



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

18

Memo No. MU3-962

2. Council Meeting Date:

April 11, 2013

TO: MAYOR & COUNCIL

3. Date Prepared: March 15, 2013

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: HydroVac Services with Ancon Service Company

6. RECOMMENDATION: Recommend approval of Agreement No. MU3-962-3146 for HydroVac Services with Ancon Service Company in an amount not to exceed \$286,720 for a two-year term with the option to extend for one additional two-year term.

7. BACKGROUND/DISCUSSION: HydroVac services are required by various departments throughout the City of Chandler. The Wastewater Division will use this service to enhance the current in-house sewer cleaning operation to reduce issues with sewer odors and backups. Fleet Services will use the service twice annually for cleaning the sand/oil/water separators at McQueen Yard and Price Road vehicle maintenance facilities. The Parks Division will use this service to perform cleaning of the wash bay located at their fleet maintenance facility. Streets will use this service for street sweeper wash bay and storm drain cleaning and Water Distribution will use HydroVac Services to expose water mains and remove debris from streets/sidewalks after water main breaks.

8. EVALUATION PROCESS: On January 25, 2013, City staff issued an Invitation for Bid for HydroVac Services. Notification was sent to all registered vendors. The City received four bids summarized on the attached bid tabulation. Staff is recommending award to the lowest responsive and responsible bidder, Ancon Service Company.

The term of this Agreement term will be May 1, 2013 through April 30, 2015 with the option to renew for one (1) additional two-year term. The funding amount request is based on historic use.

9. FINANCIAL IMPLICATIONS:

Cost: \$286,720
Savings: N/A
Long Term Cost: N/A

Acct. No	Fund:	Program Name:	CIP Fund:	Funds:
215.3300.0.5219	HURF	Other Prof/Contract Services	Non-CIP	\$ 53,240
101.4580.0.5410	Parks Capital	Building & Grounds R&M	Non-CIP	\$ 1,500
615.3900.0.5219	Wastewater Operating	Other Prof/Contract Services	Non-CIP	\$173,880
605.3800.0.5219	Water Operating	Other Prof/Contract Services	Non-CIP	\$ 50,600
101.0000.0.1520	General Fund/Fleet	Fleet/Fire	Non-CIP	\$ 7,500

10. PROPOSED MOTION: Move to approve Agreement No. MU3-962-3146 for HydroVac Services with Ancon Service Company in an amount not to exceed \$286,720 for two-years with an option to extend for one additional two-year term.

ATTACHMENT: Agreement, Bid Tab

APPROVALS

11. Requesting Department

12. Department Head


Kim Neill, Utility Operation Manager


Dave Siegel, Municipal Utilities Director

13. Procurement Officer.

14. City Manager


Raquel McMahon, CPPB


Rich Dlugas

**CITY OF CHANDLER SERVICES AGREEMENT
HYDROVAC SERVICE
AGREEMENT NO.: MU3-962-3146**

THIS AGREEMENT is made and entered into this ____ day of _____, 2013, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and ANCON SERVICE COMPANY, hereinafter referred to as "CONTRACTOR".

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in the Agreement.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. CONTRACT ADMINISTRATOR:

- 1.1. **Contract Administrator.** CONTRACTOR shall act under the authority and approval of the Streets Superintendent/designee (Contract Administrator), to provide the services required by this Agreement.
 - 1.2. **Key Staff.** This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.
 - 1.3. **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.
 - 1.4. **Subcontracts.** CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.
- 2. SCOPE OF WORK:** CONTRACTOR shall perform the specified Hydrovac Services 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. **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.
4. **PRICE:** CITY shall pay to CONTRACTOR an amount not to exceed **ONE HUNDRED FORTY THREE THOUSAND THREE HUNDRED SIXTY Dollars \$143,360.00.** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit C, attached hereto and made a part hereof by reference.
- 4.1. **Tax.** 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 department (i.e. Streets services shall not be combined with requests from Waste Water requests), and no payment will be issued prior to completion of specified services and receipt of a correct invoice. Each invoice must state location with address of service performed (i.e. quarter section) and date of service. Listing two department requests on one invoice is unacceptable as multiple departments use the contract.
- 4.3. **Estimated Quantities.** The quantities shown on Exhibit C (the Price List) are estimates only, based upon available information. Payment shall be based on actual quantities and there is no guarantee that

any certain quantity shall be required by CITY. City reserves the right to increase or decrease the quantities actually required.

- 4.4. **IRS W9 Form.** In order to receive payment CONTRACTOR shall have a current I.R.S. W9 Form on file with CITY, unless not required by law.
- 4.5. **Price Adjustment (Annual).** All prices offered herein shall be firm against any increase for **TWO (2) years** from the effective date 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.
- 4.6. **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 **TWO (2) years**. CITY reserves the right, at its sole discretion, to extend the Contract for one more TWO year term. CITY reserves the right, to extend the Contract for up to 60 days after final termination date.
6. **USE OF THIS CONTRACT:** The Contract is for the sole convenience of the City of Chandler. CITY reserves the rights to obtain like services from another source to secure significant cost savings or when timely completion cannot be met by CONTRACTOR.
- 6.1. **Cooperative Use of Contract.** In addition to the City of Chandler and with approval of the CONTRACTOR, this Contract may be extended for use by other municipalities, school districts and government agencies of the State. A current listing of eligible entities may be found at www.maricopa.gov/materials and then click on 'Contracts', 'S.A.V.E.' listing and 'ICPA'. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five (5) times during a month, CONTRACTOR shall submit a full set of fingerprints to the school district in accordance with A.R.S. 15-512 of each person or employee who may provide such service. The District shall conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all CONTRACTORS, sub-CONTRACTORS or vendors and their employees for which fingerprints are submitted to the District. Additionally, the CONTRACTOR shall comply with the governing body fingerprinting policies of each individual school district/public entity. CONTRACTOR, sub-contractors, vendors and their employees shall not provide services on school district properties until authorized by the District.

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

- 6.2. **Emergency Purchases:** CITY reserves the right 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. **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, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City and any of its elected or appointed officials, officers, directors, commissioners, board members, agents or employees from and against any and all allegations, demands, claims, proceedings, suits, actions, damages, including, without limitation, property damage, environmental damages, personal injury and wrongful death claims, losses, expenses (including claim adjusting and handling expenses), penalties and fines (including, but not limited to, attorney fees, court costs, and the cost of appellate proceedings), judgments or obligations, which may be imposed upon or incurred by or asserted against the City by reason of this Agreement or the services performed or permissions granted under it, or related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by CONTRACTOR, or any of its subcontractors, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, relating to the discharge of any duties or the exercise of any rights or privileges arising from or incidental to this Agreement, including but not limited to, any injury or damages claimed by any of CONTRACTOR's and subcontractor's employees
12. **INSURANCE:**
1. General.
 - A. At the same time as execution of this Agreement, the CONTRACTOR shall furnish the City of Chandler a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
 - B. The CONTRACTOR and any of its subcontractors, subconsultants or sublicensees shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
 - C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
 - D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect CONTRACTOR from liabilities that might arise out of the performance of the Agreement services under this Agreement by CONTRACTOR, its agents, representatives, employees, subcontractors, sublicensees or subconsultants and the CONTRACTOR is free to purchase any additional insurance as may be determined necessary.
 - E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the CONTRACTOR from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.

- F. Use of SubContractors: If any work is subcontracted in any way, the CONTRACTOR shall execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the CONTRACTOR in this Agreement. The CONTRACTOR is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.
2. Minimum Scope And Limits Of Insurance. The CONTRACTOR shall provide coverage with limits of liability not less than those stated below.
- A. *Commercial General Liability-Occurrence Form.* CONTRACTOR must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.
- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles Vehicle Liability.* CONTRACTOR must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on CONTRACTOR owned, hired, and non-owned vehicles assigned to or used in the performance of the CONTRACTOR's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.
- C. *Workers Compensation and Employers Liability Insurance:* CONTRACTOR must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of CONTRACTOR employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.
- D. Pollution Legal Liability is required at \$1,000,000.00 for each occurrence and \$2,000,000.00 aggregate.
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:	<u>Streets Superintendent</u>
Contact:	<u>Rex Hartman</u>
Mailing Address:	<u>975 E. Armstrong Way,</u> <u>Bldg.C</u>
Physical Address:	<u>Chandler, AZ 85225</u>
City, State, Zip	<u>Chandler, AZ 85225</u>
Phone:	<u>480-782-3493</u>
FAX:	<u>480-782-3495</u>

In the case of the CONTRACTOR

Firm Name:	<u>Ancon Service Co.</u>
Contact:	<u>Darin Cook</u>
Address:	<u>18518 S. Susana Rd.</u>
City, State, Zip	<u>Compton, CA 90221</u>
Phone:	<u>602-258-3828</u>
FAX:	<u>602-253-0455</u>
	<u>darinc@anconmarine.com</u>

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. 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.
- 15.2. Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 15.3. Assignment:** Services covered by this Agreement shall not be assigned in whole or in part without the prior written consent of the CITY.
- 15.4. 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.
- 15.5. 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.
- 15.6. 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.

15.7. **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 _____, 2013.

FOR THE CITY OF CHANDLER

Mayor

FOR THE CONTRACTOR

By: *Devin Cook*
Signature

APPROVED AS TO FORM:

City Attorney *AK*

ATTEST: If Corporation

[Signature]
Secretary

ATTEST:

City Clerk

SEAL

EXHIBIT A

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

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

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

Contract Number: MU3-962-3146		
Name (as listed in the contract): Ancon Service Company		
Street Name and Number: 18518 S. Susana Rd.		
City: Compton	State: California	Zip Code: 90221

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: DARIN COOK

Title: MANAGER

Date (month/day/year): 3-11-13

EXHIBIT B

SCOPE OF WORK

GENERAL

The City of Chandler (COC) invites sealed bids for a term contract to provide ongoing maintenance and cleaning of but not limited to sanitary sewer lines, storm drains, wash bays and pump stations throughout Chandler as needed.

All historic usage estimates listed, are for bidding purposes only and does not obligate nor limit any usage amounts for the City of Chandler.

Contractor will be required to provide complete sewer service, including but not limited to:

Response to emergencies, public relations with citizens, keep records of maintenance, use records to help with claims, appear in court when necessary, help develop maintenance plan, maintain a good working relationship with City, adapt to special situations as necessary.

Contractor and all employees must be certified in Wastewater Collection system operation and maintenance from Arizona Department of Environmental Quality (ADEQ) within one (1) year of the award of this contract. New employees must be certified in Wastewater Collection within one (1) year of their start date on this contract.

All pertinent OSHA regulations and local traffic control laws shall be followed. Traffic control shall be provided by the Contractor. COC Traffic Engineering Department must pre-approve contractor's traffic plans.

Routine sewer cleaning shall be performed in equal amounts of footage (or as close as practical) per month over a twelve (12) month fiscal year period unless specifically directed otherwise by the Contract Administrator or his designee.

Contractor must have sufficient equipment/vehicles to meet all City needs as stated within this specification.

Contractor will supply labor and equipment to provide routine sewer and lift station maintenance as required.

Contractor will furnish the City with a daily work report of his operations at the City.

Contractor shall have a minimum of three (3) consecutive years performing similar services.

GENERAL – CONT'D

Contractor will notify Water Operations front office staff by e-mail of scheduled location of cleaning vehicles.

Easements for billing purposes are to be considered areas that are inaccessible to normal cleaning equipment.

Contractor will gain permission from property owners to access easement sewer lines. Contractor will be responsible for using whatever equipment is necessary in order to perform the work.

No work will be performed in residential areas prior to 7:00a.m. unless emergency conditions exist that require immediate attention.

All work activities shall be performed in a workmanlike manner and be acceptable to the Contract Administrator. Routine cleaning operations will be conducted in such a manner so as to start at the highest point in each quarter section and working down to the lowest point thus collecting and removing all debris that is generated.

Contractor should anticipate scheduling night work in high traffic and/or high flow areas.

Contractor may be requested to assist in special projects, i.e., plugging large diameter lines. This will be paid for on a time and material basis.

Contractor will be required to uncover manholes buried with 6" or less of loose material. This material is to be replaced when maintenance work is completed.

Contractor will when required have the means to remove all ponded sewerage after a spill.

Contractor will carry inflatable plugs up to and including 8" and have the equipment required to install them.

Contractor must have the ability to secure larger sizes of plugging equipment within two (2) hours if emergency conditions exist, within twenty-four (24) hours if work is scheduled.

Contractor must have the equipment to cut roots in laterals to the point of 3' minimum from the main into the lateral. This must be accomplished from the within the sewer main.

Contractor's vehicles used for work specified herein shall meet Arizona Department of Transportation (ADOT), Maricopa County and Arizona Department of Environmental Quality (ADEQ) Requirements.

LIFT STATIONS

Contractor will contact COC Contract Administrator prior to cleaning each station.

The Contractor may be required to vactor out City Sewer Lift stations two times per year (9 Sewer Lift Stations). The Sewer Lift Wet Wells size will vary throughout the city. The deepest Wet Well is 50'. The vactor truck must have vacuum capabilities of lifting liquid 50'. Cleaning of the sewer lifts will require the Contractor to clean the wet well walls including the floor with high pressure water. Sewer Lifts that require cleaning on as needed basis (up to six times per year) will be cleaned in the same manner. The contractor's response time will be within 2 hours for emergency requests. When required the Contractor will physically enter a Wet Well to remove larger debris. OSHA Confined Space Entry will be followed.

The Contractor will be responsible for cleaning two City Storm Lift Stations. The Storm Lift Stations will be cleaned one time per year. It is recommended that the Contractor visit the Storm Lift Stations, as they will require special piping. The stations will be cleaned of any debris that collects in the Wet Well.

SEWER LINE CLEANING

A. Intent:

Contractor shall clean sewer lines 15" and larger as designated by the Contract Administrator. The intent of sewer line cleaning is to remove foreign materials from the lines and restore the sewer to a minimum of 95% of the original carrying capacity. Since the success of other phases of work depends a great deal on the cleanliness of the lines the importance of this phase of the operation is emphasized. It is recognized that there are some conditions, such as broken pipe and major blockages that prevent cleaning from being accomplished or where additional damage would result if cleaning were attempted or continued. Should such conditions be encountered the contractor will not be required to clean those specific manhole sections. If in the course of normal cleaning operations damage does result from pre-existing and unforeseen conditions such as broken pipe, the contractor will not be held responsible. However, the contractor will remain on site and assist in repairs if requested. If the contractor is unable to clean any section of pipe for any reason, he must notify the City Contract Administrator immediately.

Prior to beginning work for the City of Chandler, contractor's hydrovac tank must be completely empty. City of Chandler contact must verify tank is empty before hydrovac service begins.

B. Cleaning Equipment

Cleaning will be accomplished by means of a high pressure combination jetting and vacuum truck.

1. High-Velocity Jet (hydro-cleaning) Equipment: All hydro-cleaning vehicles shall be constructed for ease and safety of operation. The equipment used shall be the product of a manufacturer actively engaged in the research; development and manufacturing of said equipment. The equipment shall have a minimum 500 feet of 1" hose. The equipment shall have a minimum of 2000 psi to be maintained when using hydro for cleaning. Maximum speed of travel will not exceed 45' per minute. The equipment shall have a selection of two or more high velocity nozzles. Hose reels will be Governed to not exceed 45' per minute when retracting hose during cleaning cycle, hose footage counters must operate correctly.

Hand gun - 50 ft. of hose to wash manholes, Minimum 1500-Gallon water capacity per truck, Minimum 8 ft. telescoping boom, Minimum 40' aluminum suction pipe, Arrow board on back of truck, Strobe lights on front and back of trucks. Multi-flow control (This will allow the GPM's of water to be controlled in shallow lines to avoid blowing water into toilets) Contractor must have an easement machine.

The nozzles shall be capable of producing a scouring action from 15 degrees to 45 degrees in all size lines designated to be cleaned.

Equipment shall also include a high velocity gun for washing and scouring manhole walls and floor. The equipment shall carry its own water tank, auxiliary engines, pumps, and hydraulically driven hose reel. All controls shall be located so that the equipment can be operated above ground.

2. Mechanical Cleaning Equipment: The equipment used shall be the product of a manufacturer actively engaged in the research, development and manufacturing of said equipment. Bucket machines shall be in pairs with sufficient power to perform the work in an efficient manner. Machines shall be belt operated or have an overload device. Machines with direct drive that could cause damage to the pipe will not be allowed. A power rodding machine shall be either a sectional or continuous type. To ensure safe operation, the machine shall have a fully enclosed body and an automatic safety throw-out clutch or relief valve.

C. Equipment Selection

The designated sewer manhole sections shall be cleaned using high velocity jet or mechanically powered equipment. Selection of the equipment used shall be based on the condition of lines at the time the work commences. The equipment and methods selected shall be satisfactory to the City's representative. The equipment shall be capable of removing dirt, grease, rocks, sand, roots and other materials from the sewer lines and manholes. If cleaning of an entire section cannot be successfully performed from one manhole, the equipment shall be reset on the other manhole and cleaning again attempted. If again, successful cleaning cannot be performed or the equipment fails to traverse the entire manhole section, it will be assumed that a major blockage exists and the cleaning effort shall be abandoned. At that time TV inspection will be required to determine the cause of the stoppage.

D. Cleaning Precautions

During all sewer cleaning operations, satisfactory precautions shall be taken to protect the sewer lines and manholes from damage that might be inflicted by the improper use of cleaning equipment. Equipment recommended by the manufacturer to protect the manhole and pipe shall be used.

Whenever any tools which restrict the flow of water in the sewer lines are used precautions shall be taken to ensure that the water pressure created does not cause any damage or flooding to public or private property being served by the manhole section involved.

E. Root Removal

Roots shall be removed in the designated sections where root intrusion is a problem. Special attention should be used during the cleaning operation to assure almost complete removal of roots from the joints and taps. Procedures may include the use of mechanical equipment such as rodding machines, bucket machines and winches using root cutters and "porcupines", and equipment such as high-velocity jet cleaners with hydraulic root cutters.

F. Removal of Concrete/Plaster/Mortar from Manhole Inverts

Contractor will be responsible to remove these materials from the invert without doing damage to the existing invert.

G. Debris Removal

All sludge, dirt, sand, rocks, grease, and other solid or semi-solid material resulting from the cleaning operation shall be removed at the downstream manhole of the section being cleaned. Passing material from manhole section to manhole section which could cause line stoppages, accumulations of sand in wet wells, or damage pumping equipment shall not be permitted.

Waste shall be properly characterized and disposed of at Waste Management Butterfield Landfill located at 40404 S. 99th Ave. in Mobile, AZ. **Manifest and disposal records shall be submitted by the Contractor to the Requesting Department with a copy also mailed to the City of Chandler's Environmental Management Division (175 S. Arizona Ave., 4th Floor, Chandler, AZ 85225)** for recording keeping requirements on a monthly basis.

H. Disposal of Debris

Contractor shall provide for the removal of all solid debris removed from the sewer as a result of the cleaning operation. The contractor shall follow all local, state, and federal laws and requirements regarding the dumping and disposal of any liquid and/or solid waste materials. Those laws and requirements shall also cover but not be limited to training, certifications, permits, maintenance, fees, etc. Contractor shall only bill for time on site, pricing must include all travel time along with any travel time necessary for disposal. Fees for disposal shall be separated from fees to perform service.

I. Quality Control

Approximately 2% of all lines cleaned will be televised by the City. These lines will be determined by the City's representative and televised within 30 days of submitted billing. If the City representative determines that any section of line was not adequately cleaned, the entire Quarter Section will be re-cleaned at no charge to the City.

SEWER LINE CLEANING – CONT'D

J. City/Contractor Responsibilities

The City will furnish the water necessary to perform all services specified. The contractor will turn in a record of water used with each invoice for payment. Payment will not be made without the water use report. Contractor must obtain a 3" Hydrant meter from the City to fill Vector Trucks. An \$800.00 deposit will be held by the city for "each" meter used by the contractor. Meter reads will be e-mailed in to the City each month along with monthly billings. The Contractor will not be billed for the water used.

K. Potential Problems In Sewer Lines

If a problem is discovered in the city sewer lines during video inspection, the selected contractor will be required to respond to the problem (exclusive of excavation) within two (2) hours of notification by the City. The contractor will remain on site until the problem has been corrected.

L. Service Requests

The contractor will be available to respond to requests for service seven (7) days per week, twenty-four (24) hours per day. Response time will be as follows: Emergencies will be responded to with a crew on site within two (2) hours of the initial request. Non-emergencies will be handled within Seventy Two (72) hours of the initial request. Contractor will provide phone or pager numbers for emergency calls. Contractor is expected to return these calls within 15 minutes.

M. Emergency Calls

Emergency calls may arise at any time of the day. For bidding purposes, after hour emergency hours will start at 4:30 P.M. and conclude at 6:00 A.M., Saturday, Sunday, and Holidays will be treated as afterhours Emergency Hours.

N. Completed Quarter Sections

Contractor will provide a copy of each completed Quarter Section map indicating lines that were cleaned and problem locations. This must be turned in with each invoice for payment.

WASTE MATERIAL REMOVAL AND DISPOSAL

The Contractor shall be responsible for any spills, which occur during the transport of waste material generated from work within this contract.

The Contractor shall notify the contract Administrator immediately if such a spill occurs.

The City shall not be charged downtime as a result of lack of preventive maintenance for any and all equipment necessary to perform this contract.

WASTE MATERIAL REMOVAL AND DISPOSAL – CONT'D

Contractor will have signs (magnetic is acceptable) on the doors of all vehicles indicating that they are under contract to the City of Chandler.

All employees working for the contractor in Chandler will have ID Badges and wear company uniforms on their person whenever on duty.

Manholes – every attempt must be made by the contractor to replace all manhole lids securely after performing maintenance to ensure pedestrian and traffic safety including the removal of all debris prior to re-setting the manhole cover. Any manhole lids with traffic striping should be re-aligned to the original placement. The contractor will notify the City of any defective manhole lids or rings that may present a hazard to the public safety within a reasonable amount of time based upon the severity of the defect.

All equipment devices, monitors, confined space units, and tools required for this contract shall be owned (or leased) and operated by the contractor.

In the event that the Contractor needs to enter a confined space, the Contractor shall follow the OSHA laws regarding confined space entry.

The contractor at no cost to the City shall repair sewer lines, lift stations or other City infrastructures that are damaged by the improper use of cleaning equipment.

RESPONSE TIME

Contractor will complete non-emergency scheduled work requests within 72 hours of initial notice. The contractor's response time to emergency work requests shall be within two (2) hours of initial request. Contractor shall include travel time, mobilization, etc. into pricing provided on bid form.

SPECIFIC SERVICES REQUIRED BY DEPARTMENT

The resulting contract will primarily be used by the Streets, Water/Waste Water, Water Distribution and Fleet Department (Fire Stations Wash Bay/Parks Wash Bay/Fleet Wash Bay).

The following is a list of specific services required by each department; this list is provided to describe basic services but is not intended to be all encompassing:

Streets Department

Contractor shall clean sweeper wash bay and provide weekly removal of solids from collector.

Provide Drywell cleaning service: 4' to 50' in depth to remove solids. Clean two (2) Pump Stations once per year each.

Street Sweeper Wash Bay shall be scheduled for service on Friday mornings starting between 7:00am and 8:00am, unless otherwise directed by the City Street Superintendent or designee. Holidays that fall on a scheduled service day shall be rescheduled by the contractor with the City Street Superintendent or designee.

Water/Waste Water Department

Contractor shall remove foreign materials from lines and restore the sewer to a minimum of 95% of the original carrying capacity on an as needed basis. Contractor shall have the ability to clean sanitary sewer lines ranging in size from 15"-66" or larger.

Water Distribution

Contractor shall provide for soft disposal and potholing. Contractor to use vacuum to find water mains and other utilities. Additional required services to include surface cleaning of streets after events such as a main break. Service to be provided as needed. Emergency calls must be responded to within two (2) hours of request.

Fleet Department (Fire Station Wash Bay/Fleet Wash Bay):

Bi-annual removal of solids and contaminants associated with automotive and power equipment maintenance and washing from the sand oil water separators at Fleet Services located 975 E. Armstrong Way building I Chandler, AZ and 163 S. Price Rd Chandler, AZ

Parks Wash Bay:

Annual cleaning of the City Parks wash bay located at 650 E. Ryan Rd.

**EXHIBIT C
PRICING**

LOT A: STREETS DEPARTMENT

ITEM	APPROX ANNUAL QUANTITY	COST PER HOUR	EXTENDED COST
Rate for weekly cleaning of Sweeper Wash Bay	160 hours	\$ 125.00	\$ 20,000.00
Emergency and after hours call for stoppages, etc.	20 hours	\$ 131.00	\$ 2,620.00
Dry Well Cleaning from 4' to 50' in depth	20 hours	\$ 125.00	\$ 2,500.00
Cleaning of Pump Stations (2)	12 hours	\$ 125.00	\$ 1,500.00
TOTAL BID COST TAX INCLUSIVE			\$ 26,620.00

LOT B: WATER DISTRIBUTION

ITEM	APPROX ANNUAL QUANTITY	COST PER HOUR	EXTENDED COST
Rate for weekly scheduled potholing, soft excavation or cleanup	150 hours	\$ 125.00	\$ 18,750.00
Emergency and after hours Rate for weekly scheduled potholing, soft excavation or cleanup	50 hours	\$ 131.00	\$ 6,550.00
TOTAL BID COST TAX INCLUSIVE			\$ 25,300.00

LOT C: WASTE WATER

ITEM	APPROX ANNUAL QUANTITY	COST PER HOUR	EXTENDED COST
Rate for routine cleaning of sewer lines 15" and larger	500 hours	\$ 140.00	\$ 70,000.00
Emergency and after hours call for stoppages, Lift Stations etc.	20 hours	\$ 147.00	\$ 2,940.00
Rate for cleaning of plugged sewer lines and special projects	100 hours	\$ 140.00	\$ 14,000.00
TOTAL BID COST TAX INCLUSIVE			\$ 86,940.00

**EXHIBIT C
PRICING CONTINUED**

LOT D: FLEET SERVICES/FIRE STATION

ITEM	APPROX ANNUAL QUANTITY	COST PER HOUR	EXTENDED COST
Rate to remove debris/liquids from wash bay	20 hours	\$ <u>125.00</u>	\$ <u>2,500.00</u>
Emergency and after hours call for cleaning stoppages, etc.	10 hours	\$ <u>125.00</u>	\$ <u>1,250.00</u>
TOTAL BID COST TAX INCLUSIVE			\$ <u>3,750.00</u>

LOT E: PARKS WASH BAY

ITEM	APPROX ANNUAL QUANTITY	COST PER HOUR	EXTENDED COST
Rate to remove debris/liquids from wash bay	4 hours	\$ <u>125.00</u>	\$ <u>500.00</u>
Emergency and after hours call for cleaning stoppages, etc.	2 hours	\$ <u>125.00</u>	\$ <u>250.00</u>
TOTAL BID COST TAX INCLUSIVE			\$ <u>750.00</u>

PRICE SUMMARY

TOTAL COST FOR LOT A	\$ <u>26,620.00</u>
TOTAL COST FOR LOT B	\$ <u>25,300.00</u>
TOTAL COST FOR LOT C	\$ <u>86,940.00</u>
TOTAL COST FOR LOT D	\$ <u>3,750.00</u>
TOTAL COST FOR LOT E	\$ <u>750.00</u>
TOTAL BID COST FOR LOTS A-E (TAX INCLUSIVE)	\$ <u>143,360.00</u>

THE TOTAL BID COST FOR LOTS A-E IS THE ONLY FIGURE THAT WILL BE READ AT THE BID OPENING.

**EXHIBIT C
PRICING CONTINUED**

DISPOSAL FEE

ITEM	Price
Disposal Fee for services listed on Bid Form, items A-E	\$ <u>88.00</u> /per ton

Fee shall include travel time and any other related fees required for proper disposal.