Chandler · Arizona Where Values Make The Difference	**PURCHASING ITEM FOR COUNCIL AGENDA Memo No. CP14-008**	**1. Agenda Item Number**: 51 **2. Council Meeting Date**: August 15, 2013
TO:	**MAYOR & COUNCIL**	**3. Date Prepared**: August 5, 2013
THROUGH:	**CITY MANAGER**	**4. Requesting Department**: Municipal Utilities

5. SUBJECT: Annual Contract to Aztec Engineering Group, Inc., for Permitting, Study, Design, and Post-Design Services for Water and Wastewater Facilities.

6. RECOMMENDATION: Staff recommends City Council award an annual contract to Aztec Engineering Group, Inc., for permitting, study, design, and post-design services for water and wastewater facilities, Annual Contract No. EN1312-101, in an amount not to exceed $250,000, with the option of four one-year extensions.

7. BACKGROUND/DISCUSSION: Staff anticipates needing services related to permitting, study, design and post-design for water and wastewater facilities in support of the Fiscal Year 2013/14 Capital Improvement Program. Dependent upon the project design needs, work will rotate among the eight firms based on availability and expertise. This action will save on the cost of the selection process and time to bring individual projects forward.

8. EVALUATION: Consultant selection was conducted in accordance with established City policies and procedures. On June 17, 2013, staff received statements of qualifications from twenty-two firms for permitting, study, design, and post-design services for water and wastewater facilities. The Selection Committee, consisting of the following individuals, reviewed the qualifications and chose eight firms for recommendation:

Hafiz Noor, Project Manager
Kim Neill, Utility Operations Manager
Sandy Story, Engineering Project Manager
Doug Toy, Water Regulatory Affairs Manager
John McNelis, Chandler resident

Staff recommends awarding a contract to Aztec Engineering Group, Inc.

9. FINANCIAL IMPLICATIONS: Staff anticipates in excess of $3.5 million per year will be spent on annual design services. The User Department will provide funding for each individual project requiring water/wastewater engineering services. Project agreements exceeding $30,000 require Council approval.

10. PROPOSED MOTION: Move City Council award an annual contract to Aztec Engineering Group, Inc., for permitting, study, design, and post-design services for water and wastewater facilities, Annual Contract No. EN1312-101, in an amount not to exceed $250,000, with the option of four one-year extensions.

ATTACHMENTS: Contract

APPROVALS	
11. Requesting Department John Knudson, Utilities Engineering Manager	**13. Department Head** Dave Siegel, Municipal Utilities Director
12. Transportation & Development Bob Fortier, Capital Projects Manager	**14. City Manager** Rich Dlugas

ANNUAL CONTRACT FOR ENGINEERING SERVICES

PROJECT NO: **Annual Permitting, Studies, Design, and Post-Design Services for Water/Wastewater Facilities**

PROJECT NAME: **EN1312-101**

This CONTRACT is made this _____ day of_____, 2013, by and between the City of Chandler, a municipal corporation (hereinafter referred to as "CITY"), and **AZTEC Engineering Group, Inc., an Arizona corporation**, (hereinafter referred to as "ANNUAL CONSULTANT").

WHEREAS, the Mayor and City Council of the City of Chandler are authorized and empowered by provisions of the City Charter to execute contracts for professional services; and

WHEREAS, ANNUAL CONSULTANT represents that ANNUAL CONSULTANT has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and ANNUAL CONSULTANT, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1. DESCRIPTION OF WORK:

1.1 This is an indefinite quantity and indefinite delivery Annual Contract to provide professional services including Annual Permitting, Studies, Design, and Post-Design Services for Water/Wastewater Facilities, to the City of Chandler. For any project determined by CITY to be appropriate for this Annual Contract, CITY will issue a delivery order to ANNUAL CONSULTANT, at which time the parties will execute a Project Agreement specifying the cost and completion schedule for that project. **Although CITY anticipates that ANNUAL CONSULTANT will be issued a substantial amount of work, the total cost of work issued to the ANNUAL CONSULTANT by the City of Chandler in any one-year contract term will not exceed Two Hundred Fifty Thousand Dollars ($250,000). ANNUAL CONSULTANT is not guaranteed any minimum amount of work nor any jobs at all. ANNUAL CONSULTANT is aware that there is more than one Annual Consultant who has been awarded an Annual Contract for this type of work. CITY reserves the right and will issue delivery orders based on ability of the contractor to meet CITY's work schedule and the availability of trades and expertise in relation to each project.**

1.2 Each task shall be reviewed and approved by CITY to determine acceptable completion. All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of each Project Agreement, shall be and remain the property of CITY and shall be delivered to CITY before payment is made to ANNUAL CONSULTANT.

1.3 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.

1.4 Post-Design services shall include, but is not limited to, attending pre-bid conference, answering Request-For-Information (RFI's), submittal review, preliminary schedule review or coordination, construction management services.

2. CITY REPRESENTATIVE:

To provide the professional services required by this Contract, ANNUAL CONSULTANT shall act under the authority and approval of City Engineer or designee. For each Project a City Representative will be appointed who shall oversee the Project Agreement, assist the ANNUAL CONSULTANT with any necessary information, audit billings, and approve payments. The ANNUAL CONSULTANT shall channel reports and special requests through the City Representative.

3. ENGINEER'S KEY PERSONNEL:

CITY reserves the right to review and approve ANNUAL CONSULTANT'S staff to be assigned to any project by ANNUAL CONSULTANT during the term of this Contract.

4. FEE SCHEDULE:

4.1 CITY shall pay ANNUAL CONSULTANT for each Project an amount not to exceed that specified in each Project Agreement based on the rates shown on the Fee Schedule attached hereto as Exhibit A and incorporated herein by reference.

4.2 The cumulative total amount of fees paid to ANNUAL CONSULTANT for all Project Agreements under this Contract shall not exceed the sum of **Two Hundred Fifty Thousand Dollars ($250,000)**.

4.3 An Application and Certification for Payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting hours being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included in the monthly progress payment requests.

5. CONTRACT TERM AND DELIVERY:

5.1 The term of this Contract is one year commencing on the date the Contract is executed by the last party to sign, with CITY reserving the option to extend the Contract for **Four (4)** additional terms of one year each.

5.2 Within ten (10) days of the date CITY issues a delivery order or Project Agreement, ANNUAL CONSULTANT shall submit to CITY a schedule indicating the times for starting and completing the various stages of the work, including any Milestones specified in the Project Agreement and as more fully described therein. The schedule shall be satisfactory in form and substance to CITY. Upon acceptance of these schedules by CITY, they shall be incorporated into the Project Agreement.

5.3 Time is of the essence. All of the time limits for Milestones, if any, and completion and readiness for final payment as stated in the Project Agreement, are of the essence of both the Project Agreement and this Annual Contract.

5.4 Failure of ANNUAL CONSULTANT to perform any covenant or condition contained herein and in the Project Agreement within the time periods specified therein, shall constitute a material breach of both the Project Agreement and this Annual Contract, entitling CITY to terminate either or both the Project Agreement and this Annual Contract, unless ANNUAL CONSULTANT applies for and receives an extension of time in accordance with the procedures set forth herein.

6. TAXES:

6.1 ANNUAL CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by ANNUAL CONSULTANT in accordance with state and local laws.

6.2 ANNUAL CONSULTANT shall be required to obtain a current City of Chandler privilege tax license before the first Project Contract is issued.

7. PATENT FEES AND ROYALTIES:

ANNUAL CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. ANNUAL CONSULTANT shall defend, indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

8. STANDARDS OF PERFORMANCE:

A. This design contract has been awarded to ANNUAL CONSULTANT based on their proposal that those personnel and consultants listed in Exhibit A attached hereto will perform the portions of the work listed on said Exhibit A. ANNUAL CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

B. ANNUAL CONSULTANT shall be responsible for the technical accuracy of its services and documents resulting therefrom, and CITY shall not be responsible for discovering deficiencies therein. ANNUAL CONSULTANT shall correct any such deficiencies without additional compensation or cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

C. ANNUAL CONSULTANT shall be familiar with CITY's Standard Details and Specifications and other relevant CITY regulations. ANNUAL CONSULTANT shall ensure there are no conflicts among the Contract Documents including, but not limited to, the CITY's General and Supplementary Conditions for Construction Contracts, the plans and specifications prepared by ANNUAL CONSULTANT, any standard details or specifications incorporated therein by reference, and the Construction Contract.

D. Correction of Mistakes: ANNUAL CONSULTANT shall be responsible for the completeness and accuracy of the work prepared or compiled under ANNUAL CONSULTANT's obligation for this project and shall correct, at ANNUAL CONSULTANT's expense, all errors or omissions therein which may be disclosed. Correction of errors disclosed and determined to exist during any construction of the project on architectural or engineering drawings and specifications shall be accomplished by ANNUAL CONSULTANT. The cost of the design necessary to correct those errors attributable to ANNUAL CONSULTANT and any damage incurred by CITY as a result of additional construction costs caused by such engineering or architectural errors shall be chargeable to ANNUAL CONSULTANT and shall not be considered

a cost of the Work. The fact that CITY has reviewed or approved ANNUAL CONSULTANT's work shall in no way relieve ANNUAL CONSULTANT of any of its responsibilities.

9. INDEMNIFICATION:

To the fullest extent permitted by law, ANNUAL CONSULTANT, 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 Contract 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 ANNUAL CONSULTANT, 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 Contract, including but not limited to, any injury or damages claimed by any of ANNUAL CONSULTANT's and subcontractor's employees.

10. INSURANCE:

1. General

A. At the same time as execution of this Contract, ANNUAL CONSULTANT 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 Worker's Compensation coverage.

B. ANNUAL CONSULTANT 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 Contract are satisfied, the insurances set forth below.

C. The insurance requirements set forth below are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

D. The City in no way warrants that the minimum insurance limits contained in this Contract are sufficient to protect ANNUAL CONSULTANT from liabilities that might arise out of the performance of the Contract services under this Contract by ANNUAL CONSULTANT, its agents, representatives, employees, subcontractors, sublicensees or subconsultants and ANNUAL CONSULTANT 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 Contract or failure to identify any insurance deficiency will not relieve the ANNUAL CONSULTANT from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Contract.

F. Use of SubContractors: If any work is subcontracted in any way, ANNUAL CONSULTANT shall execute a written Contract with Subcontractor containing the same

Indemnification Clause and Insurance Requirements as the City requires of ANNUAL CONSULTANT in this Contract. ANNUAL CONSULTANT is responsible for executing the Contract with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

2. Minimum Scope and Limits of Insurance. ANNUAL CONSULTANT shall provide coverage with limits of liability not less than those stated below.

A. Commercial General Liability-Occurrence Form. ANNUAL CONSULTANT 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: ANNUAL CONSULTANT must maintain Business/Automobile Liability insurance with a limit of $1,000,000 each accident on ANNUAL CONSULTANT owned, hired, and non-owned vehicles assigned to or used in the performance of ANNUAL CONSULTANT's work or services under this Contract. 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: ANNUAL CONSULTANT must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of ANNUAL CONSULTANT employees engaged in the performance of work or services under this Contract 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. Professional Liability. If the Contract is the subject of any professional services or work performed by ANNUAL CONSULTANT, or if ANNUAL CONSULTANT engages in any professional services or work adjunct or residual to performing the work under this Contract, ANNUAL CONSULTANT must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the ANNUAL CONSULTANT, or anyone employed by ANNUAL CONSULTANT, or anyone whose acts, mistakes, errors and omissions the ANNUAL CONSULTANT is legally liable, with a liability limit of $1,000,000 each claim and $2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for 3 years past completion and acceptance of the work or services, and ANNUAL CONSULTANT, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a 3 year period.

3. Additional Policy Provisions Required.

A. Self-Insured Retentions Or Deductibles. Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.

B. City as Additional Insured. The policies are to contain, or be endorsed to contain, the following provisions:

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, ANNUAL CONSULTANT including the City's general supervision of the ANNUAL CONSULTANT; Products and Completed operations of ANNUAL CONSULTANT; and automobiles owned, leased, hired, or borrowed by ANNUAL CONSULTANT.

2. ANNUAL CONSULTANT's insurance must contain broad form contractual liability coverage and must not exclude liability arising out of explosion, collapse, or underground property damage hazards ("XCU") coverage.

3. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by ANNUAL CONSULTANT even if those limits of liability are in excess of those required by this Contract.

4. ANNUAL CONSULTANT's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by ANNUAL CONSULTANT and must not contribute to it.

5. ANNUAL CONSULTANT's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Coverage provided by ANNUAL CONSULTANT must not be limited to the liability assumed under the indemnification provisions of this Contract.

7. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by ANNUAL CONSULTANT for the City.

8. ANNUAL CONSULTANT, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Contract for a minimum period of 3 years following completion and acceptance of the Work. ANNUAL CONSULTANT must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this 3 year period containing all the Contract insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.

9. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Contract. If any of the required policies expire during the life of this Contract, the ANNUAL CONSULTANT must forward renewal or replacement Certificates to the City within 10 days after the renewal date containing all the necessary insurance provisions.

11. TERMINATION FOR CAUSE:

This Contract may be terminated by CITY for cause should the ANNUAL CONSULTANT fail to perform any provision of this Contract, including without limitation, for any of the following reasons:

(a) ANNUAL CONSULTANT abandons Work;

(b) ANNUAL CONSULTANT assigns or attempts to assign its rights or obligations under this Contract or any part thereof to any third-party (without the prior written consent of CITY;

(c) ANNUAL CONSULTANT is adjudged bankrupt of insolvent, makes a general assignments for the benefit of creditors, has a trustee or receiver appointed for its property, or files a petition to take advantage of any debtor's act;

(d) ANNUAL CONSULTANT fails or refuses to perform any obligation under the Contract, or fails to remedy such nonperformance within seven (7) days after its occurrence;

(e) ANNUAL CONSULTANT fails to comply with any applicable Laws and fails to remedy such nonperformance within seven (7) days after its occurrence;

(f) ANNUAL CONSULTANT fails to achieve the required dates for performance required pursuant to the Contract.

12. TERMINATION FOR CONVENIENCE:

CITY may at any time and for any or no reason, at its convenience, terminate this contract or any part of the services to be rendered pursuant thereto by written notice to ANNUAL CONSULTANT specifying the termination date. Immediately after receiving such notice, ANNUAL CONSULTANT shall discontinue advancing the work under this Contract and shall deliver to the CITY all drawings, notes, calculations, sketches and other materials entirely or partially completed, together with all unused materials supplied by the CITY.

ANNUAL CONSULTANT shall receive as compensation in full for services performed to date of such termination, a fee for the percentage of work actually completed. This fee shall be a percentage of ANNUAL CONSULTANT(S) fee described in this Contract under paragraph 3 and shall be in the amount to be agreed mutually by ANNUAL CONSULTANT and the CITY. The CITY shall make this final payment within sixty (60) days after ANNUAL CONSULTANT has delivered the last of the partially completed items.

13. OWNERSHIP OF INSTRUMENTS OF SERVICE UPON TERMINATION FOR CAUSE AND/OR FOR CONVENIENCE:

Upon Termination for Cause or for Convenience, the CITY shall have ownership of the Instruments of Service.

14. ARIZONA LAW, JURISDICTION AND VENUE, AND FEES AND COSTS:

14.1 Arizona Law. This Contract shall be governed and interpreted according to the laws of the State of Arizona.

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

14.3 Fees and Costs. Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Contract 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.

15. ARBITRATION OF CLAIMS AND DISPUTES:

All arbitration of claims shall be conducted in Chandler, Arizona, in accordance with the Uniform Rules of Procedure for Arbitration adopted by the Arizona Supreme Court (Uniform Rules), except for any rules therein allowing or concerning appeal. Where necessary to allow arbitration to proceed, CITY and ANNUAL CONSULTANT shall execute a Contract of Reference consistent with the provisions of this Contract.

16. MISCELLANEOUS:

16.1 No assignment by a party hereto of any rights under or interests in the contract documents will be binding on another party hereto, without the written consent of the party sought to be bound; and specifically but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Annual Contract or any Project Agreement.

16.2 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

17. OWNERSHIP OF DOCUMENTS:

All documents, including, but not limited to, tracings, drawings, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, the CITY. ANNUAL CONSULTANT shall furnish the CITY, upon its request, originals or reproducible of technical specifications and copies of all other documents listed above. ANNUAL CONSULTANT shall endorse, by his professional seal, all plans and Consulting data furnished by him.

18. RE-USE OF DOCUMENTS:

The parties agree the documents, drawings, specifications and designs, although the property of CITY, are prepared for this specific project and are not intended nor represented by ANNUAL CONSULTANT to be suitable for re-use for any other project. Any reuse without written verification or adaptation by ANNUAL CONSULTANT for the specific purpose intended will be at CITY's sole risk and without liability or legal exposure to ANNUAL CONSULTANT.

19. NO-KICK-BACK CERTIFICATION:

19.1 ANNUAL CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an Contract 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 CONSULTING firm.

19.2 For breach or violation of this warranty, the CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

20. CONFLICT OF INTEREST:

20.1 ANNUAL CONSULTANT 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 Contract.

20.2 Pursuant to A.R.S. Section 38-511, the City may cancel this contract within three (3) years after its execution, without penalty or further obligation by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of Chandler is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

21. CONTROLLING LAW:

The law of the state of Arizona shall govern this Contract.

REQUIRED COMPLIANCE WITH ARIZONA PROCUREMENT LAW

Compliance with A.R.S. § 41-4401. 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").

A breach of the Contractor Immigration Warranty (Exhibit B) 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 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.

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.

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.

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

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

22. COOPERATIVE PURCHASING:

Cooperative Use of Contract. In addition to the City of Chandler and with approval of the ANNUAL CONSULTANT, 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.

23. NOTICES:

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

IN WITNESS WHEREOF, the parties have hereto have executed this contract on:

CITY OF CHANDLER:

MAYOR Date

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

APPROVE AS TO FORM:

City Attorney by:

ATTEST:

City Clerk

ANNUAL CONSULTANT:

By: Robert L Lemke, Jr
Signature

Print Name: ROBERT L. LEMKE, JR
Title: CEO
ADDRESS FOR NOTICE:
4561 E. McDOWELL ROAD
PHOENIX, ARIZONA 85008

Phone: 602-454-0402

ATTEST: If Corporation

SEAL

Secretary

EXHIBIT A
FEE SCHEDULE

Classification	Hourly Rate
Project Principal	195.00
Construction Manager/Project Manager	180.00
Resident Engineer	160.00
Project Engineer/Inspector	140.00
Engineer/Designer	115.00
Drafter/Technician	95.00
Sec/Clerical	60.00
Project Surveyor	120.00
2-Person Crew	181.00
3-Person Crew	210.00

Subconsultants and other direct expenses as incurred plus 5% handling fee

EXHIBIT B
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.

Project Number/Division:	**1312-101**
Name (as listed in the contract):	AZTEC ENGINEERING GROUP, INC
Street Name and Number:	4561 EAST McDOWELL ROAD
City: PHOENIX **State:** ARIZONA	**Zip Code:** 85008

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; and

3. The contractor has identified all contractor and subcontractor 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 Contractor (Employer) or Authorized Designee:

Robert L Lemke Jr

Printed Name: ROBERT L. LEMKE, JR

Title: CEO

Date (month/day/year): 7-9-13