



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

MEMO NO. ST12- 011

1. Agenda Item Number:

23

2. Council Meeting Date:

October 27, 2011

TO: MAYOR & COUNCIL

THROUGH: CITY MANAGER

3. Date Prepared: October 11, 2011

4. Requesting Department:
Transportation & Development

5. SUBJECT: Approve Agreement No. ST2-745-3039 for Asphalt Patchwork, Maintenance & Repair to CPC Construction Inc. in an amount not to exceed \$430,000 for one year with options to extend for up to two (2) additional one-year periods.

6. RECOMMENDATION: Recommend approval of Agreement No. ST2-745-3039 for Asphalt Patchwork, Maintenance & Repair to CPC Construction Inc. in an amount not to exceed \$430,000 for one year with options to extend for up to two (2) additional one-year periods.

7. BACKGROUND/DISCUSSION: This Asphalt Patchwork, Maintenance & Repair Agreement is used as needed for the repair of arterials, collectors, and local streets. The current volume or scope of work of asphalt patchwork repairs to be completed by the Streets Division exceeds the capacity of existing crews. This Agreement will be used to complete the overflow asphalt paving work. This Agreement has also been used to apply an asphalt cap on older arterial streets that need maintenance and for larger patch repairs on an as needed basis.

8. EVALUATION PROCESS: On September 15, 2011 staff issued a bid for Asphalt Patchwork, Maintenance & Repair. All registered vendors were notified. Three (3) responses were received and evaluated.

CPC Construction Inc.	- \$ 417,587.50
Gunsight Construction Co.	- \$ 977,615.00
J. Banicki Construction	- \$1,487,600.00

Staff is recommending award to CPC Construction Inc. as the lowest responsible, responsive vendor. The term of this Agreement will be November 1, 2011 – October 31, 2012 with options to renew up to two (2) additional one-year periods.

9. FINANCIAL IMPLICATIONS:

Cost:	\$430,000
Savings:	N/A
Long Term Costs:	N/A

<u>Acct. No.:</u>	<u>Fund:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Funds:</u>
215.3310.0000.6513.11T248	HURF	Street Repaving	FY10/11	\$430,000

10. PROPOSED MOTION: Move to approve ST2-745-3039 for Asphalt Patchwork, Maintenance & Repair to CPC Construction Inc. in an amount not to exceed \$430,000 for one year with options to extend for up to two (2) additional one-year periods.

ATTACHMENTS: Agreement; Map

APPROVALS

11. Requesting Department



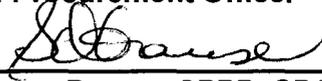
Daniel W. Cook, Transportation Manager

12. Department Head



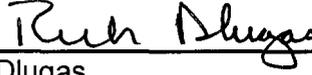
R.J. Zeder, Transportation & Development Director

13. Procurement Officer



Sharon Brause, CPPB, CPCP

14. City Manager



Rich Dlugas

**CITY OF CHANDLER SERVICES AGREEMENT
ASPHALT PATCHWORK, MAINTENANCE & REPAIR
AGREEMENT NO.: ST2-745-3039**

THIS AGREEMENT is made and entered into this ____ day of _____, 2011, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and CPC CONSTRUCTION INC., a Corporation of the State of Arizona, 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 Streets Superintendent /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 all as more specifically set forth in the Scope of Work, labeled Exhibit B, attached hereto and made a part hereof by reference and as set forth in the Specifications and details included therein. Bid Bond, Performance Bond, and Payment Bond forms (Exhibits D1 -D3), Equipment Listing (Exhibit E1) and Personnel Listing (Exhibit E2), and Sign Details (Exhibit F) are attached and incorporated herein by reference.

- 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 commercial 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.
 - 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. Warranties.

- 2.6. **One-Year Warranty.** CONTRACTOR must provide a one-year warranty on all work performed pursuant to this Contract.

2. 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 equipment, 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.

3. PRICE:

- 4.1. CITY shall pay to CONTRACTOR an amount not to exceed **Four Hundred Thirty Thousand Dollars (\$430,000.00)** 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.
- 4.2. **Taxes.** CONTRACTOR shall be solely legally responsible for any and all tax obligations, which may result out of CONTRACTOR'S performance of this Contract. CITY shall have no legal obligation to pay any amounts for taxes, of any type, incurred by CONTRACTOR. City agrees that Contractor may bill the City for applicable privilege license taxes which are paid for by Contractor and that the City will reimburse Contractor for privilege license taxes actually paid by Contractor. If Contractor obtains any refund of privilege license taxes paid, City will be entitled to a refund of such amounts.
- 4.3. 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.
- 4.4. **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.
- 4.5. **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.
- 4.6. **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.
- 4.7. **Price Adjustment (After 180 Days).** CITY may approve a fully documented request for a price increase only after the Contract has been in effect for 180 days. The requested increase shall be based upon a cost increase to CONTRACTOR that was clearly unpredictable at the time of the offer and is directly correlated to the price of the product concerned. CITY shall determine whether the requested price increase or an alternate option, is in the best interest of CITY. If a price increase is agreed upon a written Contract Amendment shall be approved and executed by the Parties.
- 4.8. **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.
- 4.9. **Price Reduction.** CONTRACTOR shall offer CITY a price reduction for its services concurrent with a published price reduction made to other customers.
5. **TERM:**
 - 5.1. The term of the Contract is **one (1) year (s)**, commencing on the **1st day of December, 2011** and terminating on **November 30, 2012** unless sooner terminated in accordance with the provisions herein. CITY reserves the right, at its sole discretion, to extend the Contract for up to **two (2)** additional terms of one year each. CITY reserves the right, at its sole discretion, to extend the Contract for a period of up to **sixty (60) days** or a portion thereof.
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.
- 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.
- 8. 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 Alternative Dispute Resolution. The parties hereby agree that there shall be a sixty (60) day moratorium on litigation commencing on the day that a claim is filed by CONTRACTOR pursuant to A.R.S. § 12-821.01 during which time the parties will negotiate in good faith to resolve the dispute and evaluate the viability of pursuing alternative dispute resolution procedures such as mediation and arbitration.

10.2 Arizona Law. This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

10.3 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.

10.4 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.

11. INDEMNIFICATION: To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees individually and collectively; from and against all losses, claims, suits, actions, payments and judgments, demands, expenses, damages, including consequential damages and loss of productivity, attorney's fees, defense costs, or actions of any kind and nature relating to, arising out of, or alleged to have resulted from CONTRACTOR'S work or services. CONTRACTOR'S duty to defend, hold harmless and indemnify the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees shall arise in connection with any claim or amounts arising or recovered under Worker Compensation Laws, damage, loss or expenses relating to, arising out of or alleged to have resulted from any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of CONTRACTOR, anyone directly or indirectly employed by them or anyone for whose acts CONTRACTOR may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including the City of Chandler. IT IS THE INTENTION OF THE PARTIES to this contract that the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually and collectively, are to be indemnified against their own negligence unless and except their negligence is found to be the sole cause of the injury to persons or damages to property. 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.

12. INSURANCE:

12.1. Insurance Representations and Requirements:

A. CONTRACTOR, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of B++6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.

B. Policies written on a "Claims made" basis are not acceptable without written permission from the City's

Risk Manager.

- C. 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 is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.
- D. If any of the insurance policies are not renewed prior to expiration, payments to the CONTRACTOR may be withheld until these requirements have been met, or at the option of the City, the City may pay the Renewal Premium and withhold such payments from any monies due the CONTRACTOR.
- E. **All insurance policies, except Workers' Compensation required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.**
- F. CONTRACTOR'S insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
- G. The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of CONTRACTOR'S acts, errors, mistakes, omissions, work or service.
- H. The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of CONTRACTOR. CONTRACTOR shall be solely responsible for the deductible and/or self-insured retention. The amounts of any self-insured retentions shall be noted on the Certificate of Insurance. CITY, at its option, may require CONTRACTOR to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit. Self-insured retentions (SIR) in excess of \$25,000 will only be accepted with the permission of the Management Services Director/Designee.
- I. All policies and certificates shall contain an endorsement providing that the coverage afforded under such policies shall not be reduced, canceled or allowed to expire until at least thirty (30) days prior written notice has been given to CITY.
- J. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the CONTRACTOR with reasonable promptness in accordance with the CONTRACTOR'S information and belief.
- K. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CONTRACTOR until such time as the CONTRACTOR shall furnish such additional security covering such claims as may be determined by the CITY.

12.2. Proof of Insurance – Certificates of Insurance

- A. Prior to commencing work or services under this Agreement, CONTRACTOR shall furnish to CITY Certificates of Insurance, issued by CONTRACTOR'S insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.

- B. If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Chandler five (5) days prior to the expiration date.
- C. All Certificates of Insurance shall identify the policies in effect on behalf of CONTRACTOR, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.
- D. REQUIRED CITY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. CITY shall not be obligated, however, to review same or to advise CONTRACTOR of any deficiencies in such policies and endorsements, and such receipt shall not relieve CONTRACTOR from, or be deemed a waiver of CITY'S right to insist on, strict fulfillment of CONTRACTOR'S obligations under this Agreement.

12.3. Coverage

- A. Such insurance shall protect CONTRACTOR from claims set forth below which may arise out of or result from the operations of CONTRACTOR under this Contract and for which CONTRACTOR may be legally liable, whether such operations be by the CONTRACTOR or by a SUBCONTRACTOR by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. **Coverage under the policy will be at least as broad as Insurance Services Office, Inc., policy form CG00011093 or equivalent thereof, including but not limited to severability of interest and waiver of subrogation clauses.**
- B. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
- C. Claims for damages because of bodily injury, occupational sickness or disease, or death of the CONTRACTOR'S employees;
- D. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the CONTRACTOR'S employees;
- E. Claims for damages insured by usual personal injury liability coverage;
- F. Claims for damages, other than to work itself, because of injury to or destruction of tangible property, including loss of use resulting there from;
- G. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; Coverage will be at least as broad as Insurance Service Office, Inc., coverage Code "I" "any auto" policy form CA00011293 or equivalent thereof.
- H. Claims for bodily injury or property damage arising out of completed operations;
- I. Claims involving contractual liability insurance applicable to the CONTRACTOR'S obligations under the Indemnification Agreement;
- J. Claims for injury or damages in connection with one's professional services;
- K. Claims involving construction projects while they are in progress. Such insurance shall include coverage for loading and off-loading hazards. If any hazardous material, as defined by any local, state or federal authorities are to be transported, MCS 90 endorsement shall be included.

12.4. Commercial General Liability - Minimum Coverage Limits. The Commercial General Liability

insurance required herein shall be written for not less than **\$2,000,000** limits of liability. Any combination between general liability and excess general liability alone amounting to a minimum of **\$2,000,000** per occurrence (or 10% per occurrence) and an aggregate of **\$5,000,000** (or 20% whichever is greater) in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as broad as the Insurance Services, Inc.'s (ISO) Additional Insured, Form B, CG 20101001, and shall include coverage for CONTRACTOR'S operations and products, and completed operations.

12.5. Automobile Liability. CONTRACTOR shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than **\$1,000,000** each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the CONTRACTOR'S work. Coverage shall be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

12.6. Worker's Compensation and Employer's Liability. CONTRACTOR shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over CONTRACTOR'S employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than **\$1,000,000** for each accident, **\$1,000,000** disease coverage for each employee, and **\$1,000,000** disease policy limit.

If CONTRACTOR is a sole proprietor and has no employees, CITY will accept a Sole Proprietor's waiver of Workers' Compensation benefits in lieu of Workers' Compensation insurance.

In case any work is subcontracted, CONTRACTOR will require the SUBCONTRACTOR to provide Workers' Compensation and Employer's Liability to at least the same extent as required of CONTRACTOR.

13. 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: Streets Division
Contact: Al Fausto
Mailing Address: PO Box 4008 - MS 909
Physical Address: 975 E Armstrong Bldg. C
City, State, Zip: Chandler AZ 85249
Phone: 480-782-3505
FAX: 480-782-3495

In the case of the CONTRACTOR

Firm Name: CPC Construction Inc.
Contact: Troy Colby
Address: 1534 W Scott Ave
City, State, Zip: Gilbert AZ 85233
Phone: 480-839-6300
FAX: 480-820-9958
EMAIL: TColby@CPCConstruction.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.

14. CONFLICT OF INTEREST:

14.1. 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.

14.2. 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).

14.3. 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.

15. GENERAL TERMS:

15.1. 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.

15.2. 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.

15.3. Entire Agreement. This Agreement, including 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.

15.4. Arizona Law. This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

15.5. Assignment: Services covered by this Agreement shall not be assigned in whole or in part without the prior written consent of the CITY.

15.6. 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.

15.7. 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.

- 15.8. **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.
- 15.9. **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 day of 2011.

FOR THE CITY OF CHANDLER

FOR THE CONTRACTOR

MAYOR

By: _____
Signature

ATTEST:

ATTEST: If Corporation

City Clerk

SEAL

Secretary

Approved as to form:

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:	ST2-745-3039		
Name (as listed in the contract):	CPC CONSTRUCTION INC.		
Street Name and Number:	1534 W SCOTT AVE		
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: Roy Corby
Title: President
Date (month/day/year): 10/17/11

EXHIBIT B SCOPE OF WORK

GENERAL REQUIREMENTS:

CONTRACTOR shall remove and replace asphalt materials, as well as dispose of old asphalt at CONTRACTOR'S expense. CONTRACTOR shall be responsible for traffic control as required in CITY Barricade Manual and the Manual on Uniform Traffic Control Devices (MUTCD) as well as all incidental work required to complete the required 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.

1. CONTRACTOR shall provide asphalt patchwork, or where required, concrete patchwork 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.
2. 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.
3. 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.
4. CONTRACTOR shall submit to Contract Administrator/designee a written proposed schedule of work for approval prior to commencing any work under this Agreement. Any changes to that schedule must be approved in writing by the Contract Administrator/designee.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Asphalt milling will be of depths from 0-2" and 2.1"-4" as called out by Contract Administrator/designee. Areas milled must have vertical edges on all sides of the patch.
15. Asphalt patching done on arterial roads shall be a minimum of 5 inches 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.
16. 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.

17. 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.
18. All pavement cut and patch shall be crack sealed at the joints with Crafcro Polyflex Type 3 sealant, or approved equal, two (2) days after asphalt placement.
19. 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.
20. Survey Monuments shall be adjusted according to MAG Standard Detail 12-1 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.
21. **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.
22. **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	Unit Cost	Qty
1	Saw cut: per linear foot / per inch		
	0-2.0" deep	\$ 0.35	600
	2.1" - 3.0" deep	\$ 0.50	600
	3.1" - 4.0" deep	\$ 0.70	600
	Greater than 4.0" deep	\$ 2.25	600
2.a.	EVAC Asphalt Removal & Replacement (adj to an ave base of 2" replacement for comparison purposes)		
	0" to 4.0" deep, 1 - 10 sq. yd	\$ 35.00	500
	0" to 4.0" deep, 11 - 100 sq. yd	\$ 22.00	900
	0" to 4.0" deep, 101 sq. yd or more	\$ 25.00	500
	4" to 8" deep, 1 - 10 sq yd (adj to an ave base of 6" replacement for comparison purposes)	\$ 33.00	500
	4" to 8" deep, 11 - 100 sq yd	\$ 33.00	500
	4" to 8" deep, 101 sq yd or more	\$ 33.00	500
2.b.	Rubberized Asphalt Removal & Replacement		
	0" to 4.0" deep, 1 - 10 sq. yd	\$ 35.00	250
	0" to 4.0" deep, 11 - 100 sq. yd	\$ 35.00	800
	0" to 4.0" deep, 101 sq. yd or more	\$ 33.00	250
3	2" Asphalt Cap	\$ 8.50	22,000
4	Asphalt milling up to 2" deep per sq yd	\$ 3.00	500
5	Asphalt milling between 2.1"-4.0" deep per sq yd	\$ 5.00	200
6	Sub-base and sub-base grade removal and replacement per cu yd	\$ 9.00	200
7	Police Officer for traffic control	\$ 15,000.00	1
8	Traffic control for arterial and collector	\$ 250.00	50
9	Traffic control for local streets	\$ 150.00	20
10	New A/C only, 1" deep per sq yd	\$ 9.00	150
11	New ABC only, place and compacted	\$ 37.00	60
12	Sub-grade work only, per cu yd	\$ 9.00	250
13	Remove concrete curb & gutter per lineal ft	\$ 6.00	250
14	Place concrete curb & gutter, per lineal ft	\$ 13.25	250
15	Removal of concrete flatwork, 0-4", per sq ft	\$ 1.10	100

16	Removal of concrete flatwork, 4.1" – 8.0", per sq ft	\$ 1.60	100
17	Place finished concrete flatwork, 0-4", per sq ft	\$ 2.30	100
18	Place finished concrete flatwork, 4.1" – 8.0", per sq ft	\$ 4.50	100
19	Standard COC signal loop, 6' x 50'	\$ 1,000.00	3
20	Pre-Lower manhole frame and cover – per MAG Standard Detail 422 or 420	\$ 250.00	25
21	Adjust existing manhole frame and cover – per MAG Standard Detail 422 or 420	\$ 325.00	25
22	Pre-lower valves, survey monuments & sewer per MAG Standard Detail 270	\$ 250.00	25
23	Adjust existing frame cover for valves, survey monuments & sewer clean-outs – per MAG Standard Detail 270	\$ 325.00	25
24	General survey	\$ 200.00	20
25	Crack seal (per lineal foot)	\$ 0.75	2,500

****Pricing shall include placing of barricades by CONTRACTOR.**

***Quantities are listed as estimates ONLY and are not guaranteed.**

It is understood that CONTRACTOR shall use the most current City of Chandler and/or M.A.G. standard details and specifications.

EXHIBIT D1
BID BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, _____, as Principal,
(hereinafter called the Principal), and the _____
a corporation duly organized under the laws of the State of _____,

as Surety, (hereinafter called the Surety) are held and firmly bound unto the City of Chandler as Obligee, in the sum of 10 percent (10%) of the total bid, submitted by him to the City of Chandler for the work described below, for the payment of which sum, well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, and administrators, successors and assigns, jointly and severally, firmly by these presents, and in conformance with Arizona Revised Statutes.

WHEREAS, the said Principal is herewith submitting its bid for:

Asphalt Patchwork – Maintenance, Repair & Svs, Bid No. ST2-745-3039

NOW, THEREFORE, if the City of Chandler shall accept the proposal of the Principal and the principal shall enter into a Contract with the City of Chandler in accordance with the terms of such proposal and give such Bonds and Certificates of Insurance as specified in the Contract Documents with good and sufficient Surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter into such Contract and give such Bonds and Certificates of Insurance, if the Principal shall pay to the City of Chandler the sum of money set forth above as liquidated damages for failure of the Principal to enter into the Contract, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this _____ day of _____, A.D., 2011.

Witness: _____

Principal

Title

Surety

Title

Witness: _____

**EXHIBIT D3
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 _____, 2011, for **Asphalt Patchwork – Maintenance, Repair & Svs, Bid No. ST2-745-3039**, 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 _____, 2011.

AGENT OF RECORD

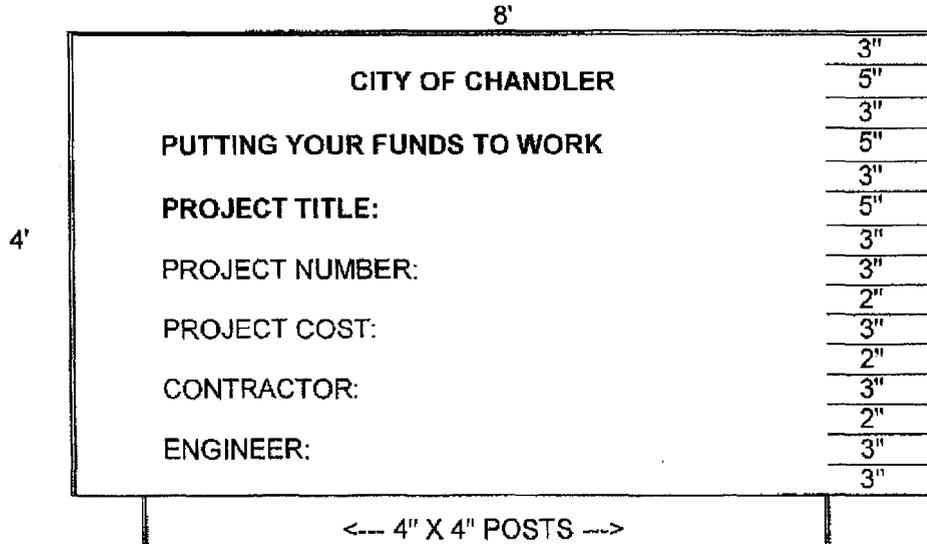
AGENT ADDRESS

PRINCIPAL SEAL

BY _____

SURETY SEAL

**EXHIBIT F
CONSTRUCTION SIGN DETAILS**



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:
 1. 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;
 2. Be at least 3'x5' in size or large enough to contain all the information required below, whichever is larger.
 3. Be placed in such positions that they can be read by traffic from each direction.
 4. Be colored "construction orange" with black letters.
 5. Have block letters at least 6" in height.
 6. 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
1-1-12 TO 12-31-12
(480) 782-XXXX**

**CONTRACT
OR
(480) 782-
XXXX**