



Chandler - Arizona  
Where Values Make The Difference

**PURCHASING ITEM  
FOR  
COUNCIL AGENDA  
Memo No. CA13-047**

1. Agenda Item Number:

23

2. Council Meeting Date:

October 25, 2012

**TO: MAYOR & COUNCIL**

3. Date Prepared: October 5, 2012

**THROUGH: CITY MANAGER**

4. Requesting Department: Municipal Utilities

**5. SUBJECT:** Reclaimed Water System Demand and Infrastructure Assessment

**6. RECOMMENDATION:** Staff recommends Council award a Project Agreement to CH2M Hill Engineers, Inc. for Reclaimed Water System Demand and Infrastructure Assessment, Project No. WW1304-101, in an amount not to exceed \$270,138.

**7. BACKGROUND/DISCUSSION:** The Integrated Water, Wastewater and Reclaimed Water System Master Plan was updated in 2008. The Master Plans govern "build-out and build-up" expansion of the City's water, wastewater and reclaimed water system infrastructure. A reliable, well-planned utility system is essential to the City successfully serving its residential, commercial and industrial customers. Since the 2008 Integrated Master Plan was completed, the City has experienced an unanticipated expansion of the wastewater treatment and collection systems. The Airport Water Reclamation Facility (AWRF) is currently being expanded, along with significant lift station and forcemain improvements. Reassessing the Reclaimed Water system demand and infrastructure to incorporate these modifications is important to maintain adequate service levels to current and future customers.

The scope of work includes updating current and future demand and supply characteristics; assessing the recent wastewater collection and treatment system expansion related to the reclaimed water delivery system; analyzing the system's hydraulic performance for various conditions; assessing existing and proposed delivery infrastructure, and making infrastructure recommendations to improve system performance; and evaluating the system's Total Dissolved Solids characteristics. An analysis and report will be completed to develop technically feasible options with a recommendation to distribute future reclaimed water flows. The final report will be included in any future master plan updates.

**8. EVALUATION:** On May 10, 2012 Council awarded a contract extension to CH2M Hill Engineers, Inc. for the annual permitting, study and design for water and wastewater facilities, Contract EN1003-104. Staff reviewed scope of work, billing rates and total fee for this project, compared them to historical costs, and determined they are reasonable.

**9. FINANCIAL IMPLICATIONS:**

Cost: \$270,138

Savings: N/A

Long Term Costs: N/A

**Fund Source:**

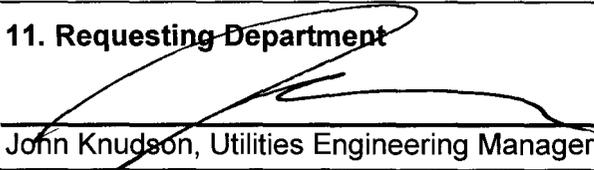
<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
614.3910.5219.6WW021	Wastewater SDF	Wastewater Master Plan Update	Yes	\$270,138

**10. PROPOSED MOTION:** Move Council award a Project Agreement to CH2M Hill Engineers, Inc. for Reclaimed Water System Demand and Infrastructure Assessment, Project No. WW1304-101, in an amount not to exceed \$270,138, and authorize the Mayor to sign the contract documents.

**ATTACHMENTS:** Project Agreement

**APPROVALS**

**11. Requesting Department**

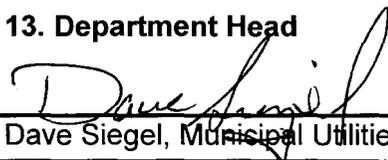
  
John Knudson, Utilities Engineering Manager

**12. Transportation & Development**

  
Bob Fortier, Capital Projects Manager

  
Sheina Hughes, City Engineer

**13. Department Head**

  
Dave Siegel, Municipal Utilities Director

**14. City Manager**

  
Rich Dlugas

**PROJECT AGREEMENT  
PURSUANT TO ANNUAL CONTRACT NO. EN1003-104**

**AGREEMENT NO: WW1304-101**

This AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Chandler, a municipal corporation (hereinafter referred to as "CITY") and CH2M Hill Engineers, Inc., a corporation of the State of Florida licensed in the State of Arizona (hereinafter referred to as "Annual Consultant") and is a project agreement entered into pursuant to Annual Contract No. EN1003-104.

CITY and CH2M Hill Engineers, Inc., in consideration of the mutual covenants herein set forth, agree as follows:

**ARTICLE 1. DESCRIPTION OF WORK**

This project is Reclaimed Water Demand and Infrastructure Assessment, Project Number WW1304-101. The scope of work consists of updating the 2008 Reclaimed Water System Master Plan, all as more particularly set forth in Exhibit A attached hereto and incorporated herein by reference.

The Annual Consultant shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract amendment and signed by the Contract Administrator.

**ARTICLE 2. CONTRACT PRICE**

CITY shall pay Annual Consultant for completion of the Work in accordance with the Contract Documents a fee not to exceed Two Hundred Seventy Thousand One Hundred Thirty Eight Dollars (\$270,138) determined and payable as set forth in Annual Contract EN1003-104 and Exhibit B attached hereto and made a part hereof by reference.

**ARTICLE 3. CONTRACT TIME**

The contract time is Two Hundred Seventy days and Annual Consultant agrees to complete all work within Two Hundred Seventy (270) days of the date CITY issues a Notice to Proceed.

**ARTICLE 4. GENERAL**

This Project Agreement is entered into pursuant to Annual Contract No. EN1003-104 and the terms and conditions contained therein are incorporated herein by reference as if set forth in full.

**ARTICLE 5. ARIZONA PROCUREMENT LAW**

Compliance with A.R.S. § 41-4401. Pursuant to the provisions of A.R.S. § 41-4401, the Consultant hereby warrants to the City that the Consultant and each of its subcontractors ("Subconsultants") 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 "Consultant Immigration Warranty").

A breach of the Consultant Immigration Warranty (Exhibit C) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.

The City retains the legal right to inspect the papers of any Consultant or Subconsultant employee who works on this Contract to ensure that the Consultant or Subconsultant is complying with the Contractor Immigration Warranty. The Consultant agrees to assist the City in the conduct of any such inspections.

The City may, at its sole discretion, conduct random verifications of the employment records of the Consultant and any Subconsultant to ensure compliance with Contractors Immigration Warranty. The Consultant agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the Consultant 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 consultant or subconsultant. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

In accordance with A.R.S. §35-393.06, the Consultant hereby certifies that the offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. §35-391.06, the Consultant hereby certifies that the offeror does not have scrutinized business operations in Sudan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

This Agreement will be effective on this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF CHANDLER

FOR THE ANNUAL:

\_\_\_\_\_  
MAYOR DATE:

By: Thomas McLean  
Title: VICE PRESIDENT

ADDRESS FOR NOTICE  
City of Chandler  
P.O. Box 4008, Mail Stop 407  
Chandler, AZ 85244-4008  
480-782-3307

ADDRESS FOR NOTICE  
Mr. Tom McLean  
CH2M Hill  
2625 S. Plaza Dr., Ste. 300  
Tempe, AZ 85282-3397

APPROVED AS TO FORM:

Phone: 480-966-8188  
Fax: 480-966-9450

City Attorney By: [Signature]  
ATTEST:

\_\_\_\_\_  
City Clerk

## EXHIBIT A SCOPE OF WORK

### **Project Description**

- Update current and future reclaimed water demand and supply characteristics.
- Assess the recent wastewater collection and treatment systems expansions as they relate to the reclaimed water delivery system.
- Analyze the reclaimed water system's hydraulic performance for various conditions.
- Assess the existing and proposed reclaimed water delivery infrastructure and make infrastructure recommendations to improve system performance.
- Evaluate the system's Total Dissolved Solids (TDS) characteristics.
- Update the 2008 Reclaimed Water System Master Plan.

### **Background**

Since the 2008 Integrated Master Plan was completed, the City has experienced an unanticipated expansion of the wastewater treatment and collection systems. The Airport WRF is currently being expanded along with other significant lift station and force main improvements. Updating the current Reclaimed Water Master Plan is needed to incorporate these modifications into the plan and reassess the reclaimed water delivery strategies to improve service to existing and future customers.

In terms of real time deliveries, Chandler delivers reclaimed water using a "modified scheduled delivery" strategy. Deliveries to small reclaimed water users are delivered on demand. Usually these deliveries take place during the night time. The deliveries to lakes (large water users), Ocotillo Management Group (OMG), and the Gila River Indian Community (GRIC) deliveries are, more or less, at a constant rate. Chandler controls the real time deliveries to the lakes and GRIC.

### **Task 1.0 – Project Management**

Task 1 consists of the management aspects of the project. The specific elements of this task include:

#### **Task 1.1 – Project Execution Plan**

Prepare a Project Execution Plan (PEP) for the project and distribute to the City and all the ANNUAL CONSULTANT project team members and personnel. The workplan will include the project purpose and objectives, scope of work, project delivery schedule, deliverables, budget, organizational chart, communication plan, change management plan and document management plan. In addition, the plan will include a Quality Management Plan and a project Health and Safety Plan. The Project Execution Plan will be distributed to the City and the ANNUAL CONSULTANT team members. The City will review and approve the PEP.

#### **Task 1.2 – Project Kickoff/Chartering Meeting**

Conduct initial project kick-off meeting/chartering session with all project participants to review the project goals, objectives, scope of work, project schedule, and roles and responsibilities. Prepare meeting minutes and distribute to document the meeting.

#### **Task 1.3 -Progress Reports**

Prepare and distribute monthly progress reports to the City throughout the course of the project. The progress reports will summarize the work has been completed during the preceding month and work that will be completed during the upcoming month. Deliver these reports as part of the monthly progress payment request. In addition, send weekly e-mails to the City to provide an update on activities for the prior week.

#### **Task 1.4 – Project Coordination and Progress Meetings**

On a monthly basis, ANNUAL CONSULTANT shall conduct project progress meetings with the City to discuss issues/elements of the project. Prepare and distribute meeting agendas two (2) days prior to the meeting and prepare and distribute meeting minutes within three (3) business days following the Project

Coordination and Progress Meeting. It is anticipated that there will be nine (9) monthly Project Coordination and Progress Meetings.

**Task 1 Deliverables**

Task	Deliverable	Quantity	Comments
1.1	Project Execution Plan	6	Hard copies and one pdf on a CD
1.2	Project Kickoff Meeting Minutes	1	E-mail delivery in pdf format
1.3	Monthly Progress Reports	1	E-mail delivery in pdf format
1.4	Project Coordination and Progress Meetings Agendas and Minutes	1	E-mail delivery in pdf format

**Task 2.0 –Existing and Build out Reclaimed Water System Demands**

This task will update current and projected reclaimed demands. Examine existing agreements with the GRIC, OMG, industrial users, and, both the small and large reclaimed users. Update the demand projections for current and future customers. Identify characteristics for hourly, monthly and annual variations of demand on the system. For purposes of this study, any reclaimed water user intending to take deliveries equal to or over 250,000 gpd annual average is consider a large user. All other reclaimed water users are considered as small users.

This task will update the demands for the 2012 and build out conditions. A partial list of these demands could include:

- GRIC Exchange Agreement - The GRIC Exchange is the largest individual reclaimed water demand. The planned deliveries increase incrementally over time.
- OMG Reclaimed Deliveries
- Industrial Users
- Chandler Heights Recharge Project (CHRP)
- Distribution System Users

**Task 2 Deliverables**

Task	Deliverable	Quantity	Comments
2.0	Technical Memorandum	6	Hard copies and one .pdf on a CD

**Task 3.0 – Existing Reclaimed Water Supply System**

Wastewater flows to the existing treatment facilities are the supply to the reclaimed water system. ANNUAL CONSULTANT shall update the following elements of the reclaimed water supply system.

**Task 3.1 – Recent Updates to the Existing Major Wastewater Infrastructure**

Include the AWRF capacity expansion, Lone Butte Lease renewal, construction of the West Chandler Pump Back System, and the new installation of the large capacity Ocotillo Water Reclamation Facility (WRF) Lift Station and interconnecting force main in the Update. Develop a schematic of the system to fully represent the expanded system capabilities and the increased flexibility in system operations.

### Task 3.2 – Tumbleweed and Ocotillo Recharge and Recovery System Operations

Both the Tumbleweed and the Ocotillo Recharge facilities are equipped with wells that can recover recharge reclaimed water and discharge the recovered water into the reclaimed water delivery system. Southwest Ground-water Consultants is completing an operational analysis of Tumbleweed and Ocotillo ASR wells. ANNUAL CONSULTANT shall incorporate the findings of this study into the Update.

#### Task 3 Deliverables

Task	Deliverable	Quantity	Comments
3.1 – 3.2	Technical Memorandum	6	Hard copies and one pdf on a CD

### Task 4.0 – Evaluation of the Reclaimed Water System Existing and Future Operation

The City's reclaimed water supply systems include sources of supply from AWRF, OWRF, Tumbleweed ASR Wells, and Ocotillo ASR Wells. Recent infrastructure improvements may increase operational flexibility. Develop a monthly and annual supply/demand balance based on the results from Tasks 2 and 3.

### Task 4.1 – Analyze the Monthly Wastewater Flows and Reclaimed Water System Deliveries

Develop a monthly "water balance" spreadsheet model that accounts for AWRF/OWRF reclaimed water production and deliveries to customers, CHRP, and ASR Wells. Evaluate both 2012 conditions and build out conditions. Consider TDS, when recovering reclaimed water from ASR wells.

### Task 4.2 – Perform a Hydraulic Analysis of the Reclaimed Water Distribution System

Based on the information developed in Tasks 2 and 3, and using Chandler's "modified scheduled deliveries" strategy, assess the Reclaimed Water Distribution System for improvements to existing or future operations.

#### Task 4.2.1 – Reclaimed Water Model Calibration

ANNUAL CONSULTANT shall calibrate the existing Chandler EPANET model. The City will provide a current version of the model that reflects the most recent infrastructure improvements to the system and any operational adjustments (closed valves, etc). Historical real-time flow, pressure and customer demand data at specified points within the operating system will be provided by the City for use in the calibration process at the request of the consultant.

#### Task 4.2.2 – Conduct Hydraulic Modeling Analyses

ANNUAL CONSULTANT shall develop the following hydraulic modeling scenarios for:

- Steady state peak hour simulation of the 2012 system
- Steady state peak hour simulation of the system under build out conditions
- Extended period peak condition simulation (24 or 48-hour simulation) of the system under build out conditions
- Two more scenarios of the City's choice.

Modeling simulations will account for the following:

- Recharge to ASR Wells operating at maximum hourly recharge (build out conditions only)
- Recovery from ASR Wells operating at maximum hourly recovery (build out conditions only)
- Small users operating at peak hour reclaimed water deliveries (2012 and build out conditions)

- Large users operating at peak hour reclaimed water deliveries (2012 and build out conditions)

**Task 4.2.3 – Improvement Recommendations**

ANNUAL CONSULTANT shall evaluate each of the above models outputs and recommend changes to improve the reclaimed water system’s performance. ANNUAL CONSULTANT shall perform a system assessment and develop a CIP to outline the budget and timing of the recommended infrastructure.

The results of the findings from Tasks 4.1, 4.2, and 4.3 including recommended system improvements will be incorporated into the final report.

**Task 4 Deliverables**

Task	Deliverable	Quantity	Comments
Task 4.1 – 4.2	Technical Memorandum	6	Hard copies and one pdf on CD
Task 4.1 & 4.2	Monthly Spreadsheet Model, EPANET Model & Data Sets  Improvement Recommendations	1	CD

**Task 5.0 – Reclaimed Water System TDS Assessment**

**Task 5.1 – Source characterization**

Conduct an evaluation of the various water sources and their contributions of TDS to the Chandler reclaimed water system including wastewater treatment plants, industrial users, and the ASR operations. Identify apparent trends in reclaimed water system quality and TDS levels.

ANNUAL CONSULTANT will work closely with the city staff during this evaluation. Conduct frequent meetings to ensure a thorough exchange of information and data. Any pertinent data gaps will be filled as the evaluation progresses.

**Task 5.2 – Assessment of Existing Beneficial Uses**

Characterize the range of current beneficial uses of Chandler reclaimed water (e.g., agricultural supply, recreational turf, and municipal irrigation needs) and assess the potential water quality (TDS) impacts on these uses. Provide an assessment of the relative salt tolerances of vegetation receiving irrigation under each use and the potential impacts to crop and soil management requirements resulting from elevated TDS levels.

As the work associated with this task progresses, ANNUAL CONSULTANT shall meet proactively with city staff to provide continuous updates on interim findings and results. This will allow for the opportunity to provide additional emphasis or adjust focus on particular areas of reuse as needed.

**Task 5.3 - Proposed TDS Management Strategies**

Present similar case studies of approaches to TDS management in the southwestern United States and elsewhere (e.g., Water District of Southern California, California Water Code, reclaimed water studies, crop tolerance studies, Bureau of Reclamation salinity studies for agriculture, etc.) and discuss relevance to Chandler.

ANNUAL CONSULTANT shall set up interactive meetings with city staff to structure the literature and case study search to ensure that it presents the most value to the Chandler community. These meetings will also include a continuous dialogue regarding a path forward for proposed management and mitigation strategies. The city may direct additional study or investigation as mutually agreed to provide for a comprehensive review.

**Task 5 Deliverables**

<b>Task</b>	<b>Deliverable</b>	<b>Quantity</b>	<b>Comments</b>
Task 5.1 - 5.3	Technical Memorandum	6	Hard copies and one pdf on CD

**Task 6 - Final Reclaimed Water System Assessment Report**

**Task 6.1 – Final Report**

The final report for this Reclaimed Master Plan Update will provide an addendum to Chapter 5 of the 2008 Water, Wastewater, and Reclaimed Water Master Plan Document. The Technical Memorandum from Tasks 1 through 5 will be combined into a single report for the City. ANNUAL CONSULTANT shall collect and incorporate City comments on the Draft Technical Memorandum from each scope Task.

**Task 6 Deliverable**

<b>Task</b>	<b>Deliverable</b>	<b>Quantity</b>	<b>Comment</b>
6.1	Final Reclaimed Water System Assessment Report	6	Hard copy and one pdf on a CD

**Project Schedule**

ANNUAL CONSULTANT shall complete the overall project within 9 months from the Notice to Proceed. Emphasis will be placed on Tasks 2 through 4 to facilitate their completion with an approximately 4 month time frame.

Task	Principal Project Manager (\$/Hr.)	Principal Technologist (\$/Hr.)	Project Manager/ Sr Technologist (\$/Hr.)	Project Engineer (\$/Hr.)	Assoc Engineer (\$/Hr.)	Staff Engineer (\$/Hr.)	Senior Eng Tech (\$/Hr.)	Jr Eng Tech (\$/Hr.)	Office / Clerical / Account (\$/Hr.)	Total Hours	Total Cost
<b>Task 1.0 - Project Management</b>	\$ 180	\$ 195	\$ 168	\$ 150	\$ 125	\$ 115	\$ 132	\$ 85	\$ 80		
Task 1.1 - Project Execution Plan	4				8			8	16	36	\$ 3,680
Task 1.2 - Project Kickoff/Chartering Meeting	4	4	4		4	4		4	12	36	\$ 4,432
Task 1.3 - Progress Reports	9								32	41	\$ 4,180
Task 1.4 - Project Coordination and Progress Meetings	18		8		8			8	18	58	\$ 7,544
<b>Subtotal</b>										171	\$ 19,836
<b>Task 2.0 - Existing and Build out Reclaimed Water System Demands</b>											
Task 2.0 - Existing and Build out Reclaimed Water System Demands	24		24		40	32		16	12	148	\$ 19,352
<b>Subtotal</b>										148	\$ 19,352
<b>Task 3.0 - Existing Reclaimed Water Supply System</b>											
Task 3.1 - Recent Updates to the Existing Major Wastewater Infrastructure	8		12		12	18		12	6	66	\$ 8,296
Task 3.2 - Tumbleweed and Ocotillo Recharge and Recovery System Operations	16		8		12	16		12	6	70	\$ 9,084
<b>Subtotal</b>										136	\$ 17,360
<b>Task 4.0 - Evaluation of the Reclaimed Water System Existing and Future Operation</b>											
Task 4.1 - Analyze the Monthly Wastewater Flows and Reclaimed Water System	8		16		24	16		4	12	80	\$ 10,268
Task 4.2 - Perform a Hydraulic Analysis of the Reclaimed Water Distribution System											
Task 4.2.1 - Reclaimed Water Model Calibration	8		24		32	36		4	6	110	\$ 14,432
Task 4.2.2 - Conduct Hydraulic Modeling Analyses	16		32		40	32		4	6	130	\$ 17,756
Task 4.2.3 - System Assessment and CIP Development	8		32		32	40	32	8	8	160	\$ 20,960
<b>Subtotal</b>										480	\$ 63,416
<b>Task 5.0 - Reclaimed Water System TDS Assessment</b>											
Task 5.1 - Source characterization	24	24	32		42	48		8	8	186	\$ 28,466
Task 5.2 - Assessment of Existing Beneficial Uses	36	48	48		64	64		24	8	292	\$ 41,944
Task 5.3 - Proposed TDS Management Strategies	32	32	32		64	64		24	8	256	\$ 35,416
Task 5.0 - Allowance											\$ 25,000
<b>Subtotal</b>										734	\$ 128,826
<b>Task 6.0 - Final Reclaimed Water System Assessment Report</b>											
Task 6.1 - Final Report	16	4	16		24	32		24	16	132	\$ 16,348
<b>Subtotal</b>										132	\$ 16,348
<b>Overall Labor Sub-Totals</b>	231	112	288	0	406	400	32	160	172	1180	\$ 265,138
<b>Expenses &amp; Travel Subtotal</b>											\$ 5,000
<b>Total Fee Proposal</b>											\$ 270,138

EXHIBIT B  
FEE SCHEDULE

**EXHIBIT C**

**Contractor Immigration Warranty  
To Be Completed by Consultant Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the consultant and subconsultants 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 Engineer/Annual Consultant shall attest that it and all subconsultants performing work under the cited contract meet all conditions contained herein.

Project Number: WW1304-101		
Name (as listed in the contract):		
Street Name and Number:		
City: Chandler	State: AZ	Zip Code:

I hereby attest that:

1. The Engineer/Annual Consultant 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 subconsultants 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; and
3. The Engineer/Annual Consultant has identified all consultant and subconsultant employees who perform work under the contract and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

**Signature of Engineer/ Annual Consultant (Employer) or Authorized Designee:**

\_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**CITY OF CHANDLER SERVICES AGREEMENT  
PLUMBING SERVICES  
AGREEMENT NO.: MU3-914-3022**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and REDDI SERVICES, 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 Wastewater Collection 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 provide plumbing services in the public utility easement 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.

**2.1 Non-Discrimination.** The CONTRACTOR shall comply with State Executive Order No. 99-4 and all other applicable City, State and Federal laws, rules and regulations, including the Americans with Disabilities Act.

**2.2 Licenses.** CONTRACTOR shall maintain in current status all Federal, State and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

**2.3 Advertising, Publishing and Promotion of Contract.** The CONTRACTOR shall not use, advertise or promote information for benefit concerning this Contract without the prior written approval of the CITY.

**2.4 Compliance with Applicable Laws.** CONTRACTOR shall comply with all applicable Federal, state and local laws, and with all applicable licenses and permit requirements.

**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.
- 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.
- 4 PRICE:** CITY shall pay to CONTRACTOR an amount, including all companion Agreements, not to exceed **Four Hundred Thousand Dollars (\$400,000) per year** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit C, attached hereto and made a part hereof by reference.

- 4.1. **Taxes.** CONTRACTOR shall be solely 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.
- 4.2. 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.
- 4.3. **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.
- 4.4. **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.
- 4.5. **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.
- 4.6. **Price Adjustment.** All prices offered herein shall be firm against any increase for the initial term of the Contract. Prior to commencement of subsequent renewal terms, CITY will entertain a fully documented request for price adjustment. The requested increase shall be based upon a cost increase to CONTRACTOR that was clearly unpredictable at the time the Contract was executed directly correlated to the price of the product concerned.
- 4.7. **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.
- 4.8. **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 **two year (s)**, commencing on the **1<sup>st</sup> day of November, 2012** and terminating on **October 31, 2014** unless sooner terminated in accordance with the provisions herein. CITY reserves the right, at its sole discretion, to extend the Contract for up to **one additional term of two (2) years**. Additionally, the contract may be extended unilaterally for a period of thirty-one 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](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.

If required to provide services on a school district property at least five (5) times during a month, CONTRACTOR shall submit a full set of fingerprints to the school district in accordance with A.R.S. 15-

512 of each person or employee who may provide such service. The District shall conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all CONTRACTORS, sub-CONTRACTORS or vendors and their employees for which fingerprints are submitted to the District. Additionally, the CONTRACTOR shall comply with the governing body fingerprinting policies of each individual school district/public entity. CONTRACTOR, sub-contractors, vendors and their employees shall not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The CITY shall not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

**6.2. Emergency Purchases:** CITY reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the CONTRACTOR.

## **7. CITY'S CONTRACTUAL REMEDIES:**

**7.1 Right to Assurance.** If the City in good faith has reason to believe that the CONTRACTOR does not intend to, or is unable to perform or continue performing under this Contract, the Contract Administrator may demand in writing that the CONTRACTOR give a written assurance of intent to perform. Failure by the CONTRACTOR to provide written assurance within the number of Days specified in the demand may, at the City's option, be the basis for terminating the Contract in addition to any other rights and remedies provided by law or this Contract.

**7.2 Stop Work Order.** The City may, at any time, by written order to the CONTRACTOR, require the CONTRACTOR to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the City after the order is delivered to the CONTRACTOR. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the CONTRACTOR shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

**7.3** If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the CONTRACTOR shall resume work. The Contract Administrator shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

**7.4 Non-exclusive Remedies.** The rights and the remedies of the City under this Contract are not exclusive.

**7.5 Nonconforming Tender.** Services and materials supplied under this Contract shall fully comply with Contract requirements and specifications. Services or materials that do not fully comply constitute a breach of contract.

**7.6 Right of Offset.** The City shall be entitled to offset against any sums due CONTRACTOR, any expenses or costs incurred by the City, or damages assessed by the City concerning the CONTRACTOR'S non-conforming performance or failure to perform the Contract, including expenses to complete the work and other costs and damages incurred by CITY.

## **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 sub-CONTRACTORS to cease such work. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive a fee for the percentage of services actually performed. This fee shall be in the amount to be mutually agreed upon by the CONTRACTOR and CITY, based on the agreed Scope of Work. If there is no mutual agreement, the Management

Services Director shall determine the percentage of work performed under each task detailed in the Scope of Work and the CONTRACTOR'S compensation shall be based upon such determination and CONTRACTOR'S fee schedule included herein.

- 8.2 Termination for Cause:** City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events:
- 1) If CONTRACTOR fails to perform pursuant to the terms of this Agreement
  - 2) If CONTRACTOR is adjudged a bankrupt or insolvent;
  - 3) If CONTRACTOR makes a general assignment for the benefit of creditors;
  - 4) If a trustee or receiver is appointed for CONTRACTOR or for any of CONTRACTOR'S property;
  - 5) If CONTRACTOR files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws;
  - 6) If CONTRACTOR disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction;
  - 7) Where Agreement has been so terminated by CITY, the termination shall not affect any rights of CITY against CONTRACTOR then existing or which may thereafter accrue.
- 8.3. Cancellation for Conflict of Interest.** Pursuant to A.R.S. § 38-511, CITY may cancel this Contract after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the City is or becomes at any time while this Contract or an extension of this Contract is in effect, an employee of or a consultant to any other party to this Contract. The cancellation shall be effective when the CONTRACTOR receives written notice of the cancellation unless the notice specifies a later time.
- 8.4. Gratuities.** CITY may, by written notice, terminate this Contract, in whole or in part, if CITY determines that employment or a Gratuity was offered or made by CONTRACTOR or a representative of CONTRACTOR to any officer or employee of CITY for the purpose of influencing the outcome of the procurement or securing this Contract, an amendment to this Contract, or favorable treatment concerning this Contract, including the making of any determination or decision about contract performance. The CITY, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by CONTRACTOR.
- 8.5. Suspension or Debarment.** CITY may, by written notice to the CONTRACTOR, immediately terminate this Contract if CITY determines that CONTRACTOR has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a SUBCONTRACTOR of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the CONTRACTOR is not currently suspended or debarred. If CONTRACTOR becomes suspended or debarred, CONTRACTOR shall immediately notify CITY.
- 8.6. Continuation of Performance Through Termination.** The CONTRACTOR shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 8.7. No Waiver.** Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
- 8.8. Availability of Funds for the next Fiscal Year.** Funds may not presently be available under this agreement beyond the current fiscal year. No legal liability on the part of the CITY for services may arise under this agreement beyond the current fiscal year until funds are made available for performance of this agreement. The CITY may reduce services or terminate this agreement without further recourse, obligation, or penalty in the event that insufficient funds are appropriated. The City Manager shall have the sole and unfettered discretion in determining the availability of funds.

9. **FORCE MAJEURE:** Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

10. **DISPUTE RESOLUTION:**

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

10.2 **Jurisdiction and Venue.** The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.

10.3 **Fees and Costs.** Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorney's fees, expert witness fees and costs including, as applicable, arbitrator fees; provided, however, that no award of attorney's fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.

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 \$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 \$4,000,000 (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: Wastewater Division  
Contact: Alvin Robertson  
Mailing Address: PO Box 4008 MS 908  
Physical Address: 975 E Armstrong Way  
City, State, Zip Chandler AZ 85249  
Phone: 480-782-3600  
FAX: 480-782-3599

In the case of the CONTRACTOR

Firm Name: Reddi Services  
Contact: Alfredo Zapata  
Address: 3025 W Weldon Ave  
City, State, Zip Phoenix AZ 85017  
Phone: 602-768-2102  
FAX: 602-254-3445  
EMAIL: Alfredo@ReddiServices.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. Entire Agreement.** This Agreement, including all Exhibits attached hereto, constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives or each party.
- 15.3. Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 15.4. Assignment:** Services covered by this Agreement shall not be assigned in whole or in part without the prior written consent of the CITY.
- 15.5. 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.
- 15.6. 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.
- 15.7. 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.

15.8. **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 \_\_\_\_\_, 2012.

FOR THE CITY OF CHANDLER

FOR THE CONTRACTOR

\_\_\_\_\_  
MAYOR

By: *[Signature]*  
Signature

ATTEST:

ATTEST: If Corporation

SEAL

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Secretary

Approved as to form:

\_\_\_\_\_  
City Attorney *[Signature]*

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.

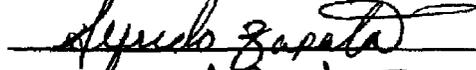
By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

<b>Contract Number:</b> MU3-914-3022			
<b>Name (as listed in the contract):</b> REDDI SERVICES			
<b>Street Name and Number:</b> 3025 W. Weldon Ave			
<b>City:</b> Phoenix	<b>State:</b> AZ	<b>Zip Code:</b> 85017	

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: Alfredo Zapata

Title: Project Manager

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

**EXHIBIT B  
SCOPE OF WORK**

1. **SCOPE.** CONTRACTOR shall provide plumbing services to include repairs, replacement (or alterations) to sewer lines, storm drains, water lines, laterals and all fixtures, vents and devices common to the plumbing industry. CONTRACTOR shall provide repair to sewer mains and laterals generally ranging in size from 4" to 12" located in the public utility easement. Work shall include repairs of sewer and restoration of excavation site and video inspection of damaged area
2. **RESPONSE TIME.** For non-emergency repairs, CONTRACTOR shall respond within four (4) hours of receiving call from CITY. For emergency calls, CONTRACTOR shall respond within two (2) hours of receiving call from CITY.
3. **WORK ESTIMATES AND COMPLETION TIME.**
  - 3.1. **Emergency:** CONTRACTOR shall be required to provide either: 1) a price estimate and/or completion time estimate or 2) commence work within the two (2) hour response time.
  - 3.2. **Non-emergency:** CONTRACTOR shall be required to provide a price estimate and completion time estimate within two (2) days of response.
4. **HOURLY RATES.** CONTRACTOR shall charge hourly rates listed in Exhibit C. The hourly rates for labor and equipment shall be paid for time on scene only. No travel or mob/de-mob charges will be allowed. Any work on Saturdays, Sundays or holidays will require advance approval from CITY.
5. **REPLACEMENT PARTS.** CONTRACTOR shall charge the mark-up percentage listed in Exhibit C for any parts and supplies required for repair.
6. **SUBCONTRACTOR REPAIRS.** CONTRACTOR shall charge the mark-up percentage listed in Exhibit C for any subcontractors required to complete the repair.
7. **SUPERVISION BY THE CONTRACTOR.** CONTRACTOR shall supervise and direct all work. CONTRACTOR shall be solely responsible for the means, methods, techniques, sequences and procedures performed. CONTRACTOR shall employ and maintain on the work a qualified supervisor or superintendent, which shall be designated CONTRACTOR as CONTRACTOR's representative at the site. The supervisor shall have full authority to act on behalf of CONTRACTOR and all communications given to the supervisor shall be as binding as if given to CONTRACTOR. The supervisor shall be present on the site at all times as required to perform adequate supervision and coordination of the work.
8. **INSPECTION.** Contract Administrator/designee may have CITY staff monitor the work site and report to the Contract Administrator/designee as to the progress of the Work, the manner in which it is being performed, and if material furnished and work performed by CONTRACTOR fails to fulfill the requirements of the Agreement. Contract Administrator/designee may direct the attention of CONTRACTOR to such failure or infringement but such inspection shall not relieve CONTRACTOR from any obligation to furnish acceptable materials or to provide completed work that complies with the Agreement.

In the case of any dispute arising between Contract Administrator/designee and the CONTRACTOR as to material furnished or the manner of performing work, Contract Administrator/designee shall have the authority to reject materials or suspend the work until the question and issue can be resolved
9. **CLEANUP.** CONTRACTOR shall remove all debris and other materials from the work site after the completion of work.

10. **PROTECTION OF FINISHED OR PARTIALLY FINISHED WORK.** CONTRACTOR shall properly secure the work site and protect all finished or partially finished work.
11. **DISPOSAL OF WASTE.** CONTRACTOR shall be responsible for disposal of all waste and debris, etc. at a legal off-site location. ANY DISPOSAL OF WASTE PRODUCTS OR UNUSED MATERIALS SHALL CONFORM TO APPLICABLE FEDERAL, STATE, AND LOCAL REGULATIONS. Copies of disposal documentation shall be provided to Contract Administrator/designee upon request.
12. **WRITTEN COMPLETION REPORTS.** CONTRACTOR shall submit a written completion report to Contract Administrator/designee within 30 days of completion of work, which details work completed. The report for pump repair shall include depth of setting, bowl size and make, tube and shaft size and make, depth of well water level and other pertinent information. **The report shall include a daily log that accounts for all hours and materials billed to the job.** CITY will not make payment prior to receiving this report.

**Exhibit C  
Price Sheet**

1	Plumber	Hour	\$ 60.00
2	Plumber's helper	Hour	\$ 45.00
3	Backhoe	Hour	\$ 65.00
4	Jack Hammer	Hour	\$ 30.00
5	Concrete Cutter	Hour	\$ 30.00
6	Dump Truck	Hour	\$ 65.00
7	Video Inspection	Hour	\$ 65.00
8	Over Time (% added to line 1 & 2 for hrs worked on a Saturday or Sunday)	Mark Up %	50%
9	Replacement Parts (% added to replacement parts)	Mark Up %	30%
10	Subcontractor repairs (% added to subcontractor costs)	Mark Up %	15%
		Mark Up %	All Rates Hourly:
			Hydro Vac Truck: \$65.00
			Trailer Mounted Water Tank Unit: \$30.00
			Safety Equipment: \$65.00/Day

**EXHIBIT D  
QUESTIONNAIRE**

1. Provide a list of staff that will perform work under the proposed agreement. Include name titles and certifications.

**Alfredo Zapata, Project Manager  
Donald Matta, Plumber/Video Inspector  
Humberto Ochoa, Equipment Operator/Plumber  
Leo Mancillas, Equipment Operator/Plumber  
Raymundo Lopez, Laborer**

**Jose Calderon, Laborer  
Horacio Gutierrez, Equipment Operator/Laborer  
Pepe Munoz, Plumber  
Ramon Torres, Equipment Operator/Plumber**

2. Provide a list of CONTRACTOR owned equipment that will be used to perform work under the proposed agreement.

**Back hoe, loader, dump truck, concrete saw, jack hammer, sewer camera equipment**

3. Provide a list of the types of equipment that will be rented to perform work under the proposed agreement.

**Steel plates, trench shoring**

4. Provide a list of the types of service that will be subcontracted to perform work under the proposed agreement.

**Asphalt, concrete**

5. Provide the location that staff and equipment will respond from.

**3025 W Weldon Ave, Phoenix, AZ 85017**

6. Provide number of years in business.

**55 years**