order to enable GPEC to be more sensitive to the City's requirements, the City shall, at its sole option, deliver to GPEC copies of any City approved economic development strategies, work plan, programs and evaluation criteria. GPEC shall not disclose the same to the other participants in GPEC or their representatives;
7. The City shall utilize its best good faith efforts to cause an economic development professional representing the City to attend all marketing events and other functions to which the City has committed itself;
8. The City agrees to work with GPEC to improve the City's Competitiveness and market readiness to support the growth and expansion of the targeted industries as identified for the City in **Exhibit C** (Targeted Industries);

B. RECOGNITION OF GPEC: The City agrees to recognize GPEC as the City's officially designated regional economic development organization for marketing the Greater Phoenix region.

III. ADDITIONAL AGREEMENTS OF THE PARTIES:

A. PARTICIPATION IN MARKETING EVENTS AND PROVISION OF TECHNICAL ASSISTANCE: Representative(s) of the City shall be entitled to participate in GPEC's marketing events provided that such participation shall not be at GPEC's expense. When requested and appropriate, GPEC will use its best efforts to provide technical assistance and support to City economic development staff for business location prospects identified and qualified by the City and assist the City with presentations to the prospect in the City or their corporate location.

B. COMPENSATION:

1. The City agrees to pay **\$78,384.00** for services to be provided by GPEC pursuant to the Agreement during the fiscal year ending on June 30, 2012, as set forth in this Agreement. This amount is based on approximately \$.39 per capita, based upon the 2010 Maricopa Association of Governments ("MAG") population estimate, which listed the City as having a population of **236,636** and includes a 15% rate reduction to FY2011-2012 compensation. The payment by the City may, upon the mutual and discretionary approval of the board of directors of GPEC and the City Council, be increased or decreased from time to time during the term hereof in accordance with the increases or decreases of general application in the per capita payments to GPEC by other municipalities which support GPEC.
2. Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the City Council pursuant to the required budget process of the City;

3. Nothing herein shall preclude the City from contracting separately with GPEC for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by the City and GPEC; and
4. GPEC shall submit invoices for payment on a quarterly basis. The foregoing notwithstanding, if GPEC has not provided the City with the audit required pursuant to paragraph I.E above no later than December 31, 2011, no payments shall be made hereunder until the City receives the audit report. Invoices and monthly activity reports, substantially in the form of **Exhibit D** ("Reporting Mechanism for Contract Fulfillment") attached hereto, are to be submitted to the address listed under paragraph IV.P.

C. COOPERATION:

1. The parties acknowledge that GPEC is a cooperative organization effort between GPEC and the City. Accordingly, the City and GPEC covenant and agree to work together in a productive and harmonious working relationship, to cooperate in furthering GPEC's goals for the 2011-2012 fiscal year.
2. The City agrees to work with GPEC, as necessary or appropriate, to revise the performance measures, and/or benchmarks, and/or goals for the FY 2012-2013 contract.
3. The City agrees to work with GPEC during the FY2011-2012 program year to develop a revised public sector funding plan, including a regional allocation formula for FY2012-2013, if determined to be necessary or appropriate.

IV. GENERAL PROVISIONS:

- A. COVENANT AGAINST CONTINGENT FEES:** GPEC warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For a breach or violation of this warranty, the City shall have the right to terminate this Agreement without liability or, in its discretion, to deduct the commission, brokerage or contingent fee from its payment to GPEC.
- B. PAYMENT DEDUCTION OFFSET PROVISION:** GPEC recognizes the provisions of the City Code of the City of Chandler which require and demand that no payment be made to any contractor as long as there is any outstanding obligation due to the City, and directs that any such obligation be offset against payment due to GPEC.
- C. ASSIGNMENT PROHIBITED:** No party to this agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and no effect.
- D. INDEPENDENT CONTRACTOR; NO AGENCY:** Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between the City and GPEC. At all times during the term of this Agreement, GPEC shall be an independent contractor and shall not be an employee of City. City shall have the right to control GPEC only insofar as

to the results of GPEC's services rendered pursuant to this Agreement. GPEC shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. GPEC shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

- E. INDEMNIFICATION AND HOLD HARMLESS:** During the term of this Contract, GPEC shall indemnify, defend, hold, protect and save harmless the City and any and all of its Councilmembers, officers and employees from and against any and all actions, suits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by City, brought, made, filed against, imposed upon or sustained by the City, its officers, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by GPEC, its directors, officers, agents or employees acting on behalf of GPEC and with GPEC's knowledge and consent.

Any party entitled to indemnity shall notify GPEC in writing of the existence of any claim, demand or other matter to which GPEC's indemnification obligations would apply, and shall give to GPEC a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the indemnified party.

Nothing in this Subsection E shall be deemed to provide indemnification to any indemnified party with respect to any liabilities arising from the fraud, negligence, omissions or willful misconduct of such indemnified party.

- F. INSURANCE:** GPEC shall procure and maintain for the duration of this Agreement, at GPEC's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement by GPEC, its agents, representatives, employees or contractors, in accordance with the Insurance Requirements set forth in **Exhibit E** ("Insurance Requirements"), attached hereto. The City acknowledges that it has received and reviewed evidence of GPEC's insurance coverage in effect as of the execution of this Agreement.
- G. GRATUITIES:** The City may, by written notice to GPEC, terminate the right of GPEC to proceed under this Agreement upon one (1) calendar day notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by GPEC, or any agent or representative of GPEC, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of such contract; provided that the existence of the facts upon which the City makes such findings shall be an issue and may be reviewed in any competent court. In the event of such termination, the City shall be entitled to pursue all legal and equitable remedies against GPEC available to the City.
- H. EQUAL EMPLOYMENT OPPORTUNITY.** During the performance of this Agreement, GPEC agrees as follows:
1. GPEC will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age or disability. GPEC shall take affirmative action to ensure that applicants are

employed, and that employees are treated during employment without regard to their race, color, religion, gender, sexual orientation, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. GPEC agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. GPEC will, in all solicitations or advertisements for employees place by or on behalf of GPEC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.
3. GPEC will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to Agreements or subcontracts for standard commercial supplies or new materials.
4. Upon request by the City, GPEC shall provide City with information and data concerning action taken and results obtained in regard to GPEC's Equal Employment Opportunity efforts performed during the term of this Agreement. Such reports shall be accomplished upon forms furnished by the City or in such other format as the City shall prescribe.

I. COMPLIANCE WITH APPLICABLE FEDERAL AND STATE LAWS REQUIRED. GPEC understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986, the Drug Free Workplace Act of 1989 and the American with Disabilities Act, and agrees to comply therewith in performing under any resultant agreement and to permit City inspection of its records to verify such compliance.

1. GPEC warrants to the City that, to the extent applicable under A.R.S. §41-4401, GPEC is in compliance with all Federal Immigration laws and regulations that relate to its employees and with the E-Verify Program under A.R.S. §23-214(A). GPEC acknowledges that a breach of this warranty by GPEC or any subconsultants providing services under this Agreement is a material breach of this Agreement subject to penalties up to and including termination of this Agreement or any applicable subcontract. The City retains the legal right to inspect the papers of any employee of GPEC or any subconsultant who works on this Agreement to ensure compliance with this warranty.
2. The City may conduct random verification of the employment records of GPEC and any of its subconsultants who work on this Agreement to ensure compliance with this warranty.
3. The City will not consider GPEC or any of its subconsultants who work on this Agreement in material breach of the foregoing warranty if GPEC and such subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and

Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

4. The provisions of this Section I must be included in any contract GPEC enters into with any and all of its subconsultants who provide services under this Agreement or any subcontract to provide services under this Agreement. As used in this Section I "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.
5. Pursuant to A.R.S. §§35-391.06 and 35-393-06, GPEC hereby certifies to the City that GPEC does not have "scrutinized" business operations, as defined in A.R.S. §§35-391 and 35-393, in either Sudan or Iran.

- J. TERMINATION.** City shall have the right to terminate this Agreement if GPEC shall fail to duly perform, observe or comply with any covenant, condition or agreement on its part under this Agreement and such failure continues for a period of 30 days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to GPEC by the City; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within 30 days, no event of default shall be deemed to have occurred or to exist if, and so long as, GPEC shall commence such action within that period and diligently and continuously prosecute the same to completion within 90 days or such longer period as the City may approve in writing. The foregoing notwithstanding, in the event of circumstances which render GPEC incapable of providing the services required to be performed hereunder, including, but not limited to, insolvency or an award of monetary damages against GPEC in excess of its available insurance coverage and assets, the City may immediately and without further notice terminate this Agreement.
- K. RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS.** GPEC's performance hereunder shall be in material compliance with all applicable federal, state and local health, environmental, and safety laws, regulations, standards, and ordinances in effect during the performance of this Agreement.
- L. INSTITUTION OF LEGAL ACTIONS.** Any legal actions instituted pursuant to this Agreement must be filed in the county of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona. In any legal action, the prevailing party in such action will be entitled to reimbursement by the other party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court.
- M. APPLICABLE LAW.** Any and all disputes arising under any Agreement to be awarded hereunder or out of the proposals herein called for, which cannot be administratively resolved, shall be tried according to the laws of the State of Arizona, and GPEC shall agree that the venue for any such action shall be in the State of Arizona.
- N. CONTINUATION DURING DISPUTES.** GPEC agrees that, notwithstanding the existence of any dispute between the parties, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by an Arizona court of competent jurisdiction.

- O. CITY REVIEW OF GPEC RECORDS.** GPEC must keep all Agreement records separate and make them available for audit by City personnel upon request.
- P. NOTICES.** Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Christine Mackay
 Economic Development Director
 City of Chandler
 PO Box 4008, MS 416
 Chandler, Arizona 85244
 Phone: 480-782-3035
 FAX: 480-782-3040

If to GPEC: Barry Broome
 President and Chief Executive Officer
 Greater Phoenix Economic Council
 Two North Central Avenue, Suite 2500
 Phoenix, Arizona 85004-4469
 (602) 256-7700
 FAX: (602) 256-7744

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

- Q. TRANSACTIONAL CONFLICT OF INTEREST.** All parties hereto acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.
- R. NONLIABILITY OF OFFICIALS AND EMPLOYEES.** No member, official or employee of the City will be personally liable to GPEC, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to GPEC or successor, or on any obligation under the terms of this Agreement. No member, official or employee of GPEC will be personally liable to the City, or any successor in interest, in the event of any default or breach by the GPEC or for any amount which may become due to the City or successor, or on any obligation under the terms of this Agreement.
- S. NO WAIVER.** Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.
- T. SEVERABILITY.** If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this

Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.

- U. CAPTIONS.** The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.
- V. NO THIRD PARTY BENEFICIARIES.** No creditor of either party or other individual or entity shall have any rights, whether as a third-party beneficiary or otherwise, by reason of any provision of this Agreement.
- W. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.** This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement, including ten (10) pages of text and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

- Exhibit A – GPEC Action Plan
- Exhibit B - GPEC Performance Measures
- Exhibit C - Targeted Industries
- Exhibit D - Reporting Mechanism for Contract Fulfillment
- Exhibit E - Insurance Requirements

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or GPEC, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this _____ day of _____, 2011.

CITY OF CHANDLER, a municipal corporation
The Honorable Jay Tibshraeny, Mayor

By: _____
Its: _____

ATTEST:

By: _____
Its: City Clerk

APPROVED AS TO FORM:

By: _____
Its: City Attorney SAB

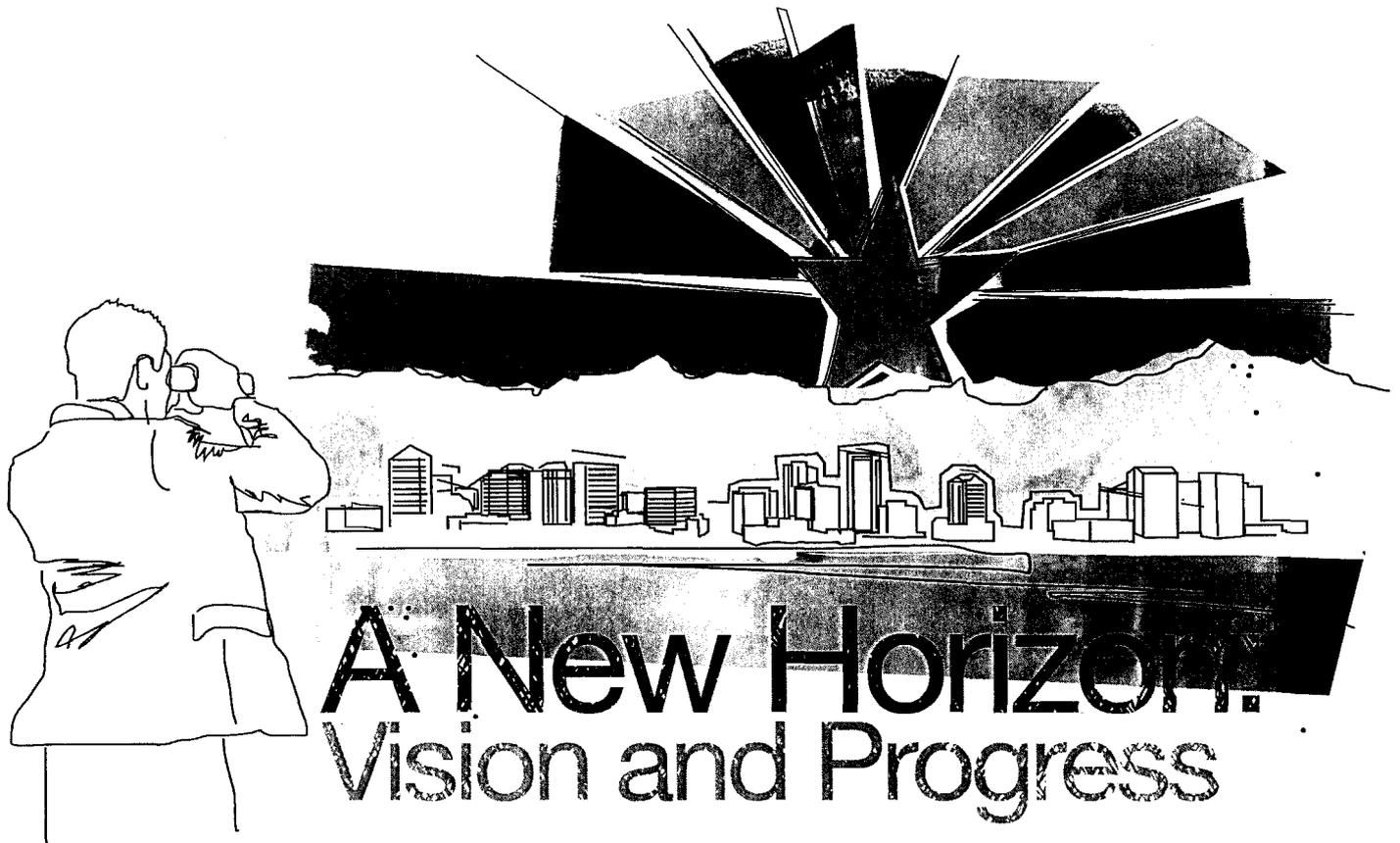
GREATER PHOENIX ECONOMIC COUNCIL,
an Arizona nonprofit corporation

By: _____

Barry Broome
President & Chief Executive Officer

EXHIBIT A

GPEC
FISCAL YEAR 2012
Action Plan

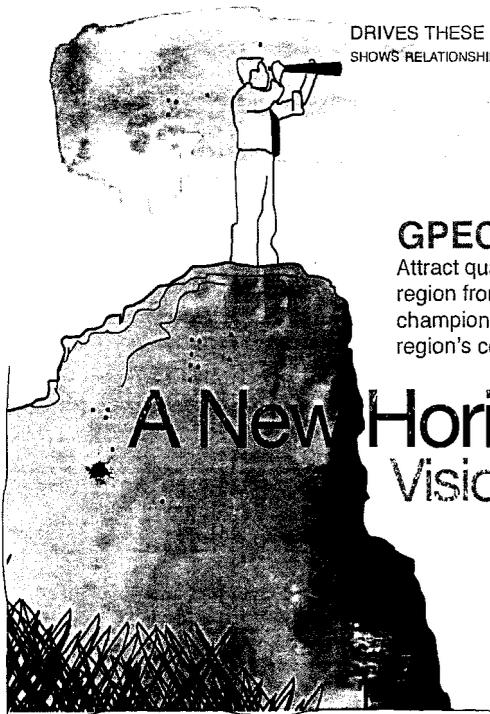




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- 6 FY12 METRICS
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- 10 COMPETITIVENESS
- 12 MARKETING AND COMMUNICATIONS
- 13 STAKEHOLDER ENGAGEMENT: LEADING THE WAY

*What to Expect in
the Following Pages*

- FY11 MILESTONES**
MOMENTUM GAINED IN THE LAST YEAR—SELECT ACHIEVEMENTS AND KEY BENCHMARKS
- FY12 ACTION ITEMS**
SAMPLE OF ACTIVITIES THAT ADHERE TO A FIVE-YEAR VISION AND RESULT IN PROGRESS
- DRIVES THESE FY12 METRICS**
SHOWS RELATIONSHIP BETWEEN ACTION ITEMS AND ANNUAL PERFORMANCE GOALS



GPEC Mission
Attract quality businesses to the Greater Phoenix region from around the world, and advocate and champion foundational efforts to improve the region's competitiveness.

**A New Horizon:
Vision and Progress**

Current State

Amid recent estimates of a longer economic recovery, GPEC's mission has never been more relevant.

GPEC is motivated by the simple desire to make a real difference, and this purpose is reflected in the organization's body of work. Through 2010 and into 2011, GPEC has stretched to accomplish more with less. At a time when many have been forced to diminish their efforts, GPEC has rallied to deliver performance measures and fulfill competitiveness objectives to provide exceptional returns to its constituents. More importantly, GPEC has shifted into higher gear to impact Arizona's families, whose quality of life is dependent on good jobs and new investment in the region's economy.

A New Horizon

While the current outlook indicates an economic rebound after 2014, GPEC's aim and obligation to serve its member communities remain. Accordingly, GPEC has assessed what steps are needed to move Greater Phoenix to the next level and what role the organization should assume within the next five years. GPEC has outlined a new horizon under the mission-critical framework of *Business Development, Competitiveness, and Marketing and Communications*. These strategic "pillars" will serve as the foundation for annual tactics and activities that will be implemented over a five-year period.

Vision and Progress

Strategic pillars will guide GPEC's fiscal year activities and by 2016, lead to the following vision statements:

Strategic Pillar	By 2016
Retention and Expansion	GPEC's R/E model will be best-in-class.
Next Generation	GPEC will elevate Greater Phoenix as a leading center of emerging technologies.
Attraction	GPEC will maintain its reputation as a credible, respectable and "go to" organization.
International	GPEC's foreign direct investment approach will be a national best practice.
Regional Brand	GPEC will successfully define Greater Phoenix as a region that is forward-thinking, innovative and business-friendly.
GPEC Brand	GPEC will be the nation's premier agency, and leader in the economic development realm. In Arizona, GPEC will be principal leadership organization.
Capital Markets / Venture Formation	GPEC will develop a science and technology-based fund that will drive regional innovation activity.

**STRATEGIC PLAN
REVISITED**

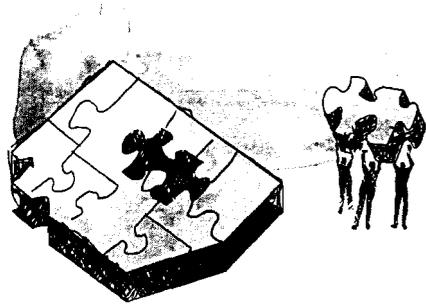
In alignment with its objective of ensuring GPEC operates in an innovative, integrated, proactive economic development model, the GPEC Next Leadership Council assembled a task force to chart a new course for the organization over the next five years.

The scope of the task force included:

- Establishing a framework for key areas of focus which will serve as a roadmap for the organization over the next five years
- Evaluating the governance and funding models

Overall findings and recommendations were shared with public-sector members for input, presented to the GPEC Next Leadership Council, and submitted to GPEC's Executive Committee and Board of Directors for consideration and approval.

GPEC Stakeholders



Member Communities

- | | |
|-----------------|-----------------|
| Maricopa County | Goodyear |
| Phoenix | Buckeye |
| Mesa | Casa Grande |
| Glendale | Maricopa |
| Chandler | Apache Junction |
| Scottsdale | Fountain Hills |
| Gilbert | Queen Creek |
| Tempe | Tolleson |
| Peoria | Wickenburg |
| Surprise | Gila Bend |
| Avondale | |

Platinum

- AAA ARIZONA
- ALLIANCE BANK OF ARIZONA
- APS
- ARIZONA CARDINALS
- ARIZONA REPUBLIC / GANNETT FOUNDATION
- ARIZONA STATE UNIVERSITY
- AT&T
- BANNER HEALTH
- CHASE
- COX COMMUNICATIONS
- D.L. WITHERS CONSTRUCTION
- DMB ASSOCIATES
- ERNST & YOUNG
- FREEMPORT-MCMORAN COPPER & GOLD INC.
- HENSLEY
- HUMANA
- JOBING.COM*
- KTAR*
- MARACAY HOMES
- MARICOPA COMMUNITY COLLEGES
- MAYO CLINIC
- MIDFIRST BANK
- NAJAFI COMPANIES
- NATIONAL BANK OF ARIZONA
- PETSMART
- PHOENIX SUNS
- POWER-ONE
- SCF ARIZONA
- SRP
- ST. JOSEPH'S HOSPITAL & MEDICAL CENTER
- STIRLING ENERGY SYSTEMS, INC.
- UNIVERSITY OF PHOENIX
- USAA
- US AIRWAYS*
- VERIZON WIRELESS
- WASTE MANAGEMENT
- WELLS FARGO
- WESTCOR

Gold

- A.T. STILL UNIVERSITY
- AETNA
- ARIZONA DIAMONDBACKS
- BLUECROSS BLUESHIELD OF ARIZONA
- CANCER TREATMENT CENTERS OF AMERICA
- CAPITAL COMMERCIAL INVESTMENT, INC.
- CASSIDY TURLEY/BRE COMMERCIAL
- CB RICHARD ELLIS
- CELGENE CORPORATION
- CENTRAL ARIZONA COMMERCE PARK, LLC.
- COE & VAN LOO CONSULTANTS, INC.
- COLLIERS INTERNATIONAL
- COMPASS BANK
- COSTAR GROUP*
- CRESAPARTNERS
- CUSHMAN & WAKEFIELD
- DELOITTE
- DEUTSCH ARCHITECTURE GROUP*
- EL DORADO HOLDINGS
- ENSEMBLE DEVMAN OF ARIZONA
- GAMMAGE & BURNHAM
- HDR ARCHITECTURE
- HINES
- HOWARD S. WRIGHT CONSTRUCTORS
- IASIS HEALTHCARE
- JE DUNN CONSTRUCTION
- JENNINGS, STROUSS & SALMON, P.L.C.
- JOHN C. LINCOLN HEALTH NETWORK
- JONES LANG LASALLE
- KITCHELL
- KLUTZNICK COMPANY
- LAYTON CONSTRUCTION
- LEWIS & ROCA LLP*
- M&I BANK
- MCCARTHY BUILDING COMPANIES
- MORTENSON CONSTRUCTION
- ON Q FINANCIAL
- PAYPAL
- PHOENIX CHILDREN'S HOSPITAL
- POLSINELLI SHUGHART
- PTE REAL ESTATE GROUP, LLC.
- RENAISSANCE COMPANIES
- SINDEL TECHNOLOGY SOLUTIONS*
- SMITHGROUP
- SOLARCIY
- SOUTHWEST AIRLINES*
- SQUIRE, SANDERS & DEMPSEY
- SUN HEALTH
- SUNDT CONSTRUCTION
- UPS
- WEALTHTRUST ARIZONA
- WESFAC CONSTRUCTION, INC.

Silver

- A1A VISTA TECH
- ADOLFSON & PETERSON CONSTRUCTION
- AMERICAN INSTITUTE OF ARCHITECTS
- ARIZONA OFFICE TECHNOLOGIES
- AUSTIN COMMERCIAL
- AVNET
- BANK OF ARIZONA
- BRIDGERS & PAXTON CONSULTING ENGI-NEERS, INC.
- BRYAN CAVE
- CAPITAL GROUP COMPANIES
- CLEAR CHANNEL OUTDOOR
- COVANCE
- DIBBLE ENGINEERING
- DPR CONSTRUCTION
- THE ELLMAN COMPANIES
- FACILITEC
- FENNEMORE CRAIG
- FERVOR CREATIVE*
- GOODMANS INTERIOR STRUCTURES
- GRANT THORNTON
- INTEL CORPORATION
- JABIL
- JOB BROKERS INC. / JBI ENERGY
- JOHNSON CARLIER
- KAHALA CORPORATION
- KELLY SERVICES
- KPMG, LLP
- LAND ADVISORS ORGANIZATION
- MARSH
- MCSHANE DEVELOPMENT COMPANY
- MSS TECHNOLOGIES
- NORTHERN TRUST BANK
- OSBORN MALEDON
- THE PLAZA COMPANIES
- QUARLES & BRADY
- QUEEN CREEK / LANDMARK PROPERTY
- RISC
- RYLEY, CARLOCK & APPLEWHITE
- SCOTTSDALE HEALTHCARE
- SNELL & WILMER LLP
- SOUTHWEST GAS CORPORATION
- TARGET COMMERCIAL INTERIORS
- UNIVERSITY OF ARIZONA
- UNIVITA
- WEST VALLEY NATIONAL BANK
- WIST OFFICE PRODUCTS COMPANY*
- WOOD. PATEL & ASSOCIATES, INC.
- WYNDHAM PHOENIX*

Bronze

- APPLIED ECONOMICS*
- ADVANTAGE OFFICE SUITES
- CAREFREE PARTNERS
- DIRCKS MOVING SERVICES
- GALLAGHER & KENNEDY
- IRGENS DEVELOPMENT PARTNERS, LLC
- MIDWESTERN UNIVERSITY
- ORCUTT/WINSLOW PARTNERSHIP
- PERINI BUILDING COMPANY, INC.
- PLANT SOLUTIONS*
- SKYSONG. THE ASU SCOTTSDALE INNOVATION CENTER
- SUNSTATE EQUIPMENT COMPANY

*IN-KIND SUPPORT

A New Horizon:
Vision and Progress

FY12 Metrics

FY12 Budget

JULY 1, 2011 THROUGH JUNE 30, 2012

	Threshold	Target	Stretch
Payroll Generated	\$168.7M	\$187.5M	\$206.2M
Number of Jobs	4,005	4,450	4,895
High-Wage Jobs	1,701	1,890	2,079
Average High-Wage Salary	\$47,398	\$52,664	\$57,930
Emerging Technology Assits	8	10	12
Total Number of Qualified Prospects	187	208	229
Total Number of Qualified International Prospects	28	31	34
Total Reach of Editorial Placements	99M	110M	121M
Stakeholder Satisfaction with Business Attraction	7.0*	7.3*	7.6*
Competitive Position Progress	**	**	**
Meet or Exceed Cash Reserve Target	98%	100%	102%

* BASED ON A SCALE OF 1 TO 10

** AS DETERMINED BY GPEC'S EXECUTIVE COMMITTEE

Revenues	FY10-11 Budget	FY10-11 Forecast*	% of total	FY11-12	% of total	Variance**	Change
Public Funds	\$ 1,905,340	\$ 1,954,971	41.8%	\$ 1,883,032	40.2%	\$ (71,939)	-3.7%
Private Funds	2,562,700	2,710,700	58.0%	2,792,000	59.6%	81,300	3.0%
Other Income	8,000	6,000	0.2%	8,000	0.2%	-	0.0%
Total Revenues	\$ 4,476,040	\$ 4,673,671	100.0%	\$ 4,683,032	100.0%	\$ 9,361	0.2%
Operating Expenditures							
Business Attraction	\$ 342,900	\$ 367,900	7.9%	\$ 273,500	5.8%	\$ (94,400)	-25.7%
Marketing	305,500	307,500	6.8%	177,200	3.8%	(130,300)	-42.4%
Research & Strategy	152,000	150,000	3.2%	128,600	2.7%	(21,400)	-14.3%
External Relations	275,120	293,120	6.3%	240,300	5.1%	(52,820)	-18.0%
Resource Management	231,300	246,300	5.3%	236,000	5.0%	(10,300)	-4.2%
Personnel	3,169,381	3,169,381	67.8%	3,264,510	69.7%	95,129	3.0%
Facilities	485,052	485,052	10.4%	464,000	9.9%	(21,052)	-4.3%
Expenses	\$ 4,961,253	\$ 5,019,253	107.4%	\$ 4,784,110	102.2%	\$ (235,143)	-4.7%
Net Income/(Loss)	\$ (485,213)	\$ (345,582)	-7.4%	\$ (101,078)	-2.2%	\$ 244,504	-70.8%
Less: Capital Expenditures	(25,000)	(25,000)	-0.5%	(20,000)	-0.4%	5,000	-20.0%
Add: Rent	146,142	176,820	3.8%	-	0.0%	(176,820)	-100.0%
Add: Depreciation	96,000	67,000	1.4%	50,000	1.1%	(17,000)	-25.4%
Net Cash Movement - Operations	(268,071)	(126,762)	-2.7%	(71,078)	-1.5%	\$ 55,684	-43.9%
Net change in cash reserves	\$ (268,071)	\$ (126,762)		\$ (71,078)		\$ 55,684	-43.9%

Notes

* Forecasted results as of April 30, 2011

Business Development

FY11 Milestones

Delivered Arizona as the Top Spot for Renewable Energy Companies
Industry leaders First Solar, Fluidic Energy, Gestamp and Power One announced major manufacturing/technology locations, joining China-based Suntech's U.S. headquarters.

Reached New Heights with Site Selectors
Deepened relationships with key national consultants, visiting approximately 80 in face-to-face briefings.

Increased International Activity
GPEC assisted five international locates and increased the international prospect pipeline by 16%.

Achieved a Record Performance
Through April, GPEC already solidified a record year in performance over the last decade. Year-end projections indicate GPEC is on-track to deliver a best-ever year in the organization's 22-year history.

ExecuTours
About 20 of the nation's esteemed site-selection consultants visited the region as part of the ExecuTour series.

Create and maintain high-quality jobs and investment through targeted, direct selling

Proactively pursue the best projects that meet community and regional objectives

FY12 Action Items

Bolster International and Go Forth in China

GPEC's international program will assume a more dominant role in business attraction efforts.

Go China: China will remain at the top of opportunity-rich markets. Exploration will continue for a formal investment relationship with Jiangsu province and business development efforts will focus on attracting supply-chain companies.

Global Connect: GPEC will build its global brand by expanding targeted sales missions, increasing participation at conferences, and delivering keynote presentations in Western Europe, Spain, Germany and Canada.

Broaden Site-Selector Approach

In the past year, GPEC has seen a 10.5% increase in prospect activity from national site selectors. GPEC will continue to build a strong program to engage the top 100 national site selectors as an integral part of direct-selling efforts.

Expand ExecuTour Model

With a well-established ExecuTour model in place, GPEC will continue to target national site-selection consultants while also including international delegations, investment organizations and chief-level executives of prospective locates. GPEC will also expand the ExecuTour business forum structure to gain the perspectives and participation of national public relations experts, economic development thought leaders and top executives from national and international media outlets.



Leverage Opportunity in California

As a natural partner to the Golden State, GPEC will continue to build the case for California businesses to expand or relocate to the region.

Sun Corridor: Approaching year three, the Sun Corridor Partners (GPEC, Tucson Regional Economic Opportunities, Greater Yuma Economic Development Corporation, City of Flagstaff and Pinal County) are enhancing the current joint California strategy with a refined selling strategy.

Los Angeles: Target 10,000 small to medium-sized enterprises in California to expand the value chain and manufacturing capabilities for Arizona's key anchor companies.

Regional Headquarters: Additional focus will be placed on companies that have offices in California with headquarters in other domestic markets.

Drives These FY12 Metrics

- Pipeline of qualified prospects
- Total number of jobs created
- Number of high-wage jobs created
- Average high-wage salary
- Payroll generated
- Stakeholder satisfaction with business attraction
- Competitive position progress

Competitiveness

FY11 Milestones

Arizona's Competitiveness Package (SB1041)
Worked closely with the Governor's office and state leadership to shape the economic development programs introduced in the package.

Pass Arizona (SB1041)
GPEC assumed a greater role in leading the conversation about Arizona's competitiveness with policy makers. The effort to pass Senate Bill 1041 in the legislature required broad shoulders and fixed determination—both of which were effectively demonstrated by GPEC stakeholders and its partners.

Partnered with Maricopa County to Develop New Jobs Program
The Economic Development Jobs Program was launched to attract high-tech manufacturing and corporate headquarter jobs to Greater Phoenix.

Guide new, strategic business opportunities through geographic and industry trend analysis

Evaluate targeted, sound economic development programs that enhance regional and state competitiveness

FY12 Action Items

Launch Pilot Retention and Expansion Model

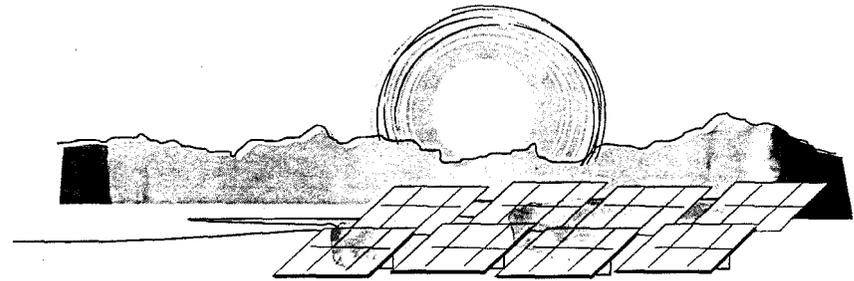
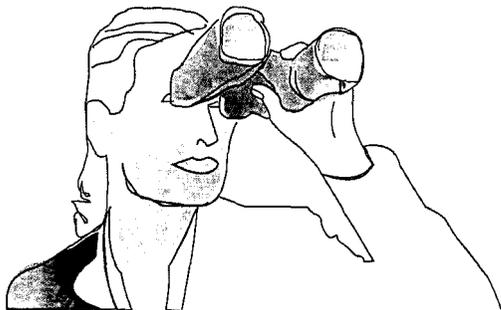
GPEC will create a retention and expansion mechanism based on the strengths of its research and call campaign structure. By organizing and communicating intelligence, GPEC will support public-sector partners in identifying companies that are primed to expand or contract.

Work with Communities to Develop Competitiveness Programs

Building on policy experience and research on incentives best practices, GPEC will partner with municipalities to design economic development programs at the local level. GPEC will help communities meet their respective, individual objectives while following sound economic development principles.

Continue Monitoring Competitiveness

GPEC will continue to assess the competitive landscape of state and local incentives that target the reduction of capital and operation costs in the Mountain West region. GPEC will evaluate the feasibility of a tool that will enable modeling capabilities for project-specific analyses and economic development policies.



Pursue Emerging Innovation

GPEC will monitor innovative technology trends and develop a viable, return-driven venture capital strategy to pursue opportunities that will lead to a cluster of new competencies in the region. Within two years, these efforts may manifest into suggested changes in tax policy, referendum items or a bond initiative.

Identify Areas for Federal-level Consideration

Through research, GPEC will explore economic opportunities for the region that might benefit from a concerted effort with Arizona's Congressional delegation. Potential areas could include the attraction of national labs that align with the region's core competencies, as well as the retention of the aerospace and defense industries. GPEC will consider routine meetings with Congressional representatives while in Arizona and also serve as a resource to partners who have an existing federal agenda in place.

Drives These FY12 Metrics

- Pipeline of qualified prospects
- Pipeline of international prospects
- Total number of jobs created
- Number of high-wage jobs created
- Average high-wage salary
- Emerging technology assistance
- Competitive position progress

A New Horizon:
Vision and Progress

A New Horizon: Vision and Progress



Greater Phoenix
ECONOMIC COUNCIL

2 N. Central Ave., Suite 2500, Phoenix, AZ 85004 • 602.256.7700 • www.gpec.org

EXHIBIT B
GPEC PERFORMANCE MEASURES
FY 2011-2012

Specific performance targets as established by the GPEC Executive Committee and Board of Directors:

1. Payroll Generated	\$168.7M
2. Total Number of Jobs Created	4,005
3. Total Number of High-Wage Jobs	1,701
4. Average High-Wage Salary	\$47,398
5. Emerging Tech Assists	8
6. Number of Qualified Prospects	187
7. Number of Qualified International Prospects	28
8. Total Reach of Editorial Placements/Exposures	99M

GPEC continues to target high-wage industries (advanced business services, aerospace, life sciences, renewable energy, high-tech/IT)

EXHIBIT C

TARGETED INDUSTRIES

FY2011-2012

GPEC and our member communities have identified targeted industries on a local and regional level, incorporating these industries into a regional economic development plan. For fiscal year 2011-2012, GPEC will continue its emphasis on the following: advanced business services, aerospace/aviation, life science, high tech/IT and renewable energy.

Member communities will target the following:

Apache Junction

Business services; environmental technologies research and manufacturing; standard and advanced manufacturing; regional and corporate centers; medical institutions and/or associated satellite operations; mining support facilities; resort/tourist-oriented development; filmmaking (location shooting); expanded retail opportunities

Avondale

Advanced business services/information technology; renewable energies; Bio/medical/life sciences; manufacturing; higher education/lifelong learning, amateur sports and tourism

Buckeye

Advanced business services; renewable energy; high tech (data center and services); environmental technology / sustainability; standard manufacturing; medical and educational institutions; transportation/distribution; small business/incubator

Casa Grande

Aviation/aerospace; biosciences and sustainability; corporate/regional headquarters; healthcare and medical services; standard manufacturing and transportation and distribution

Chandler

Advanced Business Services; corporate/regional headquarters, high-tech electronics and software development; aerospace/aviation and advanced materials; biosciences and sustainability.

Fountain Hills

Advanced business services; life science; high-tech/IT; renewable energy; post-secondary institutions, tourism

Gila Bend

Clean technology (manufacturing/central station generation/R&D); warehousing/transportation/distribution; military supply chain; tourism/hospitality; standard manufacturing; agriculture/agri-biotechnology; food, fiber and natural products; aerospace/aviation

Gilbert

Advanced business services; high-tech/software (R&D, data center and services); high-tech/next generation electronics; aerospace R&D/aviation; bioscience (research, drug development, treatment, medical diagnosis); corporate/regional headquarters; and sustainability (environmental)

Glendale

Aviation/aerospace; software development; sports and entertainment; high-tech consultants; research and development; defense; financial services and insurance headquarters; resorts; healthcare and medical services; engineering and architectural

Goodyear

Advance financial/business services; high-tech electronics and software development; aerospace/aviation; advanced materials; biosciences (treatment, medical diagnostics, research) and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

Maricopa (City)

Business services and software; high-tech electronics; aerospace and advanced materials; agri-bio; transportation/distribution; standard manufacturing; environmental technology

Maricopa County

Food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

Mesa

Primary Target Industries: Healthcare, Education, Aerospace and Tourism

Secondary target industries: Advanced business services, regional and corporate centers, environmental technology, research & development, bioscience, sustainability

Peoria

Business services; information technology; healthcare technology and advanced medical services; educational institutions; standard manufacturing; environmental technology

Phoenix

Advance business services; aerospace and defense materials; bioscience; high tech/IT; renewable energy

Queen Creek

Aerospace and aviation; health and wellness; advanced financial/business services; arts, culture and experience; education

Scottsdale

Advanced business services (financial services); bioscience (research, drug development, treatment, medical products); high-tech/software; sustainability (environmental); corporate/regional headquarters

Surprise

Environmental technology; advanced medical services; biotech; education and healthcare; transportation and distribution

Tempe

Advanced business services (financial services); high tech/software (R&D, data center and services); high-tech/next generation electronics; aerospace R&D/aviation; bioscience (research, drug development, treatment, medical diagnostics); corporate/regional headquarters; sustainability (environmental); advanced materials/plastics; senior industries

Tolleson

Aerospace and advanced materials; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

Wickenburg

Transportation/ distribution; standard manufacturing; environmental technology; food, fiber & natural products; advanced business services

EXHIBIT D

FY 2011-2012

REPORTING MECHANISM FOR CONTRACT FULFILLMENT

Monthly Activity Report - Month, Year

BUSINESS ATTRACTION PERFORMANCE METRICS:

GPEC Progress Toward Goals

Targeted Opportunities	Annual Contract Goal	Actual YTD	Goal YTD	% of Goal YTD
PAYROLL GENERATED (MILLIONS)				
AVERAGE HIGH WAGE SALARY				
NUMBER OF JOBS				
NUMBER OF HIGH-WAGE JOBS				
EMERGING TECHNOLOGY ASSISTS				
QUALIFIED PROSPECTS				
INTERNATIONAL PROSPECTS				
TOTAL REACH OF EDITORIAL PLACEMENTS				

GPEC continues to target high-wage industries (advanced business services, aerospace, life sciences, renewable energy, high-tech/IT)

KEY BUSINESS ATTRACTION ACTIVITIES AND OTHER GPEC ACTIVITIES

EXHIBIT E
INSURANCE REQUIREMENTS

The City's insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits required of GPEC are sufficient to protect GPEC from liabilities that might arise out of this Agreement for GPEC, its agents, representatives, employees or Contractors and GPEC is free to purchase such additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. GPEC shall provide coverage at least as broad as the categories set forth below with limits of liability in amounts acceptable to the City.

1. Commercial General Liability - Occurrence Form
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate/ per Project
Products-Completed Operations Aggregate
Personal & Advertising Injury
Each Occurrence
Fire Damage (Any one fire)
Directors and Officers
Medical Expense (Any one person) Optional

2. Automobile Liability - Any Auto or Owned, Hired and Non-Owned Vehicles (Form CA 0001, ed. 12/93 or any replacement thereof) Combined Single Limit Per Accident for Bodily Injury and Property Damage

3. Workers' Compensation and Employers' Liability
Workers' Compensation Statutory
Employers' Liability

B. Self-insured Retentions. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may request that the insurer reduce or eliminate such self-insured retentions with respect to City, its officers, officials, agents, employees and volunteers.

C. **Other Insurance Requirements.** The policies are to contain, or be endorsed to contain, the following provisions:

1. **Commercial General Liability**

a. The City, its officers, officials, agents, employees and volunteers are to be named as additional insureds with respect to liability arising out of: activities performed by or on behalf of GPEC, including the City's general supervision of GPEC; products and completed operations of GPEC; and automobiles owned, leased, hired or borrowed by GPEC.

b. GPEC's insurance shall include broad form contractual liability coverage.

c. The City, its officers, officials, agents, employees and volunteers shall be additional insureds to the full limits of liability purchased by GPEC, even if those limits of liability are in excess of those required by this Agreement.

d. GPEC's insurance coverage shall be primary insurance with respect to City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be in excess of GPEC's insurance and shall not contribute to it.

e. GPEC's insurance shall 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.

f. Coverage provided by GPEC shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

g. The policies shall contain a waiver of subrogation against City, its officers, officials, agents, employees and volunteers for losses arising from work performed by GPEC for the City.

2. **Workers' Compensation and Employers' Liability Coverage.** The insurer shall agree to waive all rights of subrogation against City, its officers, officials, agents, employees and volunteers for any and all losses arising from work performed by the Contractor for the City.

- D. Notice of Cancellation.** Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been sent to City at the address provided herein for the giving of notice. Such notice shall be by certified mail, return receipt requested.
- E. Acceptability of Insurers.** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-:VII. City in no way warrants that the above required minimum insurer rating is sufficient to protect GPEC from potential insurer insolvency.
- F. Verification of Coverage.** GPEC shall furnish City with Certificates of Insurance (ACORD form or equivalent approved by City) and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the Certificate of Insurance.

All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project.

All certificates of insurance required by this Agreement shall be sent directly to City at the address and in the manner provided in this Agreement for the giving of notice. City's Agreement/Agreement number, GPEC's name and description of the Agreement shall be provided on the Certificates of Insurance. City reserves the right to require complete certified copies of all insurance policies required by this Agreement, at any time.

- G. Approval.** During the term of this Agreement, no modification may be made to any of GPEC's insurance policies which will reduce the nature, scope or limits of coverage which were in effect and approved by the City prior to execution of this Agreement.