



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. MUA17-003**

1. Agenda Item Number:

21

2. Council Meeting Date:
July 28, 2016

TO: MAYOR AND COUNCIL

3. Date Prepared: July 12, 2016

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Agreement No. MU6-890-3686 for the Sole Source Purchase of Water Meters

6. RECOMMENDATION: Staff recommends City Council approve Agreement No. MU6-890-3686, with HD Supply Waterworks LTD., for the sole source purchase of water meters, in an amount not to exceed \$2,500,000, for a two-year term, September 1, 2016, through August 31, 2018, with the option of one (1) two-year extension.

7. BACKGROUND/DISCUSSION: The City maintains approximately 82,000 water meters. These meters are used to record use from residential, landscape, multi-family, commercial, and industrial water users. Staff routinely replaces or repairs failed meters to ensure customers are billed accurately. In addition to meter maintenance and replacement, staff installs meters for new customers connecting to the City's distribution system. This agreement authorizes the purchase of meters, registers, and meter parts that are compatible with the existing meter reading system, utility billing system, and inventory.

8. EVALUATION: The City has standardized its new and replacement water meters to the Neptune brand. HD Supply Waterworks, LTD., is the sole authorized distributor of Neptune water meters. Therefore, staff is requesting approval to purchase water meters as a Sole Source.

The pricing of this new agreement represents an increase of 7.28% over the previous agreement. Staff considers the price reasonable as the previous agreement prices have not changed since 2008. Staff also compared pricing to the City of Goodyear contract. The pricing on the recommended agreement is about 6% less than the City of Goodyear contract.

The term of this agreement is from September 1, 2016, through August 31, 2018, with the option of one (1) two-year extension.

9. FINANCIAL IMPLICATIONS:

Cost: \$2,500,000
Savings: N/A
Long Term Costs: N/A

Fund Source:

<u>Account No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
605.3800.5330.0.0	Water Operating	Meter/Meter Related Parts	No	\$2,500,000

10. PROPOSED MOTION: Move City Council approve Agreement No. MU6-890-3686, with HD Supply Waterworks LTD., for the sole source purchase of water meters, in an amount not to exceed \$2,500,000, for a two-year term, September 1, 2016, through August 31, 2018, with the option of one (1) two-year extension.

ATTACHMENTS: Agreement

APPROVALS

11. Requesting Department



Gregg Capps, Water Resource Manager

13. Department Head



John Knudson, Municipal Utilities Director

12. Procurement Officer



Mike Mandt, CPPB

14. City Manager



Marsha Reed

CITY OF CHANDLER PURCHASE AGREEMENT
WATER METERS
AGREEMENT NO.:MU6-890-3686

THIS AGREEMENT is made and entered into this ____ day of _____, 2016, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "City", and HD Supply Waterworks, LTD., hereinafter referred to as "Contractor".

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

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

1. AGREEMENT ADMINISTRATOR:

- 1.1. Agreement Administrator.** Contractor shall act under the authority and approval of the Water Resource Manager or designee (Agreement Administrator), to provide the requirements of this Agreement.
- 1.2. Key Staff.** This Agreement has been awarded to Contractor based partially on the key personnel proposed to perform the requirements herein. Contractor shall not change nor substitute any of these key staff for work on this Agreement without prior written approval by City.
- 1.3. Subcontractors.** During the performance of the Agreement, Contractor may engage such additional Subcontractor as may be required for the timely completion of this Agreement; however, such subcontracting shall only be with the advance written approval of City. The subcontract shall incorporate by reference the terms and conditions of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with Contractor.

2. SCOPE OF WORK/SPECIFICATIONS: After execution of this Agreement by both parties and upon City's Ordering Instructions, as defined in Subsection 2.5, Contractor shall provide water meters and related parts (hereinafter referred to as "Goods") all as more specifically set forth in Exhibit A, attached hereto and made a part hereof by reference.

- 2.2. Advertising, Publishing and Promotion of Agreement.** The Contractor shall not use, advertise or promote information for its commercial benefit concerning this Agreement without the prior written approval of the City.
- 2.3. 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.** 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, hereinafter "Contractor Immigration Warranty".
- 2.4.2.** A breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement that is subject to penalties up to and including termination of the Agreement.
- 2.4.3.** The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Agreement 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 verification.
- 2.4.5. The provisions of this Article must be included in any Agreement the Contractor enters into with any and all of its subcontractors who provide materials or services under this Agreement 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.
- 2.5. **Ordering Instructions:** Authorization for purchases under the terms and conditions of this Agreement will be made only upon issuance of a City Purchase Order, an Agreement Release Order or use of a City Procurement Card.
- 2.6. **Annual Usage Report.** Contractor shall furnish City a usage report on an annual basis delineating the acquisition activity governed by the Agreement. The format of the report shall be approved by City and shall disclose the quantity and the dollar value of each Good purchased by individual purchasing unit(s).
- 2.7. **Catalogs/Agreement Price Listing.** As applicable, the Contractor (s) shall furnish, to all requesting City departments, catalogs at no cost, which will outline prices of the Goods as provided herein.
- 2.8. **Current Models.** It is City's intent to procure materials of the latest technology. All Goods supplied pursuant to this Agreement shall be new, and of the most suitable grade for the purpose intended. All products offered in response to this solicitation shall be in current and ongoing production; shall have been formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment, replacement parts must be available for a minimum of five (5) years from bid date, and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.
- 2.9. **Subsequently Released Models of Products.** Subsequently released models of the Goods may be submitted by the Contractor to the Agreement Administrator. If approved in writing for substitution for Goods, Contractor may substitute the newer model of the Goods for the existing model of the Goods and pricing shall be equivalent to the percentage discount for each brand or class of product originally offered.
- 2.10. **Packing and Shipping.** The Contractor shall be responsible for industry standard packing, which conforms to requirements of carrier's tariffs and Interstate Commerce Commission (ICC) regulations. Containers must be clearly marked as to lot number, destination, address, and purchase order number.
- 2.11. **Delivery:** All Goods shall be delivered within 40 days from receipt of order. Prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. Contractor shall retain title and control of all Goods until they are delivered and accepted by City. All risk of transportation and all related charges shall be the responsibility of Contractor. All claims for visible or concealed damage shall be filed by Contractor. City will notify Contractor promptly of any damaged Goods and shall assist Contractor in arranging for inspection.

2.12 Risk of Loss: Contractor shall bear all risk that Goods delivered to City conforms to the requirements of this Agreement until accepted by the Agreement Administrator. Each order of Goods delivered shall be reviewed and approved by the Agreement Administrator to determine acceptable condition. Mere receipt by the City does not constitute acceptance. Any defects of design, workmanship, or materials that would result in non-compliance with the specifications and requirements for Goods shall be fully corrected by Contractor (including parts, labor and delivery) without cost to City. Goods that do not fully comply with the specifications and requirements of this Agreement may, at the City's discretion, constitute a breach of the Agreement.

2.15. Warranties: The warranties set herein survive termination of this Agreement and are not affected by City's inspection, testing of, or payment for the Goods. The written warranty shall be included with the delivered Goods sent to the Agreement Administrator. The Contractor warrants as follows:

2.15.1. Liens: Contractor warrants that the materials supplied under this Agreement are free of liens and shall remain free of liens.

2.15.2. Quality: Contractor warrants that, for one year or the manufacturer's standard warranty, whichever is longer, from the in service date of the particular Good, they shall be:

2.15.2.1. Of a quality to pass without objection in the trade under the Agreement description;

2.15.2.2. Fit for the intended purposes for which the materials are used;

2.15.2.3. Within the variations permitted by the Agreement and are of even kind, quantity, and quality within each unit and among all units;

2.15.2.4. Adequately contained, packaged and marked as the Agreement may require; and

2.15.2.5. Conform to the written promises or affirmations of fact made by Contractor.

2.15.3. Fitness: Contractor warrants that any Good supplied to City shall fully conform to all requirements of the Agreement and all representations of Contractor.

2.15.4. No Kickback. Contractor warrants that no member of the City Council or any City employee 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 and the person with such conflict complied with his/her obligation to not participate in any decisions regarding the securing of this Agreement or its performance.

2.15.5. Future Conflict of Interest. Contractor's officers and its employees 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.

3. DOCUMENTATION:

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 Agreement for a period of five years after the completion of the Agreement.

3.2. Audit. At any time during the term of this Agreement 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 Agreement or Subcontract. Upon request, the Contractor shall produce a legible copy of any or all such records.

4. PRICE:

4.1. Upon issuance of the Ordering Instructions in accordance with Section 2.5, Contractor will provide the Goods to the City. City shall pay to Contractor, for each Good so ordered, an amount not to exceed the per-unit cost as shown on Exhibit A (plus applicable transaction privilege tax in accordance with Section 4.2). This Agreement does not require that City purchase any quantities of the Goods nor does it limit City's ordering of more than the quantity estimated except that City may not, without further City Council approval, pay more than an aggregate amount not to exceed Two Million, Five Hundred Thousand Dollars (\$2,500,000) during the Term of this Agreement for the Goods ordered.

4.2. Taxes. Except transaction privilege taxes actually paid by Contractor, Contractor shall be solely legally responsible for any and all tax obligations which may result from its performance of this Agreement. City will reimburse Contractor for transaction privilege taxes actually paid by Contractor. If Contractor obtains any refund of transaction privilege taxes paid, Contractor shall refund same to City.

4.3. Payment. A separate invoice shall be issued for each shipment of Goods ordered in accordance with this Agreement, No payment will be issued prior to receipt of Goods ordered and receipt of a correct invoice.

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 in Extension Terms. All prices authorized herein shall be firm against any increase for the initial term of the Agreement. Prior to commencement of subsequent renewal terms, City may approve a fully documented request for a price adjustment. City shall determine whether any requested price increases for extension terms is acceptable to the City. 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 by the Parties a written Agreement Amendment shall be approved and executed by the Parties.

4.6. Price Reduction. Contractor shall offer City a price reduction for its Goods concurrent with a published price reduction made to other customers.

5. TERM:

5.1. The term of the Agreement is two years, commencing on September 1, 2016 and terminating at 11:59 p.m. on August 31, 2018 unless earlier terminated in accordance with the provisions herein. City may, with mutual agreement between the City and Contractor, extend the Agreement for up to one additional term of two years.

6. **USE OF THIS AGREEMENT:** The Agreement is for the sole convenience of the City of Chandler. City reserves the rights to obtain like Goods from another source in its sole discretion.

6. **Cooperative Use of Agreement.** In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other Arizona political subdivisions. 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'.

If required to provide Goods on a school district property at least five (5) times during a month, Contractor shall submit a full set of fingerprints to the school of each person or employee who may provide such Goods. The District shall conduct a fingerprint of all Contractors, subcontractors 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, subcontractors, vendors and their employees shall not provide Goods 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.

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 Agreement, the Agreement 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 be, at the City's option, the basis for terminating the Agreement in addition to any other rights and remedies provided by law or this Agreement.

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

7.3. **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 Agreement, 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 deliveries of Goods ordered.

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;

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 Agreement after Agreement execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is or becomes at any time while this Agreement or an extension of this Agreement is in effect, an employee of or a consultant to any other party to this Agreement.
- 8.4. **Gratuities.** City may, by written notice, terminate this Agreement, 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 Agreement, an amendment to this Agreement, or favorable treatment concerning this Agreement, including the making of any determination or decision about agreement performance. The City, in addition to any other rights or remedies, shall be entitled to recover punitive 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 Agreement 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 an agreement 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 Agreement, 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 Agreement 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.
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 the Goods shall be delivered 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.

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:

12.1. General.

- A. At the same time as execution of this Agreement and if the Contractor is going to deliver the Goods by vehicles owned or hired by the Contractor and with Contractor's employees or agents, 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 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, 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 contract 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.

12.2. **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.

12.3. **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.

C. *Insurance Cancellation during Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within 10 days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

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
Agreement Administrator: Water Resource
Manager
Contact: Gregg Capps
Mailing Address: PO Box 4008 MS 905

Physical Address: 975 E Armstrong Way
City, State, Zip Chandler, AZ 85244
Phone: 480-782-3585

In the case of the CONTRACTOR
Firm Name: H D Supply
Waterworks LTD.
Contact: Tom Otto
Address: 1410 West Harvard
Ave
City, State, Zip Gilbert AZ 85233
Phone: 480-926-7003

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. GENERAL TERMS:

14.1. Entire Agreement. This Agreement, including all Exhibits attached hereto, constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the Goods specified herein. 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.

14.2. Amendments. The Agreement may be modified only through a written Amendment executed by authorized persons for both parties.

14.3. Independent Contractor. The Contractor under this Agreement is an Independent Contractor. Neither party to this Agreement shall be deemed to be the employee or agent of the other party to the Agreement.

14.4 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 _____, 2016.

FOR THE CITY OF CHANDLER

Mayor

FOR THE CONTRACTOR
By: 
Signature

ATTEST:

City Clerk

SEAL
ATTEST: If Corporation
N/A
Secretary

Approved as to form:

City Attorney (kb)

**EXHIBIT A
PRICE AND SPECIFICATIONS**

Item	Hardware			Price
	Description			
1	Trimble Ranger 3 XE			\$ 7,335.00
2	Trimble Ranger Cradle			\$ 500.00
3	MRX920 Mobile Data Collector			\$ 6,500.00
	Annual System Maintenance			
	Description			
1	Trimble Ranger 3 XE			\$ 533.33
2	N_Sight Software			\$ 4,080.00
	Small Meters			
	Description			
1	5/8" R900i T-10 Meter w/ Antenna			\$ 187.57
2	3/4" R900i T-10 Meter w/ Antenna			\$ 205.97
3	1" R900i T-10 Meter w/ Antenna			\$ 236.65
4	1 1/2" R900i T-10 Meter w/ Antenna			\$ 340.98
5	2" R900i T-10 Meter w/ Antenna			\$ 451.43
	Accessories			
	Description			
1	6ft Antenna Assembly (thru the lid)			\$ 20.06
2	25ft Antenna Assembly (thru the lid)			\$ 33.43
	R900i Register (any size)			\$ 160.00
	Large Meters			
	Description		Replacement Program cost	
	Size (inches)	Type	Description	
1	2	Turbine	Complete Assembly (Meter, Strainer, Register and Signal Transmitting Device) INTERNAL STRAINER	\$ 836.55
2	3	Turbine	Complete Assembly (Meter, Strainer, Register and Signal Transmitting Device)	\$ 1,477.87
3	4	Turbine	Complete Assembly (Meter, Strainer, Register and Signal Transmitting Device)	\$ 2,044.86
4	6	Turbine	Complete Assembly (Meter, Strainer, Register and Signal Transmitting Device)	\$ 3,518.48

