



PURCHASING ITEM FOR COUNCIL AGENDA

MEMO NO. ST14-017

1. Agenda Item Number:

10

2. Council Meeting Date:

February 27, 2014

TO: MAYOR & COUNCIL

3. Date Prepared: January 29, 2014

THROUGH: CITY MANAGER

4. Requesting Department: Transportation & Development

5. SUBJECT: Agreement for hot-in-place asphalt recycling with Cutler Repaving, Inc., in an amount not to exceed \$2,400,000

6. RECOMMENDATION: Staff recommends City Council approval of Agreement No. ST4-745-3339 for hot-in-place asphalt recycling to Cutler Repaving, Inc., in an amount not to exceed \$2,400,000; with the option of three one-year extensions.

7. BACKGROUND/DISCUSSION: The City will use hot-in-place recycling to repave 3.6 centerline miles of arterials and major collectors as shown on the attached exhibit. The hot-in-place asphalt recycling project will be in addition to the current Street Division's mill and inlay contract for twenty-five (25) centerline miles of asphalt rehabilitation. Streets to be repaved have been selected using the pavement management system pavement quality index.

This work will be done using hot-in-place asphalt recycling which is a green technique used by Maricopa County and other valley agencies to reuse and restore asphalt pavement. This specialized process consists of heater scarification to the top one and one-half inch of the existing asphalt, mixing recycling agents with the asphalt, adding up to an additional two inches of new asphalt, and placing the material back on the street in one pass. In comparison to the mill & inlay process, which typically is used on residential streets and removes the full depth of existing asphalt and replaces with new asphalt material, the hot-in-place process of arterial streets is quick and provides the least inconvenience to the motoring public. The City has used the hot-in-place process since 2000 with excellent results as an alternative to other rehabilitation techniques.

8. EVALUATION PROCESS: On December 18, 2013, staff issued an Invitation for Bid. The bid was advertised and all registered vendors were notified. Cutler Repaving, Inc., was the only responding vendor. Their total bid is listed below. The contract includes a contingency to allow for additional minor work, if necessary. Staff inquired with other governmental agencies and found the price offered is within the estimated budget and is fair and reasonable based on similar paving of arterial streets issued by Maricopa County and the Arizona Department of Transportation. Staff is recommending award to Cutler Repaving, Inc., for hot-in-place asphalt recycling.

Cutler Repaving, Inc.: \$2,400,000

Cutler Repaving, Inc.'s bid pricing is shown on the attached agreement. The term of the agreement will be February 14, 2014, through February 13, 2015, with the option of three one-year extensions.

9. FINANCIAL IMPLICATIONS:

Cost: \$2,400,000

Savings: N/A

Long Term Costs: N/A

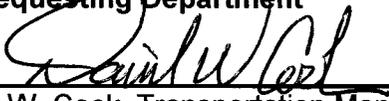
Acct No.	Fund	Program name	Funds
411.3310.6513.0.6ST248	G.O. Bonds	Street Repaving	\$1,149,081
401.3310.6513.0.6ST248	General Fund	Street Repaving	\$1,250,919

10. PROPOSED MOTION: Move City Council approve Agreement No. ST4-745-3339 for hot-in-place asphalt recycling with Cutler Repaving, Inc., in an amount not to exceed \$2,400,000; with the option of three one-year extensions.

ATTACHMENT: Agreement, Location Map

APPROVALS

11. Requesting Department



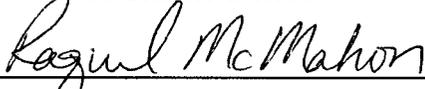
Daniel W. Cook, Transportation Manager

13. Department Head



R. J. Zeder, Transportation & Development Director

12. Procurement Officer



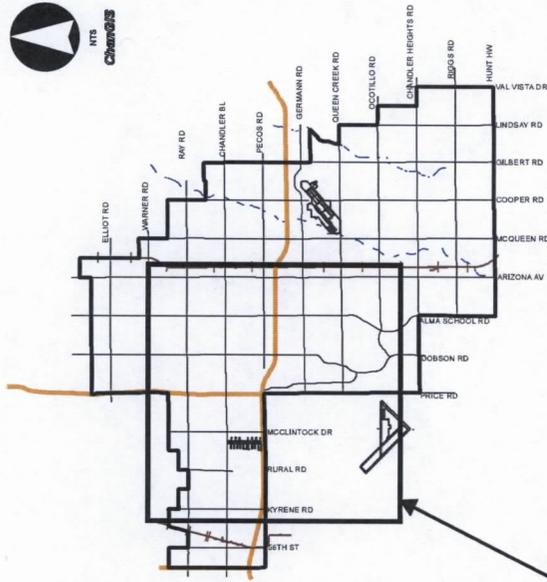
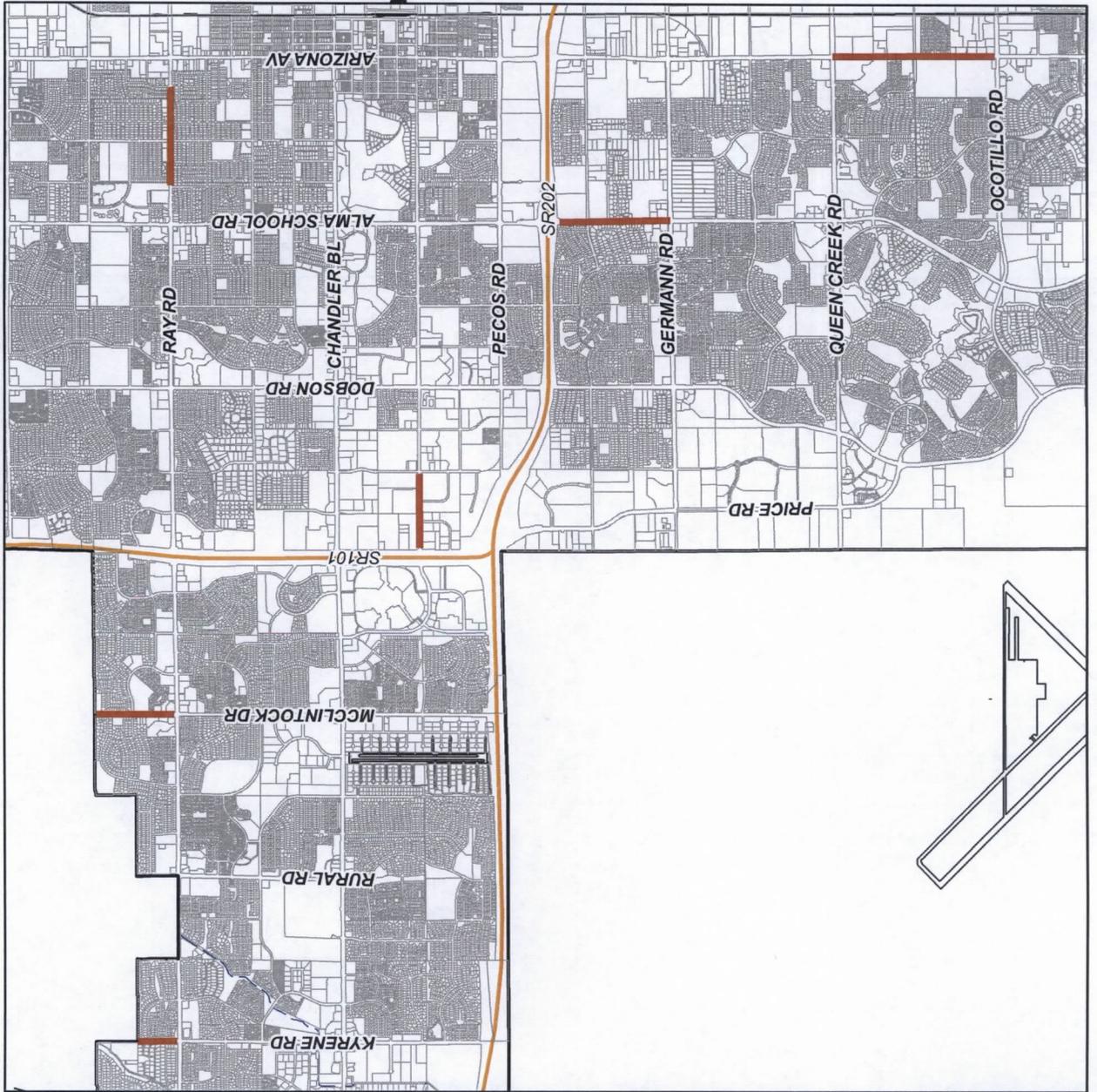
Raquel McMahon, CPPB

14. City Manager



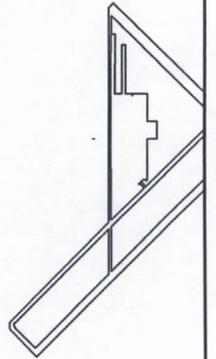
Rich Dlugas

2013/2014 HOT IN PLACE RECYCLING PROJECT



MEMO NO. ST14-017

— 2014, HOT_IN_PLACE



**CITY OF CHANDLER SERVICES AGREEMENT
HOT IN PLACE ASPHALT RECYCLING-MAINTENANCE
AGREEMENT NO.: ST4-745-3339**

THIS AGREEMENT is made and entered into this ____ day of _____, 2014, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and **CUTLER REPAVING, INC.** (Add if applicable - a Corporation of the State of, etc), 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 Sr. Street Maintenance Coordinator/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 the specified services all as more specifically set forth with Contractor Immigration Warranty, Exhibit A, the Scope of Work, Exhibit B, Pricing Exhibit C, and Performance and Payment Bonds Exhibits D1-D2, Construction Sign Detail Exhibits E1-E3 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 not to exceed **TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00)** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit C, attached hereto and made a part hereof by reference.
- 4.1. CONTRACTOR shall be solely responsible for any and all tax obligations, which may result out of the CONTRACTOR'S performance of this Agreement. The CITY shall have no obligation to pay any amounts for taxes, of any type, incurred by the CONTRACTOR.
- 4.2. **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.
- 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 one (1) year 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 **ONE (1) year**, commencing on the **February 14, 2014** and terminating on **February 13, 2015**, unless sooner terminated in accordance with the provisions herein. CITY reserves the right, at its sole discretion, to extend the Contract for up to **THREE (3) additional terms** of one year each.
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 rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the CONTRACTOR.

7. CITY'S CONTRACTUAL REMEDIES:

- 7.1. Right to Assurance.** If the City in good faith has reason to believe that the CONTRACTOR does not intend to, or is unable to perform or continue performing under this Contract, the Contract Administrator may demand in writing that the CONTRACTOR give a written assurance of intent to perform. Failure by the CONTRACTOR to provide written assurance within the number of Days specified in the demand may, at the City's option, be the basis for terminating the Contract in addition to any other rights and remedies provided by law or this Contract.
- 7.2. Stop Work Order.** The City may, at any time, by written order to the CONTRACTOR, require the CONTRACTOR to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the City after the order is delivered to the CONTRACTOR. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the CONTRACTOR shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 7.3.** If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the CONTRACTOR shall resume work. The Contract Administrator shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 7.4. Non-exclusive Remedies.** The rights and the remedies of the City under this Contract are not exclusive.
- 7.5. Nonconforming Tender.** Services and materials supplied under this Contract shall fully comply with Contract requirements and specifications. Services or materials that do not fully comply constitute a breach of contract.
- 7.6. Right of Offset.** The City shall be entitled to offset against any sums due CONTRACTOR, any expenses or costs incurred by the City, or damages assessed by the City concerning the CONTRACTOR'S non-conforming performance or failure to perform the Contract, including expenses to complete the work and other costs and damages incurred by CITY.

8. TERMINATION:

- 8.1. Termination for Convenience:** CITY reserves the right to terminate this Agreement or any part thereof for its sole convenience with thirty (30) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its

suppliers and subCONTRACTORS to cease such work. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive a fee for the percentage of services actually performed. This fee shall be in the amount to be mutually agreed upon by the CONTRACTOR and CITY, based on the agreed Scope of Work. If there is no mutual agreement, the Management Services Director shall determine the percentage of work performed under each task detailed in the Scope of Work and the CONTRACTOR'S compensation shall be based upon such determination and CONTRACTOR'S fee schedule included herein.

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

performance of this agreement. The CITY may reduce services or terminate this agreement without further recourse, obligation, or penalty in the event that insufficient funds are appropriated. The City Manager shall have the sole and unfettered discretion in determining the availability of funds.

9. **FORCE MAJEURE:** Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.
10. **DISPUTE RESOLUTION:**
 - 10.1. **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.
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, the CONTRACTOR including the City's general supervision of the CONTRACTOR; Products and Completed operations of the CONTRACTOR; and automobiles owned, leased, hired, or borrowed by the CONTRACTOR.
2. The CONTRACTOR'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 the CONTRACTOR even if those limits of liability are in excess of those required by this Agreement.
4. The CONTRACTOR'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 the CONTRACTOR and must not contribute to it.
5. The CONTRACTOR'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 the CONTRACTOR must not be limited to the liability assumed under the indemnification provisions of this Agreement.
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 the CONTRACTOR for the City.
8. The CONTRACTOR, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of 3 years following completion and acceptance of the Work. The CONTRACTOR must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this 3 year period containing all the Agreement 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 Agreement. If any of the required policies expire during the life of this Agreement, the CONTRACTOR must forward renewal or replacement Certificates to the City within 10 days after the renewal date containing all the necessary insurance provisions.

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:	Sr. Streets Maint. Coord.
Contact:	<u>Al Fausto</u>
Mailing Address:	
Physical Address:	<u>975 E. Armstrong Way, Bldg. C</u>
City, State, Zip:	<u>Chandler, AZ 85225</u>
Phone:	<u>480-782-3505</u>
FAX:	<u>480-782-3495</u>

In the case of the CONTRACTOR

Firm Name:	Cutler Repaving, Inc.
Contact:	<u>Charles Veskerna</u>
Address:	<u>921 E. 27th St.</u>
City, State, Zip:	<u>Lawrence, KS 66046-4917</u>
Phone:	<u>785-843-1524</u>
FAX:	<u>785-843-3942</u>
	<u>bveskerna@cutlerrepaving.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. **Ownership.** All deliverables and/or other products of the Contract (including but not limited to all software documentation, reports, records, summaries and other matter and materials prepared or developed by CONTRACTOR in performance of the Contract) shall be the sole, absolute and exclusive property of CITY, free from any claim or retention of right on the part of CONTRACTOR, its agents, sub-contractors, officers or employees.

15.2. Performance and Payment Bonds.

Within fifteen (15) days from the time a Contract is awarded, CONTRACTOR shall furnish fully executed Performance and Payment Bond (Labor and Materials) in such form and context as determined by CITY from a surety approved by CITY. Said bonds shall be in a sum no less than one hundred (100%) of the Contract price.

CITY has the option to forfeit said bonds if the Contract is terminated by the default of CONTRACTOR or if CITY determines that CONTRACTOR is unable or unwilling to complete the work as specified in the Contract Documents.

If the Contract schedule is not adhered to, and CITY determines that the work is unlikely to be completed within a reasonable time after the original target date, then CITY may terminate the Contract and collect the Performance Bond.

The Performance Bond will be reviewed annually and any increases in the contract amount will require bond to be increased and reissued.

- 15.3. Entire Agreement.** This Agreement, including 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.
- 15.4. Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 15.5. Assignment:** Services covered by this Agreement shall not be assigned in whole or in part without the prior written consent of the CITY.
- 15.6. Amendments.** The Contract may be modified only through a written Contract Amendment executed by authorized persons for both parties. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the City in writing or made unilaterally by the CONTRACTOR are violations of the Contract. Any such changes, including unauthorized written Contract Amendments shall be void and without effect, and the CONTRACTOR shall not be entitled to any claim under this Contract based on such changes.
- 15.7. Independent CONTRACTOR.** The CONTRACTOR under this Contract is an independent CONTRACTOR. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 15.8. No Parole Evidence.** This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

15.9. **Authority:** Each party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each has been properly authorized and empowered to enter this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names to this ____ day of _____, 2014.

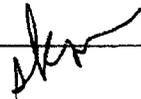
FOR THE CITY OF CHANDLER

ATTEST:

City Clerk

Approved as to form:

City Attorney



FOR THE CONTRACTOR

By: Charles R. Henderson

Signature President

ATTEST: If Corporation

SEAL

Judith K. Coffman
Secretary



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.

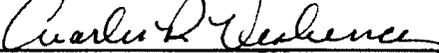
By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Contract Number: ST4-745-3339		
Name (as listed in the contract): Cutler Repaving, Inc.		
Street Name and Number: 921 E. 27th St.		
City: Lawrence	State: Kansas	Zip Code: 66046-4917

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: Charles R. Veskema

Title: President

Date (month/day/year): January 23, 2014

**EXHIBIT B
SCOPE OF WORK**

GENERAL INFORMATION

Contractor shall perform Hot-in-Place Recycling of up to 1 ½" (inches) of existing asphalt concrete pavement.

GENERAL VENDOR QUALIFICATIONS

The Contractor shall be in compliance with all applicable Federal, State, Local, ANSI and OSHA laws, rules and regulations and all other applicable regulations for the term of this contract.

The Contractor, without additional expense to the City, shall be responsible for obtaining and maintaining any necessary licenses and permits required in connection with the completion of the required services herein.

The Contractor must hold a valid license issued by the State of Arizona Registrar of Contractors prior to submission of a proposal/bid and must maintain same throughout the duration of the contract term and any subsequent contract extensions. Failure to maintain said license may be grounds for default of the contract and subsequent termination.

The Contractor may not subcontract any segment or services covered herein, without prior approval of the Contract Administrator. All subcontractors used under the scope of this contract shall meet all requirements, terms and conditions set forth herein. All subcontracted services shall be warranted by and be the responsibility of the Contractor.

Contractor shall have been conducting business within the Phoenix Metropolitan area for a MINIMUM of two (2) consecutive years.

The Contractor MUST have and maintain full time Company representation located in the Phoenix, Arizona metropolitan area, with the ability and authority to address all Contract issues that may develop. The Contractor shall provide to the Contract Administrator, the individual's name and contact information, including cellular phone, pager, and off-hours phone numbers.

TECHNICAL SPECIFICATIONS

1. **CONTRACTOR** shall perform Hot-in-Place Recycling of up to 1 ½" (inches) of existing asphalt concrete pavement. Recycling agent (oil) shall be mixed into the existing pavement, laid back down and 1½"-2" of new asphalt concrete shall be added and placed over the top of the recycled material. All work shall be performed in one single pass and all asphalt will be compacted in one pass. The work shall also consist of traffic control, pavement striping, valve/manhole adjustments, speed humps, and other miscellaneous work items as required for the completion of the project. This work shall be done in accordance with the most current editions of the Maricopa Association of Governments (MAG) Uniform Standard Specifications for Public Works Construction, Section 327, and City of Chandler Standards & Specifications Manuals. Speed humps shall be installed in accordance with City Detail C-234.
2. **CONTRACTOR** shall give **CITY** timely notice of readiness of the work for all required inspections, tests, or approvals. **CONTRACTOR** shall give timely notice to **CITY** in advance of backfilling or otherwise covering any part of the work so that **CITY** may, if desired, observe such part of the work before it is concealed. **CONTRACTOR** shall be responsible for scheduling all necessary inspections.
3. **CONTRACTOR** shall provide sufficient work crews to complete the project on schedule. The crews will work approximately eight (8) hours per day, five (5) days per week, Monday through Friday, excluding official **City** holidays.
4. **CONTRACTOR** shall appoint a crew leader for crew supervision and work coordination with the Contract Administrator/designee. The Contract Administrator/designee will be advised before 3:30 p.m. each day of the planned work location for the following day. The crew leader shall advise the Contract Administrator/designee immediately of equipment breakdown or other delays affecting the progress of the work.
5. **ANALYSIS AND TEST.** Unless otherwise specified, materials purchased will be inspected by the receiving activity as to meeting the quality and quantity requirements herein. When deemed necessary, samples of materials shall be taken at random from stock received for submission to a commercial laboratory or other appropriate agency, for analysis and test as to whether the material conforms in all respects to the specifications. In cases where commercial laboratory reports indicate that the materials do not meet the specifications, the contractor shall at their expense remove all deficient materials from the work site and shall replace them with materials meeting specifications. Additionally, the expense of such analysis is to be borne by **CONTRACTOR**.
6. **CONTRACTOR'S EQUIPMENT.** **CONTRACTOR** shall provide and maintain during the entire period of this agreement, equipment sufficient in number, condition and capacity to efficiently perform the work and render the services required by this contract.
7. **CONTRACTOR** shall furnish listing of all equipment to be used on this Agreement (Exhibit F).
8. **STANDARD SPECIFICATION AND STANDARD DETAILS.** Attention is called to the fact that the **CITY** is now operating under the latest revision, and edition of the **CITY** and **MAG** Uniform Standard & Specification for Public Works construction, published by the Maricopa Association of Governments as amended by **CITY**, which is herewith incorporated by reference and made apart hereof.
9. **CONTRACTOR SUBMITTALS.** **CONTRACTOR** shall submit the following documents to the Contract Administrator/designee for approval at the post-award conference, which shall include but are not limited to, the following:
 10. Traffic control plan(s) and phasing plan(s). The traffic control plan(s) shall address all anticipated phases of construction.

11. Striping plan(s), As-Built with enough detail covering items such as, but not limited to, offsets, stationing, and type of traffic delineation materials present on the existing roadway. All striping materials shall be called out on the plan(s) and must be approved by the City. CONTRACTOR shall provide temporary striping at all thermoplastic striping locations until such time as the thermoplastic can be applied.
12. CONTRACTOR shall supply CITY with phone numbers where a company representative can be reached 24/7. A list of subcontractors with names and phone numbers will be given to CITY prior to the job start.
13. All asphalt mix designs for the new asphalt shall be submitted and approved by the City as an approved MAG's EVAC design.
14. Work shall not begin prior to the Contract Administrator/designee's approval of all the plans, type and source of recycling agent and mix design.
15. **COOPERATION WITH UTILITIES.** Cooperation with utilities shall be in accordance with MAG Standard Specifications Section 105.6. CONTRACTOR shall inspect and locate all manholes, hand-holes, valve boxes, and survey monuments prior to commencement of the project.
16. **HOT IN PLACE RECYCLING.** Hot in Place Recycling shall be done in accordance with MAG Standard Specifications Section 327, except as modified below:
17. **Materials.** In addition to Section 327.2, a low viscosity-recycling agent shall be used. An ERA-1 under the Arizona Department of Transportation Standard Specifications Section 105, Table 1005-3 (cyclogen L or a comparable product) is recommended for use.
18. **Construction Methods.** In addition to 327.4, the application of the recycling agent shall be estimated to be 0.10 gallon per square yard.
19. **TRAFFIC CONTROL.** Traffic control shall be done by CONTRACTOR in accordance with The City of Chandler Traffic Barricade Manual, latest edition. All traffic plans must be approved by City of Chandler Traffic Engineering Division prior to start of work.
20. **SIGNING REQUIREMENTS.** Notification signing shall be installed on each road segment at each end of the project limits. These signs shall be installed at least 14 days prior to the start of construction activities. See detail of sign requirements (Exhibit E1-E3 attached).
21. **PERMITS.** CONTRACTOR shall be responsible for all permits and cost necessary for the completion of this work; to include but not limited to Arizona Department of Transportation (ADOT), Maricopa County PM-10 Dust Control Permits as well as Maricopa County and all other City Traffic Control Permits.
22. **SPECIAL NOTIFICATION REQUIREMENTS.** Notification shall be made to all effected emergency services such as City of Chandler Fire and Police Departments.
23. CONTRACTOR shall notify all residents or businesses by handbill a maximum of 72 hours and minimum of 48 hours in advance of any street restriction that will affect access to their property. CONTRACTOR shall submit the handbill to Project Inspector for approval, prior to its distribution. If the work does not occur on the specified day, CONTRACTOR shall distribute a new notification. Costs associated with notification shall be incidental to the project.

24. **TRAFFIC CONTROL MEASURES.** CONTRACTOR shall submit a Traffic Control Plan and Phasing Plan for review at the pre-construction meeting. The Traffic control Plan(s) shall address all anticipated phases of construction. All Traffic Control Plans shall be computer generated. Construction shall not commence without an approved Traffic Control Plan.
25. **OFFICERS.** Uniformed, off-duty City of Chandler law enforcement officers, with marked vehicles, are required at all major intersections, and at other locations where restrictions are present, or at the request of the Contractor Administrator/designee.
26. **ADJUSTING FRAMES, COVERS, VALVE BOXES, WATER METER BOXES AND BRASS CAPS.** Adjusting frames, covers, valve boxes and water meter boxes shall be in accordance with MAG Section 345, except as modified below:
27. CONTRACTOR shall tie-out and record all water valves, manholes survey monuments, etc., for locations and adjustments after the overlay. The method used shall be approved by the Contract Administrator/designee prior to commencement of the work.
28. Survey monuments that need to be re-established shall be referenced by a Registered Land Surveyor (RLS) and once the paving has been completed, the RLS shall reset the survey monuments.
29. Prior to paving, CONTRACTOR shall provide to the Contract Administrator/designee a map that clearly identifies manholes, valves, survey monuments, etc., requiring adjustment after paving. The map shall include offset and location.
30. CONTRACTOR shall adjust all existing frames and covers to the new pavement elevation with the possible exception of utility company manholes. CONTRACTOR shall keep rings and covers matched and shall return them to their original locations. Any missing covers shall be replaced by CONTRACTOR at the CONTRACTOR'S own expense. If manhole ring or lid is damaged in the process of adjustment, it will be replaced at the Contractor's expense.
31. CONTRACTOR shall remove all asphalt material and aggregate from all metal covers encountered within the limits of this project, resulting from this or prior work. The method for removal of this material must be approved by the Contract Administrator/designee prior to its use. This work shall be completed prior to adjusting the frame.
32. Brass caps shall be adjusted according to Standard Detail 120-2-D. Frames and covers shall be adjusted according to Standard Detail 420-1, 420-2, 422 or 270 and these Construction Special Provisions, except that the concrete collar shall extend up to the finished grade. Prior to pouring the concrete and setting manhole frames, the excavation shall be rolled level. A 12-foot straight edge, provided by the CONTRACTOR, shall be used to ensure a level final placement. The frame and finished surface shall not vary more than + ¼ inch from the 12-foot straight edge lay across the center axis of the frame and finished cover. The concrete used shall be Class AA with high early strength to attain 2500-psi compressive strength in 24 hours. Mix design shall be submitted to the Contract Administrator/designee for review, a minimum of two (2) weeks prior to use.
33. All manholes will be protected from debris falling into them. If any material enters the manhole from this work, it will be the responsibility of the CONTRACTOR to clean out the manhole to the satisfaction of the utility company. Contractor shall be required to use (Manhole Debris Shields) in the process of working in manholes. A description of the shields is included in the bid.
34. **Debris Shield.** Are fabricated of plastic or wood and are made of two half circles hinged in the middle to form one unit. The hinge allows the unit to fold in half to fit thru an open manhole. The unit is then unfolded and placed on the bottom of the manhole about the invert preventing debris from falling into the invert and sewer line. The actual diameter of the unit depends on the width of the manhole shaft.

35. CONTRACTOR shall coordinate with the Contract Administrator/designee and with representatives of the various utilities regarding the adjustment and inspection of their manholes, hand-holes, etc. Utility company specifications shall be adhered to for all adjustments. The CONTRACTOR shall be responsible for obtaining any additional specification requirements from utility companies.
36. Individual utility companies have the right to accept or reject CONTRACTOR'S bid for their portion of the frame and cover adjustment. If CONTRACTOR'S bid for the frame and cover adjustment is rejected, the utility company will perform their own adjustment and the bid item quantity will be adjusted accordingly. Any utility inspection costs associated with utility work will be the responsibility of the CONTRACTOR.
37. Southwest Gas may utilize the CONTRACTOR to adjust their manholes and valves. CONTRACTOR shall adhere to Southwest Gas standards and requirements and shall provide an approved schedule to Southwest Gas and notify them one (1) week prior to any needed adjustments.
38. Salt River Project (water) structures shall be adjusted by the CONTRACTOR who shall utilize construction details provided by Salt River Project and contact their Utility Representative six (6) weeks prior to work being required. A company representative must be present at all times when adjusting Salt River Project (water) manholes. The CONTRACTOR will secure the permit for work from Salt River Project (SRP).
39. Salt River Project (power) will adjust their manholes. CONTRACTOR shall provide an approved schedule to Salt River Project (power) and notify them two (2) weeks prior to work being required.
40. Arizona Public Service Company may utilize the CONTRACTOR to adjust manholes. CONTRACTOR shall adhere to A.P.S. standards and shall provide an approved schedule to their Representative one (1) week prior to any work being required. Manholes shall be grouted on the inside and the outside for a waterproof seal. A company representative must be present at all times when adjusting Arizona Public Service Company manholes.
41. CONTRACTOR shall maintain accurate records of utility adjustments in order to allow the City to recover the adjustment costs from the appropriate utility.
42. **REMOVAL OF PAVEMENT MARKINGS AND RAISED PAVEMENT MARKERS.** CONTRACTOR shall remove pavement markings and raised pavement markers in accordance with the latest edition of MAG Uniform Standard Specifications for Public Works Construction except as modified below.
43. **PAVEMENT MARKINGS.** Paint, Thermoplastic Pavement Markings, and (RPM) Raised Pavement Markers shall be done by CONTRACTOR in accordance with City of Chandler Standard Details, Specifications and Technical Manual #4. Striping paint, thermoplastic and RPM's shall meet A.D.O.T. pavement marking material specifications. Contractor shall be responsible for striping layouts, As-builds and have all layouts inspected and approved by City of Chandler Traffic Engineering before any striping begins.
44. CONTRACTOR shall furnish labor, materials, equipment, tools, transportation, survey and supplies required to complete the work in accordance with the plans, specifications and these pavement marking specifications. The work under this section shall consist of:
45. Cleaning and preparing the pavement surface, layout and spot marking.
46. Applying white and yellow traffic paint and reflective glass beads, thermoplastic markings, and (RPM) raised pavement markers as called for on the bid schedule.
47. Temporary striping shall be considered incidental to the contract and no additional compensation will be allowed.

**EXHIBIT C
PRICING**

Item #	Description	Annual Est. QTY*	UOM	Unit Price**	Extended Price
1.	Asphalt (EVAC – 12.5mm)	17,000	Tons	\$ 72.55	\$ 1,228,250.00
2.	Asphalt Recycling agent @ .10 gal per sy	17,000	Gal	\$ 3.35	\$ 56,950.00
3.	Hot In Place Recycle 1" – 1.5" & add 1.5" – 2" new AC	154,400	SY	\$ 2.20	\$ 339,680.00
4.	Asphalt milling – edge mill, up to 1.5"	102,300	SY	\$ 1.52	\$ 155,496.00
5.	Asphalt milling – full depth mill, up to 2"	25,000	SY	\$ 1.60	\$ 40,000.00
6.	Speed hump – COC Detail C-234	1	Ea	\$ 6,500.00	\$ 6,500.00
7.	Pre-Lower manhole frame and cover – per MAG Standard Detail 422, 420-1, or 420-2	70	Ea	\$ 163.25	\$ 11,427.50
8.	Adjust existing manhole frame and cover – per MAG Standard Detail 422, 420-1, or 420-2	70	Ea	\$ 302.25	\$ 21,157.50
9.	Pre-lower valves, survey monuments & sewer clean-outs – per MAG Standard Detail 270	200	Ea	\$ 163.25	\$ 32,650.00
10.	Adjust existing frame cover for valves, survey monuments & sewer clean-outs – per MAG Standard Detail 270	200	Ea	\$ 302.25	\$ 60,450.00
11.	Adjust SRP manholes	1	Ea	\$ 3,000.00	\$ 3,000.00
12.	Traffic control / Barricading	1	LS	\$ 36,750.00	\$ 36,750.00
13.	Project informational signage	1	LS	\$ 4,000.00	\$ 4,000.00
14.	Uniformed COC Off-Duty Law Enforcement Officer		LS	\$ 47,500.00	\$ 47,500.00

ALL PAINT & THERMOPLASTIC STRIPING ARE BASED ON 4" EQUIVALENT

15.	Traffic Paint, 4" yellow	15,870	LF	\$.17	\$ 2,697.90
16.	Traffic Paint, 6" white	100	LF	\$.17	\$ 17.00
17.	Traffic Paint, 4" white	49,000	LF	\$.18	\$ 8,820.00
18.	Traffic Paint, 8" thermoplastic	21,460	LF	\$.46	\$ 9,871.60
19.	Traffic Paint, 12" thermoplastic	10,180	LF	\$.63	\$ 6,413.40
20.	Traffic Paint, 18" thermoplastic	4,420	LF	\$.63	\$ 2,784.60
21.	School Crossing thermo	1	Ea	\$ 520.00	\$ 520.00
22.	School Crossing roll-out dots, 24"	3	Ea	\$ 57.50	\$ 172.50
23.	RXR symbols	1	Ea	\$ 288.00	\$ 288.00
24.	Arrows (left or right)	75	Ea	\$ 120.00	\$ 9,000.00
25.	Raised Pavement Markers (RPM), white	1,330	Ea	\$ 3.46	\$ 4,601.80
26.	Raised Pavement Markers (RPM), yellow	290	Ea	\$ 3.46	\$ 1,003.40
27.	Hydrant Markers (RPM), blue	60	Ea	\$ 5.80	\$ 348.00
28.	Bicycle symbols	50	Ea	\$ 69.00	\$ 3,450.00
29.	Temporary Markers, white	600	Ea	\$ 1.20	\$ 720.00
30.	Temporary Markers, yellow	600	Ea	\$ 1.20	\$ 720.00
31.	Speed Hump striping tape (per each speed hump)	1	Ea	\$ 450.00	\$ 450.00
32.	Contingency Funds for additional work to be utilized on an as needed basis for items 1-31	1	LS	\$304,310.80	\$304,310.80
GRAND TOTAL					\$ 2,400,000.00

**EXHIBIT D1
PERFORMANCE BOND**

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

KNOW ALL MEN BY THESE PRESENTS:

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

WHEREAS, the Principal has entered into a certain written Contract with the City of Chandler, Dated the _____ day of _____, _____, for **HOT IN-PLACE ASPHALT RECYCLING – MAINTENANCE AGREEMENT, Agreement No. ST4-745-3339**, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

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

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

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

Witness our hands this _____ day of _____, 2014.

PRINCIPAL

SEAL

AGENT OF RECORD

BY _____

SURETY

SEAL

AGENT ADDRESS

BY _____

**EXHIBIT D2
PAYMENT BOND**

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

KNOW ALL MEN BY THESE PRESENTS:

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

WHEREAS, the Principal has entered into a certain written Contract with the City of Chandler, dated the _____ day of _____, 2014, for **HOT IN-PLACE ASPHALT RECYCLING – MAINTENANCE AGREEMENT, Agreement No. ST4-745-3339**, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all moneys due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in said contract, this obligation is void. Otherwise it remains in full force and effect.

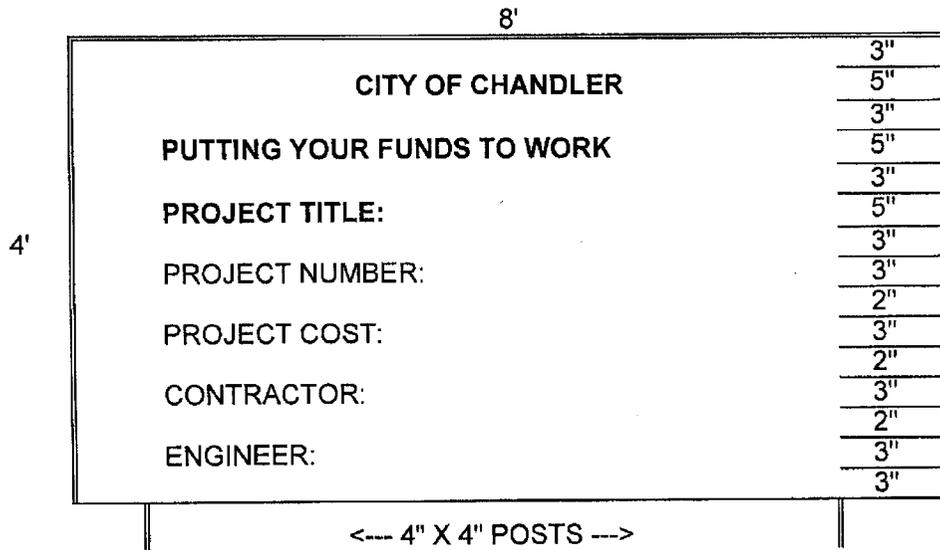
PROVIDED, HOWEVER that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2 Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of Title 34, Chapter 2, Article 2, Arizona Revised Statutes,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

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 2014.

AGENT OF RECORD	PRINCIPAL SEAL
AGENT ADDRESS	BY _____
	SURETY SEAL

**EXHIBIT E1
CONSTRUCTION SIGN DETAIL**



NOTES:

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

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

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

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

Construction signs required for work:

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

1. If the work will take one (1) week or longer to perform, such signage shall:
 - a. Be installed so that the bottom of the sign is at least seven (7) feet above grade, or as otherwise approved by CITY Transportation Engineer;
 - b. Be at least 3'x5' in size or large enough to contain all the information required below, whichever is larger;
 - c. Be placed in such positions that they can be read by traffic from each direction;
 - d. Be colored "construction orange" with black letters;
 - e. Have block letters at least 6" in height;
 - f. Contain the following information: the name of the CONTRACTOR for whom the work is being performed; the name of the CONTRACTOR actually performing the work; a general description of the work to be done; the time frame within which the work will be performed, i.e. the date

work will commence and the date all work will be completed; a 24-hour contact phone number where persons may speak with a representative of the CONTRACTOR for whom the work is being performed or may leave a request to speak with such a representative and for which all calls will be turned by such a representative of the CONTRACTOR within 24-hours.

2. If the work will take less than one (1) week to perform, such signage shall:
 - a) Be installed on temporary supports at an approved location;
 - b) Be placed in such positions that they can be read by traffic from each direction;
 - c) Be colored "construction orange" with black letters;
 - d) Have block letters at least 6" in height;
 - e) Contain the following information: the name of CONTRACTOR for whom the work is being performed; a 24-hour contact phone number where persons may speak with a representative of the CONTRACTOR for whom the work is being performed or may leave a request to speak with such a representative and for which all calls will be returned by such a representative of the CONTRACTOR within 24-hours.

EXHIBIT E2

**DEVELOPER
CONTRACTOR
HOT IN-PLACE ASPHALT
RECYCLING**

**1-1-10 TO 12-31-10
(480) 782-XXXX**

EXHIBIT E3

CONTRACTOR
(480) 782-XXXX