



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CA09-152**

1. Agenda Item Number:
28
2. Council Meeting Date:
January 8, 2009

TO: MAYOR & COUNCIL

3. Date Prepared: December 22, 2008

THROUGH: CITY MANAGER

4. Requesting Department: Fire Department

5. SUBJECT: Award a design and construction contract to Southwest Gas for natural gas service at the Chandler Fire Department Administration Building, Project No. FI0605-301, in an amount not to exceed \$33,199.

6. RECOMMENDATION: Staff recommends that Council award a design and construction contract to Southwest Gas for natural gas service at the Chandler Fire Department Administration Building, Project No. FI0605-301, in an amount not to exceed \$33,199.

7. BACKGROUND/DISCUSSION: The Fire Department Administration Building was awarded for construction on August 14, 2008. The new Fire Administration Building will be located just to the west of the current Fire Administration Building on Boston Street.

8. EVALUATION: City of Chandler staff reviewed the costs. Southwest Gas will self perform installing the natural gas service.

9. FINANCIAL IMPLICATIONS:

Cost:	\$33,199
Savings:	N/A
Long Term Costs:	N/A

Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
475.2250.0000.6210.7FI233	Fire Impact Fees	Chandler Heights	FY06/07	\$33,199

10. PROPOSED MOTION: Move that Council award a design and construction contract to Southwest Gas for natural gas service at the Chandler Fire Department Administration Building, Project No. FI0605-301, in an amount not to exceed \$33,199, and authorize the Mayor to sign the contract documents.

ATTACHMENTS: Location Map, Contract

APPROVALS

11. Requesting Department


Tom Carlson, Assistant Fire Chief

13. Department Head


Jeff Clark, Fire Chief

12. City Engineer

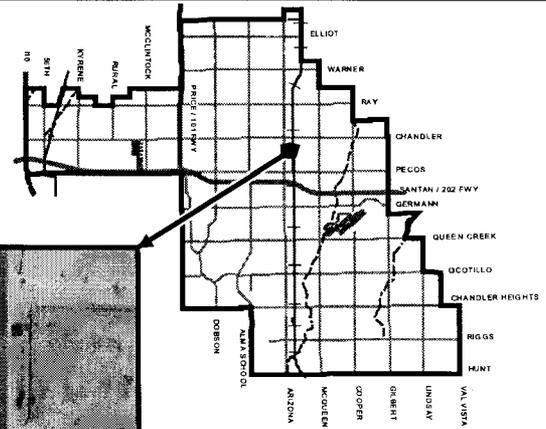

Sheina Hughes, Assistant Public Works
Director/City Engineer

14. City Manager


W. Mark Pentz



FIRE ADMINISTRATION BUILDING PROJECT NO. FI0605-301



MEMO NO. CA09-152





FACILITIES EXTENSION AGREEMENT (ARIZONA)

1. Agreement, Applicants.

- 1.1 This is a Facilities Extension Agreement ("Agreement") dated 21-Nov , 2008 between Southwest Gas Corporation ("Southwest"), located at 10851 North Black Canyon Highway, P.O. Box 52075 Phoenix , Arizona 85072-2075 , and City of Chandler Arizona Fire Department ("Applicant") located at 221 East Boston St Chandler, AZ 85225.
- 1.2 All communications concerning this Agreement shall be in writing, and shall be delivered to each party at its address shown above or to such other address as either party may hereafter specify in writing.
- 1.3 This Agreement may not be amended except in writing executed by all of the parties hereto.
- 1.4 No assignment of this Agreement or of any refunds which may become due hereunder shall be binding upon Southwest without its written consent.
- 1.5 The mutual promises made and obligations undertaken by the parties constitute the consideration for this Agreement.

2. Proposed Service Addresses or Lot(s), Subdivision, Location.

Chandler Fire Administration Building
195 East Boston Street Chandler, AZ 85225

3. Description and Sketch of the Requested Facilities.

3.1 Annexed hereto as Exhibit A and incorporated by this reference is a drawing or diagram of the gas distribution facilities ("Subject Facilities") Southwest proposes to install pursuant to this Agreement.

4. Description of Requested Service.

4.1 Gas service provided through the Subject Facilities will be used for the following purposes (indicate residential, commercial, industrial, and/or other purposes as appropriate): WR# 906959 and 934646

COMMERCIAL: Estimated cost in Paragraph six is valid for six months.

4.2 Southwest Trench Developer Trench

4.3 Appliances/Equipment agreed to be installed and utilized, and upon which any allowance is granted, are as follows:

<i>Appliance/Equipment</i>	<i>Therms/Year</i>
<u>Two Generators</u>	<u>228</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u>Total Estimated Annual Therms</u>	<u>228</u>

5. Estimated Costs.

5.1 Southwest will install the Subject Facilities as described in Exhibit A at an estimated cost of \$ 33,199.00.

6. Payment Terms.

6.1 Applicant agrees to pay Southwest, the full estimated cost of the Subject Facilities less any allowance to which Applicant may be entitled.

Estimated Cost \$ \$33,199.00 *Allowance* (\$) 0.00
Advance Required \$ *Contribution Required* \$ 33,199.00

6.2 Notwithstanding the foregoing, if Applicant fails for whatever reasons, to take gas service in the amounts stated in paragraph 4.3 of this Agreement, as the basis for estimating Applicant's allowance, Southwest may recalculate such allowance and bill Applicant. Applicant shall pay Southwest the resulting non-refundable contribution (or facility charge) required in accordance with Southwest's Rules filed with the Arizona Corporation Commission ("Commission") in effect on the date of this Agreement as though gas service had been requested on the basis of the actual appliances/equipment installed and utilized.

6.3 Southwest may, at its option, require Applicant to provide a bond or other surety guaranteeing Applicant's performance of its payment obligations under paragraph 6 of this Agreement.

7. Refunds.

7.1 Southwest will refund to Applicant, without interest, the amount advanced in accordance with the allowable investment and refund provisions of its Rules. In no event will the total refund exceed the amount advanced by Applicant. No advance will be refundable after 5 years from the date Southwest is first ready to render service, except in the case of feeder mains to serve master planned communities, the refund period will be 10 years.

8. Estimated Dates of Commencement and Completion of Construction.

8.1 Southwest estimates that construction of the Subject Facilities will begin on approximately N/A and will be completed by approximately N/A ("Completion Date"); provided, however, that if the date on which the Subject Facilities actually are completed shall be more than 30 days after the estimated date of completion specified above, the Completion Date shall be the date the Subject Facilities actually are completed, and this Agreement shall be noted accordingly.

9. Copy of Agreement.

9.1 Applicant hereby acknowledges receipt of a copy of this Agreement.

10. Ownership and Easements.

10.1 The Subject Facilities will at all times be owned by Southwest.

10.2 Applicant agrees to grant or otherwise provide to Southwest, without cost to Southwest, easements and rights of way which are adequate, in the opinion of Southwest, for the location, installation operation, maintenance, and removal of the Subject Facilities.

11. Regulatory Changes; Arizona Law.

11.1 This Agreement is subject to the jurisdiction of the Commission.

11.2 Southwest's Rules filed with the Commission, to the extent applicable and as they may be changed from time to time, are part of this Agreement, but no change in any such Rule occurring after the date hereof shall increase the amount Applicant is obligated to advance or the amount Southwest may become obligated to refund hereunder.

11.3 The laws of Arizona shall govern the interpretation of this Agreement.

WHEREFORE, the parties have executed this Agreement as of the indicated date.

APPLICANT	SOUTHWEST GAS CORPORATION
<u>City of Chandler Arizona Fire Department</u> <i>Company Name</i>	By _____
_____ <i>Applicant Signature</i>	<u>Kevin Thompson- Manager New Business Projects</u> <i>Title</i>
_____ <i>Print Name</i>	<u>Central Arizona</u> <i>Division</i>
_____ <i>Title</i>	_____ <i>Date Signed</i>

APPROVED AS TO FORM

CITY ATTORNEY *GAF*