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JUN 28 2007



Chandler • Arizona
Where Values Make The Difference

MEMORANDUM Economic Development – Council Memo ED07-039

DATE: June 18, 2007

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
 RICHARD K. MULLIGAN, ECONOMIC DEVELOPMENT DIRECTOR

FROM: HARRY PAXTON, SENIOR ECONOMIC DEVELOPMENT SPECIALIST

SUBJECT: GREATER PHOENIX ECONOMIC COUNCIL CONTRACT
 FOR FISCAL YEAR 2007-2008

RECOMMENDATION: Staff recommends approval of the proposed Fiscal Year 2007-2008 contract for regional economic development services with the Greater Phoenix Economic Council (GPEC) in the amount of \$91,764, and authorize the Mayor to sign in a form approved by the City Attorney.

BACKGROUND/DISCUSSION: The City of Chandler and other communities in Maricopa County contract with GPEC on an annual basis to provide regional economic development services. The City of Chandler and other major cities have contracted with GPEC since 1989 to conduct marketing and business lead generation activities for the Greater Phoenix market.

City Economic Development staff participates with GPEC on regional economic development activities, including formulating GPEC's Action Plan for FY 2007-2008. Staff participates on the Economic Development Director's Team (EDDT), made up of the lead economic development professional from each member organization (17 communities, Arizona State University, Maricopa Community College District, Arizona Public Service and Salt River Project).

The EDDT Team works with GPEC to market and attract new quality employers to the market and to develop and implement competitiveness strategies for the region. With input from the EDDT Team, GPEC's performance measures have evolved over the past several years to focus less on quantity and more on quality indicators, such as targeting companies that create higher average salary jobs and higher capital investment.

As part of the City's contract with GPEC, Chandler receives two GPEC Board of Director's appointments (Mayor Dunn, John Kelly). Additionally, Patrice Krause, Intergovernmental Affairs Coordinator, is currently Chairman of the GPEC Policy Development Team.

The annual contract amount for GPEC is determined by 2006 Maricopa Association of Governments ("MAG") population estimate multiplied by a fixed amount per capita. Chandler's proportionate share, based on the MAG 2006 population estimate is \$91,764.

GPEC and the City of Chandler have partnered on two corporate locate projects this fiscal year (Covance Laboratories, Countrywide Financial Data Center), as well as nine more since 2002. This has generated the following outcomes:

- 6,930 new jobs in Chandler from GPEC-assisted locates
- \$3.4 billion in capital investment
- \$324.7 million in new payrolls
- Absorption of 3,168,300 sq. ft. in new and existing industrial, office and distribution space
- 5,690 additional jobs region-wide for Chandler residents
- \$271 of direct revenue for every \$1 invested
- \$300 of total revenue for every \$1 invested
- \$177.9 million in new consumer spending generated by new Chandler jobs and employed Chandler residents – an addition of \$106.5 million created by multiplier effects - results in total consumer spending of \$284.4 million
- \$107.3 million in new Chandler direct revenues (boosted to \$118.7 million when including related multiplier effects of \$11.4 million)

The proposed FY07-08 contract has identifiable and measurable performance targets for GPEC, with monthly and quarterly reporting mechanisms built in. Exhibits to the contract include a scope of work with specific activities identified, performance targets, community industry targets, reporting mechanisms and insurance requirements.

Staff has reviewed the proposed contract and recommends continued support of GPEC's regional economic development efforts.

Financial Implications

The contract amount of \$91,764 is budgeted in the Economic Development Division Cost Center (1520).

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Proposed Motion

Move to approve the contract with the Greater Phoenix Economic Council for FY06-07 in the amount of \$91,764, and authorize the Mayor to sign in a form approved by the City Attorney.

**AGREEMENT BETWEEN
THE GREATER PHOENIX ECONOMIC COUNCIL
AND THE CITY OF CHANDLER**

City Contract No. _____

The City Council of the CITY OF CHANDLER, a municipal corporation (the "City"), has approved participation in and support of the regional economic development program of the GREATER PHOENIX ECONOMIC COUNCIL ("GPEC"), an Arizona non-profit corporation. The purpose of this agreement ("Agreement") is to set forth the regional economic development program that GPEC agrees to undertake, the support that the City agrees to provide, the respective roles of GPEC and the City and the payments of the City to GPEC for the fiscal year July 1, 2007 - June 30, 2008.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the CITY and GPEC agree as follows:

I. RESPONSIBILITIES OF GPEC

- A. MISSION:** GPEC works to attract quality businesses to the Greater Phoenix Region from around the world, and advocate and champion foundational effects to improve the region's competitiveness.
- B. GOALS:** GPEC is guided by and strategically focused on two specific long-range goals:
 - 1. Marketing the region to generate qualified business/industry prospects in targeted economic clusters
 - 2. Leveraging public and private allies and resources to locate qualified prospects, improve overall competitiveness, and sustain organizational vitality
- C. RETENTION AND EXPANSION POLICY:**
 - 1. GPEC's primary role is image building, marketing and new business attraction for the Greater Phoenix region.
 - 2. Retention and expansion of existing businesses is primarily a local issue.

3. GPEC can add value to retention and expansion of existing businesses through regional support and research on key retention and expansion projects.
4. GPEC has a responsibility to advise the City when an existing company contacts GPEC regarding a retention or expansion issue.

D. ACTION PLAN AND BUDGET: In accordance with the Mission, Goals and Retention Policy set forth above and subject to the availability of adequate funding, GPEC shall implement the Action Plan and Budget adopted by GPEC's Board of Directors, a copy of which has been delivered to the City, receipt of which is hereby acknowledged. A summary of the Action Plan is attached hereto as **Exhibit A** ("GPEC Action Plan"). The City shall be informed of any changes in the adopted Action Plan which will materially affect or alter the priorities established therein. Such notification will be in writing and will be made prior to implementation of such changes. Notwithstanding the foregoing, the City acknowledges and agrees that GPEC may, in its reasonable judgment in accordance with its own practices and procedures, substitute, change, reschedule, cancel or defer certain events or activities described in the Action Plan as required by a result of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control. GPEC shall solicit the input of the City on the formulation of future marketing strategies and advertisements. The Action Plan will be revised to reflect any agreed upon changes to the Action Plan.

E. PERFORMANCE TARGETS: Specific performance targets, established by GPEC's Executive Committee and Board of Directors, are attached hereto as **Exhibit B** ("GPEC Performance Measures") and shall be used to evaluate and report progress on GPEC's implementation of the Action Plan. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control, these performance targets may be revised with the City's prior written approval, or with the prior written approval of a majority of the designated members of GPEC's Economic Development Directors Team ("EDDT"). GPEC will provide monthly reports to the City discussing in detail its progress in implementing the Action Plan as well as reporting the numerical results for each performance measurement set forth in Exhibit B. GPEC shall provide a copy of its annual external audit for the preceding fiscal year to the City no later than December 31, 2007.

In the case of any benchmark which is not met, GPEC will meet with the EDDT to provide an explanation of the relevant factors and circumstances and discuss the approach to be taken in order to achieve the

target(s). Failure to meet a performance target will not, by itself, constitute an event of default hereunder unless GPEC (i) fails to inform the City of such event or (ii) fails to meet with EDDT to present a plan for improving its performance during the balance of the term of the Agreement will constitute an event of default for which the City may terminate this Agreement pursuant to paragraph IV.J. below.

II. RESPONSIBILITIES OF THE CITY

A. STAFF SUPPORT OF GPEC EFFORTS: The City shall provide staff support to GPEC's economic development efforts as follows:

1. The City shall respond to leads or prospects referred by GPEC in a professional manner within the time frame specified by the lead or prospect if the City desires to compete and if the lead is appropriate for the City. When available, the City agrees to provide its response in the format developed jointly by EDDT and GPEC;
2. The City shall provide appropriate local hospitality, tours and briefings for prospects visiting sites in the City;
3. The City shall provide an official economic development representative to represent the City on the EDDT, which advises GPEC's President and CEO;
4. The City shall cooperate in the implementation of GPEC/EDDT process improvement recommendations including the use of common presentation formats, exchange of information on prospects with GPEC's staff, the use of shared data systems, land and building data bases and private sector real estate industry interfaces;
5. The City shall use its best efforts to respond to special requests by GPEC for particularized information about the City within three business days after the receipt of such request;
6. In order to enable GPEC to be more sensitive to the City's requirements, the City shall, at its sole option, deliver to GPEC copies of any City approved economic development strategies, work plan, programs and evaluation criteria. GPEC shall not disclose the same to the other participants in GPEC or their representatives;
7. The City shall utilize its best good faith efforts to cause an economic development professional representing the City to attend all marketing events and other functions to which the City has committed itself;
8. The City agrees to work with GPEC to improve the City's Competitiveness and market readiness to support the growth and

expansion of the targeted industries as identified for the City in **Exhibit C (Targeted Industries)**;

- B. RECOGNITION OF GPEC:** The City agrees to recognize GPEC as the City's officially designated regional economic development organization for marketing the Greater Phoenix region.

III. ADDITIONAL AGREEMENTS OF THE PARTIES:

- A. PARTICIPATION IN MARKETING EVENTS AND PROVISION OF TECHNICAL ASSISTANCE:** Representative(s) of the City shall be entitled to participate in GPEC's marketing events provided that such participation shall not be at GPEC's expense. When requested and appropriate, GPEC will use its best efforts to provide technical assistance and support to City economic development staff for business location prospects identified and qualified by the City and assist the City with presentations to the prospect in the City or their corporate location.

B. COMPENSATION:

1. The City agrees to pay **\$91,764** for services to be provided by GPEC pursuant to the Agreement during the fiscal year ending on June 30, 2008, as set forth in this Agreement. This amount is based on approximately \$.39 per capita, based upon the 2006 Maricopa Association of Governments ("MAG") population estimate, which listed the City as having a population of **235,450**. The payment by the City may, upon the mutual and discretionary approval of the board of directors of GPEC and the City Council, be increased or decreased from time to time during the term hereof in accordance with the increases or decreases of general application in the per capita payments to GPEC by other municipalities which support GPEC.
2. Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the City Council pursuant to the required budget process of the City;
3. Nothing herein shall preclude the City from contracting separately with GPEC for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by the City and GPEC; and
4. GPEC shall submit invoices for payment on a quarterly basis. The foregoing notwithstanding, if GPEC has not provided the City with

the audit required pursuant to paragraph I.E above no later than December 31, 2007, no payments shall be made hereunder until the City receives the audit report. Invoices and monthly activity reports, substantially in the form of **Exhibit D** ("Reporting Mechanism for Contract Fulfillment") attached hereto, are to be submitted to the address listed under paragraph IV.P.

C. COOPERATION:

1. The parties acknowledge that GPEC is a cooperative organization effort between GPEC and the City. Accordingly, the City and GPEC covenant and agree to work together in a productive and harmonious working relationship, to cooperate in furthering GPEC's goals for the 2007-2008 fiscal year.
2. The City agrees to work with GPEC, as necessary or appropriate, to revise the performance measures, and/or benchmarks, and/or goals for the FY 2008-2009 contract.
3. The City agrees to work with GPEC during the FY2007-2008 program year to develop a revised public sector funding plan, including a regional allocation formula for FY2008-2009, if determined to be necessary or appropriate.

IV. GENERAL PROVISIONS:

- A. COVENANT AGAINST CONTINGENT FEES:** GPEC warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For a breach or violation of this warranty, the City shall have the right to terminate this Agreement without liability or, in its discretion, to deduct the commission, brokerage or contingent fee from its payment to GPEC.
- B. PAYMENT DEDUCTION OFFSET PROVISION:** GPEC recognizes the provisions of the City Code of the City of Chandler which require and demand that no payment be made to any contractor as long as there is any outstanding obligation due to the City, and directs that any such obligation be offset against payment due to GPEC.
- C. ASSIGNMENT PROHIBITED:** No party to this agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and no effect.
- D. INDEPENDENT CONTRACTOR; NO AGENCY:** Nothing contained in this Agreement creates any partnership, joint venture or agency relationship

between the City and GPEC. At all times during the term of this Agreement, GPEC shall be an independent contractor and shall not be an employee of City. City shall have the right to control GPEC only insofar as to the results of GPEC's services rendered pursuant to this Agreement. GPEC shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. GPEC shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

- E. INDEMNIFICATION AND HOLD HARMLESS:** During the term of this Contract, GPEC shall indemnify, defend, hold, protect and save harmless the City and any and all of its Councilmembers, officers and employees from and against any and all actions, suits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by City, brought, made, filed against, imposed upon or sustained by the City, its officers, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by GPEC, its directors, officers, agents or employees acting on behalf of GPEC and with GPEC's knowledge and consent.

Any party entitled to indemnity shall notify GPEC in writing of the existence of any claim, demand or other matter to which GPEC's indemnification obligations would apply, and shall give to GPEC a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the indemnified party.

Nothing in this Subsection E shall be deemed to provide indemnification to any indemnified party with respect to any liabilities arising from the fraud, negligence, omissions or willful misconduct of such indemnified party.

- F. INSURANCE:** GPEC shall procure and maintain for the duration of this Agreement, at GPEC's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement by GPEC, its agents, representatives, employees or contractors, in accordance with the Insurance Requirements set forth in **Exhibit E** ("Insurance Requirements"), attached hereto. The City acknowledges that it has received and reviewed evidence of GPEC's insurance coverage in effect as of the execution of this Agreement.
- G. GRATUITIES.** The City may, by written notice to GPEC, terminate the right of GPEC to proceed under this Agreement upon one (1) calendar day notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by GPEC, or any agent or representative of GPEC, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or

amending, or the making of any determinations with respect to the performance of such contract; provided that the existence of the facts upon which the City makes such findings shall be an issue and may be reviewed in any competent court. In the event of such termination, the City shall be entitled to pursue all legal and equitable remedies against GPEC available to the City.

H. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Agreement, GPEC agrees as follows:

1. GPEC will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age or disability. GPEC shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, gender, sexual orientation, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. GPEC agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. GPEC will, in all solicitations or advertisements for employees place by or on behalf of GPEC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.
3. GPEC will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to Agreements or subcontracts for standard commercial supplies or new materials.
4. Upon request by the City, GPEC shall provide City with information and data concerning action taken and results obtained in regard to GPEC's Equal Employment Opportunity efforts performed during the term of this Agreement. Such reports shall be accomplished upon forms furnished by the City or in such other format as the City shall prescribe.

I. COMPLIANCE WITH FEDERAL LAWS REQUIRED. GPEC understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 and agrees to comply therewith in performing under any resultant agreement and to permit City inspection of its records to verify such compliance.

J. TERMINATION. City shall have the right to terminate this Agreement if GPEC shall fail to duly perform, observe or comply with any covenant,

condition or agreement on its part under this Agreement and such failure continues for a period of 30 days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to GPEC by the City; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within 30 days, no event of default shall be deemed to have occurred or to exist if, and so long as, GPEC shall commence such action within that period and diligently and continuously prosecute the same to completion within 90 days or such longer period as the City may approve in writing. The foregoing notwithstanding, in the event of circumstances which render GPEC incapable of providing the services required to be performed hereunder, including, but not limited to, insolvency or an award of monetary damages against GPEC in excess of its available insurance coverage and assets, the City may immediately and without further notice terminate this Agreement.

- K. RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS.** GPEC's performance hereunder shall be in material compliance with all applicable federal, state and local health, environmental, and safety laws, regulations, standards, and ordinances in effect during the performance of this Agreement.
- L. INSTITUTION OF LEGAL ACTIONS.** Any legal actions instituted pursuant to this Agreement must be filed in the county of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona. In any legal action, the prevailing party in such action will be entitled to reimbursement by the other party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court.
- M. APPLICABLE LAW.** Any and all disputes arising under any Agreement to be awarded hereunder or out of the proposals herein called for, which cannot be administratively resolved, shall be tried according to the laws of the State of Arizona, and GPEC shall agree that the venue for any such action shall be in the State of Arizona.
- N. CONTINUATION DURING DISPUTES.** GPEC agrees that, notwithstanding the existence of any dispute between the parties, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by an Arizona court of competent jurisdiction.
- O. CITY REVIEW OF GPEC RECORDS.** GPEC must keep all Agreement records separate and make them available for audit by City personnel upon request.

P. NOTICES. Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Richard Mulligan
Economic Development Director
City of Chandler
PO Box 4008, MS 401
Chandler, Arizona 85244-4008
Phone: 480-782-3032
FAX: 480-782-3040

If to GPEC: Barry Broome
President and Chief Executive Officer
Greater Phoenix Economic Council
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004-4469
(602) 256-7700
FAX: (602) 256-7744

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

Q. TRANSACTIONAL CONFLICT OF INTEREST. All parties hereto acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

R. NONLIABILITY OF OFFICIALS AND EMPLOYEES. No member, official or employee of the City will be personally liable to GPEC, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to GPEC or successor, or on any obligation under the terms of this Agreement. No member, official or employee of GPEC will be personally liable to the City, or any successor in interest, in the event of any default or breach by the GPEC or for any amount which may become due to the City or successor, or on any obligation under the terms of this Agreement.

S. NO WAIVER. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and

maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

- T. SEVERABILITY.** If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.
- U. CAPTIONS.** The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.
- V. NO THIRD PARTY BENEFICIARIES.** No creditor of either party or other individual or entity shall have any rights, whether as a third-party beneficiary or otherwise, by reason of any provision of this Agreement.
- W. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.** This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement, including eleven (11) pages of text and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A – GPEC Action Plan

Exhibit B - GPEC Performance Measures

Exhibit C - Targeted Industries

Exhibit D - Reporting Mechanism for Contract Fulfillment

Exhibit E - Insurance Requirements

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or GPEC, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this
_____ day of _____, 2007.

CITY OF CHANDLER, a municipal corporation
The Honorable Boyd Dunn, Mayor

By:

Its:

ATTEST:

By: _____

Its: City Clerk

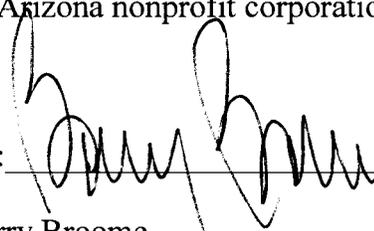
APPROVED AS TO FORM:

By: _____

Its: City Attorney



GREATER PHOENIX ECONOMIC COUNCIL,
an Arizona nonprofit corporation

By:  _____

Barry Broome

President & Chief Executive Officer

GREATER PHOENIX ECONOMIC COUNCIL FY08 Action Plan | Implementing GPEC Next



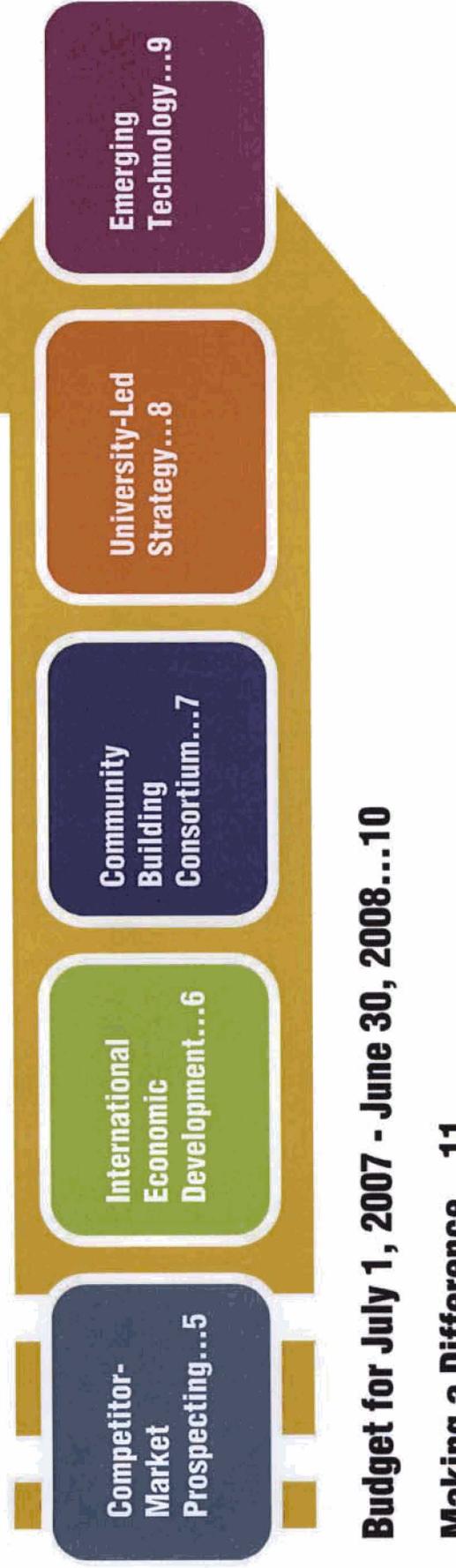
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Executive Summary | GPEC Next

WHY? To capture how GPEC Next is shaping the way we think, act and operate.

Shifting the Way We Do Business

Introduced in FY07, GPEC Next is the evolution of the organization into a more comprehensive, innovative global economic development model.

In FY08, GPEC will continue this transformation, to be reflected in the activities we pursue through our Action Plan.

The following pages offer a snapshot of strategies and programs designed to achieve our goals and top-level performance metrics and support an increased competitive position for Greater Phoenix.

Integrated Operations

Domestic business development efforts continue to be a core strength for GPEC. Yet as competition spans the globe, international attraction is gaining more emphasis. Emerging technology is also changing GPEC's approach to economic development, allowing us to capture new opportunities.

In support of these major initiatives, GPEC has integrated its research, strategy, marketing and communications, and resource development efforts. The synergies among these units elevate GPEC's efforts to build a sustainable economy through domestic, international and emerging tech jobs.

Continuity in Performance

GPEC's leadership transition in FY05 resulted in a cultural shift within the organization. Even so, GPEC has delivered on the performance objectives and promises made by the previous administration.

Under the guidance of our Chair Dr. Kathleen Goepfinger, and an engaged Board of Directors, GPEC's commitment to improve the region's competitiveness will lead to the fulfillment of our 2010 Desired State.

2010 Desired State

Be the leading economic development organization in the nation known for our ability to:

- Market the region nationally and internationally.
- Provide a forum for pressing public-policy issues facing economic development.
- Have committed leadership that facilitates and drives action.
- Effectively collaborate to help align economic development activities and investments toward same vision / goals.
- Stimulate the region's economy and position ourselves as fundamental to a public-private investment strategy.
- Measure success and impact of programs and initiatives.

FY07 Milestones
Several benchmarks have been made in our road to 2010. Discover the progress we've made in the last year.

FY08 Action Items GPEC Next
GPEC Next means being more intuitive to local and global market demands. Learn about our activities that will drive the region's competitiveness.

Leadership Role
Our stakeholders play an important role in advancing the region. Find out how stakeholder engagement helps fulfill outcomes and results.

Outcomes and Results
GPEC's FY08 activities are designed to meet our target goals. Learn how each program and strategy relate to GPEC's performance metrics.

Key Progress Indicators

This section highlights benchmarks that will indicate a program's success.

What You'll Find in GPEC's FY08 Action Plan



Accomplishing More Together

WHY? To feature our stakeholders who will play an important role in driving GPEC Next.

Private-Sector Investors

Platinum	AAA Arizona	Cox Communications	Insight Enterprises	Stardust Companies
	APS	D.L. Withers Construction	Intel Corporation	SUMCO USA
	Arizona State University	DMB Associates	KTAR	University of Phoenix
	Bank of America	The Dial Corporation	Maricopa Community Colleges	USAA
Banner Health	eFunds	Mayo Clinic	US Airways	
The Business Journal	Gannett Foundation/ The Arizona Republic	National Bank of Arizona	Wells Fargo Arizona	
Chase	Hensley	PetSmart	Westcor	
Cingular Wireless	Humana	Rose Properties Southwest		
Covance		SRP		
Gold	Agilent Technologies	CoStar Group	M&I Bank	Southwest Gas Corporation
	Arizona Diamondbacks	Cushman & Wakefield	Meritage Corporation	Sundt Construction
	Beazer Homes USA	Deloitte.	Opus West Corporation	TriWest Healthcare Alliance
	Blue Cross Blue Shield of AZ	Discount Tire Co.	RED Development	U.S. Bank
	C.S. & W. Contractors	DLR Group	RSM McGladrey	ViaWest Properties
	Carter Burgess	Grubb & Ellis	SAXA	The Weitz Company
	CB Richard Ellis	JF Companies	Schaller Anderson	
	Colliers International	Holder Construction	Scottsdale Healthcare	
	Compass Bank	Lewis and Roca	Snell & Wilmer	
Silver	Arizona Cardinals	Dircks Corporate Relocation Management Services	KPMG	Ryan Companies US
	Austin Commercial	DPR Construction	Land Advisors Organization	SCF Arizona
	Avnet	Executive Management Group	Manpower	SmithGroup
	Bridgers & Paxton Consulting Engineers	Extreme Internet	McCarthy Building Companies	Squire, Sanders & Dempsey
	Bryan Cave	Fennemore Craig	MSS Technologies	Sun Health Properties
	CBIZ Accounting, Tax and Advisory Services	First Industrial Realty Trust	On Q Financial	Sun State Builders
	Chanen Construction Co.	Gallagher & Kennedy	Osborn Maledon	U.S. Business Interiors
	Clear Channel Outdoor	Gammage & Burnham	Phoenix Coyotes	UnitedHealthcare
	Concert Architectural Interiors	Grant Thornton	Phoenix Suns	Verizon Wireless
	CRESA Partners	Greenberg Traurig	The Plaza Companies	Vestar Development Co.
	Cold Stone Creamery	International Capital Partners	Purvis Systems	Wist Office Products Company
	Deutsch Associates	Jennings, Strouss & Salmon	Quarles & Brady	
		Kitchell Corporation	Qwest	
			Resources Global Professionals	
	Bronze	Applied Economics	CMX	Midwestern University
Arizona Office Technologies		DEF CornoyerHedrick	The Orcutt/Winslow Partnership	Superlite Block
Arizona Insights Coldwell		Gilbane Building Company	Perini Building Company	Walsh Bros. Office Environments
Banker		Hewson Development Company	Plant Solutions	Waste Management
Carefree Partners		Johnson Carlier	Southwest Airlines	
Catapult Strategic Design		Landiscor Aerial Information	Sunbelt Holdings	

Public-Sector Members

- Maricopa County**
- Phoenix**
- Mesa**
- Glendale**
- Scottsdale**
- Chandler**
- Gilbert**
- Tempe**
- Peoria**
- Surprise**
- Avondale**
- Goodyear**
- Buckeye**
- Fountain Hills**
- Queen Creek**
- Maricopa**
- Tolleson**
- Wickenburg**

FY08 Top-Level Metrics

WHY? To outline the threshold, target and stretch goals of the organization's projected performance.

Evaluation Criteria	Threshold	Target	% Change Over FY07*	Stretch
Payroll Generated	\$191M	\$236M	+21%	\$298M
Number of Jobs	4,215	4,682	+13%	5,151
High-Wage Jobs	3,161	3,512	+21%	3,863
Average Salary	\$45,398	\$50,442	+7%	\$58,008
Emerging Technology Assists	6	8	+33%	10
Total Number of Qualified Prospects	167	185	+11%	204
Total Number of Qualified International Prospects	10	15	+50%	20
Total Reach of Editorial Placement	14M	17M	+63%	20M
Value of Editorial Impact	\$1M	\$2M	344%	\$3M
Stakeholder Satisfaction with Product Marketing	7.0**	7.3**	N/A	7.6**
Competitive Position Progress	***	***	N/A	***
Meet or Exceed Cash Reserve Target	98%	100%	N/A	102%

Business Attraction
 Competitiveness
 Fiscal/Resource Management

* Percentage change over FY07 Target metric.

** Based on a scale of 1 to 10.

*** As determined by the Executive Committee.

Mandate for Action and Progress

Initiated in FY2004, GPEC's *Mandate for Action and Progress (MAP)* strategy generated a successful multi-year fundraising effort. Promising that 1 in every 6 new jobs would be high-wage, the *MAP* was designed to shift from quantity to quality job growth.

Now in our fourth year of the five-year plan, GPEC is on track to meet or exceed *MAP* projections.

	PROMISED	DELIVERED*
New Jobs	18,787	15,158
High-Wage Jobs	11,458	10,403

*FY04-FY07 to-date (April)

Competitor-Market Prospecting

WHY? To increase the quality and quantity of domestic transactions in the region and strengthen relationships with decision-makers.

FY07 Milestones

Initiated in California, GPEC developed industry-specific business cases to showcase the competitive advantages of this region compared to target metro areas.

California-strategy prospecting activities were enhanced by:

- Expanding sales-trip tactics to strategically connect with more decision-makers and referral sources.

- Launching a direct-marketing campaign to medical device firms.

FY08 Action Items GPEC Next

Expand and refine prospecting activities to increase our project pipeline and number of jobs.

• Integrated Activities

Increase effectiveness in competitor markets by integrating tactics (i.e., direct mail, media placements, sales trips, trade shows, industry/association meetings, etc.) to raise awareness and build strategic relationships that increase deal flow.

• Targeted Opportunities

Capitalize on competitive intelligence to identify industries/firms poised for growth and define tailored value propositions.

• Market Connections

Leverage stakeholder connections (i.e., headquarters or operations) in competitor markets.

Leadership Role

Leadership, engagement and advocacy by our stakeholders are critical to ensuring program success.

Directors and Ambassadors

- Connect GPEC to high-level decision-makers.
- Maintain relationships with locates and support community integration.
- Communicate opportunities to expand GPEC's reach.
- Host prospects around regional assets including arts and cultural venues and sporting events.
- Provide market expertise.

Economic Development

Directors Team

- Facilitate deal closures.
- Link prospects to local industry leaders.

Outcomes and Results

Helps achieve FY08 top-level metrics*:

- 11% increase in pipeline of qualified prospects.
- 13% increase in total number of jobs created.
- 21% increase in high-wage jobs created.
- 21% increase in payroll generated.

* Relates to top-level metrics (p. 4). Percentages reflect total increase over FY07 target goals.

Key Progress Indicators

- 5%-10% increase in prospects from identified competitor markets.
- Increase in meetings with high-level decision makers in key markets through stakeholder connections.

International Economic Development

WHY? To create a more robust, diversified economy and support the Arizona Global Network.



Originally authored by GPEC, the Arizona Global Network (AGN) is a virtual statewide partnership including economic development organizations in Tucson, Flagstaff, Yuma, Prescott, as well as the Arizona Department of Commerce, Arizona Rural Development Council and Arizona Association for Economic Development. The AGN was designed to attract more foreign direct investment (FDI) to the state. In April 2007, the AGN announced the recipient of its European FDI contract, OCO Consulting. GPEC partnered with the Williams Gateway Airport (WGA) Authority, City of Mesa and other East Valley stakeholders to develop Arizona Direct—a brand positioning strategy for WGA.

• AGN
Leverage AGN contracts with international consultants and increase GPEC's direct efforts to enhance FDI activity in the region.

• Integrated Activities
Develop Asian FDI contract and identify three to five new markets.

• Targeted Opportunities
Seek new ways to connect with international decision-makers located in or visiting the US.

• Interagency Connections
Leverage relationships with foreign consulates and investment groups to expand prospect referrals.

Leadership, engagement and advocacy by our stakeholders are critical to ensuring program success.

International Leadership Council

- Advise GPEC on international economic development activities.
- Connect GPEC with decision-makers in target markets.
- Create investor-scouting network.
- Secure AGN funding.

International Economic Development Team

- Compile list of international assets and provide access to resources.
- Leverage in-state referral network (i.e., international bankers, attorneys, etc.).
- Manage interagency agreements.

Ambassadors

- Educate stakeholders on critical international economic development issues.
- Champion initiatives before policy decision-makers.

Helps achieve FY08 top-level metrics*:

- 50% increase in number of international prospects.
- 11% increase in pipeline of qualified prospects.
- 21% increase in high-wage jobs created.
- 7% increase in average salary.

* Relates to top-level metrics (p. 4). Percentages reflect total increase over FY07 target goals.

Key Progress Indicators

- Secure two AGN contracts in foreign markets.
- Host international delegation for business interests from a foreign market.
- Identify new-market opportunities for FDI.
- Support Arizona Direct in developing plan for Williams Gateway Airport area.

Community Building Consortium (CBC)

WHY? To employ a more strategic approach to regional planning and increase the quality and quantity of transactions in the region.



University-Led Strategy

WHY? To ensure broader technological innovation and collaboration between the private sector and public research institutions.



GPEC and ASU launched a university-led economic development strategy beginning with the promotion of key ASU assets.

Now a fundamental component within GPEC's emerging tech, domestic and international activities, the university-led prototype provides:

- A competitive advantage to attract high-wage jobs and develop a sustainable economy.

- An unconventional approach in GPEC's marketing collateral, showcasing university innovation.

- Increased international exposure for the region and knowledge assets through earned media.

- Enhanced connectivity and engagement by ASU program leadership.

Continue exploring ASU's capabilities in research and converging technology. Connect ASU's expertise with qualified prospects to add value.

Market as a leading focal point for the region's global economic strategy.

- **SkySong**

- **Biodesign Institute**

Explore research competencies and converging technology opportunities.

- **Flexible Display Center**

Examine potential of flexible electronics applications across industries.

- **Global Institute of Sustainability**

Link FDI and domestic opportunities to sustainability capabilities.

- **ASU Polytechnic**

Promote sustainability programs (i.e., alternative energy, hydrogen economy and photovoltaics).

Leadership, engagement and advocacy by our stakeholders are critical to ensuring program success.

- **Emerging Tech Leadership Council**

Enhance lead generation and deal-closing capabilities.

- **Ambassadors**

Seek opportunities to connect with other knowledge assets such as Maricopa Community Colleges, University of Phoenix, Midwestern University, University of Arizona and Northern Arizona University.

- Increase stakeholder awareness of the economic development benefit each asset brings to the region.

Maricopa Community Colleges is a critical partner in workforce development. Strengthening the region's talent pipeline will enable GPEC to continue attracting quality companies.

Helps achieve FY08 top-level metrics*:

- 33% increase in number of emerging tech assists.
- 50% increase in number of international prospects.
- 63% increase in total reach of editorial placement.

- Competitive position progress by:
 - ▼ *Marketing assets as anchors for highly competitive industries.*
 - ▼ *Broadening focus to converging technologies.*

* Relates to top-level metrics (p. 4). Percentages reflect total increase over FY07 target goals.

Key Progress Indicators

- Connect knowledge assets with potential partners for tech transfer, capital access, research partnerships, and other opportunities.
- Continue featuring higher education assets in GPEC marketing efforts.

Emerging Technology

WHY? To develop a sustainable economy committed to technology exchange and commercialization.



GPEC worked with member communities to develop a technology park prototype for implementation throughout the region.

GPEC was also successful in:

- Supporting funding for Science Foundation Arizona.
- Forming a bioscience network including experts from TGen, Mayo Clinic, Sun Health Research Institute and others, who helped identify the need for fundamental infrastructure to support the industry.

Establishing the University-Led Strategy and marketing key knowledge assets (p. 8), as well as launching the CBC (p. 7) also are expected to significantly advance our emerging technology efforts.

- **Tech-Park Strategy / Preferred Company Environment (PCE)**
Create capacity to deliver technology deals and retain expansion of local companies.
- **Commercialization Partnership**
Connect tech-based enterprises with knowledge assets to deliver tech transfer.
- **Venture Capital (VC)**
Leverage a financial mechanism that invests in a portfolio of VC funds to benefit qualified in-state companies.
- **Sustainable Technologies Plan**
Promote ASU's R&D efforts on replacement technologies. Coordinate with utilities and universities to market Arizona as the preferred location for solar-focused firms.

- **Leadership, engagement and advocacy by our stakeholders are critical to ensuring program success.**
- **Emerging Tech Leadership Council**
Encourage buy-in from communities and other key stakeholders.
- **Enhance lead generation and deal-closing capabilities.**
- **Develop scalable model to build and finance tech parks.**
- **Create venture capital strategy.**
- **Economic Development Directors Team**
Provide expertise on community assets and priorities.
- **Community Building Consortium**
Serve in advisory capacity for development of tech parks.

Helps achieve FY08 top-level metrics*:

- 33% increase in number of emerging tech assists.
- 11% increase in pipeline of qualified prospects.

Competitive position progress by:

- ▲ *Supporting commercialization and facilitating industry-university linkages.*

* Reflects total increase over FY07 target goals.

- Key Progress Indicators**
- Secure commitment for a planned tech park/PCE.
 - Raise awareness of VCs and tech transfer opportunities.
 - Develop plan to market universities and utilities' replacement technologies including solar, wind and geothermal.

Budget for July 1, 2007 - June 30, 2008

WHY? To provide operations transparency.

FY07 Budget FY07 Forecast* % of Total FY08 Budget % of Total Variance** Change

Revenues							
Public Funds	\$ 1,943,045	\$ 1,943,045	46.6%	\$ 2,014,919	45.6%	\$ 71,874	3.7%
Private Funds	2,187,500	2,164,590	52.0%	2,348,000	53.1%	183,410	8.4%
Other Income	40,000	58,679	1.4%	60,000	1.4%	1,321	3.3%
Total Revenues	\$ 4,170,545	\$ 4,166,314	100.0%	\$ 4,422,919	100.0%	\$ 256,605	6.2%
Operating Expenditures							
Business Attraction	\$ 2,453,358	\$ 2,450,686	58.8%	\$ 2,746,506	62.1%	\$ 295,820	12.1%
Competitive Position	656,194	661,451	15.9%	722,612	16.3%	61,161	9.3%
Resource Management	1,113,948	1,082,303	26.0%	961,582	21.7%	(120,721)	-10.8%
Expenses	\$ 4,223,500	\$ 4,194,440	100.7%	\$ 4,430,700	100.2%	\$ 236,260	5.6%
Net Income/(Loss)	\$ (52,955)	\$ (28,126)	-0.7%	\$ (7,781)	-0.2%	\$ 20,345	-38.4%
Less: Fixed Assets	(20,000)	(19,828)	-0.5%	(40,000)	-0.9%	(20,172)	100.9%
Add: Depreciation	50,000	43,000	1.0%	50,000	1.1%	7,000	14.0%
Net Cash Movement - Operations	\$ (22,955)	\$ (4,954)	-0.1%	\$ 2,219	0.1%	\$ 7,173	-31.2%
Additional Non-Recurring Expenditures							
Research to Support New Initiatives ¹	\$ 55,000	\$ 50,000		\$ 60,000		\$ 10,000	18.2%
Internet and Computer Enhancements	96,000	75,502				(75,502)	N/A
Telephone System Upgrade	20,000	21,170				(21,170)	N/A
Competitor-Market Strategy ²	100,000	90,000				(90,000)	N/A
Net Change in Cash Reserves	\$ (293,955)	\$ (241,626)		\$ (57,781)		\$ 183,845	-62.5%

¹ Includes international, multi-year funding plan and competitive position.

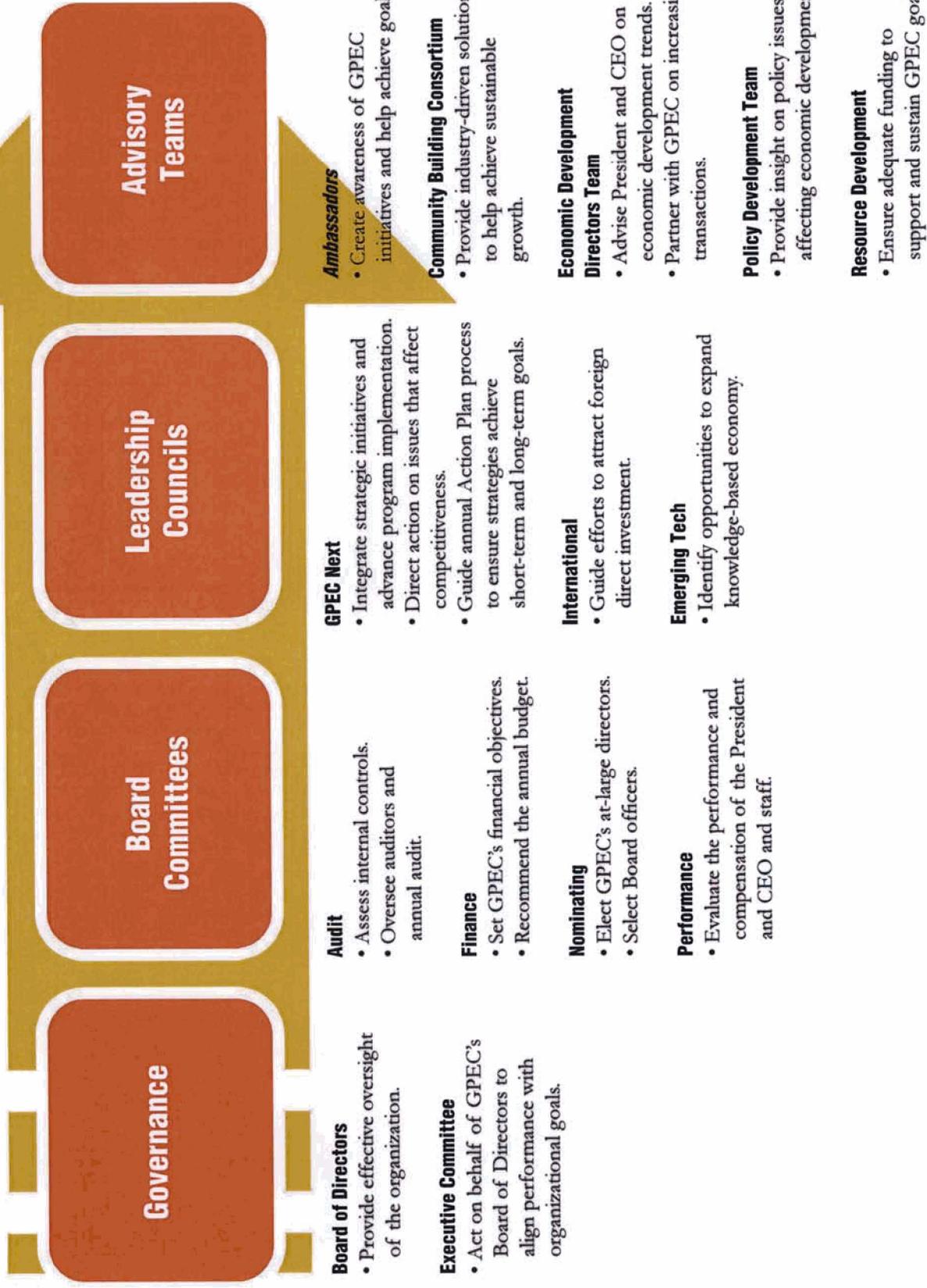
² Consulting to execute a prototype Competitor-Market Strategy.

* Forecasted results as of March 31, 2007.

** Variance FY08 budget vs. FY07 forecast.

Making a Difference

WHY? To show how GPEC's governing body and stakeholder activities fulfill our mission.



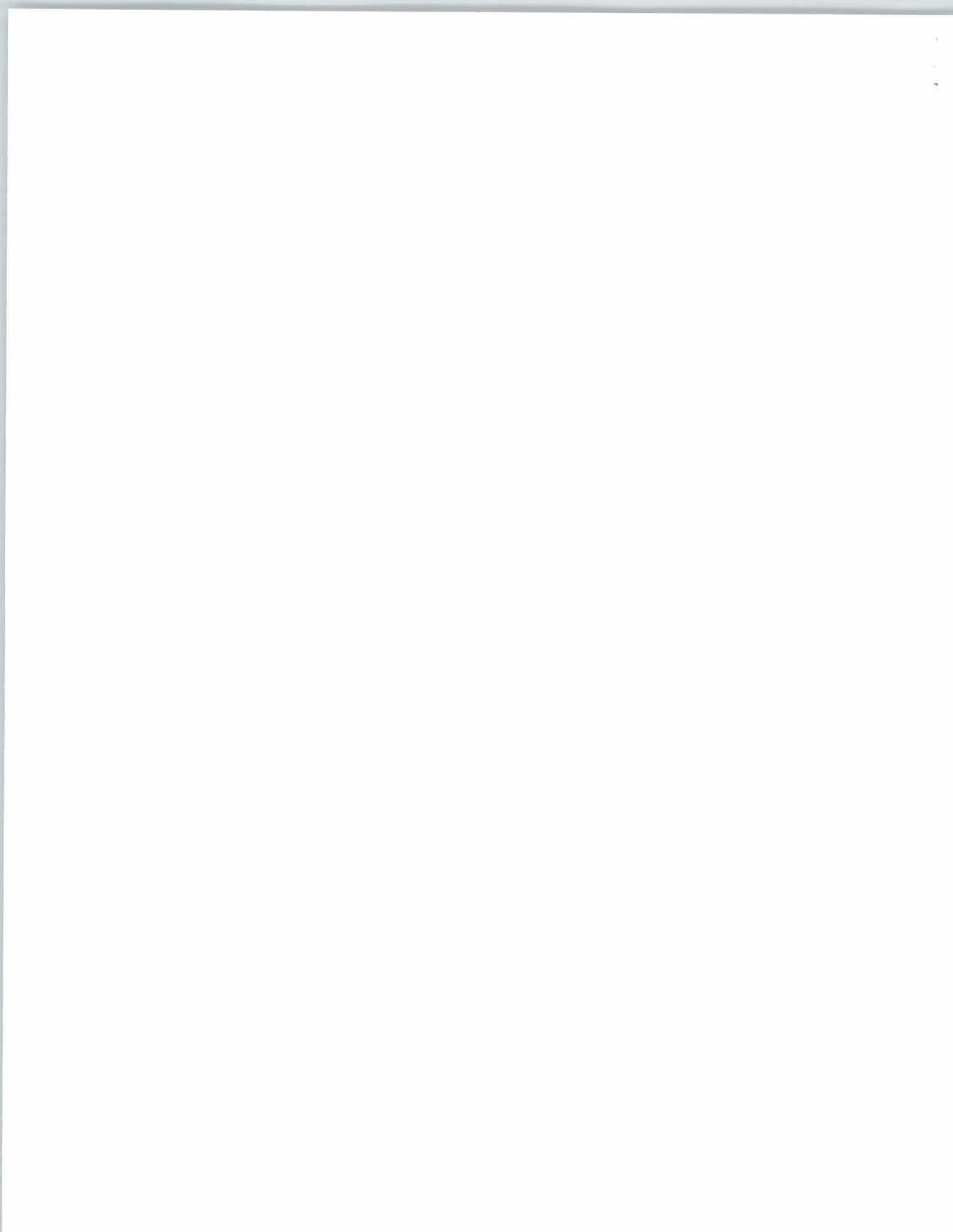


EXHIBIT B
GPEC PERFORMANCE MEASURES
FY 2007-2008

Specific performance targets as established by the GPEC Executive Committee and Board of Directors:

1. Number of Qualified Prospects	167
2. Value of Editorial Exposure	\$1,000,000
3. Total Reach of Editorial Placements/Exposures	14M
4. Payroll Generated	\$191M
5. Total Number of Jobs Created	4,215
6. Average Annualized Salary	\$45,398

EXHIBIT C

TARGETED INDUSTRIES

FY2007-2008

In 2002, GPEC adopted a strategy focusing on high-wage, high-impact jobs. This strategy required marketing to specific industries while continuing to respond to other industry opportunities. GPEC and our member communities have identified targeted industries on a local and regional level, incorporating these industries into a regional economic development plan. For fiscal year 2007-2008, GPEC will increase emphasis on the following: advanced business services, advanced manufacturing, aerospace/aviation, bioscience, high tech/software and sustainability.

Member communities will target the following:

Avondale

Business services and software; high-tech electronics; aerospace and advanced materials; bioscience and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

Buckeye

Bioscience and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

Chandler

Business services and software; high-tech electronics; aerospace and advanced materials; bioscience and senior industries

Fountain Hills

Business services and software; bioscience and senior industries; post-secondary institutions; tourism

Gilbert

Aerospace manufacturing; aerospace R&D; next-generation electronics; software; medical diagnostic devices and equipment; business shared-service center

Glendale

Advanced business services; advanced manufacturing; high-tech/software; sustainability; regional and corporate centers; environmental technology; medical and educational institutions

Goodyear

Business services and software; high-tech electronics; aerospace and advanced materials; bioscience and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

Maricopa (City)

Business services and software; high-tech electronics; aerospace and advanced materials; agri-bio; transportation/distribution; standard manufacturing; environmental technology

Maricopa County

Food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology

Mesa

Advanced business services; advanced manufacturing; aerospace/aviation; bioscience; high-tech/software

Peoria

Business services and software; high-tech electronics; bioscience and senior industries; standard manufacturing; environmental; medical services; educational institutions

Phoenix

Business services and software; high-tech electronics; aerospace/aviation; advanced materials; bioscience and senior industries; food, fiber and natural products; transportation/distribution; advanced manufacturing; standard manufacturing; environmental; sustainability

Queen Creek

High-tech/software; tourism/experience; agri-business; construction materials

Scottsdale

Advanced business services (financial services); bioscience (research, drug development, treatment, medical products); high-tech/software; sustainability (environmental); corporate/regional headquarters

Surprise

Advanced business services; advanced manufacturing; bioscience; high- tech/software; sustainability

Tempe

Advanced business services (financial services); high tech/software (R&D, data center and services); high-tech/next generation electronics; aerospace R&D/aviation; bioscience (research, drug development, treatment, medical diagnostics); corporate/regional headquarters; sustainability (environmental); advanced materials/plastics; senior industries

Tolleson

Aerospace and advanced materials; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

Wickenburg

Transportation/ distribution; standard manufacturing; environmental technology; food, fiber & natural products; advanced business services

EXHIBIT D
 FY2007-2008
 REPORTING MECHANISM FOR CONTRACT FULFILLMENT

Monthly Activity Report - Month, Year

BUSINESS ATTRACTION PERFORMANCE METRICS:

GPEC Progress Toward Goals

Targeted Opportunities	Annual Contract Goal	Actual YTD	Goal YTD	% of Goal YTD
PAYROLL GENERATED (MILLIONS)				
AVERAGE SALARY				
NUMBER OF JOBS				
NUMBER OF HIGH-WAGE JOBS *				
EMERGING TECHNOLOGY ASSISTS				
QUALIFIED PROSPECTS				
INTERNATIONAL PROSPECTS				
IMAGE AND AWARENESS				
TOTAL REACH OF EDITORIAL PLACEMENTS				
VALUE OF EDITORIAL IMPACT				

* High-Wage Industries include Advanced Business Services, Aerospace, BioIndustry, High-Tech Electronics and Software.

KEY BUSINESS ATTRACTION ACTIVITIES

Sales Missions / Trade Shows / Conferences

- Location
- Other Local Attendees
- Target Audience
- Trade & Association Group Meetings

Prospect Generation

- Inquiries
- Prospects
- By Current Month and Year-To-Date Totals

Prospect Visits – By Community, State of Origin, Month and Year-To-Date Totals

HIGHLIGHTS OF OTHER GPEC ACTIVITIES

EXHIBIT E
INSURANCE REQUIREMENTS

The City's insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits required of GPEC are sufficient to protect GPEC from liabilities that might arise out of this Agreement for GPEC, its agents, representatives, employees or Contractors and GPEC is free to purchase such additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. GPEC shall provide coverage at least as broad as the categories set forth below with limits of liability in amounts acceptable to the City.

- 1. Commercial General Liability - Occurrence Form**
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate/ per Project
Products-Completed Operations Aggregate
Personal & Advertising Injury
Each Occurrence
Fire Damage (Any one fire)
Directors and Officers
Medical Expense (Any one person) Optional

- 2. Automobile Liability B Any Auto or Owned, Hired and Non-Owned Vehicles**
(Form CA 0001, ed. 12/93 or any replacement thereof)
Combined Single Limit Per Accident for Bodily Injury and Property Damage

- 3. Workers' Compensation and Employers' Liability**
Workers' Compensation Statutory
Employers' Liability

B. Self-insured Retentions. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may request that the insurer reduce or eliminate such self-insured retentions with respect to City, its officers, officials, agents, employees and volunteers.

C. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability

a. The City, its officers, officials, agents, employees and volunteers are to be named as additional insureds with respect to liability arising out of: activities performed by or on behalf of GPEC, including the City's general supervision of GPEC; products and completed operations of GPEC; and automobiles owned, leased, hired or borrowed by GPEC.

b. GPEC's insurance shall include broad form contractual liability coverage.

c. The City, its officers, officials, agents, employees and volunteers shall be additional insureds to the full limits of liability purchased by GPEC, even if those limits of liability are in excess of those required by this Agreement.

d. GPEC's insurance coverage shall be primary insurance with respect to City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be in excess of GPEC's insurance and shall not contribute to it.

e. GPEC's insurance shall 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.

f. Coverage provided by GPEC shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

g. The policies shall contain a waiver of subrogation against City, its officers, officials, agents, employees and volunteers for losses arising from work performed by GPEC for the City.

2. Workers' Compensation and Employers' Liability Coverage. The insurer shall agree to waive all rights of subrogation against City, its officers, officials, agents, employees and volunteers for any and all losses arising from work performed by the Contractor for the City.

- D. Notice of Cancellation.** Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been sent to City at the address provided herein for the giving of notice. Such notice shall be by certified mail, return receipt requested.
- E. Acceptability of Insurers.** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-:VII. City in no way warrants that the above required minimum insurer rating is sufficient to protect GPEC from potential insurer insolvency.
- F. Verification of Coverage.** GPEC shall furnish City with Certificates of Insurance (ACORD form or equivalent approved by City) and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the Certificate of Insurance.
- All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project.
- All certificates of insurance required by this Agreement shall be sent directly to City at the address and in the manner provided in this Agreement for the giving of notice. City's Agreement/Agreement number, GPEC's name and description of the Agreement shall be provided on the Certificates of Insurance. City reserves the right to require complete certified copies of all insurance policies required by this Agreement, at any time.
- G. Approval.** During the term of this Agreement, no modification may be made to any of GPEC's insurance policies which will reduce the nature, scope or limits of coverage which were in effect and approved by the City prior to execution of this Agreement.