



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**29**

**2. Council Meeting Date:**

December 15, 2011

**TO: MAYOR AND COUNCIL**

**3. Date Prepared:** December 5, 2011

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Municipal Utilities

**5. SUBJECT:** Approve Agreement No. MU2-745-3077 for Right-of-Way Repairs with Standard Construction Company, Inc. in an amount not to exceed \$99,000.00 for one-year with options to extend up to two additional one-year periods.

**6. RECOMMENDATION:** Recommend approval of MU2-745-3077 for Right-of-Way Repairs with Standard Construction Company, Inc. in an amount not to exceed \$99,000.00 for one-year with options to extend up to two additional one-year periods.

**7. BACKGROUND/DISCUSSION:** Repair and maintenance of water distribution mains, service connections, valves and hydrants often require removal of existing concrete and or asphalt within the right-of-way. The Water Distribution Division will use this contract as needed to repair damage to City right-of-way as a result of water main break repair or maintenance of the water distribution system.

**8. EVALUATION PROCESS:** On November 8, 2011 City staff issued a bid for Right-of-Way Repairs. Notification was sent to all registered vendors and two (2) responses were received. Staff is recommending award to Standard Construction Company, Inc. as the lowest responsive, responsible vendor. The following is a summary of the responses received:

Standard Construction	\$ 98,953.50
R. D. Sanders	\$140,290.00

The term of this Agreement term will be from January 1, 2012 through December 31, 2012 with options to renew for up to two (2) additional one-year periods.

**9. FINANCIAL IMPLICATIONS:**

Cost:	\$99,000.00			
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>
605.3800.5332.0000	Water Operating	Street Construction	No	\$ 99,000.00

**10. PROPOSED MOTION:** Move to approve Agreement No. MU2-745-3077 for Right-of-Way Repairs with Standard Construction Company, Inc. in an amount not to exceed \$99,000.00 for one-year with options to extend up to two additional one-year periods.

**ATTACHMENT:** Agreement

**APPROVALS**

**11. Requesting Department**

*Gregg Capps*

Gregg Capps, Water Resource Manager

**12. Department Head**

*Robbie Becker for*

Dave Siegel, Municipal Utilities Director

**13. Procurement Officer**

*Sharon Brause*

Sharon Brause, CPPB, CPCP

**14. City Manager**

*Rich Dlugas*

Rich Dlugas

**CITY OF CHANDLER SERVICES AGREEMENT  
RIGHT OF WAY REPAIRS - MUD  
AGREEMENT NO.: MU2-745-3077**

THIS AGREEMENT is made and entered into this ~~10th~~ day of ~~April~~, 2011, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and **Standard Construction Company 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 Water Distribution 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. CONTRACTOR shall be responsible for providing listing of subcontractors to the Purchasing Office prior to use. See Section 14, Page 31.
- 1.4 Subcontracts.** *CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY.* The subcontract shall incorporate by reference the terms and conditions of this Contract.

**2 SCOPE OF WORK:** CONTRACTOR shall provide asphalt patchwork and concrete repair maintenance 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. Equipment Listing (Exhibit D), Bid Bond form, Performance Bond form, and Payment Bond form (Exhibits E1-E3), required signage (Exhibits F1 – F3) 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 all permit, including encroachment 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.
- 3 ACCEPTANCE AND DOCUMENTATION:** Each task shall be reviewed and approved by the Contract Administrator to determine acceptable completion. A detailed invoice must be submitted to reflect each task performed. Invoices are required to be submitted no later than 30-days after all work is completed.
- 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 **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.
- 3.4 **PRICE:** CITY shall pay to CONTRACTOR an amount not to exceed **Ninety Nine Thousand Dollars (\$99,000)** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit C, attached hereto and made a part hereof by reference.

#### 4 TAXES

- 4.1. CONTRACTOR shall be solely responsible for any and all tax obligations, which may result out of the CONTRACTOR'S performance of this Agreement. The CITY shall have no obligation to pay any amounts for taxes, of any type, incurred by the CONTRACTOR.
- 4.2. **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice. Invoice must reference work address, or location, and CITY tracking number.
- 4.3. **Estimated Quantities.** The quantities shown on Exhibit C (Pricing) are estimates only, based upon available information. Payment shall be based on actual quantities and there is no guarantee that any certain quantity shall be required by CITY. City reserves the right to increase or decrease the quantities actually required.
- 4.4. **IRS W9 Form.** In order to receive payment CONTRACTOR shall have a current I.R.S. W9 Form on file with CITY, unless not required by law.
- 4.5. **Price Adjustment (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.
- 4.6. **Acceptance by City.** CITY reserves the right to accept or reject the request for a price increase. If CITY approves the price increase, the price shall remain firm for the renewal term for which it was requested. If a price increase is agreed upon a written Contract Amendment must be approved and executed by the Parties.
- 4.7. **Price Reduction.** CONTRACTOR shall offer CITY a price reduction for its services concurrent with a published price reduction made to other customers.
5. **TERM:** The term of the Contract is **one (1) year** (s), commencing on the **1<sup>st</sup> day of January, 2012** and terminating on **December 31, 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 up to sixty (60) days.
6. **USE OF THIS CONTRACT:** The Contract is for the sole convenience of the City of Chandler. CITY reserves the rights to obtain like services from another source to secure significant cost savings or when timely completion cannot be met by CONTRACTOR.
- 6.1 **Cooperative Use of Contract.** In addition to the City of Chandler and with approval of the CONTRACTOR, this Contract may be extended for use by other municipalities, school districts and government agencies of the State. A current listing of eligible entities may be found at [www.maricopa.gov/materials](http://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 A-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 "1" "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 \$1,000,000 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: Water Distribution  
Contact: Jackson Kellso  
Mailing Address: PO Box 4008 – MS 911  
Physical Address: 975 E Armstrong Way #K  
City, State, Zip Chandler AZ 85244  
Phone: 480-782-3703  
FAX: 480-782-3666

In the case of the CONTRACTOR

Firm Name: Standard Construction  
Contact: Steve Sutton  
Address: 810 E Western Ave  
City, State, Zip Avondale AZ 85323  
Phone: 623-583-9500  
FAX: 623-583-7750  
EMAIL: SSutton@StandardAZ.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 & 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.

**Performance & Payment Bonds shall be provided to each agency using this Contract.**

- 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.



**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.

<b>Contract Number:</b>	<b>MU2-745-3077</b>				
<b>Name (as listed in the contract):</b>	<b>STANDARD CONSTRUCTION COMPANY INC.</b>				
<b>Street Name and Number:</b>	<b>810 E WESTERN AVE</b>				
<b>City:</b>	<b>AVONDALE</b>	<b>State:</b>	<b>AZ</b>	<b>Zip Code:</b>	<b>85323</b>

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:**

*Diane C. Sutton*

Printed Name: Diane C. Sutton

Title: Corp Secretary/Controller

Date (month/day/year): \_\_\_\_\_

**EXHIBIT B  
SCOPE OF WORK**

**1. GENERAL REQUIREMENTS:**

- 1.1 Concrete:** CONTRACTOR shall be required to provide concrete repair & maintenance services on an "as needed" basis, including the furnishing all labor, equipment, traffic control (per City of Chandler specifications) and materials required for the completion of a repair project. Work shall consist of concrete repair and replacement/ installation to include, but not be limited to, handicap ramps, driveway entrances, alleyway entrances, curb & gutter, sidewalks, valley gutters & pans, and asphalt and base repair. Work may also consist of upgrading handicap ramps, driveway entrances, alley way entrances and sidewalks to meet current Americans with Disabilities Act (ADA) standards in compliance with 28 CFR, Part 35.150, and existing facilities. All work shall be performed in accordance with Arizona Revised Statute 34-201.C.D.
- 1.2** The CITY is mandated to provide accessibility improvements to curb ramps and driveways whenever a pavement resurfacing is done. To accomplish this requirement, CONTRACTOR shall repair and/or retrofit existing curb ramps and driveways to the best extent possible to meet current Americans with Disabilities Act (ADA) standards contained in 28 Code of Federal Regulations (CFR) Part 35.151 and "Designing Sidewalks and Trails for Access, Part 2" (Chapters 5 and 7) or as directed by Contract Administrator/designee.
- 1.3 Asphalt:** CONTRACTOR shall be required to make asphalt repairs and maintenance work in accordance with Maricopa Association of Governments (MAG) Standard Details 200 and City of Chandler specifications Detail C-110. The work may include the application of other M.A.G. and City of Chandler standard details and specifications per the most current City of Chandler and/or M.A.G. standard details and specification. CONTRACTOR shall be required to saw cut or mill all areas marked for removal prior to patching. All saw cut edges within the patch area shall receive a tack coat prior to placement of new material. Tack material for edge tacking and ABC for fill-in will be incidental to work, and cost will be included in removal/replacement if it is deemed a necessity.
- 2. MATERIALS.** CONTRACTOR shall ensure that concrete conforms to the applicable requirements of MAG specification section 725 and applicable MAG or City of Chandler standard detail. Concrete repair and maintenance shall comply with MAG specification section 340 as applicable. Asphalt cut-and-patch for concrete forms shall be replaced flushed with existing pavement edges. Asphalt patching shall comply with City of Chandler Standard Specification No. 3. Asphalt concrete shall be placed in accordance with the requirements in MAG standard specifications section 321 and 336.
- 2.1** No work shall be completed under this Agreement without prior written approval from Contract Administrator/designee. A Notice to Proceed (NTP) via CITY e-mail will be used as approval for all work to be completed by CONTRACTOR. The NTP shall include emergency and/or routine priority. Notification of Contract Administrator/designee e-mail will be provide no later than two (2) days after NTP with the estimated date of completion listed for all routine repairs.
- 2.2** Maricopa County related projects require ½ sack slurry and T-Top per MAG specs. In addition, Maricopa County related projects are to be identified in the Notification and will require an approved Maricopa County Traffic Control Plan. Maricopa County related projects will also require a County permit and projects shall be completed within 14-days after the traffic control plan and permit are issued.
- 3. ESTIMATED QUANTITIES.** The quantities shown on Exhibit C (attached) are estimates only, based upon available information. Payment shall be based on actual quantities. There is no guarantee as to minimum quantity required by CITY. The CITY reserves the right to increase or decrease the actual

quantities listed.

4. **NOTIFICATION OF PUBLIC.** CITY and CONTRACTOR shall notify all affected citizens and businesses by door flyer 48 hours prior to start of work. Note: Contract Administrator/designee shall provide a list of email addresses to CONTRACTOR for prior notification to public. Door flyer shall include, as a minimum, all pertinent information such as description of work, date, time, schedules and CONTRACTOR name, and a 24-hour contact phone number(s). The flyer information shall be submitted to the Contract Administrator/designee for approval prior to distribution. This information shall also be emailed to Contract Administrator/designee(s) as well as the City Inspector no later than 48-hours prior to commencing work.
5. **EXISTING UTILITIES.** CONTRACTOR shall be responsible for identifying and locating (blue stake) all existing utilities within and around the work area and will take all necessary steps to protect such utilities from damage. 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 require outages. CONTRACTOR shall adjust to finished grade all affected utility junction boxes and utility concrete collars as required.
6. **PROTECTION OF ADJACENT PROPERTY.** CONTRACTOR shall take all necessary steps to protect adjacent public or private properties during work. CONTRACTOR shall restore any damage to adjacent property at CONTRACTOR expense and to the satisfaction of the Contract Administrator/designee.
7. **DEMO AND REMOVAL.** CONTRACTOR shall remove excavated and demolished materials immediately from work site at their cost. Steel plates shall be used where excavated area cannot be backfilled or where concrete placement for valley gutters across roadway surface or drive entrances are done in phases. Steel plates shall be gradually ramped from plate edges with EPA approved material and the street or drive entrance opened immediately to traffic. CONTRACTOR shall use barricades and "sidewalk closed" signs as required.
8. **WATER FOR REPAIR AND MAINTENANCE PURPOSE.** Should CONTRACTOR desire to use water from CITY mains, CONTRACTOR shall make application to the City Water Quality Department for a fire hydrant meter and pay all the required deposits and costs. CONTRACTOR shall not take water from CITY mains until a meter is installed.
9. **DETECTABLE WARNING.** Detectable warning shall consist of truncated domes as determined in MAG specification section 340. All truncated dome tiles shall be approved by the contract administrator or designee prior to installation. (See attached Exhibit D - Approved Products List).
10. **TRAFFIC CONTROL & CONSTRUCTION SIGNS.** CONTRACTOR shall adhere to all CITY, State and Federal Traffic and Safety guidance, City of Chandler Traffic Barricades Design Manual #7 and City of Chandler Municipal code 46-2.7.E construction sign requirements. CONTRACTOR shall submit all traffic control plans for approval by the City of Chandler Traffic Division before any work may progress. It shall be CONTRACTOR's responsibility to get an approved Traffic Control Plan in advance for every project requested under this Agreement.
11. **CLEAN UP.** All public and private property and grounds occupied by CONTRACTOR in connection with the work shall be cleaned of all rubbish and excess materials after each workday; additionally, temporary structures and equipment shall be removed at the end of the project. All parts of the work shall be left in an acceptable condition before final acceptance.
12. **NOTIFICATION OF COMPLETION.** CONTRACTOR shall send email notification to Contract Administrator/designee with the address / location and CITY tracking number when work is completed.
13. **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 required work, especially if earth-moving operations are involved. CONTRACTOR shall pay all permit fees.

14. **SUB-CONTRACTOR(S)**. CONTRACTOR shall provide list of subcontractor(s) that may be used in participating in carrying out the obligations of any resulting Agreement.

<u>NAME</u>	<u>CONTACT</u>	<u>PHONE #</u>	<u>EMAIL</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

CONTRACTOR is responsible for following all current MAG and CITY Standard details.

**EXHIBIT C  
PRICING**

Line #	Description	U.O.M.*	Routine			Emergency		
			Qty	Unit Price	Extended Price	Qty	Unit Price	Extended Price
1.	Saw cut: per linear foot / per inch							
	0-2.0" deep	LF	1	\$2.00	\$2.00	1	\$4.00	\$4.00
	2.1" – 3.0" deep	LF	50	\$3.00	\$150.00	1	\$5.00	\$5.00
	3.1" – 4.0" deep	LF	200	\$4.00	\$800.00	50	\$6.00	\$300.00
	Greater than 4.0" deep	LF	200	\$6.00	\$1,200.00	50	\$8.00	\$400.00
2.a.	EVAC Asphalt Removal & Replacement							
	0" to 4.0" deep, 1 – 10 sq. yd.	SY	40	\$120.00	\$4,800.00	10	\$150.00	\$1,500.00
	0" to 4.0" deep, 11 – 100 sq. yd.	SY	20	\$70.00	\$1,400.00	4	\$95.00	\$380.00
	4" to 8" deep, 1 – 10 sq. yd.	SY	20	\$195.00	\$3,900.00	4	\$225.00	\$900.00
	4" to 8" deep, 11 – 100 sq. yd.	SY	20	\$150.00	\$3,000.00	4	\$200.00	\$800.00
2.b.	Rubberized Asphalt Removal & Replacement							
	0" to 4.0" deep, 1 – 10 sq. yd.	SY	1	\$125.00	\$125.00	1	\$175.00	\$175.00
3.	2" Asphalt Cap	SY	75	\$28.00	\$2,100.00	20	\$50.00	\$1,000.00
4.	Asphalt milling up to 2" deep per sq. yd.	SY	50	\$18.00	\$900.00	20	\$35.00	\$700.00
5.	Asphalt milling between 2.1"-4.0" deep per sq. yd.	SY	50	\$25.00	\$1,250.00	10	\$45.00	\$450.00
6.	Sub-base and sub-base grade removal and replacement, per cu yd.	CY	20	\$105.00	\$2,100.00	4	\$145.00	\$580.00
7.	City of Chandler Uniformed Police Officer (if required). Contractor to be paid the cost of hiring police officer.	N/A	N/A	N/A	\$3,500.00	N/A	N/A	\$3,500.00
8.	Traffic control for arterial and collector (per 24-hour day)	DAY	10	\$380.00	\$3,800.00	3	\$450.00	\$1,350.00
9.	Traffic control for local streets (per 24-hour day)	DAY	15	\$250.00	\$3,750.00	3	\$290.00	\$870.00
10.	New A/C only, 1" deep per sq. yd.	SY	50	\$13.50	\$675.00	10	\$15.00	\$150.00
11.	Remove concrete curb & gutter (per lineal foot)	LF	100	\$9.50	\$950.00	15	\$11.00	\$165.00

12.	Place concrete curb & gutter (per lineal foot)	LF	100	\$18.50	\$1,850.00	40	\$20.00	\$800.00
13.	Removal of concrete flatwork, 0-4" (per sq. ft.)	SF	100	\$1.75	\$175.00	20	\$2.00	\$40.00
14.	Removal of concrete flatwork, 4.1" – 8.0" (per sq. ft.)	SF	100	\$3.50	\$350.00	20	\$4.00	\$80.00
15.	Place finished concrete flatwork, 0-4" (per sq. ft.)	SF	350	\$4.50	\$1,575.00	70	\$4.75	\$332.50
16.	Place finished concrete flatwork, 4.1" – 8.0" (per sq. ft.)	SF	200	\$8.00	\$1,600.00	40	\$9.00	\$360.00
17.	Sidewalk, Per MAG Detail #230	SF	1,000	\$4.50	\$4,500.00	200	\$4.75	\$950.00
18.	Ramp, Per MAG Detail #231	EA	3	\$3,800.00	\$11,400.00	1	\$4,250.00	\$4,250.00
19.	Ramp, Per MAG Detail #233	EA	3	\$3,800.00	\$11,400.00	1	\$4,250.00	\$4,250.00
<b>SUB-TOTAL</b>					<b>\$67,252.00</b>		<b>\$</b>	<b>\$24,291.50</b>
20.	General survey	\$	15	\$375.00	\$5,625.00	3	\$410.00	\$1,230.00
21.	Crack seal (per lineal foot)	\$	150	\$3.00	\$450.00	30	\$3.50	\$105.00
<b>TOTAL ITEMS 1-21</b>					<b>\$73,327.00</b>	<b>TOTAL ITEMS 1-21</b>		<b>\$25,626.50</b>

\*U.O.M. 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 E1  
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:

**RIGHT OF WAY REPAIRS - MUD, Bid No. MU2-745-3077**

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

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Title

Witness: \_\_\_\_\_

\_\_\_\_\_  
Surety

\_\_\_\_\_  
Title

Witness: \_\_\_\_\_

**EXHIBIT E2  
PERFORMANCE BOND**

STATUTORY PERFORMANCE BOND PURSUANT TO  
TITLE 34, CHAPTER 2, ARTICLE 2,  
OF THE ARIZONA REVISED STATUTES  
(Penalty of this bond must be 100% of the Bond amount)

KNOW ALL MEN BY THESE PRESENTS: That, \_\_\_\_\_ (hereinafter called the Principal), as Principal, and \_\_\_\_\_ a corporation organized and existing under the law of the State of \_\_\_\_\_ with its principal office in the City of \_\_\_\_\_, (hereinafter called the Surety), as Surety, are held and firmly bound unto the City of Chandler, County of Maricopa, State of Arizona, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the City of Chandler, Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, for **RIGHT OF WAY REPAIRS - MUD, Bid No. MU2-745-3077**, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform and fulfill all the undertakings, covenants terms, conditions, and agreements of said contract during the original term of said Contract and any extensions thereof, with or without notice to the Surety, and during the life of any warranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of conditions of said Contract that may hereafter be made, notice of which modifications to the Surety being hereby waived; then the above obligations shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2 of the Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of said Title, Chapter and Article, to the extent as if it were copied at length herein.

The prevailing party in a suit on this bond shall be entitled to such reasonable attorney's fees as may be fixed by a judge of the Court.

Witness our hands this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
PRINCIPAL SEAL

\_\_\_\_\_  
AGENT OF RECORD

BY \_\_\_\_\_

\_\_\_\_\_  
SURETY SEAL

\_\_\_\_\_  
AGENT ADDRESS

**EXHIBIT E3  
PAYMENT BOND**

ARIZONA STATUTORY PAYMENT BOND  
PURSUANT TO TITLES 28, 34, AND 41, OF THE ARIZONA REVISED STATUTES  
(Penalty of this Bond must be 100% of the Contract amount)

**KNOW ALL MEN BY THESE PRESENTS:**

THAT: \_\_\_\_\_ (hereinafter "Principal"), as Principal, and \_\_\_\_\_ (hereinafter "Surety"), a corporation organized and existing under the laws of the State of \_\_\_\_\_ with its principal office in the City of \_\_\_\_\_, holding a certificate of authority to transact surety business in Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound unto the City of Chandler, (hereinafter "Obligee") County of Maricopa, State of Arizona, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the City of Chandler, dated the \_\_\_\_\_ day of \_\_\_\_\_, 2010, for **Right of Way Repairs - MUD; Bid No. MU2-745-3077**, 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.

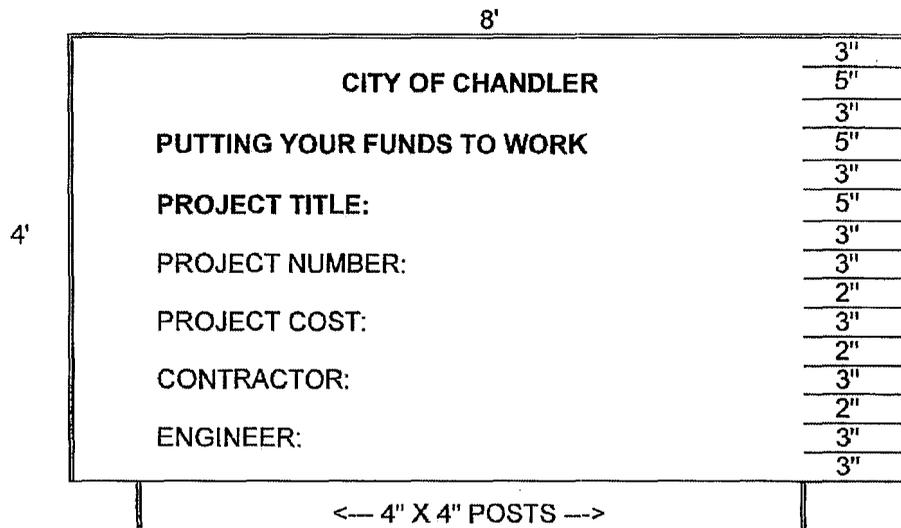
Witness our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
PRINCIPAL SEAL

\_\_\_\_\_  
AGENT OF RECORD BY \_\_\_\_\_

\_\_\_\_\_  
AGENT ADDRESS SURETY SEAL

**EXHIBIT F  
CONSTRUCTION SIGN DETAIL**



**NOTES:**

SIGN(S) SHALL BE FURNISHED AND ERECTED PRIOR TO COMMENCEMENT OF CONSTRUCTION. POSTS SHALL BE ANCHORED A MINIMUM OF TWO FEET INTO THE GROUND. BOTTOM OF SIGN SHALL BE A MINIMUM OF FOUR FEET ABOVE THE GROUND.

TYPICAL PROJECT IDENTIFICATION SIGN FOR GENERAL PROJECTS SHALL BE NON-REFLECTORIZED **ORANGE** BACKGROUND, AND NON-REFLECTORIZED **BLACK** LETTERS AND NUMERALS.

ONE SIGN SHALL BE ERECTED FOR BUILDINGS AND OTHER LIMITED AREA SINGLE SITES. FOR MULTIPLE SITES, ONE SIGN SHALL BE ERECTED AT EACH SITE.

FOR LINEAR PROJECTS ONE HALF MILE OR LONGER, PLACE ONE SIGN AT EACH END OF THE PROJECT.

### **Construction signs required for work:**

Whenever any work is being done in CITY streets, easements or right of way for which approval by CITY of a traffic control plan is required, the person or persons performing such work shall maintain at the site of such work at all times during which any such work is being done, signage meeting the requirements set forth below and providing information to the public as follows:

1. If the work will take one (1) week or longer to perform, such signage shall:
  - a) Be installed so that the bottom of the sign is at least seven (7) feet above grade, or as otherwise approved by CITY Transportation Engineer;
  - b) Be at least 3'x5' in size or large enough to contain all the information required below, whichever is larger.
  - c) Be placed in such positions that they can be read by traffic from each direction.
  - d) Be colored "construction orange" with black letters.
  - e) Have block letters at least 6" in height.
  - f) Contain the following information: the name of the CONTRACTOR for whom the work is being performed; the name of the CONTRACTOR actually performing the work; a general description of the work to be done; the time frame within which the work will be performed, i.e. the date work will commence and the date all work will be completed; a 24-hour contact phone number where persons may speak with a representative of the CONTRACTOR for whom the work is being performed or may leave a request to speak with such a representative and for which all calls will be turned by such a representative of the CONTRACTOR within 24-hours.
  
2. If the work will take less than one (1) week to perform, such signage shall:
  - i. Be installed on temporary supports at an approved location;
  - ii. Be placed in such positions that they can be read by traffic from each direction;
  - iii. Be colored "construction orange" with black letters;
  - iv. Have block letters at least 6" in height;
  - v. Contain the following information: the name of CONTRACTOR for whom the work is being performed;
  - vi. 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  
RIGHT OF WAY  
REPAIRS  
12-1-11 TO 11-30-  
12  
(480) 782-XXXX**

**CONTRACTOR**  
**(480) 782-XXXX**