



Pursuant to A.R.S. § 38-431.02 notice is hereby given to the public that the Sahuarita Town Council will hold a meeting at the date and time specified below at the Sahuarita Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona. Members of the Town of Sahuarita Council will attend either in person or by telephone conference call.

To better serve our community, the Council Chambers is wheelchair accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk's Office at 520-822-8801. Requests should be made no later than three working days prior to the meeting to arrange the accommodation.

REVISED *

**October 10, 2016
REGULAR MEETING
AT OR AFTER 6:30 P.M.**

1. Call to Order

2. Pledge of Allegiance

The Pledge of Allegiance will be led by Justin Martin, a 3rd grade student at Sahuarita Intermediate School.

3. Invocation

The Invocation will be given by Pastor Brent Salsbury from Grace Church of Sahuarita.

Our invocations are provided by volunteers, and presenters will be accepted and welcomed regardless of religious affiliation. Interested parties may contact the Town Clerk.

4. Roll Call

5. Approval of Agenda

6. Call to the Public

At this time, any member of the public is invited to address the Town Council on any issue which is on tonight's Consent Agenda or on any issue which the Town Council can lawfully act upon at a future meeting. Written comments regarding any item on the agenda or on any issue which the Town Council can lawfully act upon may be submitted prior to the beginning of the council meeting for distribution to the Town Council. Pursuant to the Arizona Open Meeting Laws, the Council may not discuss the items, but individual members of the Council may respond to criticism made by those who have addressed the Council, may ask staff to review the matter, or may ask that the matter be placed on a future agenda.



7. Consent Agenda

- A. Approval of the September 12, 2016 Regular Meeting Minutes.
 - B. Approval of Amendment No. three (3) to Contract No. CO13-0054 with Borderland Construction Company, Inc.; Amendment No. three (3) to Contract No. CO13-0055 with Day's Excavating; and Amendment No. three (3) to Contract No. CO13-0057 with KE&G Construction; for roadway construction and maintenance; extending the contracts for one year, from October 29, 2016 through October 28, 2017; and not-to-exceed the amount of \$750,000 each.
 - C. Approval of a Cooperative Purchasing Contract No. 170027 with CH2M Hill Engineers, Inc., for On-Call Civil Design Services; commencing September 27, 2016 and terminating September 26, 2017, not-to-exceed \$150,000.
 - D. Approval of Cooperative Purchasing Contract No. 170028 with Psomas, Inc., and Contract No. 170029 with Kimley-Horn and Associates, Inc., for On-Call Traffic Engineering Services, both commencing October 11, 2016 and terminating October 10, 2017; each not-to-exceed \$150,000.
 - E. Approval of Contract No. 170026 between the Town of Sahuarita and Raftelis Financial Consultants, Inc., for professional services to evaluate wastewater rates and to develop a Financial Plan for the Wastewater Utility; commencing October 11, 2016 and terminating October 10, 2017, not-to-exceed \$50,000.
 - F. Recommendation to the Arizona Department of Liquor Licenses and Control regarding a special event liquor license application submitted by the San Martin de Porres Catholic Parish for Saturday, November 5, 2016 and Sunday, November 6, 2016 at San Martin de Porres Roman Catholic Parish, 15440 S. Santa Rita Road, Sahuarita, Arizona.
8. Presentation by Pima County Community and Rural Development Program Manager Daniel Tylutki, on the Community Development Block Grant Program and the Homeownership Partnership Program.
 9. Presentation and authorization to test the use of Traffic Advisory Lights at signalized intersections.
 10. Council and Town Manager Reports and Requests

EXECUTIVE SESSION *

11. Executive Session pursuant to A.R.S. § 38-431.03 (A) (3) and (4) for discussion and consultation for legal advice with the Town Attorney, and for discussion and consultation with the Town Attorney in order to consider the Town's position and instruct the attorney regarding the Town's position regarding a contract that is the subject of negotiations, both related to a possible license agreement with FICO CAP Line, LLC and Freeport-McMoran Sierrita, Inc. for the purpose of installing a water delivery pipeline in the public right-of-way.



CONTINUATION OF REGULAR MEETING

12. Adjournment

Action may be taken by the Town Council on any item listed on this agenda. Council may vote to go into executive session pursuant to A.R.S. § 38-431.03 (A) (3) for discussion or consultation for legal advice with the Town Attorney concerning any matter listed on this agenda.

MEETING DATE: October 10, 2016

DATE PREPARED: September 13, 2016

AGENDA ITEM 7A

TO: Honorable Mayor and Council
FROM: Lisa Cole, MMC, Town Clerk
SUBJECT: Approval of the September 12, 2016 Regular Meeting Minutes.

	 <input type="checkbox"/> Economic Development	 <input type="checkbox"/> Infrastructure	 <input type="checkbox"/> Planning for Our Community's Future
	 <input type="checkbox"/> Organizational Effectiveness	 <input type="checkbox"/> Quality of Life	 <input checked="" type="checkbox"/> Other

GOALS/OTHER: Sahuarita Town Code 2.15.040 (Consent Agenda)

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted:
2. Available Budget/Project Capacity (\$):

STAFF RECOMMENDATION

Staff recommends approval of the attached minutes.

SUGGESTED MOTION

I move to approve the minutes as submitted (or amended).

DISCUSSION

Draft minutes submitted for Town Council approval.

ATTACHMENTS

1. September 12, 2016 Regular Meeting Minutes Draft





**REGULAR MEETING MINUTES
SEPTEMBER 12, 2016**

The Mayor and Council of the Town of Sahuarita met in the Town Hall Council Chambers, 375 West Sahuarita Center Way, Sahuarita, Arizona on Monday, September 12, 2016.

1. Call to Order

The meeting was called to order at 6:32 PM by Mayor Duane Blumberg.

2. Pledge of Allegiance

The Pledge of Allegiance was led by Connor Brooks, a 7th grade student at Sahuarita Middle School.

3. Invocation

The Invocation was given by Pastor Ron Carter from the Desert View Baptist Church.

4. Roll Call

Attendee Name	Title	Status	Arrived
Kara Egbert	Town Council Member	Present	
Melissa Hicks	Town Council Member	Present	
Gil Lusk	Town Council Member	Present	
Tom Murphy	Town Council Member	Present	
Lynne Skelton	Town Council Member	Present	
Bill Bracco	Vice Mayor	Present	
Duane Blumberg	Mayor	Present	

Also present were Town Manager L. Kelly Udall, Town Attorney Dan Hochuli and Town Clerk Lisa Cole.

5. Presentations

A. Proclamation declaring September 15, 2016 as Imagine a Day Without Water

Mayor Blumberg proclaimed September 15, 2016 as Imagine a Day Without Water.

B. Proclamation in support of the YMCA's Support to Armed Forces

Mayor Blumberg presented a proclamation to Mike Reuwsaat, Vice President of Operations/Executive Director, Lohse Family YMCA and Eric Ponce, Chair, Lohse Family YMCA recognizing the longstanding record of support and services provided by the YMCA to our military families.

Mr. Reuwsaat and Mr. Ponce gave a summary of the many years of support that the YMCA has provided to the Armed Services.



6. Approval of Agenda

MOTION was made to approve the agenda as published.

RESULT: **APPROVED, [UNANIMOUS]**
MOVER: Tom Murphy, Town Council Member
SECONDER: Lynne Skelton, Town Council Member
AYES: Blumberg, Bracco, Skelton, Egbert, Lusk, Hicks, Murphy

7. Call to the Public

There were no speakers.

8. Consent Agenda

A. Approval of the August 22, 2016 Regular Meeting Minutes.

B. Adoption of Resolution No. 2016-0481, authorizing the Town to enter into an Intergovernmental Agreement, Contract No. 170024 with the Pima County Elections department for election services; commencing January 1, 2017 and terminating December 31, 2021.

C. Adoption of Resolution No. 2016-0483, authorizing the Town to enter into a modification of the Intergovernmental Agreement, Sahuarita Contract No. 160019, between the Town of Sahuarita and the United States Department of Justice, Drug Enforcement Administration, regarding the Drug Enforcement Administration Task Force with the Sahuarita Police Department, for the purpose of extending the term of the agreement by one day to September 30, 2016, to comply with the Department of Justice mandates regarding coverage of task force officers.

D. Adoption of Resolution No. 2016-0484, authorizing the Town to enter into an Intergovernmental Agreement, Sahuarita Contract No. 170025, between the Town of Sahuarita and the United States Department of Justice, Drug Enforcement Administration, regarding the Drug Enforcement Administration Task Force with the Sahuarita Police Department, for the purpose of disrupting illicit drug traffic in the State of Arizona.

E. Approval of Amendment No. Five (5) to Contract No. CO11-0019 with Granite Construction Company, Amendment No. Six (6) to Contract No. CO11-0020 with Southern Arizona Paving and Construction and Amendment No. One (1) to Contract No. 160030 with Tucson Asphalt Contractors to extend the contracts until December 31, 2016 and to increase the amount of each contract, not-to-exceed, \$750,000 for as-needed miscellaneous street repair and maintenance.



- F. Approval of Amendment No. Three (3) to Contract No. CO13-0051 with Turner Laboratories, Inc. for lab testing services for the Sahuarita Water Reclamation Facility to extend the term of the contract for a period commencing September 9, 2016 and terminating September 8, 2017, and to further amend the amount for the extended renewal period, not-to-exceed \$35,000.
- G. Approval of the Final Plat for Quail Creek Unit 29B (Case No. SA12-16-00006).
- H. Approval to purchase a “Toro Sand Pro 3040” field maintenance vehicle for the Parks and Recreation Department in the amount of \$29,480.76.
- I. Recommendation to the Arizona Department of Liquor Licenses and Control regarding two special event liquor license applications by the Sahuarita Health and Wellness Foundation for Saturday, November 5, 2016 and Friday, December 2, 2016 at Rancho Sahuarita Clubhouse, 15455 S. Camino Lago Azul, Sahuarita, Arizona.
- J. Adoption of Ordinance 2016-116, amending Chapter 2.10 (Mayor and Vice Mayor) of the Sahuarita Town Code by amending Section 2.10.010 (Selection of Mayor) and Section 2.10.020 (Selection of Vice Mayor); and repealing all Resolutions, Ordinances, and Rules of the Town of Sahuarita in conflict therewith.

MOTION was made to approve the consent agenda.

RESULT: APPROVED [UNANIMOUS]
MOVER: Tom Murphy, Town Council Member
SECONDER: Gil Lusk, Town Council Member
AYES: Blumberg, Bracco, Skelton, Egbert, Lusk, Hicks, Murphy

- 9. Adoption of Resolution No. 2016-0485, canvassing the returns and declaring and adopting the results of the Town of Sahuarita Primary Election held on August 30, 2016.

Lisa Cole, Town Clerk, briefed the Council on the results of the Town of Sahuarita Primary Election held on August 30, 2016.

Mayor Blumberg congratulated the newly re-elected Council Members.

Mayor Blumberg announced that at the November 12, 2016 Town Council meeting, the Council Members would take their Oath of Office. In addition, at the December 12, 2016 Town Council meeting, the election of the Mayor and Vice Mayor would take place.

MOTION was made to adopt Resolution No. 2016-0485, declaring and adopting the results of the Town of Sahuarita primary election held on August 30, 2016.

RESULT: ADOPTED [UNANIMOUS]
MOVER: Tom Murphy, Town Council Member
SECONDER: Kara Egbert, Town Council Member
AYES: Blumberg, Bracco, Skelton, Egbert, Lusk, Hicks, Murphy



10. Council and Town Manager Reports and Requests

The Town Manager, Council and Mayor reported on current events.

11. Adjournment

The meeting was adjourned at 7:05 PM by Mayor Blumberg.

Mayor Duane Blumberg

ATTEST:

Lisa Cole, MMC
Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Meeting of the Town Council of the Town of Sahuarita held on the 12th day of September, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 26th day of September, 2016.

Lisa Cole, MMC
Town Clerk

MEETING DATE: October 10, 2016

DATE PREPARED: September 15, 2015

AGENDA ITEM: 7B

TO: Honorable Mayor and Council
FROM: Sheila M. Bowen, P.E., Public Works Director / Town Engineer
SUBJECT: **Approval of Amendment No. three (3) to Contract No. CO13-0054 with Borderland Construction Company, Inc.; Amendment No. three (3) to Contract No. CO13-0055 with Day’s Excavating; and Amendment No. three (3) to Contract No.CO13-0057 with KE&G Construction; for roadway construction and maintenance; extending the contracts for one year, from October 29, 2016 through October 28, 2017; and not-to-exceed the amount of \$750,000 each.**



	<input type="checkbox"/> Economic Development		<input checked="" type="checkbox"/> Infrastructure		<input type="checkbox"/> Planning for Our Community’s Future
	<input type="checkbox"/> Organizational Effectiveness		<input type="checkbox"/> Quality of Life		<input type="checkbox"/> Other

GOALS/OTHER:

- Provide and Maintain Public Streets and Rights-of-Way
- Manage Storm Water Drainage

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: HURF, CIIF, RTA or PAG
2. Available Budget/Project Capacity (\$): Not Applicable

STAFF RECOMMENDATION

Staff recommends Mayor and Council approve Amendment No. three (3) to Contract No. CO13-0054 with Borderland Construction Company, Inc., Amendment No. three (3) to Contract No. CO13-0055 with Day’s Excavating and Amendment No. three (3) to Contract No. CO13-0057 with KE&G Construction which extends the contracts from October 29, 2016 through October 28, 2017 for Roadway Construction and Maintenance, and not-to-exceed the amount of \$750,000 each.

SUGGESTED MOTION

I move to approve Amendments No. three (3) to Contract Nos. CO13-0054, CO13-0055 and CO13-0057.

DISCUSSION

Amendments No. three (3) with Borderland Construction Company, Inc., Day’s Excavating and KE&G Construction will extend these contracts from October 29, 2016 through October 28, 2017. The one year extension will be for Roadway Construction and Maintenance. The Scope of Work is the same as the original contracts. Services under these Cooperative Agreements will be requested on an as-needed, if-needed basis and the resultant contract is neither exclusive nor a commitment by the Town that the Contractor’s services will be required. Each Amendment No. three (3) is not to exceed \$750,000 for the renewal period.

Job Order Contracting (JOC) is commonly used to complete tasks such as routine maintenance and small construction projects. The timing and quantity of projects that may arise are unknown and many require limited design prior to execution. Jurisdictions may elect to establish an “as-needed” list of on-call, Job Order Contractors through the solicitation of interested contractors having the appropriate experience and qualifications. Recognizing there are significant costs and time involved in responding to and reviewing such solicitations that may or may not result in actual work, and recognizing that other jurisdictions have established lists of “as-needed” Job Order Contractors through a similar method of evaluating experience and qualifications, Cooperative Purchasing can be used to access those contractors efficiently and without duplication in effort.



Borderland Construction Company, Inc., Day's Excavating and KE&G Construction have been identified by the Public Works Department as suitable and qualified contractors to provide road construction and maintenance services and will be called for an estimate when services are needed. These services may include, but are not limited to, roadway improvements, street sweeping, roadway patching, storm clean-up, shoulder grading, pavement crack sealing, roadway maintenance, material hauling, earth work, concrete work and drainage systems and other related services.

ATTACHMENTS

1. Amendment No. three (3) to Contract No. CO13-0054
2. Amendment No. three (3) to Contract No. CO13-0055
3. Amendment No. three (3) to Contract No. CO13-0057



CONTRACT AMENDMENT

Town of Sahuarita
Procurement Department
375 W. Sahuarita Center Way
Sahuarita, AZ 85629
(520) 822-8824
Issue Date: August 16, 2016

Contract No.: CO13-0054
Contractor: Borderland Construction Company, Inc.
Contract Amendment No. Three (3)
Procurement Officer: Cherie Odeski, CPPO, CPPB
Page 1 of 1

THIS CONTRACT IS AMENDED AS FOLLOWS:

BORDERLAND CONSTRUCTION COMPANY, INC.

CONTRACT NO. CO13-0054

ROADWAY CONSTRUCTION AND MAINTENANCE

The Town of Sahuarita is hereby exercising its option to amend this contract by extending the contract for one (1) year beginning October 29, 2016 and ending October 28, 2017. The one year extension will be for Road Construction and Maintenance.

Services under this contract will be requested on an as-needed basis and the resultant contract is neither exclusive nor a commitment by the Town of Sahuarita that the Contractor's services will be required. Contract No. CO13-0054, Amendment No. 3 is not to exceed \$750,000 for the extension period.

A copy of the original Town of Sahuarita Cooperative Purchasing Contract #CO13-0054 and all amendments are on file with the Department of Public Works and the Town Clerk, and made a part hereof by reference.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

**CONTRACTOR HEREBY ACKNOWLEDGES
RECEIPT OF THE ABOVE-REFERENCED
CONTRACT AND UNDERSTANDING OF
THE ABOVE AMENDMENT**

**AMENDMENT IS HEREBY EXECUTED THIS
_____ DAY OF _____, 2016, AT
SAHUARITA, ARIZONA**

Signature

Mayor Duane Blumberg

Print Name and Title

ATTEST:

BORDERLAND CONSTRUCTION COMPANY, INC.
Company Name

Lisa Cole, MMC, Town Clerk

P.O. Box 27406
Company Address

Tucson, AZ 85726
City State Zip

APPROVED AS TO FORM:

c.diaz@borderland-inc.com
E-Mail Address

Daniel J. Hochuli, Town Attorney

CONTRACT AMENDMENT

Town of Sahuarita
Procurement Department
375 W. Sahuarita Center Way
Sahuarita, AZ 85629
(520) 822-8824
Issue Date: August 16, 2016

Contract No.: CO13-0055
Contractor: Day's Excavating, Inc.
Contract Amendment No. Three (3)
Procurement Officer: Cherie Odeski, CPPO, CPPB
Page 1 of 1

THIS CONTRACT IS AMENDED AS FOLLOWS:

DAY'S EXCAVATING, INC.

CONTRACT NO. CO13-0055

ROADWAY CONSTRUCTION AND MAINTENANCE

The Town of Sahuarita is hereby exercising its option to amend this contract by extending the contract for one (1) year beginning October 29, 2016 and ending October 28, 2017. The one year extension will be for Road Construction and Maintenance.

Services under this contract will be requested on an as-needed basis and the resultant contract is neither exclusive nor a commitment by the Town of Sahuarita that the Contractor's services will be required. Contract No. CO13-0055, Amendment No. 3 is not to exceed \$750,000 for the extension period.

A copy of the original Town of Sahuarita Cooperative Purchasing Contract #CO13-0055 and all amendments are on file with the Department of Public Works and the Town Clerk, and made a part hereof by reference.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

**CONTRACTOR HEREBY ACKNOWLEDGES
RECEIPT OF THE ABOVE-REFERENCED
CONTRACT AND UNDERSTANDING OF
THE ABOVE AMENDMENT**

**AMENDMENT IS HEREBY EXECUTED THIS
_____ DAY OF _____, 2016, AT
SAHUARITA, ARIZONA**

Signature

Mayor Duane Blumberg

Print Name and Title

ATTEST:

DAY'S EXCAVATING, INC.

Company Name

Lisa Cole, MMC, Town Clerk

P.O. BOX 1249

Company Address

Sahuarita, AZ 85629

City

State

Zip

APPROVED AS TO FORM:

rodney.daysexcavating@gmail.com
E-Mail Address

Daniel J. Hochuli, Town Attorney

CONTRACT AMENDMENT

Town of Sahuarita
Procurement Department
375 W. Sahuarita Center Way
Sahuarita, AZ 85629
(520) 822-8824
Issue Date: August 16, 2016

Contract No.: CO13-0057
Contractor: KE&G Construction, Inc.
Contract Amendment No. Three (3)
Procurement Officer: Cherie Odeski, CPPO, CPPB
Page 1 of 1

THIS CONTRACT IS AMENDED AS FOLLOWS:

KE&G CONSTRUCTION, INC.

CONTRACT NO. CO13-0057

ROADWAY CONSTRUCTION AND MAINTENANCE

The Town of Sahuarita is hereby exercising its option to amend this contract by extending the contract for one (1) year beginning October 29, 2016 and ending October 28, 2017. The one year extension will be for Road Construction and Maintenance.

Services under this contract will be requested on an as-needed basis and the resultant contract is neither exclusive nor a commitment by the Town of Sahuarita that the Contractor's services will be required. Contract No. CO13-0057, Amendment No. 3 is not to exceed \$750,000 for the extension period.

A copy of the original Town of Sahuarita Cooperative Purchasing Contract #CO13-0057 and all amendments are on file with the Department of Public Works and the Town Clerk, and made a part hereof by reference.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES
RECEIPT OF THE ABOVE-REFERENCED
CONTRACT AND UNDERSTANDING OF
THE ABOVE AMENDMENT

AMENDMENT IS HEREBY EXECUTED THIS
_____ DAY OF _____, 2016, AT
SAHUARITA, ARIZONA

Signature

Mayor Duane Blumberg

Print Name and Title

ATTEST:

KE&G CONSTRUCTION, INC.

Company Name

Lisa Cole, MMC, Town Clerk

5100 S. Alvernon Way

Company Address

Tucson, AZ 85706

City

State

Zip

APPROVED AS TO FORM:

bvaldez@kegtus.com

E-Mail Address

Daniel J. Hochuli, Town Attorney

MEETING DATE: October 10, 2016

DATE PREPARED: September 14, 2016

AGENDA ITEM: 7C

TO: Honorable Mayor and Council
FROM: Sheila M. Bowen, P.E., Public Works Director / Town Engineer
SUBJECT: **Approval of a Cooperative Purchasing Contract No. 170027 with CH2M Hill Engineers, Inc., for On-Call Civil Design Services; commencing September 27, 2016 and terminating September 26, 2017, not-to-exceed \$150,000.**

	 <input type="checkbox"/> Economic Development	 <input type="checkbox"/> Infrastructure	 <input checked="" type="checkbox"/> Planning for Our Community's Future
	 <input type="checkbox"/> Organizational Effectiveness	 <input type="checkbox"/> Quality of Life	 <input type="checkbox"/> Other

GOALS/OTHER: • Plan and Pursue Future Service Delivery Opportunities

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: General Fund
2. Available Budget/Project Capacity (\$): \$150,000.

STAFF RECOMMENDATION

CH2M Hill Engineers, Inc. for On-call Civil Design Services, not-to-exceed \$150,000.

SUGGESTED MOTION

I move to approve Contract No. 170027.

DISCUSSION

The Cooperative Purchasing Agreement with the Town of Oro Valley allows utilization of their On-Call Civil Design Services Contract No. 14020-02, with CH2M Hill Engineers, Inc. Services under this Cooperative Purchasing Agreement will be requested on an as-needed, if-needed basis and the resultant contract is neither exclusive nor a commitment by the Town of Sahuarita that their services will be required. If required, these services are not-to-exceed \$150,000 for the term of the contract, commencing September 27, 2016 and terminating September 26, 2017.

Funding for these services would be from the General Fund.

ATTACHMENTS

1. Contract No. 170027



COOPERATIVE PURCHASING CONTRACT

Town of Sahuarita, Arizona



Department: Public Works Department
Contractor: CH2M Hill Engineers, Inc.
Project Name: On-Call Civil Design Services
Project Number: N/A
Contract Dates: Start: 9/27/2016 End: 9/26/2017
Contract Number: 170027
Amount: Not to Exceed \$150,000
Funding Source: General Fund/Various

TOWN COUNCIL MEMBERS

Mayor Duane Blumberg
Vice Mayor Bill Bracco
Kara Egbert
Gil Lusk
Tom Murphy
Lynne Skelton
Melissa L. Hicks

TOWN MANAGEMENT

L. Kelly Udall, Town Manager
Sheila M. Bowen, P.E. Public Works Director / Town Engineer

COOPERATIVE PURCHASING CONTRACT

THIS CONTRACT is entered into between the Town of Sahuarita, Arizona, an Arizona municipal corporation (hereinafter "Town"), and CH2M Hill Engineers, Inc., a Colorado corporation (hereinafter "Contractor").

WITNESSETH

Whereas, Town requires the services of a vendor and/or contractor qualified and duly licensed in the Town of Sahuarita and the State of Arizona and qualified to provide civil engineering services; and

Whereas, Contractor is qualified and willing to provide such services; and

Whereas, Section 3.15.060 (C) of the Sahuarita Town Code provides that in the event of a purchase made by, through, or with any public agency as defined in Arizona Revised Statutes § 11-951, the Town Council may approve such purchases or award such contracts for services without a formal bidding process, and Contractor meets all such requirements.

A G R E E M E N T

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter provided, it is agreed between the Town and the Contractor as follows:

- 1 **INCORPORATION OF CONTRACT.** The parties hereby incorporate that certain contract between Contractor and Town of Oro Valley attached hereto as Exhibit "A" (the "Underlying Contract") as if fully set forth herein, and agree that (i) the Town shall be substituted in place of the other governmental entity, (ii) the Underlying Contract shall bind the parties to the fullest extent possible, and (iii) any clarifications or modifications to the Underlying Contract shall be set forth herein.
- 2 **TERM.** This Contract shall commence on September 27, 2016, and shall terminate on September 26, 2017, unless sooner terminated or further extended.
- 3 **SCOPE OF WORK.**
 - 3.1 The work to be performed under this Contract is that work which is requested pursuant to the Scope of Work, list of materials, or other specifications attached hereto as Exhibit "B" and incorporated herein by this reference. Any clarifications, substitutions, corrections, additions, or other modifications to the Underlying Contract shall also be set forth on Exhibit "B."
- 4 **PAYMENT.**
 - 4.1 In consideration of the services specified in this Contract, the Town agrees to pay the Contractor as set forth in the Underlying Contract, as clarified or modified as set forth in Exhibit "C" to this Agreement.
 - 4.2 Contractor shall not perform work in excess of the contract amount without prior authorization by an amendment executed by all parties to this Contract. Work performed in excess of the contract amount without prior authorization by amendment shall be at Contractor's own risk.
- 5 **CONFLICT OF INTEREST.** This Contract is subject to the provisions of A.R.S. § 38-511.
- 6 **NOTICES.** Any notice required or permitted to be given under this Contract shall be in writing and shall be served by delivery or by certified mail upon the other party as provided on Exhibit "E" to this Contract.
- 7 **Non-Discrimination.** Contractor agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive Order 99-4 and amends Executive Order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website <http://azmemory.azlibrary.gov/cdm/ref/collection/execorders/id/680> which is hereby incorporated into this Agreement as if set forth in full herein. During the performance of this

Agreement, the Parties shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

- 8** **COMPLIANCE WITH FEDERAL AND STATE LAWS.** In the event this contract refers to services, the following shall apply. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1988. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

- 8.1** Under the provisions of A.R.S. §41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

The Town retains the legal right to inspect the papers of any Contractor or Subcontractors employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any of subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

Neither the Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

- 9.** **NON-APPROPRIATION OF FUNDS.** Notwithstanding any other provision in this Contract, this Contract may be terminated if for any reason the Sahuarita Town Council does not appropriate sufficient monies for the purpose of maintaining this Contract. In the event of such termination, Town shall have no further obligation to Contractor, other than for services rendered prior to termination.

IN WITNESS THEREOF, the parties have affixed their signatures to this Contract on the dates written below.

TOWN OF SAHUARITA, ARIZONA

ATTEST:

Duane Blumberg
Mayor

Lisa Cole, MMC, Town Clerk

Date: _____

TOWN OF SAHUARITA

CONTRACTOR
CH2M HILL ENGINEERS, INC.

L. Kelly Udall, Town Manager/Purchasing Director

Name: Thomas Mclean
Title: Vice President

DEPARTMENT HEAD:

Date: _____

Sheila M. Bowen, P.E. Public Works Director / Town
Engineer

Federal Tax ID Number: 32-0100027

D-U-N-S Number: 148227890

APPROVED AS TO FORM:

Daniel J. Hochuli, Town Attorney

Federal Tax ID Number: 86-0777111

D-U-N-S Number: 963704101

EXHIBIT A
UNDERLYING CONTRACT (WITH ALL AMENDMENTS TO DATE)



THIS CONTRACT IS HEREBY AMENDED AS FOLLOWS

CONTRACT NO. 14020-02

ON-CALL CIVIL ENGINEER DESIGN SERVICES

AMENDMENT NO. 3

ITEM NO 1. The contract is amended to allow for utilization by other public agencies in Arizona pursuant to Arizona Revised Statutes §41-2632. Any orders placed to, or services required from the consultant will be requested directly by the using agency. Any invoiced amounts owed and any payments thereto will be the sole responsibility of the using agency of this contract. The Town will not be responsible for any payment obligations by another agency that arise from its use of this contract, nor will the Town be party to any disputes between a using agency and the consultant.

All other terms, conditions and provisions of the original contract shall remain unchanged.

CONSULTANT HEREBY ACKNOWLEDGES RECEIPT OF
AND UNDERSTANDING OF THE ABOVE AMENDMENT.



Signature

THOMAS MCLEAN, Vice President

Typed or Printed Name and Title

CH2M HILL ENGINEERS, INC.

Company Name

1501 W. FOUNTAINHEAD PARKWAY, SUITE 401

Address

TEMPE

City

ARIZONA

State

85282

Zip

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 9th DAY

OF September, 2016.



Mark A. Neihart, C.P.M., CPPB
Procurement Administrator



THIS CONTRACT IS HEREBY AMENDED AS FOLLOWS

CONTRACT NO. 14020-02
ON-CALL CIVIL ENGINEER DESIGN SERVICES
AMENDMENT NO. 2

ITEM NO 1. In accordance with Section III of the Contract, "PERIOD OF SERVICE", the Contract shall be renewed for the period of 03/13/2016 through 03/12/2017.

All other terms, conditions and provisions of the original contract shall remain unchanged.

CONSULTANT HEREBY ACKNOWLEDGES RECEIPT OF
AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Thomas McLean
Signature

THOMAS MCLEAN, Vice President
Typed or Printed Name and Title

CH2M HILL ENGINEERS, INC.
Company Name

1501 W. FOUNTAINHEAD PARKWAY, SUITE 401
Address

TEMPE ARIZONA 85282
City State Zip

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 23rd DAY
OF MARCH, 20 16

Mark A. Neihart
Mark A. Neihart, C.P.M., CPPB
Procurement Administrator



THIS CONTRACT IS HEREBY AMENDED AS FOLLOWS

**CONTRACT NO. 14020-02
ON CALL CIVIL DESIGN SERVICES
AMENDMENT NO. 1**

ITEM NO 1. – In accordance with Section III – Period of Service, the Town and the Consultant agree to renew the subject contract for an additional year period from 03/13/2015 through 03/12/2016.

All other terms, conditions and provisions of the original contract shall remain unchanged.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Thomas McLean
Signature

THOMAS MCLEAN, VICE PRESIDENT
Typed or Printed Name and Title

CH2M HILL ENGINEERS, INC
Company Name

1501 W. FOUNTAINHEAD PARKWAY Suite 401
Address

TEMPE AZ 85282
City State Zip

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 20th DAY
OF April, 2015.

Robert Garrity
Town Contract Representative

Brian P. Garrity
Brian P. Garrity, C.P.M., CPPB
Procurement Administrator



Professional Consultant Contract

No. 14020-02

On-Call Civil Design Services

Water Utility
Town of Oro Valley

David Ruiz
520.229.5023
druiz@orovalleyaz.gov

CH2M Hill Engineers, Inc.

Ty Morton, P.E.
520.433.9157
Ty.morton@ch2m.com

This contract is made and entered into by and between the Town of Oro Valley, a municipal Corporation (the "Town") and CH2M Hill Engineers, Inc. (the "Consultant").

WITNESSETH:

WHEREAS, the Procurement Administrator of the Town of Oro Valley is authorized and empowered by the revisions of the Town Code to execute contracts for Professional Services.

NOW THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter contained, it is agreed by and between the Town and the Consultant as follows:

SECTION I – DESCRIPTION OF PROJECT / SCOPE OF SERVICES

The Town of Oro Valley is conducting a competitive one-step process with the intent of establishing up to three contracts for Professional Design Services for the Oro Valley Water Utility on an as-needed basis. Projects completed under this contract should not exceed \$250,000. The Town estimates yearly expenditures under the resulting contracts of approximately \$750,000 however there shall be no minimum guarantee of work. All work shall be performed under the supervision of a registered Professional Engineer (P.E.).

Tasks under the resulting contracts may include some or all of the following for potable water projects in and around the Oro Valley area; design drawings, specifications, surveying, construction administration, legal descriptions and planning reports.

Typical projects initiated under the resulting agreements are expected to include:

- Design of booster pump stations to include plant piping, electrical controls, SCADA and power.
- Design of new and replacement wells for well drilling.
- Design of mechanical equipment for wells, electrical controls, and power.
- Design of water reservoirs both steel and concrete.
- Design of transmission and distribution water mains.
- Construction administration and or inspections on construction projects.
- Master plans and or planning reports / recommendations for alternative potable water sources.
- Other miscellaneous engineering/design services as needed

This contract is issued in accordance with Town of Oro Valley RFQ #14020, subsequent negotiations and the Consultant's response; all hereby incorporated by reference.

SECTION II – PAYMENT SCHEDULE

Cost for services shall be in accordance with the attached price sheet (Exhibit A). The level of effort required to complete each project awarded under this contract shall be negotiated with the Department and agreed to prior to a notice to proceed being issued. Payment shall be made monthly on the basis of progress reports. Consultant must provide a clear, detailed invoice reflecting items being billed for, a summary sheet showing percentage of work completed to date,

amount/percent billed to date and current status of all tasks within the project with backup support documentation. Work schedule updates will be included in the monthly progress payment reports.

SECTION III – PERIOD OF SERVICE

The term of the Contract shall commence upon award and remain in effect for a period of one (1) year, unless terminated as otherwise provided herein. The Town and the Contractor may agree by written amendment to renew this agreement for four (4) additional one-year periods or portions thereof.

SECTION IV – RATE ADJUSTMENTS

The Town will review fully documented requests for rate adjustment after any contract has been in effect for one (1) year. Any rate adjustment will only be made at the time of contract renewal and will be a factor in the renewal review process. The Town will determine whether the requested rate adjustment or an alternate option, is in the best interest of the Town. Any rate adjustment will be effective upon the effective date of the contract extension.

SECTION V – APPROVALS

All work shall be subject to approval by the Water Utility Director or his designee.

Consultant agrees to exercise the skill and care which would be exercised by professionals performing similar services at the time and in the locality. If failure to meet these standards results in faulty work, Consultant shall undertake at its own expense the corrective adjustments or modifications.

SECTION VI – REPORTING

Written monthly reports, together with updated work schedules, will be made by the Consultant in the format prescribed by the Town. These reports will be delivered to the Town no later than the fifth day of each month. When requested by the Town, the Consultant will attend Council meetings and provide finished documents including correspondence, supporting charts, graphs, drawings and colored slides for Council action.

SECTION VII – INDEMNIFICATION

The Consultant agrees to indemnify, defend, and save harmless the Town, its Mayor and Council, appointed boards and commissions, officials, officers and employees individually and collectively from all losses, claims, suits, demands, expenses, subrogations, attorney's fees or actions of any kind and nature arising out of the Consultant's negligence or any subcontractor employed by the Consultant including bodily injury and death, damages to any property or any other losses, claims, suits, demands and/or expenses arising or alleged to have arisen out of the work performed, except any injury or damages arising out of the sole negligence of the Town, its officers, agents or employees. The amount and type of insurance coverage requirements set forth in Section VIII will in no way be construed as limiting the scope of indemnity in this paragraph.

SECTION VIII – INSURANCE

See Attachment A

SECTION IX – AMENDMENTS

Whenever a change in the scope of work is determined to be necessary, the work will be performed in accordance with the Contract provided. Before a change in the scope of work is implemented, an amendment shall be executed by the Town and the Consultant. Additions to, modifications of or deletions from the project may be made and the compensation to be paid to the Consultant may be adjusted accordingly by mutual written agreement of the contracting parties. It is agreed that no claim for extra work by the Consultant will be allowed by the Town except as provided, nor shall the Consultant do any work not covered by this Contract unless the work is authorized through an amendment and signed by both parties **PRIOR** to starting any additional work.

TIME IS OF THE ESSENCE for this Contract. When the Consultant submits a request for additional time for which work must be completed in a contract, justification outlining the reason for applying for the extension must be provided and a date the work **will** be completed. If the extension is agreed to and signed by the Town and the Consultant, it binds the Consultant to complete the work by the extended date designated in the amendment unless the delay in completion of the work by the Consultant results from an unforeseeable cause beyond the control and without the fault or negligence of the Consultant. It is agreed the Town's only liability for delay from any cause shall be limited to granting a time extension to the Consultant. There is no other obligation, expressed or implied, on part of the Town to the Consultant for delay from any cause.

SECTION X – TERMINATION

This Contract may be terminated at any time by mutual written consent, or by the Town, with or without cause, upon giving thirty (30) days written notice. If this Contract is terminated, the Town shall be liable only for payment for services rendered and accepted by the Town before the effective date of termination.

The Town reserves the right to terminate in whole or any part of this Contract due to the failure of the Consultant to carry out any term or condition of the Contract. The Town will issue a written notice of default to the Consultant for failing to perform the stipulations, conditions or services/specifications required in this Contract. The Consultant shall have 5 days from receipt of the notice to rectify the failure or establish a plan for remedy. Consultant shall provide documentation of the remedy or proposed plan for approval by the Town.

The Town may terminate this Contract for cause if:

- A. In the opinion of the Town, the Consultant attempts to impose personnel, materials or services of an unacceptable quality;
- B. In the opinion of the Town, the Consultant fails to furnish the required services and/or deliverable within the time stipulated in the Contract;

- C. In the opinion of the Town, the Consultant fails to make progress in the performance of the requirements of the Contract;
- D. The Consultant gives the Town a positive indication that the Consultant will not or cannot perform to the requirements of the Contract.

If funds that are appropriated or allocated for the payment of obligations under this Contract are not allocated by the Town and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the Town at the end of the period for which funds are available. The Town will notify the Consultant in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the Town in the event that this provision is exercised, and the Town shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

Upon Notice of Termination the Consultant shall apprise the work the Consultant has completed and submit this appraisal to the Town for evaluation.

The Consultant shall receive as compensation for services performed through the date of such termination, a fee for the percentage of work actually completed. This fee shall be a percentage of the Consultant fee described in this Contract and shall be in the amount mutually agreed to between the Consultant and the Town. The Town shall make this final payment within sixty (60) days after the Consultant has delivered the last of the partially completed or services or deliverables.

Notice required under this section shall be in writing and shall be served by certified mail upon the other party. When served by certified mail, services shall be conclusively deemed made five (5) days after posting thereof in the United States mail, postage prepaid.

SECTION XI – LIQUIDATED DAMAGES

If the work to be performed by the Consultant under this Contract is not timely completed, the Consultant may be required to pay to the Town liquidated damages for each day the work remains incomplete after the scheduled completion date. This amount, if any, shall be stated in the Notice to Proceed and is agreed upon because of the impracticability and extreme difficulty of ascertaining the actual damages the Town would sustain. The scheduled completion date for determining liability for liquidated damages shall be stated in the Notice to Proceed and subject to Section XI – Force Majeure.

For the purpose of determining applicability of liquidated damages completion time shall be extended only if delay in completion of the work by the Consultant results from an unforeseeable cause beyond the control and without the fault or negligence of the Consultant.

SECTION XII – FORCE MAJEURE

Notwithstanding any other term, condition, or provision hereof to the contrary, in the event any party hereto is precluded from satisfying or fulfilling any duty or obligation imposed upon such party by the terms hereof due to labor strikes, material shortages, war, civil disturbances, weather

conditions, natural disasters, acts of God or other events beyond the control of such party, the time period provided herein for the performance by such party of such duty or obligation shall be extended for a period equal to the delay occasioned by such events and must be agreed to **IN WRITING** by both parties.

SECTION XIII – ARBITRATION OF DISPUTES

Any dispute arising under this Contract that is not settled by the Town and the Consultant may, upon mutual agreement of the parties, be decided by an Arbitration Board composed of a representative of the Town, a representative of the Consultant and a representative mutually acceptable to the Town and the Consultant. The Town, however, reserves its rights as set forth in Arizona Revised Statutes, Title 12. The Consultant shall continue to render all services requested in this Contract without interruption, notwithstanding the provisions of this Section. Nothing herein shall be deemed to require arbitration except at the Town's discretion. The laws of the State of Arizona shall apply to this Contract, and the Consultant agrees to subject itself to the jurisdiction of the Courts of the State of Arizona for any conflict that arises from the terms of this Contract.

SECTION XIV – INDEPENDENT CONSULTANT

It is clearly understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever.

The Consultant is advised that taxes or social security payments shall not be withheld from a Town payment issued hereunder and that Consultant should make arrangements to directly pay such expenses, if any.

The Town will not provide any insurance coverage to the Consultant including Workers' Compensation coverage.

SECTION XV – OWNERSHIP OF DOCUMENTS

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

SECTION XVI– NO KICK-BACK CERTIFICATION

The Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the Town Council or any employee of the Town has an interest, financial or otherwise, in the Consultant firm.

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

SECTION XVII – CONFLICT OF INTEREST

This Contract is subject to the provisions of A.R.S. § 38-511 which provides in pertinent part that the State, its political subdivisions or any department of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time, while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or a Consultant to any other party to the Contract with respect to the subject matter of the Contract.

SECTION XVIII – ASSIGNMENT

This Contract shall not be assignable except at the written consent of the parties, and it shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties.

The Consultant may assign money due to him under terms of this Contract to a banking or lending institute. The Town shall assist the Consultant in performing the assignment by testifying to the progress of the work as may be required.

SECTION XIX – WAIVER

The failure of either party of this Agreement to take affirmative action with respect to any conduct of the other which is in violation of the terms of this contract shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

SECTION XX – ENFORCEMENT, LAWS AND ORDINANCES

- A. This Contract shall be enforced under the laws of the State of Arizona.
- B. Each party must comply with all applicable federal, state, county and Town laws, ordinances and regulations.
- C. Consultant shall ensure Consultant's obligation regarding payment of all taxes, license, permits and other expenses of any nature associated with the provision of services herein.
- D. Consultant shall maintain in current status all Federal, State and local certifications required for the business operated by the Consultant.

SECTION XXI - ENTIRE CONTRACT

This is the entire Contract between the parties. If any portion(s) of this Contract is (are) later found to be invalid or unenforceable, such portion(s) shall be null and void and without any effect on the rest of the Contract which shall continue in full force and effect.

SECTION XXII - MISCELLANEOUS PROVISIONS

- A. The Consultant shall establish and maintain procedures and controls that are reasonably acceptable to the Town for the purpose of assuring that no information contained in its records or obtained from the Town or from others in carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information must be referred to the Town.
- B. The Consultant shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

SECTION XXIII – SPECIAL TERMS AND CONDITIONS

A. Key Personnel

Engineering services must be performed under the direct supervision of an Arizona Registered Professional. The Registered Professional will coordinate all work with the Town Project Manager. Any changes or substitutions in personnel shall be submitted by the consultant in writing with the appropriate background resumes for approval by the Town prior to implementation.

B. Project Award

The Town intends to retain up to five consultants for these services. Individual projects will be awarded based upon consideration of the firm’s unique qualifications, ability to complete the work expeditiously, and the proposed cost. Scope, schedule, price, and liquidated damages (if applicable) shall be agreed upon in a fully executed Notice to Proceed letter prior to the consultant beginning the work.

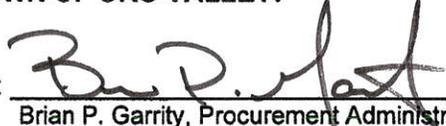
C. Financial Considerations

- 1) Consultants shall not be reimbursed for normal business use mileage within Pima County.
- 2) Work requiring travel outside of Pima County shall include reimbursement for travel and per diem expenses paid per current Town allowances. Vehicle usage, lodging, and per diem expenses for out of town consultants must be identified and approved in the consultant’s cost proposal.

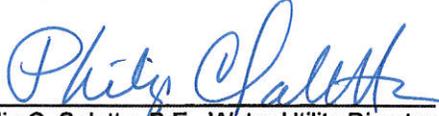
- 3) Consultant shall consider normal computer usage for daily activities as a part of overhead. Computer time for complex graphics, computer dedicated to field activities or computer time for numerical modeling as needed for a specific task must be identified and approved in the consultant's price proposal.
- 4) Reimbursable Expenses (which are all not-to-exceed allowances) shall be paid at cost to consultant and shall include no markup. Pay Requests shall be submitted with documentation of incurred expenses for reimbursement as approved expenses are incurred but not to exceed the amount agreed upon by the Consultant and the Town.

THIS CONTRACT SHALL BE VALID UPON EXECUTION BY THE PARTIES.

TOWN OF ORO VALLEY:

By: 
Brian P. Garrity, Procurement Administrator

Date: 3/13/2014

By: 
Philip C. Saletta, P.E., Water Utility Director

Date: 3/12/14

By: 
Greg Caton, Town Manager

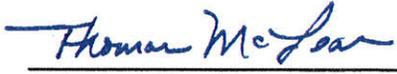
Date: 3/12/14

Approved as to Form:


Town Attorney

Date: 3/12/14

CONSULTANT:


Authorized Signature

THOMAS McLEAN, VICE PRESIDENT
Printed Name and Title

CH2M HILL ENGINEERS, INC.
Company

3/13/2014
Date

SIGNING INSTRUCTION TO THE CONSULTANT:

SIGNATURE MUST BE FROM A CORPORATE OFFICER OR OWNER. IN THE EVENT THAT ANOTHER INDIVIDUAL IS SIGNING, A LETTER OF AUTHORIZATION FROM A CORPORATE OFFICER OR OWNER INDICATING SIGNATORY AUTHORITY FOR THAT INDIVIDUAL MUST BE PROVIDED.

**ATTACHMENT A
INSURANCE**

The Consultant agrees to obtain insurance coverage of the types and amounts required consistent with the coverage limits shown below.

<u>Coverage Afforded</u>	<u>Limits of Liability</u>
Workers' Compensation Employer's Liability	Statute \$100,000
Commercial General Liability Insurance (including blanket contractual and premises/operations)	\$1,000,000 - Bodily Injury Combined Single Limit \$100,000 Property Damage
Comprehensive Automobile Liability (includes Contractor's owned, hired, or non-owned vehicles, assigned to or used in performance of the work)	\$1,000,000 – Bodily Injury and Property Combined Single Limit Each Occurrence
Professional Liability Insurance	\$1,000,000 (Minimum) Combined Single Limit

The Consultant shall provide satisfactory certificates on the required insurance coverage before beginning work. All policies shall contain an endorsement providing that written notice be given to the Town at least thirty (30) calendar days prior to termination, cancellation or reduction in coverage policy. Insurance policies shall remain in force until all work has been completed and the completed project has successfully fulfilled its warranty period. If a policy does expire during the life of the Contract, a renewal certificate of the required coverage must be sent to the Town of Oro Valley not less than five (5) business days prior to expiration date. Each certificate shall include project description, project number and the signed acknowledgement of the insurance company.

The Town of Oro Valley shall be included as an additional insured on all policies except Worker's Compensation and Professional Liability. Policies for General, Automobile, and Excess Liability are primary over any insurance available to the Town and as to any claims resulting from the Contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.

In regard to Professional Liability, Consultant agrees to indemnify, defend, and save harmless the Town of Oro Valley, its Mayor and Council, appointed boards and commissions, officials, officers and employees individually and collectively, from all losses, claims, suits, actions, payments and judgments, demands, expenses, attorney's fees, defense costs or actions of any kind and nature resulting from personal injury to any person, including employees of the Consultant or of any subcontractor employed by the Consultant (including bodily injury and death) or damages to any property, arising or alleged to have arisen solely out of the negligent performance of the Consultant for the work performed. Consultant agrees to indemnify, defend and hold harmless the Town of Oro Valley, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually and collectively, against any and all claims arising out of errors, omissions or negligent acts in the performance of services by the Consultant. The amount and type of insurance coverage requirements set forth in the Contract will in no way be construed as limiting the scope of indemnity in this paragraph.

In regard to General, Automobile, and Excess Liability, the Consultant agrees to indemnify, defend and save harmless the Town of Oro Valley, its Mayor and Council, appointed boards and commissions, officials, officers, and employees individually and collectively from all losses, claims, suits, actions, payments and judgments, demands, expenses, attorney's fees, defense costs or actions of any kind and nature resulting from personal injury to any person, including employees of the Consultant or any subcontractor employed by the Consultant (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the work performed, except any injury or damages arising out of the sole negligence of the Town, its officers, agents or employees. The amount and type of insurance

coverage requirements set forth in the Contract will in no way be construed as limiting the scope of indemnity in this paragraph.

CONSULTING FIRM:

PROFESSIONALS REGISTERED IN THE STATE OF ARIZONA (IN-HOUSE)

In the space provided below, list name, major field of expertise, and professional registration number for all in-house Technical Registrants currently registered in the State of Arizona. (For additional space use reverse side.)

<u>NAME</u>	<u>FIELD</u>	<u>REGISTRATION NO.</u>
Allard, David	Geotechnical	26169
Bachus, Benjamin	Mechanical/HVAC/ Plumbing/Fire Protection	43875
Bacon, Denis	Operations Management	34563
Dhanasekaran, Brindha	Water Resources	51971
Di Vito, Joseph	Construction Management	10777
Engel, Gretchen	Environmental	45620
Foster, Lawrence	Mechanical/HVAC	29479
Freitas, Andrew	Transportation	32095
Lozier, James	Water Resources	46341
Mc Lean, Thomas	Water Resources	11590
Montoya, Kristin	Mechanical/HVAC	54574
Pollitt Mugge, Lara	Environmental	31708
Skwiot, John	Geotechnical	47808
Williams, Ronald	Water Resources	27338
Yeager, Fair	Water Resources	35903

<u>NAME</u>	<u>FIELD</u>	<u>REGISTRATION NO.</u>
Tidwell, Steven	Water Resources	36590
Rhoades, Ryan	Water Resources	41009
Morton, Ty	Water Resources	42412
Lyman, Kyle	Electrical	34746
Paige, Tom	Structural	31095
Chavez, Andrew	Electrical	50267
Gupta, Manika	Electrical	47641
Sharma, Anil	Water Resources	41967

EXHIBIT A

**On-Call Civil Engineering Services
Contract No. 14020-02**

Firm	Discipline	Billing Rate
CH2MHill	Principal	\$188
	Project Manger	\$161
	Senior A/E	\$153
	A/E	\$134
	Designer	\$112
	CADD	\$80
	Professional Level IV	\$148
	Professional Level III	\$134
	Professional Level II	\$107
	Professional Level I	\$93
	Clerical/Administration	\$67
<hr/>		
Montgomery & Associates	Principal	\$183
	Project Manger	\$163
	CADD	\$87
	Professional Level IV	\$156
	Professional Level III	\$132
	Professional Level II	\$72
	Professional Level I	\$60
	Clerical/Administration	\$49

**On-Call Civil Engineering Services
Contract No. 14020-02**

Firm	Discipline	Billing Rate
Darling Geomatics	Principal	\$125
	Project Manger	\$100
	CADD	\$75
	Clerical/Admin	\$52
	Survey Crew - 3 Person	\$165
	Survey Crew - 2 Person	\$125



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/28/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA INC. 1225 17TH STREET, SUITE 1300 DENVER, CO 80202-5534	CONTACT NAME: _____	
	PHONE (A/C, No, Ext): _____	FAX (A/C, No): _____
E-MAIL ADDRESS: _____		
INSURER(S) AFFORDING COVERAGE		NAIC #
15114 -12345-5EX2P-13/14 029039 CA	INSURER A : Greenwich Insurance Company	22322
INSURED CH2M HILL ENGINEERS, INC. 1840 E. RIVER ROAD, SUITE 200 TUCSON, AZ 85718	INSURER B : N/A	N/A
	INSURER C : XL Insurance America, Inc.	24554
	INSURER D : Zurich American Insurance Co	16535
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** SEA-002455220-01 **REVISION NUMBER:** 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$500,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X		RGE500025502	05/01/2013	05/01/2014	EACH OCCURRENCE \$ 1,500,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,500,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,500,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X		RAD500025402 (AOS) RAD500025602 (MA)	05/01/2013 05/01/2013	05/01/2014 05/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	RWD500025202 (AOS) RWR500025302 (WI)	05/01/2013 05/01/2013	05/01/2014 05/01/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	PROFESSIONAL LIABILITY*			EOC3829621-11	05/01/2013	05/01/2014	Each Claim & Aggregate \$2,000,000 Each Policy Period

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: "ON-CALL CIVIL DESIGN SERVICES, CONTRACT NO. 14020-02"
 TOWN OF ORO VALLEY IS INCLUDED AS AN ADDITIONAL INSURED ON THE GENERAL LIABILITY AND AUTOMOBILE LIABILITY POLICIES AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT. COVERAGE PROVIDED BY THE ABOVE GENERAL LIABILITY AND AUTO POLICIES SHALL BE PRIMARY AND NON-CONTRIBUTORY AND IS LIMITED TO THE LIABILITY RESULTING FROM THE NAMED INSURED'S OWNERSHIP AND/OR OPERATIONS. *FOR PROFESSIONAL LIABILITY COVERAGE, THE AGGREGATE LIMIT IS THE TOTAL INSURANCE AVAILABLE FOR CLAIMS PRESENTED WITHIN THE POLICY PERIOD FOR ALL OPERATIONS OF THE INSURED. THE LIMIT WILL BE REDUCED BY PAYMENTS OF INDEMNITY AND EXPENSE.

CERTIFICATE HOLDER TOWN OF ORO VALLEY WATER UTILITY ATTN: DAVID RUIZ 11000 N LA CANADA DRIVE ORO VALLEY, AZ 85737	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Sharon A. Hammer <i>Sharon A. Hammer</i>
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ENDORSEMENT # 041

This endorsement, effective 12:01 a.m., May 1, 2013, forms a part of
Policy No.RGE500025502 by Greenwich Insurance Company
issued to CH2M HILL COMPANIES, LTD.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

AUTOMATIC ADDITIONAL INSURED'S PRIMARY COVERAGE

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Part apply unless modified by this endorsement.

SCHEDULE

Name Of Additional Insured Person(s) Or Organization	Location(s) of Covered Operations
Any entity, person or organization you are required by written contract, permit, access agreement, executed prior to any loss to provide additional insured status under this Policy.	All Locations

- A. Section II — Who is an Insured is amended to include as an additional insured the person(s) or organization shown in the schedule, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part by:
 - 1. "Bodily Injury", "property damage" or "personal and advertising injury" caused by the additional insured's operations on your premises. or
 - 2. "Your work" for the additional insured and included in the "products-completed operations hazard"; or
 - 3. Your acts or omissions; or
 - 4. The acts or omissions of those acting on your behalf in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

- B. Except when required otherwise by insured contract, this insurance does not apply to:
 - 1. (a) All work on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or (b) That portion of your work out of which the injury or damage arises has

been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.

2. "Bodily Injury" or "Property Damage" arising out of any act or omission of the additional insured(s) or any of their employees, other than the general supervision of work performed for the additional insured(s) by you.

C. Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured(s) whether primary, excess, contingent or on any other basis unless a contract specifically required that this insurance be primary, or you request that it apply on a primary basis. When this insurance applies on a primary basis for the additional insureds described above, it shall apply only to "bodily injury", "property damage" or "personal and advertising injury" caused by your work for that additional insured by or for you. Other insurance afforded to those additional insureds will apply as excess and not contribute as primary to the insurance afforded by this endorsement.

The limits of, insurance with respect to each person, organization or entity shall not exceed the limits of liability of the named insured. All insuring agreements, exclusions and conditions of this policy apply. In no event, shall the coverage or limits of insurance in this coverage form be increased by such contract, permit or agreement.

All other terms and conditions remain the same.



Authorized Representative

ENDORSEMENT # 006

This endorsement, effective 12:01 a.m., May 01, 2013 forms a part of
Policy No. RAD500025402 issued to CH2M HILL COMPANIES, LTD.
by Greenwich Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED – PRIMARY WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section II A. 1. WHO IS AN INSURED is amended to include:

Any entity, person, or organization you are required or have agreed in a written contract, permit, access agreement and any other written agreement to provide insurance.

This insurance is primary for the entity, person or organization, but only with respect to liability arising out of your work for that insured by or for you. Other insurance afforded to that insured will apply as excess and not contribute as primary to the insurance afforded by this endorsement.

However, the insurance provided shall not exceed the scope of coverage and/or limits of this policy. Notwithstanding the foregoing sentence, in no event shall the insurance provided exceed the scope of coverage and/or limits required by said written contract, permit, access agreement..


(Authorized Representative)

ENDORSEMENT # 027

This endorsement, effective 12:01 a.m., May 01, 2013

forms a part of

Policy No. RGE500025502

issued to CH2M HILL COMPANIES, LTD.

by Greenwich Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CANCELLATION NOTIFICATION TO OTHERS ENDORSEMENT

In the event coverage is cancelled or non renewed for any statutorily permitted reason or if coverage is materially reduced, or coverage is cancelled for non-payment of premium advanced written notice will be mailed to the person or entity according to the notification schedule shown below:

Name of Person or Entity	Mailing Address:	Number of Days Advanced Notice of Cancellation:
Per the most current schedule maintained by Marsh USA, Inc. and furnished to XL Insurance no less than 15 days prior to the 60 days of notice of cancellation, non-renewal or material reduction in coverage		60 days

For the purpose of this endorsement, non-renewal shall mean solely non-renewal of the Policy and shall not include expiration or Notice of Conditional Renewal. Material reduction in coverage shall mean a decrease in the Policy limits, an increase in the deductible or self-insured retention or the application of a Policy exclusion not contemplated at Policy issuance.

All other terms and conditions of the Policy remain unchanged.


(Authorized Representative)

ENDORSEMENT # 009

This endorsement, effective 12:01 a.m., May 01, 2013 forms a part of
Policy No. RAD500025402 issued to CH2M HILL COMPANIES, LTD.
by Greenwich Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CANCELLATION NOTIFICATION TO OTHERS ENDORSEMENT

In the event coverage is cancelled or non renewed for any statutorily permitted reason, other than nonpayment of premium, or if coverage is materially reduced, advanced written notice will be mailed or emailed to person(s) or entity(ies) according to the notification schedule shown below:

Name of Person(s) or Entity(ies)	Mailing Address:	Number of Days Advanced Notice of Cancellation:
Per the most current schedule maintained by Marsh USA, Inc. and furnished to XL Insurance no less than 15 days prior to the 60 days of notice of cancellation, non-renewal or material reduction in coverage		60 days

For the purpose of this endorsement, non-renewal shall mean solely non-renewal of the Policy and shall not include Notice of Conditional Renewal. Material reduction in coverage shall mean a decrease in the Policy limits, an increase in the deductible or self-insured retention of greater than \$250,000 or the application of a Policy exclusion not contemplated at Policy issuance.

All other terms and conditions of the Policy remain unchanged.


(Authorized Representative)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGE IN INFORMATION PAGE

This endorsement modifies insurance provided under the following:

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

INSURER: XL Insurance America, Inc.
 NCCI Company Number: 27944
 Policy Number: RWD500025202
 Endorsement Number: 007
 Effective Date: May 1, 2013
 Effective hour is the same as stated in the Information Page of the policy.

Name Insured and Address: CH2M HILL COMPANIES, LTD.
 9191 S. Jamaica Street
 Englewood, CO 80112

FEIN NUMBER: 93-0549933

It is agreed that the policy is amended as follows:

CANCELLATION NOTIFICATION TO OTHERS ENDORSEMENT

This endorsement modifies insurance provided under the following:

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

In the event coverage is cancelled or non renewed for any statutorily permitted reason, other than nonpayment of premium, or if there is a material reduction in coverage, advanced written notice will be mailed or emailed to person(s) or entity(ies) according to the notification schedule shown below:

Name of Person(s) or Entity(ies):	Mailing Address:	Number of Days Advanced Notice:
Per the most current schedule maintained by Marsh USA, Inc. and furnished to XL Insurance no less than 15 days prior to the 60 days of notice of cancellation, non-renewal or material reduction in coverage.		60 days

For the purpose of this endorsement, non-renewal shall mean solely non-renewal of the Policy and shall not include expiration or Notice of Conditional Renewal. Material reduction in coverage shall mean a decrease in the Policy limits, an increase in the deductible or self-insured retention or the application of a Policy exclusion not contemplated at Policy issuance.

All other terms and conditions remain the same.

This endorsement is part of your policy and takes effect on the effective date of your policy, unless another effective date is shown below.

Must be completed always:

Complete only when this endorsement is not prepared with the policy or is not to be effective with the policy:

Endorsement Number: 007

Issued to: CH2M HILL COMPANIES, LTD.

Policy Number: RWD500025202

Date of this Endorsement: May 1, 2013

XL Insurance America, Inc.

Countersigned by Shang
Authorized Representative

Endorsement # 1

Notification to Others of Cancellation Electronic Schedule



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l Prem.	Return Prem.
EOC 3829621-11	05/01/2013	05/01/2014	05/01/2013	29253000	----	----

Named Insured and Mailing Address:

CH2M Hill Companies, Ltd.
9191 S Jamaica St
Englewood CO 80112-6946

Producer:

Marsh USA, Inc.
1225 17th St Ste #2100
Denver CO 80202-5521

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Architects and Engineers Professional Liability Insurance Policy

In consideration of the premium already charged, we agree with you, subject to all terms, exclusions, and conditions of the policy that:

- A. If we cancel this policy by written notice to the first Named Insured for any reason other than nonpayment of premium, we will mail or deliver a copy of such written notice of cancellation:
1. To the name and address corresponding to each person or organization shown in the Schedule provided to us by the first "Named Insured". Such schedule:
 - a. Must be initially provided to us within 15 days:
 - (1) After the beginning of the policy period shown in the Declarations; or
 - (2) After this endorsement has been added to the policy;
 - b. Must contain the names and addresses of only the persons or organizations requiring notification that this Policy has been cancelled;
 - c. Must be in an electronic format that is acceptable to us; and
 - d. Must be accurate.Such Schedule must be updated and provided to us, by the first "Named Insured", during the policy period. Such updated Schedule must comply with paragraphs b., c., and d. above.
 2. At least thirty (30) days prior to the effective date of the cancellation, as advised in our notice to the first Named Insured, or the longer number of days notice if indicated in the Schedule provided to us.
- B. Our notification, as described in Paragraph A. of this endorsement, will be based on the most recent Schedule provided to us by the first "Named Insured" as of the date the notice of cancellation is mailed.
- C. Proof of mailing will be sufficient proof that we have complied with Paragraph A. of this endorsement.

We are not responsible for the accuracy, integrity, timeliness and validity of information contained in the Schedule provide to us as described in Paragraphs A. of this endorsement.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Signed By: _____

Authorized Representative

Date

5/1/2013

U-GL-113-A CW (4/90)

EXHIBIT B
SCOPE OF WORK, LIST OF MATERIALS, SPECIFICATIONS
AND OTHER MODIFICATIONS TO UNDERLYING CONTRACT

SEE EXHIBIT A

EXHIBIT C
PAYMENT & COMPENSATION TERMS

SEE EXHIBIT A

EXHIBIT D
INSURANCE REQUIREMENTS

COVERAGE AFFORDED

LIMITS OF LIABILITY

Worker's Compensation

Statutory

Commercial General
Liability Insurance
Including:

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

- A. Products & Completed Operations
- B. Blanket Contractual
- C. Premises-Operations-Personal Injury

Professional Liability
Insurance (Errors and Omissions)
(See Special Conditions)

\$1,000,000 (Minimum)
Combined Single Limit

The following Automobile Liability Insurance coverage will also be required for all professional services contracts which require automobile travel by Contractor.

Comprehensive Automobile Liability
Insurance including: non-owned, and
Hired vehicles

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

SPECIAL CONDITIONS:

1. THE TOWN OF SAHUARITA WILL BE ADDED AS ADDITIONAL INSURED UNDER THE COMMERCIAL GENERAL LIABILITY AND COMPREHENSIVE AUTOMOBILE LIABILITY POLICIES.
2. Policies will not be cancelled or reduced in coverage without ten (10) days written notice to the Town.
3. Deductibles will be stated on the certificate of insurance and are subject to the review and approval of the Town.
4. Contractor shall provide Town with proof of compliance with the insurance provisions and requirements within ten (10) days of the date this Contract is executed by all parties by providing a current certificate of insurance and the associated endorsement to the policy. Failure of Contractor to comply with the insurance requirements at any time shall result in a breach of this Agreement, and shall, among other things, allow immediate termination of this Agreement.
5. Contractors performing any portion of a Project that shall acquire funding from the Regional Transportation Authority (RTA) shall name the RTA as additional insured and additional indemnitee. The RTA shall be identified as an additional insured with respect to insurance policies for general liability, automobile liability and defects in design. Contractor is also required to name the RTA as an additional beneficiary in any performance and payment related assurances posted for the Project.

EXHIBIT E
LEGAL NOTICES

<p><u>TOWN:</u></p> <p>L. Kelly Udall, Town Manager Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>with a copy to:</u></p> <p>Daniel J. Hochuli, Town Attorney Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>and:</u></p> <p>Sheila M. Bowen, P.E. Public Works Director / Town Engineer Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p>	<p><u>CONTRACTOR:</u></p> <p>Thomas Mclean, Vice President CH2M Hill Engineers, Inc. 1501 W. Fountainhead Parkway, Suite 401 Tempe, AZ 85282</p> <p><u>With a copy to:</u></p> <p>NONE</p>
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MEETING DATE: October 10, 2016

DATE PREPARED: September 26, 2016

AGENDA ITEM: 7D

TO: Honorable Mayor and Council
FROM: Sheila M. Bowen, P.E., Public Works Director / Town Engineer
SUBJECT: **Approval of Cooperative Purchasing Contract No. 170028 with Psomas, Inc., and Contract No. 170029 with Kimley-Horn and Associates, Inc., for On-Call Traffic Engineering Services, both commencing October 11, 2016 and terminating October 10, 2017; each not-to- exceed \$150,000.**

	 <input type="checkbox"/> Economic Development	 <input checked="" type="checkbox"/> Infrastructure	 <input type="checkbox"/> Planning for Our Community's Future
	 <input type="checkbox"/> Organizational Effectiveness	 <input type="checkbox"/> Quality of Life	 <input type="checkbox"/> Other

GOALS/OTHER: • Provide and maintain high quality and cost-effective infrastructure.

FINANCIAL / BUDGET SUMMARY

1. Cost: On-Call, Not-to-Exceed \$150,000 each.
2. Available Budget/Project Capacity (\$): CIIF, HURF

STAFF RECOMMENDATION

Staff recommends approval of Contract Nos. 170028 and 170029 for On-Call Traffic Engineering Services.

SUGGESTED MOTION

I move to approve Contract Nos. 170028 and 170029.

DISCUSSION

Job Order Contracting is commonly used to complete tasks such as studies, analysis and design support on various traffic engineering projects. The timing and quantity of projects that may arise are unknown and many require limited design prior to execution. Jurisdictions may elect to establish an “as-needed” list of on-call, Job Order Consultants through the solicitation of interested traffic engineering firms having the appropriate experience and qualifications. Recognizing there are significant costs and time involved in responding to the reviewing such solicitations that may or may not result in actual work, and recognizing that other jurisdictions have established lists of “as-needed” Job Order Consultants through a similar method of evaluating experience and qualifications, Cooperative Purchasing can be used to access those consultants efficiently and without duplication in effort.

The Cooperative Purchasing Agreement with the City of Tucson allows utilization of their Job Order Contracts. These contracts have been identified by the Public Works Department as suitable and qualified traffic engineering firms for the Town of Sahuarita and will be called upon for an estimate when services are needed. These services provide for consultant engineering and drafting services on an “as-needed” basis.

Services under these Cooperative Agreements will be requested on an as-needed, if-needed basis and the resultant contract is neither exclusive nor a commitment by the Town of Sahuarita that the Contract’s services will be required. If required, these services are not to exceed \$150,000 for each contact from October 11, 2016 through October 10, 2017.

ATTACHMENTS

1. Cooperative Purchasing Contract Nos.170028 and 170029.



COOPERATIVE PURCHASING CONTRACT

Town of Sahuarita, Arizona



Department: Public Works Department
Contractor: Posmas, Inc.
Project Name: On-Call Traffic Engineering Services
Project Number: N/A
Contract Dates: Start: 10/11/2016 End: 10/10/2017
Contract Number: 170028
Amount: Not to Exceed \$150,000
Funding Source: Various

TOWN COUNCIL MEMBERS

Mayor Duane Blumberg
Vice Mayor Bill Bracco
Kara Egbert
Gil Lusk
Tom Murphy
Lynne Skelton
Melissa L. Hicks

TOWN MANAGEMENT

L. Kelly Udall, Town Manager
Sheila M. Bowen, P.E. Public Works Director / Town Engineer

COOPERATIVE PURCHASING CONTRACT

THIS CONTRACT is entered into between the Town of Sahuarita, Arizona, an Arizona municipal corporation (hereinafter "Town"), and Psomas, Inc., a California corporation (hereinafter "Contractor").

W I T N E S S E T H

Whereas, Town requires the services of a vendor and/or contractor qualified and duly licensed in the Town of Sahuarita and the State of Arizona and qualified to provide traffic engineering services; and

Whereas, Contractor is qualified and willing to provide such services; and

Whereas, Section 3.15.060 (C) of the Sahuarita Town Code provides that in the event of a purchase made by, through, or with any public agency as defined in Arizona Revised Statutes § 11-951, the Town Council may approve such purchases or award such contracts for services without a formal bidding process, and Contractor meets all such requirements.

A G R E E M E N T

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter provided, it is agreed between the Town and the Contractor as follows:

- 1 **INCORPORATION OF CONTRACT.** The parties hereby incorporate that certain contract between Contractor and the City of Tucson attached hereto as Exhibit "A" (the "Underlying Contract") as if fully set forth herein, and agree that (i) the Town shall be substituted in place of the other governmental entity, (ii) the Underlying Contract shall bind the parties to the fullest extent possible, and (iii) any clarifications or modifications to the Underlying Contract shall be set forth herein.
- 2 **TERM.** This Contract shall commence on October 11, 2016, and shall terminate on October 10, 2017, unless sooner terminated or further extended.
- 3 **SCOPE OF WORK.**
 - 3.1 The work to be performed under this Contract is that work which is requested pursuant to the Scope of Work, list of materials, or other specifications attached hereto as Exhibit "B" and incorporated herein by this reference. Any clarifications, substitutions, corrections, additions, or other modifications to the Underlying Contract shall also be set forth on Exhibit "B."
- 4 **PAYMENT.**
 - 4.1 In consideration of the services specified in this Contract, the Town agrees to pay the Contractor as set forth in the Underlying Contract, as clarified or modified as set forth in Exhibit "C" to this Agreement.
 - 4.2 Contractor shall not perform work in excess of the contract amount without prior authorization by an amendment executed by all parties to this Contract. Work performed in excess of the contract amount without prior authorization by amendment shall be at Contractor's own risk.
- 5 **CONFLICT OF INTEREST.** This Contract is subject to the provisions of A.R.S. § 38-511.
- 6 **NOTICES.** Any notice required or permitted to be given under this Contract shall be in writing and shall be served by delivery or by certified mail upon the other party as provided on Exhibit "E" to this Contract.
- 7 **Non-Discrimination.** Contractor agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive Order 99-4 and amends Executive Order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website <http://azmemory.azlibrary.gov/cdm/ref/collection/execorders/id/680> which is hereby incorporated into this Agreement as if set forth in full herein. During the performance of this Agreement, the Parties shall not discriminate against any employee, client or any other individual

in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

- 8** **COMPLIANCE WITH FEDERAL AND STATE LAWS.** In the event this contract refers to services, the following shall apply. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1988. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

- 8.1** Under the provisions of A.R.S. §41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

The Town retains the legal right to inspect the papers of any Contractor or Subcontractors employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any of subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

Neither the Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

- 9.** **NON-APPROPRIATION OF FUNDS.** Notwithstanding any other provision in this Contract, this Contract may be terminated if for any reason the Sahuarita Town Council does not appropriate sufficient monies for the purpose of maintaining this Contract. In the event of such termination, Town shall have no further obligation to Contractor, other than for services rendered prior to termination.

IN WITNESS THEREOF, the parties have affixed their signatures to this Contract on the dates written below.

TOWN OF SAHUARITA, ARIZONA

ATTEST:

Duane Blumberg
Mayor

Lisa Cole, MMC, Town Clerk

Date: _____

TOWN OF SAHUARITA

CONTRACTOR
PSOMAS, INC.

L. Kelly Udall, Town Manager/Purchasing Director

Name: Alejandro Angel, PE, PhD, PTOE
Title: Vice President

DEPARTMENT HEAD:

Date: _____

Sheila M. Bowen, P.E. Public Works Director / Town
Engineer

Federal Tax ID Number: 95-2863554

D-U-N-S Number: 153872346

APPROVED AS TO FORM:

Daniel J. Hochuli, Town Attorney

Federal Tax ID Number: 86-0777111

D-U-N-S Number: 963704101

EXHIBIT A
UNDERLYING CONTRACT (WITH ALL AMENDMENTS TO DATE)

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT

255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 PHONE: (520) 837-4125/FAX: (520) 791-4735
Dan.Longanecker@tucsonaz.gov
 ISSUE DATE: Monday, January 25, 2016

CONTRACT NO. 130677 - 01
 CONTRACT AMENDMENT NO: ~~Two (2)~~ **Three (3)**
 PAGE 1 of 3
 DL/car
 PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

On-Call Traffic Engineering

ITEM 1: CONTRACT RENEWAL

Pursuant to **Contract 130677: On-Call Traffic Engineering**, Section III, Contract Term and Renewal, the City is hereby exercising its option to renew the contract for the period of **March 1, 2016 through February 28, 2017**.

INSURANCE:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the **City of Tucson and Regional Transportation Authority (RTA)** as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
- C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Arizona)*¹	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
IV. Professional Liability (Errors & Omissions) - In addition to I, II, III	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

*¹ Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT

255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701

P.O. BOX 27210, TUCSON, AZ 85726

PHONE: (520) 837-4125/FAX: (520) 791-4735

Dan.Longanecker@tucsonaz.gov

ISSUE DATE: Monday, January 25, 2016

CONTRACT NO. 130677-01

CONTRACT AMENDMENT NO. ~~Two (2)~~ Three (3)

PAGE 2 OF 3

DL/car

PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

- D. ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:
1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
 2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. ACCEPTABILITY OF INSURERS:** Contractors insurance shall have an "A.M. Best" rating of not less than A-VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- G. VERIFICATION OF COVERAGE:** Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.
- All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.
- All certificates required by this Contract shall be sent directly to the Department of Procurement.
- The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.
- H. SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT

255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4125/FAX: (520) 791-4735
Dan.Longanecker@tucsonaz.gov
ISSUE DATE: Monday, January 25, 2016

CONTRACT NO. 130677 -01
CONTRACT AMENDMENT NO: Two(2) Three (3)
PAGE 3 OF 3
DL/car
PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

*****END OF AMENDMENT*****

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

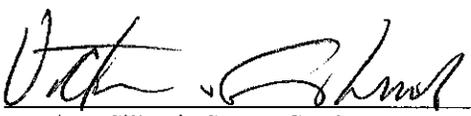

Signature _____ Date 01/25/16
Alejandro Angel, Vice President
Print Name and Title

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 3rd DAY
OF February, 2016, AT TUCSON, ARIZONA.

PSOMAS

Company Name
333 E Wetmore Rd, Suite 450
Address
Tucson, AZ 85705
City State Zip
aangel@psomas.com
E-Mail Address


Marcheta Gillespie C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT

255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701

P.O. BOX 27210, TUCSON, AZ 85726

PHONE: (520) 837-4125/FAX: (520) 791-4735

Dan.Longanecker@tucsonaz.gov

ISSUE DATE: Tuesday, December 09, 2014

CONTRACT NO. 130677-01

CONTRACT AMENDMENT NO: Two (2)

PAGE 1 of 2

DL/car

PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

On-Call Traffic Engineering

ITEM 1: CONTRACT RENEWAL

Pursuant to **Contract 130677: On-Call Traffic Engineering**, Section III, Contract Term and Renewal, the City is hereby exercising its option to renew the contract for the period of **March 1, 2015 through February 28, 2016**.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.



Signature

12/09/14

Date

Alejandro Angel, Vice President

Print Name and Title

Psomas

Company Name

333 E Wetmore Rd, Suite 450

Address

Tucson AZ 85705

City State Zip

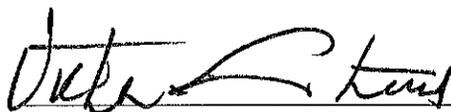
aangel@psomas.com

E-Mail Address

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 19th DAY

OF December 14, AT TUCSON, ARIZONA.



for

Marcheta Gillespie C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CONTRACT AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR
TUCSON AZ 85726-7210
(520) 837-4123

CONTRACT NO.: 130677-01
CONTRACT AMENDMENT NO.: ONE (1)
PAGE 1

CONTRACT OFFICER: Matt Hausman

THIS CONTRACT IS AMENDED AS FOLLOWS:

CONTRACT NO. 130677-01

ON-CALL TRAFFIC ENGINEERING SERVICES

AMENDMENT NO. ONE (1)

ITEM NO. ONE (1)

In accordance with the Contract – III. CONTRACT TERM AND RENEWAL, the parties hereby agree to renew the contract for the period of 3/1/2014 through 2/28/2015.

ITEM NO. TWO (2)

VI. STANDARD TERMS AND CONDITIONS – 22. INDEMNIFICATION, is hereby replaced with the following:

22. INDEMNIFICATION: To the fullest extent permitted by law, Consultant, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Consultant relating to work or services in the performance of this Contract, but only to the extent caused by negligence, recklessness or intentional wrongful conduct including but not limited to, any Subconsultant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Consultant's and Subconsultant's employees, provided, however, that this duty to indemnify, hold harmless and defend shall not include losses, damages, claims, liabilities, costs and expenses to the extent arising from the acts or omissions of the City. If Consultant or any of Consultant's employees are certified to receive a premium tax credit or cost sharing reduction which triggers a \$4980H (a) or (b) penalty against the City, the Consultant shall indemnify the City from and shall pay any assessed tax penalty.

ITEM NO. THREE (3)

VI. STANDARD TERMS AND CONDITIONS - 23. INDEPENDENT CONTRACTOR, is hereby replaced with the following:

23. INDEPENDENT CONTRACTOR: It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS 2nd DAY OF May, 2014, AT TUCSON, ARIZONA.



Signature Date 05/01/2014

Alejandro Angel, Vice President

Typed/Printed Name and Title

Psomas

Company Name

333 E Wetmore Rd, Suite 450

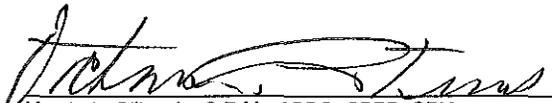
Address

Tucson, AZ 85718

City State Zip

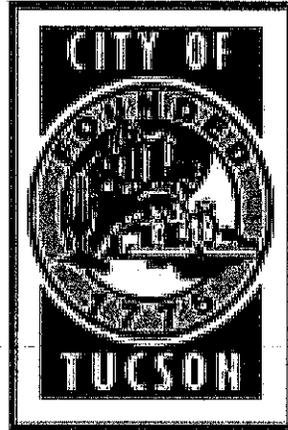
aangel@psomas.com

E-MAIL



Marcheta Gillespie, C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CITY OF TUCSON



Contract 130677-01

On-Call Traffic Engineering Services

Psomas

CONTRACT 130677 ON-CALL TRAFFIC ENGINEERING SERVICES

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- I. Introduction
- II. Scope of Work
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- IV. Financial Considerations
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- VI. Standard Terms and Conditions
- VII. Offer and Acceptance
- VIII. Exhibits

CONTRACT 130677 ON-CALL TRAFFIC ENGINEERING SERVICES

I. INTRODUCTION

The City of Tucson has selected TWO (2) on-call consultants to provide study, analysis, and design support on various traffic engineering projects. Local, Regional Transportation Authority (RTA) and Federal Highway Administration (FHWA) funding will be used on projects under the resulting contract. As such, both Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) program provisions will be incorporated into the resulting contract(s) with projects over \$50,000 being reviewed for potential SBE/DBE goals.

When the City requires the services of a consultant, and the City can adequately define an exact scope of work, the consultant will receive a written request from the City for a proposal. In the case where the City cannot adequately define the scope, the consultant will be requested to prepare a scope of work from the information provided by the City. From this proposed scope of work the consultant shall prepare a proposal and submit both to the City for review. The proposal shall consist of personnel requirements, cost projections, project schedule, and any other attachments requested.

With respect to design projects, the consultant shall prepare plans, specifications, and cost estimates to the latest Pima County/City of Tucson Standard Specifications and Details for Public Improvements, AASHTO, IES, and/or MUTCD in preparation for a bid advertisement. Actual bid advertisement will be by the City. All design drawings shall be prepared on computer and those files shall ultimately become the possession of the City. The consultant shall work closely with City staff at all times to ensure timely and comprehensive reviews of work in progress.

Individual projects assigned under this contract shall not exceed \$100,000.00 unless a waiver is requested of and approved by the Director of Procurement prior to issuance of a notice to proceed. Total annual contract amount is not expected to exceed \$200,000.00.

II. SCOPE OF WORK

1. GENERAL SCOPE OF WORK:

This scope of work provides for consultant engineering and drafting services on an "as needed" basis. All work shall be performed to the latest Pima County/City of Tucson Standard Specifications and Details for Public Improvements, or other standards/policies approved by either the City Engineer or City Traffic Engineer. The consultant shall perform traffic engineering services on an "as needed" basis. Traffic engineering services that shall be required include, but are not limited to, the following work and tasks:

- Traffic Engineering studies
- Traffic Engineering review of CIP Construction Plans and Reports
- Traffic Forecasts
- Classification Counts
- Intersection Improvement Design

- Turning Movement Counts
- Signal Warrant and Left Turn Arrow Warrant Analysis
- Traffic Signal Design
- Traffic Signal Coordination Evaluations
- Traffic Mitigation Studies
- Traffic Engineering Review of Private Development/Private Improvement Agreement Plans and Reports
- Design and Drafting of Striping/Signing Plans
- Prepare public information documents and displays for public meetings
- Traffic simulations and Capacity analysis using the Synchro/Sim Traffic Program
- RTA design efforts as requested

All work shall be done with personnel who, as required, are properly certified and trained. In some cases, the services of a registered civil engineer or other professional may be required.

2. PLAN/REPORT REVIEW:

The consultant will be required to review plans submitted to Traffic Engineering for traffic issues and compliance to Pima County/City of Tucson Standard Specifications and Details and City of Tucson Development Standards. All comments shall be returned to the Project Manager in written form. If comments are challenged by the plan submitter, the consultant may be asked to attend a meeting with staff and the plan submitter.

3. RESPONSE TIME:

The consultant shall provide a proposal for each project requested by the City within five (5) working days of notification. Proposals shall utilize the billing rates negotiated at the time of contract award. Because response time may be critical to the City, continued delays in response time may be cause to terminate the contract.

4. TIME OF PERFORMANCE

The exact performance time, scope of work, design requirements, and associated hours for each individual project shall be negotiated with the selected consultant prior to issuance of the Notice to Proceed on a specific project.

5. AWARD:

Projects under this contract shall be assigned in whatever manner is deemed to be in the best interests of the City of Tucson.

This contract is neither exclusive nor is it a guarantee of work.

6. PERFORMANCE RATING:

At the completion or termination of this contract, the City of Tucson will evaluate the consultant based on the consultant's performance under this Contract. This rating will be used in the overall evaluation of the Consultant when applying for future work with the City.

III. CONTRACT TERM AND RENEWAL

1. TERM AND RENEWAL: The term of the Contract shall be March 1, 2013 through February 28, 2014, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City of Tucson shall have the right, at its sole option, to renew the Contract for FOUR (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

IV. FINANCIAL CONSIDERATIONS

1. CONTRACT RATES:

In consideration of the services provided, the City shall pay the Consultant in accordance with the negotiated rates included in Exhibit A. The Consultant shall charge the City only in accordance with those same rates. Overhead justification is also included in Exhibit A.

Direct expenses shall be paid at cost to the consultant and shall include no markup.

2. INVOICING:

The City will pay the Contractor following the submission of an itemized invoice(s) on the prescribed form as provided by the City. Each itemized invoice must bear a written certification by an authorized City representative confirming the services for which payment is requested. The invoice shall be submitted based upon work completed and direct costs incurred. Upon completion of the project to the satisfaction of the City and acceptance of the work, final payment shall be made.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

Invoices shall be submitted to the City's Project Manager within 30 calendar days of the end of the month for all actual work completed for the billing period performed during the preceding month. The invoice to the City shall include invoices for sub-consultants for the same billing period included by the Contractor.

3. DIRECT EXPENSES:

Estimated direct expenses shall be submitted to the Project Manager prior to authorization to proceed. All direct expenses will be compensated at cost with no markup. Travel, mileage and per diem expenses shall be in accordance with General Services Administration (GSA) rates for the Tucson area or for the area that travel is taking place. Vehicle usage, lodging, and per diem expenses for the Contractor's out of town staff or sub-consultants must be identified and approved in the Contractor's cost proposal. Estimated travel expenses shall be submitted to the Project Manager for approval prior to authorization of specific travel. Contractor will make every effort to minimize or eliminate the need for direct expenses and will actively pursue options to consolidate travel/lodging expenses whenever possible.

Contractor shall not be reimbursed for normal business use mileage within Pima County. Contractor shall consider normal computer and telephone usage for daily activities as a part of overhead.

Travel expenses are limited to the total expense resulting from traveling directly to the destination and staying only the number of days necessary to conduct official business. The Contractor is encouraged to arrive earlier or stay longer than is necessary if doing so will result in savings to the City. In some cases, because of airline discount terms, an additional day(s) of travel will result in substantial airfare savings -- enough savings to offset additional lodging and per diem costs. The Contractor shall fly coach when the flight includes both coach and first-class seats. First-class seats may be allowed if coach seats are not available and no other flight can be substituted. Additional fees or fares incurred during air travel must be substantiated by a receipt. The total reimbursement for vehicular transportation shall in no case exceed the amount that would be incurred using air transportation. Travel by personal vehicle shall be reimbursed in accordance with the current Federal per diem rates. All vehicular parking or storage costs will be reimbursed. Receipts are not required. Vehicle expense reimbursements will be paid only to the vehicle owner. Passengers are not entitled to vehicular expense reimbursement.

Miscellaneous expenses include local phone calls, snacks, and gratuities. Miscellaneous expenses are included in the per diem rate. Contractor is responsible for utilizing the appropriate per diem rates for locations outside of Tucson where travel is taking place. In addition, Contractor is responsible for utilizing updated Per Diem Rates for subsequent Fiscal Years.

V. SPECIAL TERMS AND CONDITIONS

1. **SOFTWARE COMPATABILITY:** For the purposes of aiding the Consultant in the performance of their obligation under this Contract, the City shall furnish upon request all relevant data in the City's possession and shall direct City officers, agents and employees to render all reasonable assistance to Consultant in connection with Consultants performance under this Contract. The provision of such aid, assistance, information or services as received from the City shall in no way relieve the Consultant from obligations under this Contract. The City does not warrant the compatibility of City furnished data, either electronic or in any form, with the Consultant's software. All costs associated with data conversion or software upgrades and conversions shall be borne by the Consultant.

2. INSURANCE PROVISIONS

COVERAGE AFFORDED

Worker's Compensation

Commercial General Liability
Insurance
Including:

- A. Products & Completed Operations
- B. Blanket Contractual
- C. Premises-Operations-Personal Injury

Professional Liability
Insurance (Errors and Omissions)

LIMITS OF LIABILITY

Statute

\$1,000,000 – Bodily Injury
Combined Single Limit
\$100,000 Property Damage

\$1,000,000 (Minimum)
Combined Single Limit

(See Special Conditions)

The following Automobile Liability Insurance coverage will also be required for all professional services contracts which include surveying and/or construction surveillance.

Comprehensive Automobile Liability Insurance including: non-owned, and Hired vehicles	\$1,000,000 - Bodily Injury Combined Single Limit \$100,000 Property Damage
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SPECIAL CONDITIONS:

1. THE CITY OF TUCSON & REGIONAL TRANSPORTATION AUTHORITY (RTA) WILL BE ADDED AS ADDITIONAL INSURED UNDER THE COMMERCIAL GENERAL LIABILITY AND COMPREHENSIVE AUTOMOBILE LIABILITY POLICIES.
 2. Policies will not be cancelled or reduced in coverage without ten (10) days written notice to the City of Tucson, Department of Procurement P.O. Box 27210, Tucson, Arizona 85726-7210.
 3. Deductibles will be stated on the certificate of insurance and are subject to the review and approval of the City.
 4. Professional liability insurance limits will be increased for projects or contracts based upon the degree of risk to which the City is exposed.
 5. Professional liability insurance carried by the consultant must cover all elements of the project including professional services performed by subcontractors. If the consultant's professional liability insurance does not provide coverage for work performed by subcontractors, separate project insurance will be required to comply with the professional liability insurance requirement. The City may require a copy of the professional liability insurance policy to verify coverage.
3. **NOTICE TO PROCEED:** The Consultant agrees to render professional services promptly and diligently upon receipt of written notice to proceed with any or all of the services set forth herein.
4. **PRINCIPAL CONSULTANT'S RESPONSIBILITY:** The Consultant shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Consultant under this Contract. The Consultant shall without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services. Additionally, when modification to a construction contract is required because of an error or deficiency in the services provided under this Professional Design Services Contract, the City shall consider the extent to which the Consultant may be reasonably liable.

Neither the City's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Consultant shall be and remain liable to the City in accordance with applicable law for all damages to the City caused by the Consultant's negligent performance of any of the services furnished under this Contract.

If the Consultant is comprised of more than one legal entity, each such entity shall be jointly and severally liable hereunder.

The Consultant agrees that the work to be performed pursuant to this agreement shall be under the full authority and responsible charge of the undersigned principal of the firm or officer of the corporation who must be the holder of a current Arizona Certificate of Registration issued by the Board of Technical Registration for the practice of professional design services in the State of Arizona.

Any drawings, plans, specifications, and estimates to be prepared pursuant to this agreement shall be prepared by or under the personal direction of the undersigned qualified holder of an Arizona Certificate of Registration issued by the Arizona Board of Technical Registration.

The Consultant shall be responsible for the completeness and accuracy of all services rendered and correction of all errors of omission or commission on the drawings, specifications, and other documents notwithstanding prior approval by the City.

By signing the Contract, the Consultant affirms that it has the ordinary skill, knowledge, and judgment possessed by members of its profession, and that it will use reasonable and ordinary care and diligence in performing the work.

5. **DRAWING, STANDARD DETAILS, ETC.:** City of Tucson drafting standards, standard details, specifications, and office procedures are to be used in the preparation of items required under this Contract unless directed otherwise by the City. The City will furnish the Consultant with copies of the necessary standard City documents. All final documents shall be prepared by such methods and of such quality of workmanship as will permit the making of satisfactory reproductions.
6. **ADVICE AND CONSULTATION:** The Consultant shall be available to the City for advice and consultation on the interpretation of the plans and specifications on questions which may arise during the course of this Contract.
7. **PUBLIC HEARINGS:** The Consultant shall upon request, attend any public hearing on matters related to the scope of professional services set forth in this Contract.
8. **TIME RECORDS:** The Consultant shall maintain complete, current and daily records covering all hours actually worked on this project by the various classes of workers. The City shall have the right to audit and/or examine such records at any time during the progress of this Contract and shall withhold payment if such documentation is found by the City to be incomplete or erroneous.
9. **WORK SCHEDULE:** The consultant shall adhere to any and all work schedules developed under this contract. The work schedule will provide for the completion of services within a specified number of consecutive calendar days following the starting date established by a written notice to proceed. If the Consultant is unable to adhere to the accepted schedule, they shall prepare a justification letter with a proposed revised schedule and submit the same to the City for review and approval. It shall be the sole option of the City to approve any such requests. The City shall be furnished two (2) copies of the original work schedule and two (2) copies after each revision, if any, is approved.

- 10. ADDITIONAL COMPENSATION:** The Contractor shall submit a written proposal and secure the City Director of Procurement's written approval of same prior to the performance by the Consultant of any work for which additional compensation will be requested.

Without the City Director of Procurement's prior written approval of the proposed work and the fee therefore, the City will not consider payment of any sums other than those already set forth under this Contract.

- 11. OTHER CONTRACTS:** The City may, as its sole option, enter into Contracts for additional work related to this project. The Consultant shall fully cooperate with other contractors and consultants and with City employees to accommodate such other work. The Consultant shall not commit or permit any act that interferes with the performance of such work by other contractors.

- 12. COMPENSATION AND METHOD OF PAYMENT:** In consideration of the performance of the services described in the Scope of Services, the City shall pay the Consultant in accordance with the negotiated contract rates, and the Consultant shall charge the City only in accordance with those same rates.

The City will pay the Consultant following the submission of itemized invoice(s). Each itemized invoice must bear a written certification by an authorized City representative confirming the services for which payment is requested.

- 13. COOPERATIVE PURCHASING:** Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement are eligible to participate in any subsequent Contract. See www.tucsonaz.gov/procure and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See <http://www.maricopa.gov/Materials/PubDocuments/SAVE-members.pdf> for a listing of participating agencies. The parties agree that these lists are subject to change.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

- 14. SBE PROGRAM REQUIREMENTS:**
The Contractor shall be required to comply with SBE Program requirements, if goals are applicable, on projects that meet or exceed the Formal Solicitation Threshold established by the Tucson Procurement Code, currently at fifty thousand dollars (\$50,000). Program requirements are codified in Chapter 28, Article XIII of the Tucson Procurement Code. The Contractor shall submit *to the Office of Equal Opportunity Programs (OEOP) via the city's Project*

Manager, after the project proposal phase, either a completed offeror's statement of proposed SBE Participation Plan or an Affidavit of Good Faith Efforts indicating whether the request is for a full or partial waiver.

The SBE Plan must include:

1. The name of the SBE subcontractors/suppliers;
2. The type and scope of work or service each SBE will perform;
3. The dollar value of each SBE's subcontract;
4. Identify the prime contractor as an SBE, if applicable;
5. The dollar value of the prime contractor's self-performed work if claiming SBE credit;
6. The total dollar value of SBE work performed and percentage of the contract value.
7. If the contract goal is not met, evidence of good faith efforts.

An approved plan or waiver request must be in place prior to issuance of the Notice To Proceed (NTP) for individual project construction.

A signed offer in response to this RFQ represents the offeror's intent to comply with the SBE program.

Also see EXHIBIT C - SBE Program Provisions for Professional Services

15. DBE PROGRAM REQUIREMENTS:

The Contractor shall be required to comply with DBE Program requirements, if goals are applicable, on federally funded projects that exceed the Formal Solicitation Threshold established by the Tucson Procurement Code, currently at fifty thousand dollars (\$50,000). Program requirements are codified in Chapter 28, Article XIII of the Tucson Procurement Code. The Contractor shall submit **to the Office of Equal Opportunity Programs (OEOP) via the city's Project Manager, after the project proposal phase**, either a completed statement of proposed DBE Participation Plan or an Affidavit of Good Faith Efforts indicating whether the request is for a full or partial waiver.

The DBE Plan must include:

1. The names and addresses of the DBE subcontractors/suppliers;
2. The type and scope of work or service each DBE will perform;
3. The dollar value of work as a percentage of the total contract value.
4. If the contract goal is not met, evidence of good faith efforts.

An approved plan or waiver request must be in place prior to issuance of the Notice To Proceed (NTP) for individual projects as well as a DBE Acknowledgment of Participation which provides signed confirmation from the DBE(s) that they are participating in the contract as provided in the prime contractor's commitment in their DBE plan.

A signed offer in response to this RFQ represents the offeror's intent to comply with the DBE program.

EXHIBIT C - DBE Program Provisions for Professional Services

VI. STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
2. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
3. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
4. **ARBITRATION:** It is understood and agreed that no provision of the Contract relating to arbitration or requiring arbitration shall apply to or be binding upon the City except by the City's express written consent given subsequent to the execution of the Contract. However, if both parties agree, disputes may be resolved through arbitration. The dispute shall be resolved as provided for in A.R.S. Sec. 12-1501, et seq. Consultant shall continue to render the services required by this Contract without interruption, notwithstanding the provisions of this section.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
6. **CERTIFICATION OF COMPLIANCE WITH A.R.S. SEC. 35-393 ET SEQ.:** By signing this contract, the Contractor certifies that it does not have scrutinized business operations in Iran as required by A.R.S. sec. 35-393 et seq. If the City determines that the Contractor has submitted a false certification, the City may impose remedies as provided in the Tucson Procurement Code up to and including termination of this contract.
7. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
8. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
9. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
10. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
11. **CONFLICT OF INTEREST:** Contractors/Subcontractors who design and/or develop specifications for materials for this project will be precluded from contract award for that item if a solicitation is issued for the item.

- 12. CONTRACT MODIFICATIONS:** No work outside of the contracted scope of work shall begin without an executed Contract Amendment and a written Notice to Proceed. Contractor shall notify COT immediately when projected hours for individuals under contract are within no less than 20% of exceeding the proposed hours. All direction regarding tasks, deliverables and level of effort shall originate with the designated City Project Manager/Contract Representative or the Department of Procurement. No direction shall be taken from, nor shall any work commence with direction from, any other party.
- 13. CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
- A. Amend the contract or enter into supplemental verbal or written agreements;
 - B. Grant time extensions or contract renewals;
 - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

- 14. CONTRACT:** The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.
- 15. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.
- 16. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 17. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.
- 18. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 19. FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 20. GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.
- 21. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.
- 22. INDEMNIFICATION:** To the fullest extent permitted by law, Consultant, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Consultant relating to work or services in the performance of this Contract, including but not limited to, any Subconsultant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Consultant's and Subconsultant's employees, provided, however, that this duty to indemnify, hold harmless and defend shall not include losses, damages, claims, liabilities, costs and expenses to the extent arising from the acts or omissions of the City..
- 23. INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.
- The Contractor shall not be entitled to compensation in the form of salaries, paid vacation or sick days by the City.
- The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses.
- 24. INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.
- 25. INTERPRETATION-PAROLE EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.
- 26. LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.
- 27. LIENS:** All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

- 28. NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.
- 29. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.
- 30. OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.
- 31. PATENT INFRINGEMENT:** The Consultant and the surety shall defend any suit or proceeding brought against the procuring agency, during the prosecution or after the completion of the work, based on a claim that manufacture, sale, or use of any method, process, machine, technique, design, living thing, genetic material, or composition of matter, or any part thereof, furnished or used under this Contract constitutes an infringement of any patent, trademark or copyright and the Consultant shall pay all damages and costs awarded therein, against the procuring agency and any affected third party or political subdivision. If manufacture, sale, or use of said method, process, machine, technique, design, living thing, genetic material, or composition of matter, or any part thereof, is in such suit held to constitute infringement and if manufacture, sale, or use of said method, process, machine, technique, design, living thing, genetic material, or composition of matter, or part thereof, is enjoined, the Consultant shall, at its own expense, either procure for the procuring agency the right to continue manufacture, sale, or use of said method, process, machine, technique, design, living thing, genetic material, or composition of matter, or part thereof, or replace same with noninfringing method, process, machine, technique, design, living thing, genetic material, or composition of matter, or part, or modify it so it becomes noninfringing.

If appropriate, the Consultant shall furnish the City Contract Representative satisfactory evidence of patent licenses or patent releases covering City-specified proprietary materials, equipment, devices or processes, as the case may be.

- 32. PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

- 33. PROJECT COMPLIANCE:** At a minimum, the project shall be designed to comply with all applicable Federal, State and Local regulations and any amendments thereto which are adopted during the life of this Contract. Compliance with this is required and it shall be the responsibility of the Consultant to alert the City of any deviation from this requirement. (Note: It is the Consultant's sole responsibility to ensure that they comply with all applicable Federal, State and Local regulation.
- 34. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.

- 35. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 36. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- Consultant shall maintain all pertinent files, records, and documents which relate to the delivery of the services provided in this Contract. Supporting documents, files, and records shall be retained by Consultant for at least five (5) years after the termination of this Contract.
- 37. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 38. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 39. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's submittal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 40. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 41. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 42. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 43. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 44. SUSPENSION OF WORK:**
- A. The City may order the Consultant, in writing, to suspend, delay, or interrupt all or any part of the work under this Contract for the period of time that the City determines appropriate for the convenience of the City.
 - B. The Consultant agrees that no charges or claims for damages shall be made against the City for any delays or hindrances during the progress of this Contract. Such delays or hindrances, if any will be

covered by an extension of time for such reasonable period as mutually agreed upon between the parties. It is agreed and understood, however, that permission to proceed with the Contract after the established completion date, shall not be construed as a waiver by the City of any of the rights herein.

45. TERMINATION OF CONTRACT: This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

46. TITLE AND RISK OF LOSS: The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

47. WARRANTIES: Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

VII. OFFER AND ACCEPTANCE

The Consultant hereby offers to provide the services listed in the attached contract and based upon the Request for Qualifications, including all terms, conditions, specifications, scope of work, amendments, offers and subsequent negotiations, as accepted by the City.

PSOMAS
Company Name
333 E. Wetmore Suite 450
Address
Tucson AZ 85705
City State Zip

Signature of Person Authorized to Sign
MATTHEW D. CLARK
Printed Name
VP
Title

ACCEPTANCE OF OFFER:

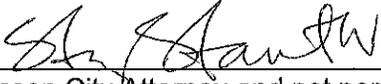
The Offer is hereby accepted.

The Consultant is now bound to provide the services listed in the attached contract and based upon the Request for Qualifications, including all terms, conditions, specification, scope of work, amendments, the Consultants Offer and subsequent negotiations, as accepted by the City.

This contract shall henceforth be referred to as Contract No. **130677-01**. The Consultant has been cautioned not to commence any billable work or to provide any material or service under this contract until Consultant receives a purchase order, or is otherwise directed to do so in writing by the undersigned.

CITY OF TUCSON, a municipal corporation

Approved as to form this 15 day of March, 2013. Awarded this 15th day of March, 2013.


As Tucson City Attorney and not personally


As Director of Procurement and not personally

VIII. EXHIBITS

EXHIBIT A – NEGOTIATED CONTRACT RATES & OVERHEAD AND INSURANCE DOCUMENTATION

EXHIBIT B – FEDERAL HIGHWAY ADMINISTRATION (FHWA) TERMS, CONDITIONS AND CERTIFICATIONS

EXHIBIT C – SBE & DBE Program Provisions for Professional Services

EXHIBIT A

PSOMAS AND SUBSIDIARIES
Los Angeles, California

**CONSOLIDATED SCHEDULE OF INDIRECT COSTS –
NET OF UNALLOWABLE COSTS**

December 31, 2011
with

INDEPENDENT AUDITOR'S REPORT

and

SUPPLEMENTARY INFORMATION

PSOMAS AND SUBSIDIARIES

Los Angeles, California

December 31, 2011

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TOM K. MOFFERSON
J. SCOTT BRISTOL
SCOTT T. DYE
TRACY A. GARONE
JEFFREY K. TATSUMURA
DARRELL L. CARLIS



2520 WEST SHAW LANE, SUITE 101 • FRESNO, CALIFORNIA 93711
(559) 436-1200 • WWW.STOUGHTONCPA.COM

 SERVING THE SAN JOAQUIN VALLEY OVER 85 YEARS

JOHN S. STOUGHTON
(1914-1992)
JAMES L. DAVIDSON
(RETIRED)
HARVEY B. HARTMAN
(RETIRED)
RONALD A. RUETHER
(RETIRED)
GREG J. ROMAGNOLI
(1970-2009)

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED SCHEDULE OF INDIRECT COSTS - NET OF UNALLOWABLE COSTS

To The Stockholders
Psomas and Subsidiaries
Los Angeles, California

We have audited the Consolidated Schedule of Indirect Costs - Net of Unallowable Costs (the "Schedule") of Psomas and Subsidiaries (the "Company") for the year ended December 31, 2011. This Schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards contained in the *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Schedule of Indirect Costs - Net of Unallowable Costs. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation of the Schedule. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule was prepared on a basis of accounting practices prescribed by Part 31 of the Federal Acquisition Regulation (FAR) and certain other Federal and state regulations as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the direct labor, fringe benefits and general overhead of Psomas and Subsidiaries for the year ended December 31, 2011 on the basis of accounting described in Note 1.



ACCOUNTANCY CORPORATION

◆ SERVING THE SAN JOAQUIN VALLEY OVER 85 YEARS

In accordance with *Government Auditing Standards* we have issued a report dated September 7, 2012 on our consideration of the Company's internal controls and its compliance with laws and regulations.

This report is intended solely for the use and information of the Company and government agencies or other customers related to contracts employing the cost principles of the Federal Acquisition Regulation and should not be used for any other purpose.

Stoughton Davidson Accountancy Corporation
Stoughton Davidson Accountancy Corporation
September 7, 2012

PSOMAS AND SUBSIDIARIES

Los Angeles, California

Consolidated Schedule of Indirect Costs - Net of Unallowable Costs
For the Year Ended December 31, 2011
(Rounded to the Nearest Hundred Dollars)

Description	FAR Audit	Office Costs	Survey Field Costs	PM/CM Field Costs
Direct Labor	<u>\$ 19,446,000</u>	<u>\$ 13,598,900</u>	<u>\$ 3,289,000</u>	<u>\$ 2,558,100</u>
Labor Overhead				
Vacation/Holiday/Paid Leave	\$ 3,490,000	\$ 2,903,100	\$ 79,200	\$ 507,700
Payroll Taxes	2,727,600	2,039,800	331,000	356,800
Group Insurance	2,990,100	2,483,400	72,300	434,400
Pension/ESOP Contributions	567,700	473,900	9,900	83,900
Performance Bonus	1,254,600	940,900	147,200	166,500
Union Dues-Field	1,629,900	-	1,629,900	
Total Labor Overhead	<u>\$ 12,659,900</u>	<u>\$ 8,841,100</u>	<u>\$ 2,269,500</u>	<u>\$ 1,549,300</u>
General Overhead				
Indirect Labor	\$ 10,233,200	\$ 8,233,500	\$ 739,400	\$ 1,260,300
Auto and Transportation	1,146,800	453,100	427,600	266,100
Bad Debts				
Depreciation	923,400	571,800	244,100	107,500
Equipment Rental	865,400	395,200	309,900	160,300
Insurance	769,200	435,900	198,400	134,900
Interest	-			
Marketing	31,900	22,300	5,400	4,200
Supplies	774,500	467,900	211,900	94,700
Personnel Costs and Staffing	759,000	496,700	124,700	137,600
Professional Activities	450,400	296,800	93,500	60,100
Professional Services	871,100	609,200	147,300	114,600
Rent, Utilities and Maintenance	4,085,100	3,631,400	133,300	320,400
Repairs and Maintenance	986,600	551,900	285,200	149,500
Taxes and Licenses	231,900	159,600	42,000	30,300
Telephone	756,700	461,600	156,800	138,300
State Income Taxes	197,900	138,400	33,500	26,000
Total General Overhead	<u>\$ 23,083,100</u>	<u>\$ 16,925,300</u>	<u>\$ 3,153,000</u>	<u>\$ 3,004,800</u>
Total Indirect Costs	<u>\$ 35,743,000</u>	<u>\$ 25,766,400</u>	<u>\$ 5,422,500</u>	<u>\$ 4,554,100</u>
Percent of Direct Labor	183.8%	189.5%	164.9%	178.0%
Reconciliation to Audited Financial Statements				
Total Indirect Costs - FAR Audit	\$ 35,743,000			
Add: Unallowable Expense	<u>1,648,200</u>			
Total Indirect Expense per Audited Financial Statement	<u>\$ 37,391,200</u>			

See Independent Auditor's Report and Notes to the Consolidated Schedule of Indirect Costs - Net of Unallowable Costs
Stoughton Davidson Accountancy Corporation

PSOMAS AND SUBSIDIARIES

Los Angeles, California

NOTES TO THE CONSOLIDATED SCHEDULE OF INDIRECT COSTS – NET OF UNALLOWABLE COSTS

December 31, 2011

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Psomas (the "Company") was incorporated in the State of California on February 1, 1974. The Company provides civil engineering, surveying, planning, and other related services primarily in California.

Summary of Significant Accounting Policies

Basis of Accounting

The Company's Consolidated Schedule of Indirect Costs - Net of Unallowable Costs (the "Schedule") was prepared on the basis of accounting practices prescribed in Part 31 of the Federal Acquisition Regulation (FAR). Accordingly, the consolidated schedule of indirect costs is not intended to present the results of operations of the Company in conformity with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The Consolidated Schedule of Indirect Costs - Net of Unallowable Costs includes the accounts of Psomas and its wholly owned Subsidiaries, PsoTec and Psomas Renewables, LLC. PsoTec was formed and began operations during the year ended January 31, 2007. Psomas Renewables LLC, a limited liability company, was formed and began operations during September 2009. All material intercompany transactions have been eliminated in consolidation.

Financial Accounting System

The Company maintains its accounting records on the accrual basis of accounting for financial reporting, while using the cash method of accounting for income tax purposes.

Job Cost Accounting System

The Company maintains a job order cost accounting system.

(Continued)

See Independent Auditor's Report
Stoughton Davidson Accountancy Corporation

PSOMAS AND SUBSIDIARIES

Los Angeles, California

NOTES TO THE CONSOLIDATED SCHEDULE OF INDIRECT COSTS – NET OF UNALLOWABLE COSTS

December 31, 2011

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Labor Related Costs

The Company distributes labor costs to direct projects for all employee classifications. Overtime premium costs are included in indirect labor rather than allocated to projects and are excluded from the consolidated Schedule of Indirect Costs – Net of Unallowable Costs. The Company tracks pay earned by salaried employees for direct project time worked in excess of 40 hours per week. These amounts are recorded by the Company as paid to or utilized by the employee. There was one highly compensated individual whose compensation was limited to reasonable limits based on the National Compensation Matrix, released May 7, 2012, in compliance with FAR 31.205-6.

Direct Costs

The Schedule excludes the classifications of costs which were directly related to projects, including but not limited to subcontractors, travel, reprographics and delivery services. The source of these direct costs is the vendor invoices received by the Company.

Allocation of Indirect Costs

The allocation basis for indirect costs is direct labor. However, special allocation pools are utilized for the survey and PM/CM cost centers and rent and utilities of the Company.

Paid Time Off

The Company has a Paid Time Off policy for its full-time employees, which combines vacation and sick time into one plan. Accrued time off is based on years of service.

Depreciation and Leasing Policies

Certain assets are purchased and depreciated, while others are leased and considered operating leases, and the annual lease costs are included in the overhead pool. Depreciation is computed on the straight-line basis using estimated useful lives.

The depreciation reflected on the Company's financial statements differs from the acceptable depreciation for Federal income tax purposes. Since the financial statement amounts included in the overhead pool are lower than the amounts used for Federal purposes, the amounts included in the Schedule of Indirect Costs are allowable under FAR 31.205-11(e).

(Continued)

See Independent Auditor's Report
Stoughton Davidson Accountancy Corporation

PSOMAS AND SUBSIDIARIES

Los Angeles, California

NOTES TO THE CONSOLIDATED SCHEDULE OF INDIRECT COSTS – NET OF UNALLOWABLE COSTS

December 31, 2011

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Pension/ ESOP Contributions

The ESOP contribution expense consists of shares released, shares purchased and shares recycled within the plan. For the year ended December 31, 2011, 4,000 shares were purchased, and 31,592 shares were recycled within the plan. The amount of the ESOP expense included in the overhead pool for the year ended December 31, 2011 is \$573,700.

Additionally, 45,299 shares were retired from the plan during the year ended December 31, 2011.

Note 2 – Unallowable Expenses

According to FAR 31.205-3, bad debts, including actual or estimated losses arising from uncollectible accounts receivable due from customers and other claims, and any directly associated costs such as collection and legal costs are unallowable. Bad Debt Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$(548,500) and Professional Services Expense was reduced by the unallowable amount of \$97,900.

According to FAR 31.205-19, premiums associated with key-man life insurance are considered unallowable unless included as additional compensation to the employee. Insurance Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$67,700.

According to FAR 31.205-20, interest costs on borrowings are unallowable. Interest Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$45,400.

According to FAR 31.205-14, costs of dues for social clubs and other entertainment activities are considered unallowable. Marketing Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$512,700.

According to FAR 31.205-38, general sales promotion costs are considered unallowable. Indirect Labor Expense for the year ended December 31, 2011 was reduced by the unallowable amount \$466,200.

According to FAR 31.202, costs should be allocable between direct and indirect costs. The Company accounts for premium overtime in Indirect Labor but occasionally bills for that premium on certain contracts. As a result, the entire amount of premium overtime relating to job costs is considered unallowable. Indirect Labor Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$187,200.

(Continued)

See Independent Auditor's Report
Stoughton Davidson Accountancy Corporation

PSOMAS AND SUBSIDIARIES

Los Angeles, California

NOTES TO THE CONSOLIDATED SCHEDULE OF INDIRECT COSTS -- NET OF UNALLOWABLE COSTS

December 31, 2011

Note 2 – Unallowable Expenses (Continued)

According to FAR 31.205-46, travel costs in excess of Federal Travel Regulation rates are considered unallowable. Personnel Costs and Staffing Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$2,800.

According to FAR 31.205-51, costs of alcoholic beverages are considered unallowable. Personnel Costs and Staffing Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$40,300.

According to FAR 31.205-14, costs of amusement, diversions, social activities, and directly associated costs, such as tickets to shows or sports events are considered unallowable. Personnel Costs and Staffing Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$182,600.

According to FAR 31.205-8, contributions or donations, including cash, property and services, regardless of recipient, are considered unallowable, except for costs of participation in community service activities. Marketing Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$40,700.

According to FAR 31.205-6(f)(1), bonus costs in excess of reasonable amounts are considered unallowable. Performance Bonus Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$11,500.

According to FAR 31.205-6, costs related to personal use of company vehicles are considered unallowable. Auto and Transportation Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$340,200. Depreciation Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$1,700. Insurance Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$30,700. Repairs and Maintenance Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$36,900.

According to FAR 31.205-7, costs related to idle facilities are considered unallowable. Rent, Utilities and Maintenance Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$85,800.

According to FAR 31.205-6(b), compensation costs in excess of reasonable amounts are considered unallowable. Personnel Costs and Staffing Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$40,400.

According to FAR 31.205-6(q), ESOP costs in excess of calculated allowable limits are considered unallowable. Pension/ESOP Contribution Expense for the year ended December 31, 2011 was reduced by the unallowable amount of \$6,000.

See Independent Auditor's Report
Stoughton Davidson Accountancy Corporation

TOM K. McPHERSON
J. SCOTT BRISTOL
SCOTT T. DYE
TRACY A. GARONE
JEFFREY K. TATSUMURA
DARRELL L. CARLIS



ACCOUNTANCY CORPORATION

2520 WEST SHAW LANE, SUITE 101 • FRESNO, CALIFORNIA 93711
(559) 436-1200 • WWW.STOUGHTONCPA.COM

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JOHN S. STOUGHTON
(1914-1992)
JAMIE L. DAVIDSON
(RETIRED)
HARVEY E. HARTMAN
(RETIRED)
RONALD A. RUETHER
(RETIRED)
GREG J. ROMAGNOLI
(1970-2009)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING

To The Stockholders
Psomas and Subsidiaries
Los Angeles, California

We have audited the Consolidated Schedule of Indirect Costs - Net of Unallowable Costs (the "Schedule") of Psomas and Subsidiaries (the "Company") for the year ended December 31, 2011, and have issued our report thereon dated September 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control over financial reporting. The objectives of internal control over financial reporting are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with Part 31 of the Federal Acquisition Regulation. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their



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assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Company's ability to initiate, authorize, record, process, or report financial data reliably in accordance with Part 31 of the Federal Acquisition Regulation such that there is more than a remote likelihood that a misstatement of the Company's overhead schedule that is more than inconsequential will not be prevented or detected by the Company's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's overhead schedule will not be prevented or detected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the Company's overhead schedule is free from material misstatement, we performed tests of the Company's compliance with certain provisions of laws, regulations and contracts, including provisions of the applicable sections of Part 31 of the Federal Acquisition Regulation, noncompliance with which could have a direct and material effect on the determination of the amounts reported on the overhead schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Company in separate letter dated September 7, 2012.

This report is intended solely for the use and information of the Company and government agencies or other customers related to contracts employing the cost principles of the Federal Acquisition Regulation, and should not be used for any other purpose.

Stoughton Davidson Accountancy Corporation
Stoughton Davidson Accountancy Corporation
September 7, 2012

SUPPLEMENTARY INFORMATION

TOM K. McFERNON
J. SCOTT BRISTOL
SCOTT T. DYE
TRACY A. GARONE
JEFFREY K. TATSUMURA
DARRELL L. CARLIS



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To The Stockholders
Psomas and Subsidiaries
Los Angeles, California

We have audited the Consolidated Schedule of Indirect Costs - Net of Unallowable Costs (the "Schedule") as of and for the period ended December 31, 2011 and our report thereon dated September 7, 2012, which expressed an unqualified opinion on that Schedule, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the Schedule as a whole. The Schedule of Indirect Costs with Unallowable Costs and the Listing of Unallowable Account Adjustments with FAR References are presented for purposes of additional analysis and are not a required part of the Schedule. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Schedule. The information has been subjected to the auditing procedures applied in the audit of the Schedule and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the Schedule itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the Schedule as a whole.

Stoughton Davidson Accountancy Corporation
Stoughton Davidson Accountancy Corporation
September 7, 2012

PSOMAS AND SUBSIDIARIES

Los Angeles, California

Consolidated Schedule of Indirect Costs with Unallowable Costs
For the Year Ended December 31, 2011
(Rounded to the Nearest Hundred Dollars)

Description	Financial Statement Expense	Unallowable Expense	FAR Ref	FAR Audit
Direct Labor	<u>\$ 19,446,000</u>	<u>\$ -</u>		<u>\$ 19,446,000</u>
Labor Overhead				
Vacation/Holiday/Paid Leave	\$ 3,490,000	\$ -		\$ 3,490,000
Payroll Taxes	2,727,600	-		2,727,600
Group Insurance	2,990,100	-		2,990,100
Pension/ESOP Contributions	573,700	(6,000)	(15)	567,700
Performance Bonus	1,266,100	(11,500)	(11)	1,254,600
Union Dues-Field	1,629,900	-		1,629,900
Total Labor Overhead	<u>\$ 12,677,400</u>	<u>\$ (17,500)</u>		<u>\$ 12,659,900</u>
General Overhead				
Indirect Labor	\$ 10,886,600	\$ (653,400)	(5), (6)	\$ 10,233,200
Auto and Transportation	1,487,000	(340,200)	(12)	1,146,800
Bad Debts	(548,500)	548,500	(1)	-
Depreciation	925,100	(1,700)	(12)	923,400
Equipment Rental	865,400			865,400
Insurance	867,600	(98,400)	(2), (12)	769,200
Interest	45,400	(45,400)	(3)	-
Marketing	585,300	(553,400)	(4), (9), (10)	31,900
Supplies	774,500	-		774,500
Personnel Costs and Staffing	1,025,100	(266,100)	(7), (8), (9), (14)	759,000
Professional Activities	450,400			450,400
Professional Services	969,000	(97,900)	(1)	871,100
Rent, Utilities and Maintenance	4,170,900	(85,800)	(13)	4,085,100
Repairs and Maintenance	1,023,500	(36,900)	(12)	986,600
Taxes and Licenses	231,900			231,900
Telephone	756,700			756,700
State Income Taxes	197,900			197,900
Total General Overhead	<u>\$ 24,713,800</u>	<u>\$ (1,630,700)</u>		<u>\$ 23,083,100</u>
Total Indirect Costs	<u>\$ 37,391,200</u>	<u>\$ (1,648,200)</u>		<u>\$ 35,743,000</u>
Percent of Direct Labor				183.8%

See Independent Auditor's Report on Supplementary Information
Stoughton Davidson Accountancy Corporation

PSOMAS AND SUBSIDIARIES

Los Angeles, California

Listing of Unallowable Account Adjustments with FAR References For the Year Ended December 31, 2011

<u>Item Number</u>	<u>FAR Reference</u>	<u>Explanation</u>
(1)	31.205-3	Bad debts, including actual or estimated losses arising from uncollectible accounts receivable due from customers and other claims, and any directly associated costs such as collection and legal costs are unallowable.
(2)	31.205-19	The premiums associated with key-man life insurance are considered unallowable unless included as additional compensation to the employee.
(3)	31.205-20	Interest costs on borrowings are unallowable.
(4)	31.205-14	Costs of dues for social clubs and other entertainment activities are considered unallowable.
(5)	31.205-38	General sales promotion costs are considered unallowable.
(6)	31.202	Overtime Premium Costs are considered unallowable.
(7)	31.205-46	Travel costs in excess of Federal Travel Regulation rates are considered unallowable.
(8)	31.205-51	Costs of alcoholic beverages are considered unallowable.
(9)	31.205-14	Costs of amusement, diversions, social activities, and directly associated costs, such as tickets to shows or sports events are considered unallowable.
(10)	31.205-8	Contributions or donations, including cash, property and services, regardless of recipient, are considered unallowable, except for costs of participation in community service activities.
(11)	31.205-6(f)(1)	Bonus costs in excess of reasonable amounts are considered unallowable.
(12)	31.205-6	Costs related to personal use of company vehicles are considered unallowable.
(13)	31.205-7	Costs related to idle facilities are considered unallowable.
(14)	31.205-6(b)	Compensation costs in excess of reasonable amounts are considered unallowable.
(15)	31.205-6(q)	ESOP contribution costs in excess of calculated allowable limits are considered unallowable.

See Independent Auditor's Report on Supplementary Information
Stoughton Davidson Accountancy Corporation

EXHIBIT B

FEDERAL HIGHWAY ADMINISTRATION (FHWA) TERMS AND CONDITIONS

Debarment and Suspension Requirements - 49 CFR Part 29, Executive Order 12549

Debarment, Suspension, and Other Responsibility Matters - (Third Party Contracts over \$25,000).

The Recipient agrees to comply, and assures the compliance of each subrecipient, lessee, third party contractor, or other participant at any tier of the Project, with Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT regulations, U.S. OMB "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. Part 180. The Recipient agrees to, and assures that its subrecipients, lessees, third party contractors, and other participants at any tier of the Project will, review the "Excluded Parties Listing System" at <http://epls.gov/> before entering into any subagreement, lease, third party contract, or other arrangement in connection with the Project.

Lobbying Requirements - 31 U.S.C. 1352, 49 CFR Part 19, 49 CFR Part 20

Contractors who apply or bid for an award of \$100,000 or more shall certify that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the City Of Tucson.

Clean Water Requirements - 33 U.S.C. 1251

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq . The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FHWA and the appropriate EPA Regional Office.
2. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FHWA.

Clean Air Requirements - 42 U.S.C. 7401 et seq., 40 CFR 15.61, 49 CFR Part 18

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq . The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FHWA and the appropriate EPA Regional Office.
2. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FHWA.

Environmental Protection 42 U.S.C. 4321 et seq., 40 CFR Part 1500 et seq., 23 CFR Part 771, 49 CFR Part 622

The Contractor agrees to comply with all applicable requirements of the National Environmental Policy Act of 1969, as amended, 42 U.S.C. §§ 4321 et seq. consistent with Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," 42 U.S.C. § 4321 note; Council on Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended, 40 C.F.R. Part 1500 et seq.; and joint FHWA/FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622

Energy Conservation Requirements - 42 U.S.C. 6321 et seq., 49 CFR Part 18

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

**CERTIFICATION REGARDING LOBBYING
FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

The undersigned Contractor certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The Contractor, Psomas, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure, if any.



Signature of Contractor's Authorized Official

Alejandro Angel, Vice President

Name and Title of Contractor's Authorized Official

03/01/2013

Date

EXHIBIT C

SBE PROGRAM PROVISIONS FOR PROFESSIONAL DESIGN SERVICES

PROJECT GOAL

The City of Tucson's Small Business Enterprise Participation goal for this project is as follows:

 X % SBE

I. SMALL BUSINESS ENTERPRISE REQUIREMENTS

A. DEFINITIONS

Commercially Useful Function - Is defined as the performance of real and actual services in the discharge of any contractual endeavor. An SBE subcontractor is performing a commercially useful function when it is responsible for execution of a distinct element of a contract and carries out its responsibilities by actually performing, managing and supervising the work involved.

Contractor - The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City. For the purposes of SBE plan evaluation, any Offeror in negotiations with the City of Tucson pursuant to a Request for Qualifications is also subject to the contractor SBE program compliance requirements.

Eligible Contract - Any contract undertaken by the City, unless otherwise precluded by law, *provided* the estimate meets or exceeds fifty thousand dollars (\$50,000). An Eligible Contract does not include any project in which the estimated contract value is below fifty thousand dollars (\$50,000); contracts which require a disadvantaged business enterprise goal pursuant to federal law; contracts awarded under sections 28-21 (sole source procurement), 28-22 (emergency procurement) or 28-23 (special procurement) of the City Procurement Code.

Joint Venture – An association of two (2) or more persons, partnerships, corporations, business enterprises, or any combination of these entities established to form a single business enterprise but limited in scope and duration for the purpose of carrying out a business activity. The agreement establishing the Joint Venture shall be in writing. The SBE partner(s) must be responsible for a clearly defined portion of the work performed which is set forth in detail and separately from the work to be performed by the non-SBE partner and is assigned a commercially reasonable dollar value. Furthermore, the SBE's interest shall be based on sharing real economic interest in the venture, include proportionate control over management, and interest in capital acquired by the Joint Venture and interest in earnings. Only the portion of work, supplies, and/or services attributed to the SBE, as a member of the Joint Venture, may be counted towards relevant SBE participation goals.

Small Business Enterprise (SBE) – A local small business that is an independent and continuing enterprise for profit, performing a Commercially Useful Function, that has completed the application process for certification with the City of Tucson, and has met the requirements set forth in Title 49, Code of Federal Regulations, (49 CFR Part 26).

Subcontractor and Subconsultant – A person or entity that contracts to perform work or render service to a Contractor or to another Subcontractor as part of a contract with the City.

B. APPLICABILITY

The SBE program and policies are codified in Chapter 28, Article XIII of the City Procurement Code. It is the responsibility of all contractors, subcontractors, vendors, suppliers and others who are interested in contracting with the City of Tucson to read and become familiar with this section of the City Code.

Only firms that are certified by the City of Tucson under Chapter 28, Article XIII of the City Code, *at time of SBE Plan submittal*, are eligible to fulfill SBE goals for City of Tucson projects.

In addition to subcontractors, contractors may use their own participation towards fulfillment of the SBE participation goal if they are certified through the City of Tucson SBE program.

The City of Tucson's most recent SBE Directory contains the *complete* listing of those firms which are currently certified with the City, and therefore eligible to participate as an SBE on a project. If the name of an SBE firm does not appear in directories, it shall be the contractor's responsibility to ascertain the certification status of the SBE and determine the eligibility of the firm to meet the established goal. The contractor may accomplish this by calling the City's Office of Equal Opportunity Programs (OEOP) at (520) 791-4593 for assistance.

ALL CONTRACTORS, INCLUDING SBEs, MUST COMPLY. Contractors who are SBEs must also comply with all requirements stated herein. By submitting to the City of Tucson, contractors bind themselves to make every good faith effort to meet the City's SBE goal and comply with all aspects of the SBE Program requirements.

C. SBE PARTICIPATION

An SBE may participate as a prime contractor, subcontractor, second-tier subcontractor, joint venture partner with either a prime contractor or a subcontractor, or as a vendor of materials or supplies. An SBE shall be responsible for a clearly defined portion of the work to be performed.

D. SBE GOALS

To satisfy SBE goals, a certified SBE must perform a commercially useful function, i.e., must be responsible for a clearly defined portion of the work and must carry out its responsibility by actually performing, managing and supervising the work. Contractors may meet the SBE project goals through the following methods:

Prime Contractor Participation – SBE prime contractors may use their own participation towards fulfillment of the SBE participation goals. Credit will only be given for the dollar value of actual work performed by the prime contractor's work force.

Subcontractor Participation - Contractors may utilize one or more certified SBE subcontractors to satisfy its SBE participation commitment and may claim the value of the commercially useful function to be performed by such subcontractor(s) to obtain credit toward the satisfaction of the applicable goal.

1. Contractors who utilize certified SBE firms whose participation is included in Force Account Items, Allowances or in a Cost Reimbursement type contract, shall establish a signed contract value with the SBE firm and may only take credit for the dollar value of that

contract towards satisfying its SBE commitment in their proposed SBE plan. The dollar value must be a specific amount based on anticipated work calculated by the subcontractor and is not reliant on any estimated values and cannot be specified as a range.

2. If a certified SBE subcontractor enters into second tier subcontracts consistent with the standard industry practices, such SBE subcontractor is performing a commercially useful function. If an SBE subcontractor subcontracts a significantly greater portion of its work to a non-SBE than would be expected by standard industry practices, it shall be presumed that the SBE is not performing a commercially useful function. Therefore, contractors are required to identify and report the use of any second tier subcontractors on the project on the Statement of Proposed SBE Plan form.
3. Credit will be given when a SBE subcontracts part of the work of its contract to another firm only if the SBE's subcontractor is itself a SBE.

Supplier Participation - The contractor may contract with one or more certified SBE suppliers, provided that the supplier is a regular dealer of the materials supplied, to obtain credit toward SBE goals. The value of the commercially useful function to be performed by such SBE's and credited toward satisfaction of the applicable SBE goals is as follows:

1. If an SBE supplier manufactures the goods supplied, one hundred percent (100%) of the contract amount is credited towards the applicable SBE participation goal.
2. If an SBE supplier is a wholesaler warehousing the goods supplied or is a manufacturer's representative, the total contract amount is credited toward the established SBE goal; however, only twenty-five percent (25%) of the total SBE project goal may be met in this manner.
3. If an extraordinarily large proportion of a contract price is for equipment or supplies, a lower project goal may be set than otherwise would be required, or the twenty-five percent (25%) limit for suppliers may be increased, or a combination of these two methods may be utilized.

Joint Venture - Where a contractor engages in a joint venture to satisfy its SBE commitment, the SBE joint venture partner must be responsible for a clearly defined portion of the work to be performed in addition to satisfying the requirements of ownership and control. The SBE joint venture partner must submit information for determining joint venture eligibility. ***The SBE joint venture must be approved as a SBE joint venture prior to SBE Plan submittal.*** The OEOP shall determine the degree of SBE participation resulting from the joint venture which may be credited toward the applicable SBE goal of the project.

II. SUBMITTAL REQUIREMENTS

A. SUBMISSION OF AN SBE PLAN

The SBE Plan and/or Affidavit of Good Faith Efforts must be submitted with the project proposal.

The SBE Plan must include:

1. The name of the SBE subcontractors/suppliers;

2. The type and scope of work or service each SBE will perform;
3. The dollar value of each SBE's subcontract;
4. Identify the prime contractor as an SBE, if applicable;
5. The dollar value of the prime contractor's self-performed work if claiming SBE credit;
6. The total dollar value of SBE work performed and percentage of the contract value.
7. If the contract goal is not met, evidence of good faith efforts.

B. REVIEW OF SBE PLANS

The OEOP Director may determine that the contractor is nonresponsive where the contractor: (1) failed to provide a completed Statement of Proposed SBE Plan; (2) failed to identify SBEs by name, the scope of work and value of work as a percent of the total project amount sufficient to meet the applicable SBE goal for that project; (3) failed to achieve the dollar value of credible participation by certified SBEs necessary to meet the project goals; or (4) failed to meet the requirements for a waiver of the SBE goal.

III. GOOD FAITH EFFORT

If the SBE plan does not meet the project goals, the contractor may seek a waiver. The application for a waiver shall be in writing and **must be completed and submitted with the project proposal**. The request must indicate whether a complete or partial waiver is sought. If a partial waiver is being sought the scope of such waiver must be indicated and an SBE plan must also be submitted. The contractor must provide documented evidence including a narrative statement with supporting affidavits and/or exhibits verifying the good faith efforts to meet the goals. Evidence of the good faith efforts shall include, but is not limited to the following:

- a. Documentation of communication with the OEOP Director seeking technical/professional assistance identifying available SBE's.
- b. Copies of written notification to Certified SBE's regarding subcontracting opportunities on a project.
- c. Documentation of efforts made to select portions of work for SBE subcontracting in order to increase the likelihood of meeting the SBE goals, including where appropriate breaking down subcontracts into economically feasible units in order to facilitate SBE participation.
- d. Documentation of efforts to assist and negotiate with SBE's for specific sub-proposals and reasons for rejection of any such offer, including the names, addresses, and telephone numbers of SBE's who were contacted and reason for the rejection.
- e. As to each SBE contacted which was considered not to be qualified; a written statement of the reasons for the conclusion.
- f. Written quotes or records of verbal quotes solicited from all SBE's seeking subcontract work at the time of the proposal submittal.
- g. Verification that the offeror rejected available SBE's because they submitted proposals which were unreasonably high, or they were not qualified. Such verification shall include a statement of the amounts of all proposals received from potential Subcontractors and all relevant dates.

The City's OEOP Director shall review the waiver and approve the waiver where the contractor has demonstrated good faith efforts or deem the contractor nonresponsive where they failed to meet the good faith efforts and shall recommend that the Project Manager reject the proposal.

Right to Appeal Good Faith Effort Waiver or Plan Decision An aggrieved party has a right to protest a good faith waiver request or plan decision made by the OEOP Director as follows:

1. An aggrieved party may submit a protest in writing to the OEOP Director within five (5) days from the date of notice of the adverse decision notice. The protest must include the legal and factual basis for the protest along with any supporting documents.
2. Within five (5) days of receipt of the protest, the OEOP Director shall review the protest and all relevant supporting documents and render a decision notice in writing which includes the basis for the decision.
3. The decision of the director is final and not appealable.

General Waiver or Reduction of SBE Goals If, after consultation with appropriate City departments, the OEOP Director determines that SBE availability is less than projected, the OEOP Director may waive or reduce established project goals. In such circumstances, the OEOP Director shall certify that SBE's are not in fact available or that the amount of work, which occurred under the contract, was insufficient to support the established goals.

The City shall waive a project goal, at least in part, if the contractor requesting a waiver receives from all qualified SBE's, in one trade or industry, quotes or proposal that exceeds the lowest quote or proposal of a qualified non-SBE competing for the same work by the lesser of fifteen percent (15%) or two hundred and fifty thousand dollars (\$250,000). In such circumstances, the OEOP Director shall certify that SBE's are not available to provide the needed labor and materials at competitive prices.

A contractor may not compare self-performed costs against an SBE subcontractor proposal as justification for the rejection of a proposal.

PURSUANT TO ADMINISTRATIVE PROCEDURES AND POLICIES, THE OEOP DIRECTOR MAY VERIFY AND / OR CLARIFY INFORMATION AS IT RELATES TO THE AFFIDAVIT OF GOOD FAITH EFFORTS, AND / OR THE STATEMENT OF PROPOSED SBE PLAN.

IV. MISCELLANEOUS PROVISIONS

A. CONTRACT PERFORMANCE

The contractor's distinct contract items of work to be awarded to SBE's shall be performed by the designated SBE or SBE substitute approved by the OEOP. SBE contract work items shall not be performed by the contractor in lieu of subcontracting, without the OEOP's approval. Contract items eliminated from the project, with the approval of the Project Manager, will not reduce the contractor's credit for SBE participation. The SBE must perform a commercially useful function, that is, the SBE must manage, perform, and supervise a distinct element of work.

An executed subcontract with all SBE subcontractors shall be completed prior to the Notice To Proceed, and available to the City of Tucson upon request.

B. NON-PERFORMANCE BY SBE's

In the event that an SBE is unable or unwilling to fulfill its agreement with the contractor, the contractor will immediately notify the Office of Equal Opportunity Programs and the Project Manager and provide all facts surrounding the matter. Such failure on the part of an SBE will not relieve the contractor of responsibility for meeting the SBE participation goal on the contract. The contractor shall immediately take reasonable good faith efforts to obtain another certified SBE to perform an equal or greater dollar value of the work. The substitute SBE's name, description of work and dollar value of the work shall be submitted to the OEOP and OEOP's approval must be obtained prior to the substitute SBE beginning the work.

C. CONTRACTOR PERFORMANCE EVALUATION

At the conclusion of every City of Tucson construction project, the prime contractor is required to complete the OEOP Prime Contractor Report of Subcontractor Utilization. The report will include a section to rate the performance of project subcontractors from 1 – 5, based on industry standards. The performance rating section shall be completed. A score of 3 is considered average. A score of 4 or 5 is considered above average. A score of 1 or 2 is considered as poor performance. A rating of 1 or 2 regarding a subcontractor will require the prime contractor to complete a performance evaluation report documenting the cause for the sub-performance rating. The City of Tucson Project Manager must concur with all poor performance ratings. Repeated poor performance may result in action by the OEOP Director up to and including decertification in accordance with Sec. 28-148(8)(8) of the SBE ordinance.

D. MONITORING PAYMENTS TO SUBCONTRACTORS

Prime contractors must provide notice to subcontractors that complaints of violations of the prompt payment provision may be submitted in writing to the City of Tucson Office of Equal Opportunity Programs Director, 201 N. Stone Ave., 3rd Floor NW, Tucson, Arizona 85701 – PO Box 27210, Tucson, Arizona 85726. The complaint shall set forth the facts and identify the prime contractor and the construction project. Subcontractors will be assisted by the Office of Equal Opportunity Programs with the complaint process as detailed in the City of Tucson Construction Fairness Ordinance comprised of Chapter 28, Tucson Procurement Code Section 28-101, Tucson Code Chapter 11-38 and Tucson Code, Chapter 8-2.2.

A copy of the SBE contract provisions shall be included with every subcontract.

The City of Tucson may withhold payment from the prime contractor for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

The City of Tucson may withhold payment from the prime contractor for failure to submit and/or complete required documents.

A COMPLETED SBE PLAN AND/OR AFFIDAVIT OF GOOD FAITH EFFORTS MUST BE SUBMITTED WITH THE PROPOSAL

**City of Tucson
Office of Equal Opportunity Programs**

AFFIDAVIT OF GOOD FAITH EFFORTS

CONTRACT NO: _____ PROJECT NAME: _____

COMPANY NAME: _____

CONTACT NAME: _____ PHONE NUMBER: _____ FAX NUMBER: _____

WHERE A CONTRACTOR FAILS TO EXERCISE "GOOD FAITH" EFFORTS TO MEET SBE GOALS, AS REQUIRED BY THE CITY OF TUCSON, THE CONTRACTOR WILL BE DEEMED NONRESPONSIVE.

The intent of this certification is to document the good faith efforts implemented by the contractor in soliciting and utilizing SBE firms to meet the City of Tucson's SBE goal. This certificate will assist the City of Tucson's Office of Equal Opportunity Programs in determining whether the contractor has implemented comprehensive good faith efforts. Pursuant to Administrative procedures and policies, the OEOP Director may verify and / or clarify information as it relates to the Affidavit of Good Faith Efforts and / or the Statement of Proposed SBE Plan. The burden of proof rests with the contractor.

Is a partial or complete waiver being sought? Please explain. Note: If a partial waiver is being sought the scope of such waiver must be indicated and a SBE Plan must also be submitted.

5. Which SBE firms were solicited in writing for subcontract or supplier quotes/bids? Also, in the appropriate space identify when the firms received subsequent telephone solicitations. Attach supporting documentation (e.g. copy of written solicitation to SBE firms, along with copies of telephone logs documenting follow-up communications, etc.)

Name of Company Contacted	Contact Person	Dates of Contact	Telephone #

6. Was the City of Tucson's Office of Equal Opportunity Programs (OEOP) technical or professional staff contacted for assistance? (Note that it is the policy of the OEOP to offer technical support to respondents to ensure that all avenues have been exhausted in meeting the SBE goal.) Attach necessary documentation.

Yes _____ No _____ Date of Contact _____ OEOP Contact Person _____

7. Describe any efforts undertaken to provide SBE firms with information about the project plans, specifications and requirements of the contract.

8. Describe any additional efforts undertaken to assist SBE firms (e.g. bonding assistance, lines of credit, etc.)

9. Indicate which SBE firms submitted quotes on the contract proposal and provide a brief explanation of the reasons why these quotes were rejected. If price was a factor provide documentation to show quotes received from non-certified firms.

Name of SBE Firm	Explanation for Rejecting Quotes
<hr/>	<hr/>

10. Were any bids from SBE Subcontractors that were no more than 15% or \$250,000 greater than the accepted Non-SBE Subcontractor rejected? If so, describe in detail.

11. Describe in detail any supplemental items or efforts which you wish to have the department consider as part of your Good Faith Effort. Attach additional documentation or sheets for this item.

DBE PROGRAM PROVISIONS FOR PROFESSIONAL DESIGN SERVICES

PROJECT GOAL

The City of Tucson's Disadvantaged Business Enterprise Participation goal for this project is as follows:

 X % DBE

I. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

A. DEFINITIONS

Commercially Useful Function - The performance of real and actual services in the discharge of any contractual endeavor. A DBE is performing a commercially useful function when it is responsible for execution of a distinct element of a contract and carries out its responsibilities by actually performing, managing, and supervising the work involved.

If a DBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or the DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, it is presumed that the DBE firm is not performing a commercially useful function and no DBE credit may be awarded toward the DBE goal.

Contract - A legally binding relationship obligating a seller to furnish supplies or services (including, but not limited to, construction and professional services) and the buyer to pay for them.

Contractor - One who participates, through a contract or subcontract (at any tier), in a federally funded program. For the purposes of DBE Plan evaluation, any offeror in negotiations with the City of Tucson pursuant to a Request for Qualifications is also subject to the Contractor DBE program compliance requirements.

Disadvantaged Business Enterprise or DBE - A for-profit small business concern certified under the Arizona Unified Certification Program (AZUCP) --

(a) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and

(b) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

Good Faith Efforts - Efforts to achieve a DBE goal or other requirement of this part which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.

Joint Venture - An association of a DBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.

Primary Industry Classification - The four digit Standard Industrial Classification (SIC) code designation which best describes the primary business of a firm. The SIC code designations are described in the Standard Industry Classification Manual. As the North American Industrial Classification System (NAICS) replaces the SIC system, references to SIC codes and the SIC Manual are deemed to

refer to the NAICS manual and applicable codes. The SIC Manual and the NAICS Manual are available through the National Technical Information Service (NTIS) of the U.S. Department of Commerce (Springfield, VA 22261). NTIS also makes materials available through its web site (www.ntis.gov/products/naics.aspx).

Program - Any undertaking on the City of Tucson's part to use federal financial assistance, authorized by the laws to which this part applies.

Race and Gender-Conscious - A measure or program that is focused specifically on assisting only DBEs.

Race and Gender-Neutral - A measure or program that is, or can be, used to assist all small businesses.

Recipient - Any entity, public or private, to which federal financial assistance is extended, whether directly or through another recipient, or who has applied for such assistance.

Set-Aside - A contracting practice restricting eligibility for the competitive award of a contract solely to DBE firms.

Small Business Concern - With respect to firms seeking to participate as a DBE, a small business concern as defined pursuant to section 3 of the Small Business Act and Small Business Administration regulations implementing it (13 CFR 121) that also does not exceed the cap on average annual gross receipts specified in §26.65(b).

Socially and Economically Disadvantaged Individual - Any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is --

(a) Any individual who the City of Tucson finds to be a socially and economically disadvantaged individual on a case-by-case basis.

(b) Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:

(i) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

(ii) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

(iii) "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

(iv) "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

(v) "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;

(vi) Women;

(vii) Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

B. APPLICABILITY

The City of Tucson has received federal financial assistance and has established a DBE Diversity Program for Contracts in accordance with 49 CFR 26, which is incorporated herein by this reference. The DBE Diversity Program applies to all City and subrecipient contracts that are funded, in whole or in part, by federal financial assistance. In the event of any conflicts or inconsistencies between 49 CFR 26 and this DBE Diversity Program, 49 CFR 26 shall prevail.

ALL CONTRACTORS INCLUDING DBEs MUST COMPLY. Contractors who are DBEs must also comply with all requirements stated herein. However, a DBE on a prime contract may meet the contract goal by virtue of the work it performs on the prime contract with its own forces. By submitting to the City of Tucson, contractors bind themselves to make every good faith effort to meet the City's DBE goals and federal regulations.

Firms that are certified *at time of DBE Plan submittal* through the Arizona Unified Certification Program (AZUCP) under 49 CFR 26 are eligible to participate as DBEs on City of Tucson contracts that are federally funded wholly or in part.

The Arizona Unified Certification Program (AZUCP) Database contains the **complete** listing of those firms which are certified and therefore eligible to participate as a DBE on a project. DBE participation is NOT limited to Pima County firms. Any DBE firm recognized through the AZUCP is eligible to be recognized as a certified DBE. The AZUCP Database can be accessed through the following internet address: (<http://www.azdbe.org/>). If the name of a firm does not appear in the AZUCP database, it shall be the bidder's responsibility to ascertain the certification status of the firm.

Questions regarding the AZUCP and the City's DBE Program can be addressed to the City's Office of Equal Opportunity Programs (OEOP) at (520) 791-4593.

The City of Tucson has provided an overall DBE goal for this project. Prime contractors should be aware that your obligation is to meet the DBE goal or submit an Affidavit of Good Faith Effort to waive any or all of the portion of the goal not met.

C. DBE PARTICIPATION

A DBE goal may only be met by a certified DBE firm performing a commercially useful function. A DBE may participate as a prime contractor, subcontractor, second-tier subcontractor, joint venture partner with either a prime contractor or a subcontractor, or as a vendor of materials or supplies. A DBE shall be responsible for a specific contract amount and a clearly defined portion of the work to be performed, in addition to meeting the requirements for ownership and control. Open ended contracts or reimbursable contracts may not be used to meet a DBE goal at the time of bid submission. A copy of an executed subcontract must be submitted upon request by the City of Tucson.

D. DBE GOALS

To satisfy the DBE goals, a certified DBE must perform a commercially useful function, i.e., must be responsible for a clearly defined portion of the work and must carry out its responsibility by actually performing, managing and supervising the work. Unless specific subcontractor participation goals are expressed in the specifications, contractors may meet the DBE project goals through the following methods:

Subcontractor Participation - Where a prime contractor utilizes one or more certified DBE subcontractor(s) to satisfy its DBE participation commitment, the prime contractor may claim only the value of the commercially useful function to be performed by such subcontractor(s) in order to obtain credit toward the satisfaction of the applicable goal.

1. Prime Contractors who utilize certified DBE firms whose participation is included in Force Account items, Allowances or in a Cost Reimbursement type contract, shall establish a signed contract value with the DBE firm and may only take credit for the dollar value of that contract towards satisfying its DBE commitment in their proposed DBE plan. The dollar value must be a specific amount based on anticipated work calculated by the subcontractor and is not reliant on any estimated values that may be listed in the bid schedule and cannot be specified as a range.

2. When a DBE participates in a contract, only the work actually performed by the DBE will count toward DBE goals.

a. Credit will be given for the entire amount of that portion of a contract by the DBE performing a commercially useful function, including the cost of supplies and materials obtained by the DBE for the work of the contract (including supplies purchased or equipment leased by the DBE except supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliate).

b. Credit will be given for the entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a federally funded contract, toward DBE goals, provided the fee is reasonable and not excessive as compared with fees customarily allowed for similar services.

c. When a DBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work may be counted toward DBE goals only if the DBE's subcontractor is itself a DBE. Work that a DBE subcontracts to a non-DBE firm does not count toward DBE goals. The value of work that a non-DBE subcontractor subcontracts (second-tier) to a DBE firm may count toward DBE goals. Therefore, **prime contractors are required to identify and report the use of any second tier subcontractors on the project on the DBE Plan form.**

d. Credit will be given when a DBE subcontracts part of the work of its contract to another firm only if the DBE's subcontractor is itself a DBE.

3. When a DBE is used as the source for materials or supplies:

a. If a DBE supplier manufactures the goods supplied, one hundred percent (100%) of the contract amount is credited towards the applicable DBE participation goal.

b. If a DBE supplier is a regular dealer (a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment are bought, kept in stock, and regularly sold or leased to the public), 60% of the cost of the materials or supplies will be credited toward DBE goals.

4. Where a contractor engages in a joint venture to satisfy its DBE commitment, the DBE joint venture partner must be responsible for a distinct and clearly defined portion of the work to be performed in addition to satisfying the requirements of ownership and control. DBE joint ventures do not have to be certified as a joint venture by the City prior to bid opening. However, prime contractors must submit information at the time of bid opening that includes a copy of the joint venture agreement and clearly outlines the work to be performed by the DBE joint venture partner, including the dollar amount and percentage of the contract to be performed.

When a DBE performs as a joint venture, the OEOP will count a portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces toward DBE goals.

II. SUBMITTAL REQUIREMENTS

A. SUBMISSION OF A DBE PLAN

The DBE Plan and/or Affidavit of Good Faith Efforts must be submitted with the project proposal.

The DBE Plan must include:

1. The names of the DBE subcontractors/suppliers;
2. The type and scope of work or service each DBE will perform;
3. The dollar value of work as a percentage of the total contract

- value.
4. If the contract goal is not met, evidence of good faith efforts.

If the completed Statement of Proposed DBE Plan or, if necessary, a documented waiver application is not included with the proposal, the proposal will be considered non-responsive.

B. DBE ACKNOWLEDGMENT OF PARTICIPATION

The Contractor will be required to submit to the Office of Equal Opportunity Programs (OEOP), a DBE Acknowledgment of Participation for each DBE listed on the proposed DBE Plan which provides signed confirmation that they are participating in the contract as provided in the prime contractor's commitment in their DBE plan.

C. REVIEW OF DBE PLANS

The OEOP Director may determine that the Plan and/or Affidavit of Good Faith Effort is nonresponsive where the contractor, (1) failed to provide a completed Statement of Proposed DBE Plan; (2) failed to identify DBEs by name, the scope of work and value of work as a percent of the total project amount sufficient to meet the applicable DBE goals for this project; (3) failed to achieve the dollar value of credible participation by certified DBEs as necessary to meet the project goals; (4) failed to provide written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal prior to contract execution; or (5) failed to meet the requirements for a waiver of the DBE goals. The OEOP Director's determination shall be in writing and shall state the basis for such decision.

III. GOOD FAITH EFFORT

A contractor must, in order to be responsive, make good faith efforts to meet the goal. The contractor can meet this requirement in either of two ways. First, the contractor can meet the goal, documenting commitments for participation by DBE firms sufficient for this purpose. Second, even if it does not meet the goal, the contractor can document adequate good faith efforts. This means that the contractor must show that it took all necessary and reasonable steps to achieve a DBE goal or other requirements of this part which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if they were not fully successful.

The application for a waiver shall be in writing and must be submitted with the project proposal. The request must indicate whether a complete or partial waiver is sought. If a partial waiver is being sought the scope of such waiver must be indicated. The contractor must provide documented evidence including a narrative statement with supporting affidavits and/or exhibits verifying the good faith efforts to meet the goals.

The following is a list of types of actions which the City will consider as part of the good faith efforts to obtain DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

A. Soliciting through all reasonable and available means the interest of all certified DBEs who have the capability to perform the work of the contract. The contractor must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The contractor must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

B. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.

C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

D. (1) Negotiating in good faith with interested DBEs. It is the contractor's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

(2) A contractor using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not itself sufficient reason for failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve them of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the City of Tucson or contractor.

G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

I. Communicating with the Office of Equal Opportunity Programs (OEOP) seeking technical or professional assistance in identifying available DBEs and requesting the most current Arizona Unified Certification Program (AZUCP) directory of certified DBE firms.

The City's OEOP Director shall review the waiver application and approve the waiver where the contractor has demonstrated good faith efforts or deem them nonresponsive where they failed to meet the good faith efforts.

IV. ADMINISTRATIVE RECONSIDERATION

If it is determined by the City's OEOP Director that the contractor has failed to meet the goal and/or document adequate good faith efforts, the contractor shall have the opportunity for administrative reconsideration. Therefore, within five (5) working days of being notified by OEOP that it is not responsive because it has not met the goal or documented adequate good faith efforts, a contractor may request administrative reconsideration. Contractors must make this request in writing to the following individual:

Procurement Director
City of Tucson
255 W. Alameda – PO Box 27210
Tucson, Arizona 85726.

The request for reconsideration must include the reasons and factual grounds for reconsideration with any supporting documents. The Procurement Director shall appoint a Reconsideration Official who will not have played any role in the original determination that the bidder did not document sufficient good faith efforts. The Reconsideration Official shall hold a hearing within ten (10) working days of the request for reconsideration. The contractor will have the opportunity to meet in person with the City's Reconsideration Official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The Reconsideration Official can also take testimony from City employees.

The City will send the contractor, via certified mail, a written decision on reconsideration, explaining the basis for finding that the contractor did or did not meet the goal or make adequate good faith efforts to do so. The decision will be sent within five (5) working days of the Reconsideration Hearing. The result of the reconsideration process is not administratively appealable. Copies of the reconsideration documentation, including supporting documents and the Reconsideration Officials final decision, shall be maintained in the contract file at Procurement and OEOP.

FAILURE TO SUBMIT THE REQUIRED INFORMATION BY THE STATED TIME AND IN THE MANNER HEREIN SPECIFIED SHALL BE CAUSE FOR THE CONTRACTOR TO BE DEEMED NONRESPONSIVE.

PURSUANT TO ADMINISTRATIVE PROCEDURES AND POLICIES, THE OEOP DIRECTOR MAY VERIFY AND/OR CLARIFY INFORMATION AND REQUEST RESUBMITTAL OF INFORMATION BASED ON CLARIFICATION AS IT RELATES TO THE AFFIDAVIT OF GOOD FAITH EFFORTS, AND/OR THE STATEMENT OF PROPOSED DBE PLAN.

V. GENERAL WAIVER OR REDUCTION OF DBE GOALS

If after consultation with appropriate City departments, the OEOP Director determines that DBE availability is less than projected, the OEOP Director may waive or reduce established project goals. In such circumstances, the OEOP Director shall certify that DBEs are not in fact available.

The City shall waive a project goal, at least in part, if the contractor requesting a waiver receives from all qualified DBEs, in one trade or industry, quotes or proposal that exceeds the lowest quote or proposal of a qualified non-DBE competing for the same work by the lesser of fifteen percent (15%) or two hundred and fifty thousand dollars (\$250,000). In such circumstances, the OEOP Director shall certify that DBEs are not in fact available to provide the needed labor and materials at competitive prices.

VI. MONITORING PAYMENTS TO SUBCONTRACTORS

Prime contractors must maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Tucson or federal government. This reporting requirement also extends to any certified DBE subcontractor. As part of the contract documents requirement, the contractor will submit company procedures and policy for prompt payment of work and prompt release of retention to subcontractors.

Prime contractors are required to pay **all** subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each progress payment made by the City of Tucson to the prime contractor.

The prime contractor is to pay **all** retention owed to a subcontractor within **30 days of satisfactory completion** of the contracted work. For the purposes of this section, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and accepted by the prime contractor as required by the City of Tucson. Payment of retention by a prime contractor to subcontractors following completion and acceptance of work is **NOT** dependent on the billing of, or payment from, the City of Tucson for the retention release. Required timeliness are indicated below:

- A. When a subcontractor has completed all the tasks called for in the subcontract, the subcontractor will submit a written request to the prime contractor for an acceptance inspection and release of all retention.
- B. Within 10 days of receipt of an inspection request by a subcontractor, the contractor shall schedule an inspection / walk through for acceptance of the work.
- C. Within 30 days of the acceptance of a subcontractors work, the prime contractor shall pay all retention owed to a subcontractor.

Once a subcontractor's work has been accepted, a prime contractor may bill the City of Tucson for release of retention equal to the amount of retention that is/has been released to a subcontractor.

Prime contractors are asked to submit the attached Certification of Payments, for each DBE subcontractor utilized on this project, once that portion of the work has been completed and the subcontractor has been paid in full.

Prime contractors will report the actual value of any contract to DBE firms for work committed to them at the time of the contract award. Contractors must submit the attached Supplier & Subcontractor Utilization List Final Payment Record to OEOP with their request for final payment. The Final Payment Record will record total dollar amounts paid to both DBE and non-DBE suppliers and subcontractors.

Prime contractors must provide notice to subcontractors that complaints of violations of the prompt payment provision may be submitted in writing to the City of Tucson Office of Equal Opportunity Programs Director, 201 N. Stone Ave., 3rd Floor NW, Tucson, Arizona 85701. The complaint shall set forth the facts and identify the prime contractor and the project. Subcontractors will be assisted by the Office of Equal Opportunity Programs with the complaint process.

A copy of the DBE contract provisions shall be included with every subcontract.

The City of Tucson may withhold payment from the prime contractor for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

The City of Tucson may withhold payment from the prime contractor for failure to submit and/or complete required documents.

VII. MISCELLANEOUS PROVISIONS

A. CONTRACT PROVISIONS

The contractor's distinct contract items of work to be awarded to DBEs shall be performed by the designated DBE or DBE substitute approved by the OEOP and the Procurement Department. DBE contract work items shall not be performed by the contractor in lieu of subcontracting, without OEOP's approval. Contract items eliminated from the project, with the approval of the Project Manager, will not

reduce the contractor's credit for DBE participation. The DBE must perform a commercially useful function, that is, the DBE must manage, perform, and supervise a distinct element of work.

An executed subcontract with all DBE subcontractors shall be completed prior to the Notice To Proceed, and available to the City of Tucson upon request.

B. NON-PERFORMANCE BY DBEs

In the event that a DBE is unable or unwilling to fulfill its agreement with the contractor, the contractor will immediately notify the OEOP and the Project Manager and provide all facts surrounding the matter. The DBE firm can be terminated only for good cause. Good cause includes a situation where the DBE subcontractor has failed or refused to perform the work of its subcontract in accordance with normal industry standards. Such failure on the part of a DBE will not relieve the contractor of responsibility for meeting the DBE participation goal on the contract. The contractor shall immediately take adequate good faith efforts to obtain another certified DBE to perform an equal or greater dollar value of the work. The substitute DBEs name, description of work and all written and signed commitments, and dollar value of the work shall be submitted to the OEOP, and the OEOP's approval must be obtained prior to the substitute DBE beginning work. If the contractor fails or refuses to comply, the OEOP will recommend that the City issue an order stopping all or part of payment/work until satisfactory action has been taken. If the contractor still fails to comply, the City may terminate the contract for cause and/or pursue any other remedy available to the City.

C. CONTRACTOR PERFORMANCE EVALUATION

At the conclusion of every City of Tucson construction project, the prime contractor is required to complete the OEOP Prime Contractor Report of Subcontractor Utilization. The report will include a section to rate the performance of project subcontractors from 1 -- 5, based on industry standards. The performance rating section shall be completed. A score of 3 is considered average. A score of 4 or 5 is considered above average. A score of 1 or 2 is considered as poor performance. A rating of 1 or 2 regarding a subcontractor will require the prime contractor to complete a performance evaluation report documenting the cause for the sub-performance rating. The City of Tucson Project Manager must concur with all poor performance ratings. Repeated poor performance may result in action by the OEOP Director up to and including decertification in accordance with Sec. 28-148(8)(8) of the SBE ordinance.

D. RECORD-KEEPING

The City of Tucson will require prime contractors to maintain records and documents of payments to DBE for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Tucson or federal government. The reporting requirement also extends to any certified DBE subcontractors.

E. FALSE, FRAUDULENT OR DISHONEST CONDUCT

The City of Tucson will bring to the attention of the federal government any false, fraudulent or dishonest conduct in connection with the DBE Diversity Program for Contracts so that the federal government can take steps (e.g., referral to the Department of Justice for criminal prosecution, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR 26.109. The City will also consider similar action under its own legal authorities, including responsibility determinations in future contracts.

F. NON-DISCRIMINATION

The City of Tucson shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any federal contract or in the administration of its DBE Program or the requirements of 49 CFR 26. The recipient shall take all necessary and reasonable steps under 49 CFR 26 to ensure nondiscrimination in the award and administration of federal contracts. The recipient's DBE Program, as

required by 49 CFR 26, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the City of Tucson of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

A COMPLETED DBE PLAN AND/OR AFFIDAVIT OF GOOD FAITH EFFORTS MUST BE SUBMITTED WITH THE PROPOSAL

**City of Tucson
Equal Opportunity Office**

AFFIDAVIT OF GOOD FAITH EFFORTS

CONTRACT NO: _____ PROJECT NAME: _____

COMPANY NAME: _____

CONTACT NAME: _____ PHONE NUMBER: _____ FAX NUMBER: _____

WHERE A CONTRACTOR FAILS TO EXERCISE "GOOD FAITH" EFFORTS TO MEET DBE GOALS, AS REQUIRED BY THE CITY OF TUCSON, THE BIDDER WILL BE DEEMED NONRESPONSIVE.

The intent of this certification is to document the good faith efforts implemented by the contractor in soliciting and utilizing DBE firms to meet the City of Tucson's DBE goals. This certificate will assist the City of Tucson's Office of Equal Opportunity Programs in determining whether the contractor has implemented comprehensive good faith efforts. Pursuant to Administrative procedures and policies, the OEOP Director may verify and/or clarify information as it relates to the Affidavit of Good Faith Efforts and/or the Statement of Proposed DBE Plan. The burden of proof rests with the contractor.

Is a partial or complete waiver being sought? Please explain. Note: If a partial waiver is being sought the scope of such waiver must be indicated and a DBE plan must also be submitted.

5. Which DBE firms were solicited in writing for subcontract or supplier quotes/bids? Also, in the appropriate space identify when the firms received subsequent telephone solicitations. Attach supporting documentation (e.g. copy of written solicitation to DBE firms, along with copies of telephone logs documenting follow-up communications, etc.).

Name of Company Contacted Telephone #	Contact Person			Dates of Contact	

6. Was the City of Tucson's Office of Equal Opportunity Programs (OEOP) technical or professional staff contacted for assistance? (Note that it is the policy of the OEOP to offer technical support to respondents to ensure that all avenues have been exhausted in meeting the DBE goals.) Attach necessary documentation.

Yes _____ No _____ Date of Contact _____ OEOP Contact Person _____

7. Describe any efforts undertaken to provide DBE firms with information about the project plans, specifications and requirements of the contract.

8. Describe any additional efforts undertaken to assist DBE firms (e.g. bonding assistance, fines of credit, etc.)

9. Indicate which DBE firms submitted quotes on the contract proposal and provide a brief explanation of the reasons why these quotes were rejected. If price was a factor provide documentation to show quotes received from non-certified firms.

Explanation for Rejecting Quotes

Name of DBE Firm

10. Were any proposals from DBE subcontractors that were no more than 15% or \$250,000 greater than the accepted Non-DBE subcontractor rejected? If so describe in detail.

11. Describe in detail any supplemental items or efforts which you wish to have the department consider as part of your Good Faith Effort. Attach additional documentation on sheets for this item.

MUST BE SUBMITTED WITH THE PROPOSAL

City of Tucson
Office of Equal Opportunity Programs (OEOP)
DBE ACKNOWLEDGMENT OF PARTICIPATION

CONTRACT NO. _____ PROJECT NAME: _____

TRADE/INDUSTRY/SUPPLY/EQUIPMENT: _____

DOLLAR VALUE OF THE CONTRACT: _____

DBE Firm: _____

DBE Signature: _____

Phone No. _____ Date: _____

Name: _____

Title: _____

I hereby certify that _____ is participating in the contract as provided in the Proposed DBE Plan and that the information shown above is a true reflection of the proposed subcontract.

Prime Contractor's Signature: _____

MUST BE SUBMITTED WITH REQUEST FOR FINAL PAYMENT

**City of Tucson
Office of Equal Opportunity Programs (OEOP)**

**SUPPLIER AND SUBCONTRACTOR UTILIZATION LIST
FINAL PAYMENT RECORD**

Pursuant to administrative procedures and policies, the OEOP Director may verify and/or clarify and request resubmittal of information to verify or clarify information as it relates to the contractor's Final Payment Record.

CONTRACT No. _____ Bid Amount: _____ Project Name: _____

<u>FIRM NAME</u>	<u>DBE</u>	<u>TRADE/INDUSTRY</u>	<u>SUPPLIER TOTAL PAYMENT MADE</u>
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__
_____	Y__N__	_____	Y__N__

CERTIFICATION OF PAYMENTS TO DBE FIRMS

Project Name: _____
COT Job No.: _____ Contract No.: _____
Fed Job No.: _____ State TRACS No.: _____

The undersigned prime contractor on the above named City of Tucson project hereby, certifies that full payment was made to the firm indicated for material and/or work performed under this project's contract as follows:

Firm Name _____, was paid \$ _____

The subcontract was completed on _____

Full Retention has been released to the Subcontractor by the Prime Contractor Yes / No

This certification is made under Federal and State laws concerning false statement. Supporting documentation for this payment is subject to audit and should be retained for a minimum of three years from project acceptance date. In the event the DBE was not paid in accordance with affidavits submitted by the prime contracts, all documentation supporting the contractors position should be submitted.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS, THAT THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Prime Contractor

By: _____

Title: _____

Date: _____

The undersigned subcontractor/supplier/manufacture for the above named project hereby certifies that payments were received and/or justification by contractor is correct.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS, THAT THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Subcontractor/Supplier/Manufacturer

By: _____

Title: _____

Date: _____

MUST BE SUBMITTED WITH THE PROPOSAL

SUBCONTRACTOR PROMPT PAYMENT REQUIREMENTS

CONTRACT NO: _____

PROJECT NAME: _____

DBE Contract Provisions – Section V. Monitoring Payments to Subcontractors

Prime contractors are required to pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each progress payment made by the City of Tucson to the prime contractor.

The prime contractor is to pay **all** retention owed to a subcontractor within **30 days of satisfactory completion** of the contracted work. For the purposes of this section, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and accepted by the prime contractor as required by the City of Tucson.

Payment of retention by a prime contractor to subcontractors following completion and acceptance of work is **NOT** dependent on the billing of, or payment from, the City of Tucson for the retention release.

Once a subcontractor's work has been accepted, a prime contractor may bill the City of Tucson for release of retention equal to the amount of retention that is/has been released to a subcontractor.

The City of Tucson may withhold payment from the prime contractor for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

By signing below I acknowledge and agree to the DBE subcontractor prompt payment requirements.

Company Name: _____

Signature: _____

Name & Title: _____

Date: _____

OVERHEAD RATE SCHEDULE BASED ON ALLOWABLE AND UNALLOWABLE COSTS HORROCKS ENGINEERS, INC

FOR THE YEAR OR PERIOD ENDED: DECEMBER 31, 2011 _____

THIS SCHEDULE IS PROVIDED AS AN ASSISTANCE IN CALCULATING AN OVERHEAD RATE BASED ON TOTAL DIRECT LABOR COSTS. YOUR COMPANY'S ACCOUNTS AND STRUCTURE MAY VARY WHICH IS ACCEPTABLE. THIS SCHEDULE IS INTENDED TO BE USED AS A GUIDELINE TO HELP ESTABLISH A STANDARD REPORTING FORMAT AND COMPLY WITH THE FEDERAL ACQUISITION REGULATIONS (FAR), TITLE 48, PART 31.

YOUR EXPENSE ACCOUNT BALANCE IN YOUR OVERHEAD RATE SCHEDULE SHOULD AGREE WITH YOUR INCOME STATEMENT

ACCOUNT DESCRIPTION	EXPENSE ACCOUNT BALANCE	TOTAL COSTS AS PERCENT OF DIRECT LABOR	FAR UNALLOWED COSTS	FAR ALLOWED COSTS	TOTAL ALLOWED OVERHEAD RATE PERCENT
Total Direct Labor	\$ 9,496,918	100.00%	\$ -	\$ 9,496,918	100.00%
Fringe Benefits & Related Costs:					
Payroll Taxes	\$ 1,259,128	13.26%	\$ -	\$ 1,259,128	13.26%
Employee Insurance & Benefits	\$ 1,973,972	20.79%	\$ -	\$ 1,973,972	20.79%
Vacation/Holiday/Sick Leave	\$ 1,273,612	13.41%	\$ -	\$ 1,273,612	13.41%
Total Fringe Benefits	\$ 4,506,712	47.45%	\$ -	\$ 4,506,712	47.45%
General Overhead (Indirect Expenses)					
Indirect Labor	\$ 5,659,702	59.60%	\$ 314,016	\$ 5,345,686	56.29%
Bad Debt	\$ 67,350	0.71%	\$ 67,350	\$ -	0.00%
Bonuses	\$ 160,680	1.69%	\$ -	\$ 160,680	1.69%
Building Maintenance	\$ 27,004	0.28%	\$ -	\$ 27,004	0.28%
Copies/Reproductions	\$ 246,166	2.59%	\$ -	\$ 246,166	2.59%
Depreciation	\$ 92,168	0.97%	\$ 50,821	\$ 41,347	0.44%
Donations	\$ 2,915	0.03%	\$ 2,915	\$ -	0.00%
Dues/Subscriptions	\$ 52,101	0.55%	\$ 3,271	\$ 48,830	0.51%
Education/Seminars	\$ 53,213	0.56%	\$ -	\$ 53,213	0.56%
Employee Benefits-Unallowed	\$ 59,112	0.62%	\$ 59,112	\$ -	0.00%
Indirect Business Meals	\$ 79,583	0.84%	\$ 11,937	\$ 67,646	0.71%
Indirect Mileage	\$ 604,116	6.36%	\$ 86,073	\$ 518,043	5.45%
Information Technology	\$ 907,593	9.56%	\$ -	\$ 907,593	9.56%
Interest Expense	\$ 95,739	1.01%	\$ 95,739	\$ -	0.00%
Legal/Accounting/Leins	\$ 158,860	1.67%	\$ 118,150	\$ 40,710	0.43%
Officer Life Insurance	\$ (2,450)	-0.03%	\$ (2,450)	\$ -	0.00%
Other Business Development	\$ 58,666	0.62%	\$ 58,666	\$ -	0.00%
Postage	\$ 19,787	0.21%	\$ -	\$ 19,787	0.21%
Recruiting	\$ 1,200	0.01%	\$ -	\$ 1,200	0.01%
Rent	\$ 1,540,308	16.22%	\$ -	\$ 1,540,308	16.22%
Small Tools/Equipment	\$ 138,586	1.46%	\$ -	\$ 138,586	1.46%
Supplies	\$ 103,725	1.09%	\$ -	\$ 103,725	1.09%
Taxes/Insurance/Licenses	\$ 318,379	3.35%	\$ -	\$ 318,379	3.35%
Telephone/Radio	\$ 187,930	1.98%	\$ -	\$ 187,930	1.98%
Travel, Meals, Lodging	\$ 143,293	1.51%	\$ -	\$ 143,293	1.51%
Utilities	\$ 39,904	0.42%	\$ -	\$ 39,904	0.42%
Miscellaneous Expenses (Reasonable)	\$ 8,673	0.09%	\$ -	\$ 8,673	0.09%
Total General Overhead (Indirect Expenses)	\$ 10,824,303	113.98%	\$ 865,600	\$ 9,958,703	104.86%
Total Fringe Benefits & General Overhead	\$ 15,331,015	161.43%	\$ 865,600	\$ 14,465,415	152.32%

NOTE:

Utah State Transportation and Administrative Rule R907-86 defines key management officers whose bonuses or incentive compensation cannot be reimbursed on cost reimbursable contracts with consultant engineering firms. Bonuses and incentive compensation for key management officers are not eligible for reimbursement. Key management officers include: owners, presidents, chief executive officers, or other individuals who act in a similar management capacity. Bonuses or incentive compensation for non-key management employees may be eligible for reimbursement if: (1) the consultant enters into an agreement with its employees pursuant to an established plan or policy before the services are rendered, (2) the agreement establishes the terms by which the consultant pays bonuses or incentive compensation to employees, (3) the basis for payment of bonuses or incentive compensation is supported and documented, (4) the bonuses or incentive compensation are reasonable. UDOT will remove ineligible bonus/incentive compensation from the overhead cost pool when developing the allowable overhead indirect cost rate. (Please see the attached Bonus Administration Rule R907-86)

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
3/8/2013

PRODUCER
Dealey, Renton & Associates
P. O. Box 10550
Santa Ana CA 92711-0550

INSURED
PSOMAS
555 South Flower Street, Suite 4300
Los Angeles CA 90071

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A: ACE American Insurance Company
INSURER B: Travelers Property Casualty Co of Ameri
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual <input checked="" type="checkbox"/> BFPD, XCU GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	630265M676A	10/15/2012	10/15/2013	EACH OCCURRENCE	\$1,000,000
					FIRE DAMAGE (Any one fire)	\$1,000,000
					MED EXP (Any one person)	\$10,000
					PERSONAL & ADV INJURY	\$1,000,000
					GENERAL AGGREGATE	\$2,000,000
					PRODUCTS - COMP/OP AGG	\$2,000,000
					Deductible*	\$10,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	810265M676A	10/15/2012	10/15/2013	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY: EA ACC	\$
					AGG	\$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	UB6A526643	10/15/2012	10/15/2013	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
					E.L. EACH ACCIDENT	\$1,000,000
					E.L. DISEASE - EA EMPLOYEE	\$1,000,000
					E.L. DISEASE - POLICY LIMIT	\$1,000,000
A	OTHER Professional Liability Claims Made	G23638381004	10/15/2012	10/15/2013	Per Claim	\$1,000,000
					Annual Aggregate	\$1,000,000
					Deductible	\$250,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 General Liability policy excludes claims arising out of the performance of professional services. Independent Contractors Included as respects to General Liability.
 *General Liability deductible applies to property damage only
 7TUS130101; Client's Contract/Job #: RFQ No. 130677; On-Call Traffic Engineering Services.
 THE CITY OF TUCSON & REGIONAL TRANSPORTATION AUTHORITY (RTA) are additional insured as respects to General and Auto Liability as required by written contract. Primary and Non-Contributing coverage, Waiver of Subrogation applies to GL as required by written contract.

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION 10 Day notice for Non-Paymnt of Prem
City of Tucson & Regional Transportation Authority (RTA) Attn: Matt Hausman P.O. Box 27210 Tucson AZ 85726		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. AUTHORIZED REPRESENTATIVE <i>Karin Phoro</i>

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – WRITTEN CONTRACTS (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following is added to **SECTION II – WHO IS AN INSURED:**

Any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:

- a. Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
- b. If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

The insurance provided to such additional insured is limited as follows:

- c. In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
- d. This Insurance does not apply to the rendering of or failure to render any "professional services" or construction management errors or omissions.
- e. This insurance does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured ap-

plies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

2. The following is added to Paragraph 4.a. of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

The insurance provided to the additional insured is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover. However, if you specifically agree in the "written contract requiring insurance" that this insurance provided to the additional insured under this Coverage Part must apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But this insurance provided to the additional insured still is excess over any valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any "other insurance".

3. The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

Duties Of An Additional Insured

As a condition of coverage provided to the additional insured:

- a. The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:

COMMERCIAL GENERAL LIABILITY

- i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against the additional insured, the additional insured must:
- i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.
- The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d. The additional insured must tender the defense and indemnity of any claim or "suit" to

any provider of other insurance which would cover the additional insured for a loss we cover. However, this condition does not affect whether this insurance provided to the additional insured is primary to that other insurance available to the additional insured which covers that person or organization as a named insured.

4. The following is added to the **DEFINITIONS** Section:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| A. BROAD FORM NAMED INSURED | H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT |
| B. BLANKET ADDITIONAL INSURED | I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT |
| C. EMPLOYEE HIRED AUTO | J. PERSONAL EFFECTS |
| D. EMPLOYEES AS INSURED | K. AIRBAGS |
| E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS | L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS |
| F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS | M. BLANKET WAIVER OF SUBROGATION |
| G. WAIVER OF DEDUCTIBLE – GLASS | N. UNINTENTIONAL ERRORS OR OMISSIONS |

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II – LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and

executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

COMMERCIAL AUTO

2. The following replaces Paragraph b. in B.5., Other Insurance, of SECTION IV – BUSINESS AUTO CONDITIONS:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – LIABILITY COVERAGE:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of SECTION II – LIABILITY COVERAGE:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of SECTION II – LIABILITY COVERAGE:

- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph B.7., Policy Period, Coverage Territory, of SECTION IV – BUSINESS AUTO CONDITIONS:

- (5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or

within such country or jurisdiction, for Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., Limit Of Insurance, of SECTION II – LIABILITY COVERAGE.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., Limit Of Insurance, of SECTION II – LIABILITY COVERAGE, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available

to the "insured" whether primary, excess contingent or on any other basis.

- (c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL EFFECTS

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Personal Effects

We will pay up to \$400 for "loss" to wearing apparel and other personal effects which are:

- (1) Owned by an "insured"; and
- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Effects coverage.

K. AIRBAGS

The following is added to Paragraph B.3., **Exclusions**, of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- b. The airbags are not covered under any warranty; and
- c. The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- (a) You (if you are an individual);
- (b) A partner (if you are a partnership);
- (c) A member (if you are a limited liability company);
- (d) An executive officer, director or insurance manager (if you are a corporation or other organization); or
- (e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph B.2., **Concealment, Misrepresentation, Or Fraud**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

EXHIBIT B
SCOPE OF WORK, LIST OF MATERIALS, SPECIFICATIONS
AND OTHER MODIFICATIONS TO UNDERLYING CONTRACT

EXHIBIT C
PAYMENT & COMPENSATION TERMS

EXHIBIT D
INSURANCE REQUIREMENTS

COVERAGE AFFORDED

LIMITS OF LIABILITY

Worker's Compensation

Statutory

Commercial General
Liability Insurance
Including:

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

- A. Products & Completed Operations
- B. Blanket Contractual
- C. Premises-Operations-Personal Injury

The following Automobile Liability Insurance coverage will also be required for all professional services contracts which require automobile travel by Contractor.

Comprehensive Automobile Liability
Insurance including: non-owned, and
Hired vehicles

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

SPECIAL CONDITIONS:

1. THE TOWN OF SAHUARITA WILL BE ADDED AS ADDITIONAL INSURED UNDER THE COMMERCIAL GENERAL LIABILITY AND COMPREHENSIVE AUTOMOBILE LIABILITY POLICIES.
2. Policies will not be cancelled or reduced in coverage without ten (10) days written notice to the Town.
3. Deductibles will be stated on the certificate of insurance and are subject to the review and approval of the Town.
4. Contractor shall provide Town with proof of compliance with the insurance provisions and requirements within ten (10) days of the date this Contract is executed by all parties by providing a current certificate of insurance and the associated endorsement to the policy. Failure of Contractor to comply with the insurance requirements at any time shall result in a breach of this Agreement, and shall, among other things, allow immediate termination of this Agreement.
5. Contractors performing any portion of a Project that shall acquire funding from the Regional Transportation Authority (RTA) shall name the RTA as additional insured and additional indemnitee. The RTA shall be identified as an additional insured with respect to insurance policies for general liability, automobile liability and defects in design. Contractor is also required to name the RTA as an additional beneficiary in any performance and payment related assurances posted for the Project.

EXHIBIT E
LEGAL NOTICES

<p><u>TOWN:</u></p> <p>L. Kelly Udall, Town Manager Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>with a copy to:</u></p> <p>Daniel J. Hochuli, Town Attorney Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>and:</u></p> <p>Sheila M. Bowen, P.E. Public Works Director / Town Engineer Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p>	<p><u>CONTRACTOR:</u></p> <p>Alejandro Angel, PE, PhD, PTOE, Vice President Psomas, Inc. 333 E. Wetmore Road Tucson, AZ 85705</p> <p><u>With a copy to:</u></p> <p>NONE</p>
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COOPERATIVE PURCHASING CONTRACT

Town of Sahuarita, Arizona



Department: Public Works Department
Contractor: Kimley-Horn and Associates, Inc.
Project Name: On-Call Traffic Engineering Services
Project Number: N/A
Contract Dates: Start: 10/11/2016 End: 10/10/2017
Contract Number: 170029
Amount: Not to Exceed \$150,000.00
Funding Source: Various

TOWN COUNCIL MEMBERS

Mayor Duane Blumberg
Vice Mayor Bill Bracco
Kara Egbert
Gil Lusk
Tom Murphy
Lynne Skelton
Melissa L. Hicks

TOWN MANAGEMENT

L. Kelly Udall, Town Manager
Sheila M. Bowen, P.E. Public Works Director / Town Engineer

COOPERATIVE PURCHASING CONTRACT

THIS CONTRACT is entered into between the Town of Sahuarita, Arizona, an Arizona municipal corporation (hereinafter "Town"), and Kimley-Horn and Associates, a North Carolina corporation (hereinafter "Contractor").

WITNESSETH

Whereas, Town requires the services of a vendor and/or contractor qualified and duly licensed in the Town of Sahuarita and the State of Arizona and qualified to provide traffic engineering services; and

Whereas, Contractor is qualified and willing to provide such services; and

Whereas, Section 3.15.060 (C) of the Sahuarita Town Code provides that in the event of a purchase made by, through, or with any public agency as defined in Arizona Revised Statutes § 11-951, the Town Council may approve such purchases or award such contracts for services without a formal bidding process, and Contractor meets all such requirements.

A G R E E M E N T

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter provided, it is agreed between the Town and the Contractor as follows:

- 1 **INCORPORATION OF CONTRACT.** The parties hereby incorporate that certain contract between Contractor and the City of Tucson attached hereto as Exhibit "A" (the "Underlying Contract") as if fully set forth herein, and agree that (i) the Town shall be substituted in place of the other governmental entity, (ii) the Underlying Contract shall bind the parties to the fullest extent possible, and (iii) any clarifications or modifications to the Underlying Contract shall be set forth herein.
- 2 **TERM.** This Contract shall commence on October 11, 2016, and shall terminate on October 10, 2017, unless sooner terminated or further extended.
- 3 **SCOPE OF WORK.**
 - 3.1 The work to be performed under this Contract is that work which is requested pursuant to the Scope of Work, list of materials, or other specifications attached hereto as Exhibit "B" and incorporated herein by this reference. Any clarifications, substitutions, corrections, additions, or other modifications to the Underlying Contract shall also be set forth on Exhibit "B."
- 4 **PAYMENT.**
 - 4.1 In consideration of the services specified in this Contract, the Town agrees to pay the Contractor as set forth in the Underlying Contract, as clarified or modified as set forth in Exhibit "C" to this Agreement.
 - 4.2 Contractor shall not perform work in excess of the contract amount without prior authorization by an amendment executed by all parties to this Contract. Work performed in excess of the contract amount without prior authorization by amendment shall be at Contractor's own risk.
- 5 **CONFLICT OF INTEREST.** This Contract is subject to the provisions of A.R.S. § 38-511.
- 6 **NOTICES.** Any notice required or permitted to be given under this Contract shall be in writing and shall be served by delivery or by certified mail upon the other party as provided on Exhibit "E" to this Contract.
- 7 **Non-Discrimination.** Contractor agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive Order 99-4 and amends Executive Order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website <http://azmemory.azlibrary.gov/cdm/ref/collection/execorders/id/680> which is hereby incorporated into this Agreement as if set forth in full herein. During the performance of this

Agreement, the Parties shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

- 8** **COMPLIANCE WITH FEDERAL AND STATE LAWS.** In the event this contract refers to services, the following shall apply. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1988. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

- 8.1** Under the provisions of A.R.S. §41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

The Town retains the legal right to inspect the papers of any Contractor or Subcontractors employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any of subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

Neither the Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

- 9.** **NON-APPROPRIATION OF FUNDS.** Notwithstanding any other provision in this Contract, this Contract may be terminated if for any reason the Sahuarita Town Council does not appropriate sufficient monies for the purpose of maintaining this Contract. In the event of such termination, Town shall have no further obligation to Contractor, other than for services rendered prior to termination.

IN WITNESS THEREOF, the parties have affixed their signatures to this Contract on the dates written below.

TOWN OF SAHUARITA, ARIZONA

ATTEST:

Duane Blumberg
Mayor

Lisa Cole, MMC, Town Clerk

Date: _____

TOWN OF SAHUARITA

CONTRACTOR
KIMLEY-HORN AND ASSOCIATES, INC.

L. Kelly Udall, Town Manager/Purchasing Director

Name: Brent C. Crowther
Title: Vice President

DEPARTMENT HEAD:

Date: _____

Sheila M. Bowen, P.E. Public Works Director / Town
Engineer

Federal Tax ID Number: 56-0885615

D-U-N-S Number: 061099131

APPROVED AS TO FORM:

Daniel J. Hochuli, Town Attorney

Federal Tax ID Number: 86-0777111

D-U-N-S Number: 963704101

EXHIBIT A
UNDERLYING CONTRACT (WITH ALL AMENDMENTS TO DATE)

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
 255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 PHONE: (520) 837-4125/FAX: (520) 791-4735
Dan.Longanecker@tucsonaz.gov
 ISSUB DATE: Monday, January 25, 2016

CONTRACT NO. 130677-02
 CONTRACT AMENDMENT NO: Two (2) Three (3)
 PAGE 1 of 3
 DL/car
 PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

On-Call Traffic Engineering

ITEM 1: CONTRACT RENEWAL

Pursuant to **Contract 130677: On-Call Traffic Engineering**, Section III, Contract Term and Renewal, the City is hereby exercising its option to renew the contract for the period of **March 1, 2016 through February 28, 2017.**

INSURANCE:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the **City of Tucson and Regional Transportation Authority (RTA)** as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
- C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
III. Workers' Compensation (applicable to the State of Arizona)^{*1}	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
IV. Professional Liability (Errors & Omissions) - In addition to I, II, III	
Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

^{*1} Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT

255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701

P.O. BOX 27210, TUCSON, AZ 85726

PHONE: (520) 837-4125/FAX: (520) 791-4735

Dan.Longanecker@tucsonaz.gov

ISSUE DATE: Monday, January 25, 2016

CONTRACT NO. 130677 -02

CONTRACT AMENDMENT NO: ~~Two (2)~~ Three (3)

PAGE 2 OF 3

DL/car

PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

- D. ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:
1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
 2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. ACCEPTABILITY OF INSURERS:** Contractors insurance shall have an "A.M. Best" rating of not less than A-VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- G. VERIFICATION OF COVERAGE:** Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.
- All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.
- All certificates required by this Contract shall be sent directly to the Department of Procurement.
- The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.
- H. SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4125/FAX: (520) 791-4735
Dan.Longanecker@tucsonaz.gov
ISSUE DATE: Monday, January 25, 2016

CONTRACT NO. 130677-02
CONTRACT AMENDMENT NO: ~~Two (2)~~ Three (3)
PAGE 3 OF 3
DL/ear
PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

*******END OF AMENDMENT*******

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 3rd DAY OF February, 2016, AT TUCSON, ARIZONA.

Brent Crowther
Signature Date

BRENT C CROWTHER, VICE-PRESIDENT
Print Name and Title

Kimley-Horn

Company Name

333 E Wetmore Road, Ste 280
Address

Tucson AZ 85705
City State Zip

brent.crowther@kimley-horn.com
E-Mail Address

Marcheta Gillespie

Marcheta Gillespie C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT

255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701

P.O. BOX 27210, TUCSON, AZ 85726

PHONE: (520) 837-4125/FAX: (520) 791-4735

Dan.Longanecker@tucsonaz.gov

ISSUE DATE: Tuesday, December 09, 2014

CONTRACT NO. 130677 - 02

CONTRACT AMENDMENT NO: Two (2)

PAGE 1 of 2

DL/car

PRINCIPAL CONTRACT OFFICER: DAN LONGANECKER, CPPB

THIS CONTRACT IS AMENDED AS FOLLOWS:

On-Call Traffic Engineering

ITEM 1: CONTRACT RENEWAL

Pursuant to Contract 130677: On-Call Traffic Engineering, Section III, Contract Term and Renewal, the City is hereby exercising its option to renew the contract for the period of **March 1, 2015 through February 28, 2016.**

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

David O. Perkins 12-09-2014
Signature Date

DAVID PERKINS, SENIOR V.P.
Print Name and Title

KIMLEY-HORN AND ASSOCIATES, INC
Company Name

333 E. WETMORE ROAD, SUITE 280
Address

TUCSON AZ 85705
City State Zip

dave.perkins@kimley-horn.com
E-Mail Address

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 19th DAY

OF December 20 14, AT TUCSON, ARIZONA.

Victor Shand

for Marcheta Gillespie C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CONTRACT AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR
TUCSON AZ 85726-7210
(520) 837-4123

CONTRACT NO.: 130677
CONTRACT AMENDMENT NO.: ONE (1)
PAGE 1

CONTRACT OFFICER: Matt Hausman

THIS CONTRACT IS AMENDED AS FOLLOWS:

CONTRACT NO. 130677

ON-CALL TRAFFIC ENGINEERING SERVICES

AMENDMENT NO. ONE (1)

ITEM NO. ONE (1)

In accordance with the Contract – III. CONTRACT TERM AND RENEWAL, the parties hereby agree to renew the contract for the period of 3/1/2014 through 2/28/2015.

ITEM NO. TWO (2)

VI. STANDARD TERMS AND CONDITIONS – 22. INDEMNIFICATION, is hereby replaced with the following:

22. INDEMNIFICATION: To the fullest extent permitted by law, Consultant, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Consultant relating to work or services in the performance of this Contract, but only to the extent caused by negligence, recklessness or intentional wrongful conduct including but not limited to, any Subconsultant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Consultant's and Subconsultant's employees, provided, however, that this duty to indemnify, hold harmless and defend shall not include losses, damages, claims, liabilities, costs and expenses to the extent arising from the acts or omissions of the City. If Consultant or any of Consultant's employees are certified to receive a premium tax credit or cost sharing reduction which triggers a §4980H (a) or (b) penalty against the City, the Consultant shall indemnify the City from and shall pay any assessed tax penalty.

ITEM NO. THREE (3)

VI. STANDARD TERMS AND CONDITIONS - 23. INDEPENDENT CONTRACTOR, is hereby replaced with the following:

23. INDEPENDENT CONTRACTOR: It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

David D. Perkins 05-01-2014
Signature Date

DAVID D. PERKINS, SENIOR V.P.
Typed/Printed Name and Title

KIMLEY-HORN AND ASSOCIATES, INC
Company Name

333 E WETMORE ROAD STE 280
Address

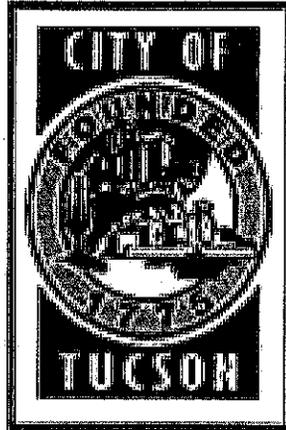
Tucson AZ 85705
City State Zip

dave.perkins@kimley-horn.com
E-MAIL

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS 01st DAY OF May, 2014, AT TUCSON, ARIZONA.

Marcheta Gillespie
Marcheta Gillespie, C.P.M., CPPO, CPPB, CPM
As Director of Procurement and not personally

CITY OF TUCSON



Contract 130677-02

On-Call Traffic Engineering Services

**Kimley-Horn and
Associates, Inc.**

CONTRACT 130677 ON-CALL TRAFFIC ENGINEERING SERVICES

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CONTRACT 130677 ON-CALL TRAFFIC ENGINEERING SERVICES

I. INTRODUCTION

The City of Tucson has selected TWO (2) on-call consultants to provide study, analysis, and design support on various traffic engineering projects. Local, Regional Transportation Authority (RTA) and Federal Highway Administration (FHWA) funding will be used on projects under the resulting contract. As such, both Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) program provisions will be incorporated into the resulting contract(s) with projects over \$50,000 being reviewed for potential SBE/DBE goals.

When the City requires the services of a consultant, and the City can adequately define an exact scope of work, the consultant will receive a written request from the City for a proposal. In the case where the City cannot adequately define the scope, the consultant will be requested to prepare a scope of work from the information provided by the City. From this proposed scope of work the consultant shall prepare a proposal and submit both to the City for review. The proposal shall consist of personnel requirements, cost projections, project schedule, and any other attachments requested.

With respect to design projects, the consultant shall prepare plans, specifications, and cost estimates to the latest Pima County/City of Tucson Standard Specifications and Details for Public Improvements, AASHTO, IES, and/or MUTCD in preparation for a bid advertisement. Actual bid advertisement will be by the City. All design drawings shall be prepared on computer and those files shall ultimately become the possession of the City. The consultant shall work closely with City staff at all times to ensure timely and comprehensive reviews of work in progress.

Individual projects assigned under this contract shall not exceed \$100,000.00 unless a waiver is requested of and approved by the Director of Procurement prior to issuance of a notice to proceed. Total annual contract amount is not expected to exceed \$200,000.00.

II. SCOPE OF WORK

1. GENERAL SCOPE OF WORK:

This scope of work provides for consultant engineering and drafting services on an "as needed" basis. All work shall be performed to the latest Pima County/City of Tucson Standard Specifications and Details for Public Improvements, or other standards/policies approved by either the City Engineer or City Traffic Engineer. The consultant shall perform traffic engineering services on an "as needed" basis. Traffic engineering services that shall be required include, but are not limited to, the following work and tasks:

- Traffic Engineering studies
- Traffic Engineering review of CIP Construction Plans and Reports
- Traffic Forecasts
- Classification Counts
- Intersection Improvement Design

- Turning Movement Counts
- Signal Warrant and Left Turn Arrow Warrant Analysis
- Traffic Signal Design
- Traffic Signal Coordination Evaluations
- Traffic Mitigation Studies
- Traffic Engineering Review of Private Development/Private Improvement Agreement Plans and Reports
- Design and Drafting of Striping/Signing Plans
- Prepare public information documents and displays for public meetings
- Traffic simulations and Capacity analysis using the Synchro/Sim Traffic Program
- RTA design efforts as requested

All work shall be done with personnel who, as required, are properly certified and trained. In some cases, the services of a registered civil engineer or other professional may be required.

2. PLAN/REPORT REVIEW:

The consultant will be required to review plans submitted to Traffic Engineering for traffic issues and compliance to Pima County/City of Tucson Standard Specifications and Details and City of Tucson Development Standards. All comments shall be returned to the Project Manager in written form. If comments are challenged by the plan submitter, the consultant may be asked to attend a meeting with staff and the plan submitter.

3. RESPONSE TIME:

The consultant shall provide a proposal for each project requested by the City within five (5) working days of notification. Proposals shall utilize the billing rates negotiated at the time of contract award. Because response time may be critical to the City, continued delays in response time may be cause to terminate the contract.

4. TIME OF PERFORMANCE

The exact performance time, scope of work, design requirements, and associated hours for each individual project shall be negotiated with the selected consultant prior to issuance of the Notice to Proceed on a specific project.

5. AWARD:

Projects under this contract shall be assigned in whatever manner is deemed to be in the best interests of the City of Tucson.

This contract is neither exclusive nor is it a guarantee of work.

6. PERFORMANCE RATING:

At the completion or termination of this contract, the City of Tucson will evaluate the consultant based on the consultant's performance under this Contract. This rating will be used in the overall evaluation of the Consultant when applying for future work with the City.

III. CONTRACT TERM AND RENEWAL

1. TERM AND RENEWAL: The term of the Contract shall be March 1, 2013 through February 28, 2014, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City of Tucson shall have the right, at its sole option, to renew the Contract for FOUR (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

IV. FINANCIAL CONSIDERATIONS

1. CONTRACT RATES:

In consideration of the services provided, the City shall pay the Consultant in accordance with the negotiated rates included in Exhibit A. The Consultant shall charge the City only in accordance with those same rates. Overhead justification is also included in Exhibit A.

Direct expenses shall be paid at cost to the consultant and shall include no markup.

2. INVOICING:

The City will pay the Contractor following the submission of an itemized invoice(s) on the prescribed form as provided by the City. Each itemized invoice must bear a written certification by an authorized City representative confirming the services for which payment is requested. The invoice shall be submitted based upon work completed and direct costs incurred. Upon completion of the project to the satisfaction of the City and acceptance of the work, final payment shall be made.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

Invoices shall be submitted to the City's Project Manager within 30 calendar days of the end of the month for all actual work completed for the billing period performed during the preceding month. The invoice to the City shall include invoices for sub-consultants for the same billing period included by the Contractor.

3. DIRECT EXPENSES:

Estimated direct expenses shall be submitted to the Project Manager prior to authorization to proceed. All direct expenses will be compensated at cost with no markup. Travel, mileage and per diem expenses shall be in accordance with General Services Administration (GSA) rates for the Tucson area or for the area that travel is taking place. Vehicle usage, lodging, and per diem expenses for the Contractor's out of town staff or sub-consultants must be identified and approved in the Contractor's cost proposal. Estimated travel expenses shall be submitted to the Project Manager for approval prior to authorization of specific travel. Contractor will make every effort to minimize or eliminate the need for direct expenses and will actively pursue options to consolidate travel/lodging expenses whenever possible.

Contractor shall not be reimbursed for normal business use mileage within Pima County. Contractor shall consider normal computer and telephone usage for daily activities as a part of overhead.

Travel expenses are limited to the total expense resulting from traveling directly to the destination and staying only the number of days necessary to conduct official business. The Contractor is encouraged to arrive earlier or stay longer than is necessary if doing so will result in savings to the City. In some cases, because of airline discount terms, an additional day(s) of travel will result in substantial airfare savings – enough savings to offset additional lodging and per diem costs. The Contractor shall fly coach when the flight includes both coach and first-class seats. First-class seats may be allowed if coach seats are not available and no other flight can be substituted. Additional fees or fares incurred during air travel must be substantiated by a receipt. The total reimbursement for vehicular transportation shall in no case exceed the amount that would be incurred using air transportation. Travel by personal vehicle shall be reimbursed in accordance with the current Federal per diem rates. All vehicular parking or storage costs will be reimbursed. Receipts are not required. Vehicle expense reimbursements will be paid only to the vehicle owner. Passengers are not entitled to vehicular expense reimbursement.

Miscellaneous expenses include local phone calls, snacks, and gratuities. Miscellaneous expenses are included in the per diem rate. Contractor is responsible for utilizing the appropriate per diem rates for locations outside of Tucson where travel is taking place. In addition, Contractor is responsible for utilizing updated Per Diem Rates for subsequent Fiscal Years.

V. SPECIAL TERMS AND CONDITIONS

1. **SOFTWARE COMPATABILITY:** For the purposes of aiding the Consultant in the performance of their obligation under this Contract, the City shall furnish upon request all relevant data in the City's possession and shall direct City officers, agents and employees to render all reasonable assistance to Consultant in connection with Consultants performance under this Contract. The provision of such aid, assistance, information or services as received from the City shall in no way relieve the Consultant from obligations under this Contract. The City does not warrant the compatibility of City furnished data, either electronic or in any form, with the Consultant's software. All costs associated with data conversion or software upgrades and conversions shall be borne by the Consultant.

2. INSURANCE PROVISIONS

COVERAGE AFFORDED

Worker's Compensation

Commercial General Liability
Insurance
Including:

- A. Products & Completed Operations
- B. Blanket Contractual
- C. Premises-Operations-Personal Injury

Professional Liability
Insurance (Errors and Omissions)

LIMITS OF LIABILITY

Statute

\$1,000,000 – Bodily Injury
Combined Single Limit
\$100,000 Property Damage

\$1,000,000 (Minimum)
Combined Single Limit

(See Special Conditions)

The following Automobile Liability Insurance coverage will also be required for all professional services contracts which include surveying and/or construction surveillance.

Comprehensive Automobile Liability Insurance including: non-owned, and Hired vehicles	\$1,000,000 - Bodily Injury Combined Single Limit \$100,000 Property Damage
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SPECIAL CONDITIONS:

1. THE CITY OF TUCSON & REGIONAL TRANSPORTATION AUTHORITY (RTA) WILL BE ADDED AS ADDITIONAL INSURED UNDER THE COMMERCIAL GENERAL LIABILITY AND COMPREHENSIVE AUTOMOBILE LIABILITY POLICIES.
 2. Policies will not be cancelled or reduced in coverage without ten (10) days written notice to the City of Tucson, Department of Procurement P.O. Box 27210, Tucson, Arizona 85726-7210.
 3. Deductibles will be stated on the certificate of insurance and are subject to the review and approval of the City.
 4. Professional liability insurance limits will be increased for projects or contracts based upon the degree of risk to which the City is exposed.
 5. Professional liability insurance carried by the consultant must cover all elements of the project including professional services performed by subcontractors. If the consultant's professional liability insurance does not provide coverage for work performed by subcontractors, separate project insurance will be required to comply with the professional liability insurance requirement. The City may require a copy of the professional liability insurance policy to verify coverage.
3. **NOTICE TO PROCEED:** The Consultant agrees to render professional services promptly and diligently upon receipt of written notice to proceed with any or all of the services set forth herein.
4. **PRINCIPAL CONSULTANT'S RESPONSIBILITY:** The Consultant shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Consultant under this Contract. The Consultant shall without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, and other services. Additionally, when modification to a construction contract is required because of an error or deficiency in the services provided under this Professional Design Services Contract, the City shall consider the extent to which the Consultant may be reasonably liable.

Neither the City's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Consultant shall be and remain liable to the City in accordance with applicable law for all damages to the City caused by the Consultant's negligent performance of any of the services furnished under this Contract.

If the Consultant is comprised of more than one legal entity, each such entity shall be jointly and severally liable hereunder.

The Consultant agrees that the work to be performed pursuant to this agreement shall be under the full authority and responsible charge of the undersigned principal of the firm or officer of the corporation who must be the holder of a current Arizona Certificate of Registration issued by the Board of Technical Registration for the practice of professional design services in the State of Arizona.

Any drawings, plans, specifications, and estimates to be prepared pursuant to this agreement shall be prepared by or under the personal direction of the undersigned qualified holder of an Arizona Certificate of Registration issued by the Arizona Board of Technical Registration.

The Consultant shall be responsible for the completeness and accuracy of all services rendered and correction of all errors of omission or commission on the drawings, specifications, and other documents notwithstanding prior approval by the City.

By signing the Contract, the Consultant affirms that it has the ordinary skill, knowledge, and judgment possessed by members of its profession, and that it will use reasonable and ordinary care and diligence in performing the work.

5. **DRAWING, STANDARD DETAILS, ETC.:** City of Tucson drafting standards, standard details, specifications, and office procedures are to be used in the preparation of items required under this Contract unless directed otherwise by the City. The City will furnish the Consultant with copies of the necessary standard City documents. All final documents shall be prepared by such methods and of such quality of workmanship as will permit the making of satisfactory reproductions.
6. **ADVICE AND CONSULTATION:** The Consultant shall be available to the City for advice and consultation on the interpretation of the plans and specifications on questions which may arise during the course of this Contract.
7. **PUBLIC HEARINGS:** The Consultant shall upon request, attend any public hearing on matters related to the scope of professional services set forth in this Contract.
8. **TIME RECORDS:** The Consultant shall maintain complete, current and daily records covering all hours actually worked on this project by the various classes of workers. The City shall have the right to audit and/or examine such records at any time during the progress of this Contract and shall withhold payment if such documentation is found by the City to be incomplete or erroneous.
9. **WORK SCHEDULE:** The consultant shall adhere to any and all work schedules developed under this contract. The work schedule will provide for the completion of services within a specified number of consecutive calendar days following the starting date established by a written notice to proceed. If the Consultant is unable to adhere to the accepted schedule, they shall prepare a justification letter with a proposed revised schedule and submit the same to the City for review and approval. It shall be the sole option of the City to approve any such requests. The City shall be furnished two (2) copies of the original work schedule and two (2) copies after each revision, if any, is approved.

10. **ADDITIONAL COMPENSATION:** The Contractor shall submit a written proposal and secure the City Director of Procurement's written approval of same prior to the performance by the Consultant of any work for which additional compensation will be requested.

Without the City Director of Procurement's prior written approval of the proposed work and the fee therefore, the City will not consider payment of any sums other than those already set forth under this Contract.

11. **OTHER CONTRACTS:** The City may, as its sole option, enter into Contracts for additional work related to this project. The Consultant shall fully cooperate with other contractors and consultants and with City employees to accommodate such other work. The Consultant shall not commit or permit any act that interferes with the performance of such work by other contractors.

12. **COMPENSATION AND METHOD OF PAYMENT:** In consideration of the performance of the services described in the Scope of Services, the City shall pay the Consultant in accordance with the negotiated contract rates, and the Consultant shall charge the City only in accordance with those same rates.

The City will pay the Consultant following the submission of itemized invoice(s). Each itemized invoice must bear a written certification by an authorized City representative confirming the services for which payment is requested.

13. **COOPERATIVE PURCHASING:** Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement are eligible to participate in any subsequent Contract. See www.tucsonaz.gov/procure and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See <http://www.maricopa.gov/Materials/PubDocuments/SAVE-members.pdf> for a listing of participating agencies. The parties agree that these lists are subject to change.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

14. **SBE PROGRAM REQUIREMENTS:**
The Contractor shall be required to comply with SBE Program requirements, if goals are applicable, on projects that meet or exceed the Formal Solicitation Threshold established by the Tucson Procurement Code, currently at fifty thousand dollars (\$50,000). Program requirements are codified in Chapter 28, Article XIII of the Tucson Procurement Code. The Contractor shall submit *to the Office of Equal Opportunity Programs (OEOP) via the city's Project*

Manager, after the project proposal phase, either a completed offeror's statement of proposed SBE Participation Plan or an Affidavit of Good Faith Efforts indicating whether the request is for a full or partial waiver.

The SBE Plan must include:

1. The name of the SBE subcontractors/suppliers;
2. The type and scope of work or service each SBE will perform;
3. The dollar value of each SBE's subcontract;
4. Identify the prime contractor as an SBE, if applicable;
5. The dollar value of the prime contractor's self-performed work if claiming SBE credit;
6. The total dollar value of SBE work performed and percentage of the contract value.
7. If the contract goal is not met, evidence of good faith efforts.

An approved plan or waiver request must be in place prior to issuance of the Notice To Proceed (NTP) for individual project construction.

A signed offer in response to this RFQ represents the offerors's intent to comply with the SBE program.

Also see EXHIBIT C - SBE Program Provisions for Professional Services

15. DBE PROGRAM REQUIREMENTS:

The Contractor shall be required to comply with DBE Program requirements, if goals are applicable, on federally funded projects that exceed the Formal Solicitation Threshold established by the Tucson Procurement Code, currently at fifty thousand dollars (\$50,000). Program requirements are codified in Chapter 28, Article XIII of the Tucson Procurement Code. The Contractor shall submit **to the Office of Equal Opportunity Programs (OEOP) via the city's Project Manager, after the project proposal phase**, either a completed statement of proposed DBE Participation Plan or an Affidavit of Good Faith Efforts indicating whether the request is for a full or partial waiver.

The DBE Plan must include:

1. The names and addresses of the DBE subcontractors/suppliers;
2. The type and scope of work or service each DBE will perform;
3. The dollar value of work as a percentage of the total contract value.
4. If the contract goal is not met, evidence of good faith efforts.

An approved plan or waiver request must be in place prior to issuance of the Notice To Proceed (NTP) for individual projects as well as a DBE Acknowledgment of Participation which provides signed confirmation from the DBE(s) that they are participating in the contract as provided in the prime contractor's commitment in their DBE plan.

A signed offer in response to this RFQ represents the offerors's intent to comply with the DBE program.

EXHIBIT C - DBE Program Provisions for Professional Services

VI. STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
2. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
3. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
4. **ARBITRATION:** It is understood and agreed that no provision of the Contract relating to arbitration or requiring arbitration shall apply to or be binding upon the City except by the City's express written consent given subsequent to the execution of the Contract. However, if both parties agree, disputes may be resolved through arbitration. The dispute shall be resolved as provided for in A.R.S. Sec. 12-1501, et seq. Consultant shall continue to render the services required by this Contract without interruption, notwithstanding the provisions of this section.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
6. **CERTIFICATION OF COMPLIANCE WITH A.R.S. SEC. 35-393 ET SEQ.:** By signing this contract, the Contractor certifies that it does not have scrutinized business operations in Iran as required by A.R.S. sec. 35-393 et seq. If the City determines that the Contractor has submitted a false certification, the City may impose remedies as provided in the Tucson Procurement Code up to and including termination of this contract.
7. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
8. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
9. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
10. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
11. **CONFLICT OF INTEREST:** Contractors/Subcontractors who design and/or develop specifications for materials for this project will be precluded from contract award for that item if a solicitation is issued for the item.

12. CONTRACT MODIFICATIONS: No work outside of the contracted scope of work shall begin without an executed Contract Amendment and a written Notice to Proceed. Contractor shall notify COT immediately when projected hours for individuals under contract are within no less than 20% of exceeding the proposed hours. All direction regarding tasks, deliverables and level of effort shall originate with the designated City Project Manager/Contract Representative or the Department of Procurement. No direction shall be taken from, nor shall any work commence with direction from, any other party.

13. CONTRACT AMENDMENTS: The Procurement Department has the sole authority to:

- A. Amend the contract or enter into supplemental verbal or written agreements;
- B. Grant time extensions or contract renewals;
- C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

14. CONTRACT: The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

15. DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH: Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.

16. DUPLEXED/RECYCLED PAPER: In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.

17. EXCLUSIVE POSSESSION: All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.

18. FEDERAL IMMIGRATION LAWS AND REGULATIONS: Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

19. FORCE MAJEURE: Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

20. GRATUITIES: The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

21. HUMAN RELATIONS: Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

22. INDEMNIFICATION: To the fullest extent permitted by law, Consultant, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Consultant relating to work or services in the performance of this Contract, including but not limited to, any Subconsultant or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Consultant's and Subconsultant's employees, provided, however, that this duty to indemnify, hold harmless and defend shall not include losses, damages, claims, liabilities, costs and expenses to the extent arising from the acts or omissions of the City..

23. INDEPENDENT CONTRACTOR: It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, paid vacation or sick days by the City.

The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses.

24. INSPECTION AND ACCEPTANCE: All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

25. INTERPRETATION-PAROLE EVIDENCE: This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

26. LICENSES: Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

27. LIENS: All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

- 28. NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.
- 29. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.
- 30. OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.
- 31. PATENT INFRINGEMENT:** The Consultant and the surety shall defend any suit or proceeding brought against the procuring agency, during the prosecution or after the completion of the work, based on a claim that manufacture, sale, or use of any method, process, machine, technique, design, living thing, genetic material, or composition of matter, or any part thereof, furnished or used under this Contract constitutes an infringement of any patent, trademark or copyright and the Consultant shall pay all damages and costs awarded therein, against the procuring agency and any affected third party or political subdivision. If manufacture, sale, or use of said method, process, machine, technique, design, living thing, genetic material, or composition of matter, or any part thereof, is in such suit held to constitute infringement and if manufacture, sale, or use of said method, process, machine, technique, design, living thing, genetic material, or composition of matter, or part thereof, is enjoined, the Consultant shall, at its own expense, either procure for the procuring agency the right to continue manufacture, sale, or use of said method, process, machine, technique, design, living thing, genetic material, or composition of matter, or part thereof, or replace same with noninfringing method, process, machine, technique, design, living thing, genetic material, or composition of matter, or part, or modify it so it becomes noninfringing.
- If appropriate, the Consultant shall furnish the City Contract Representative satisfactory evidence of patent licenses or patent releases covering City-specified proprietary materials, equipment, devices or processes, as the case may be.
- 32. PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.
- Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice.
- The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.
- The Contractor's payment terms shall apply to all purchases and to all payment methods.
- 33. PROJECT COMPLIANCE:** At a minimum, the project shall be designed to comply with all applicable Federal, State and Local regulations and any amendments thereto which are adopted during the life of this Contract. Compliance with this is required and it shall be the responsibility of the Consultant to alert the City of any deviation from this requirement. (Note: It is the Consultant's sole responsibility to ensure that they comply with all applicable Federal, State and Local regulation.
- 34. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.

- 35. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 36. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- Consultant shall maintain all pertinent files, records, and documents which relate to the delivery of the services provided in this Contract. Supporting documents, files, and records shall be retained by Consultant for at least five (5) years after the termination of this Contract.
- 37. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 38. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 39. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's submittal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 40. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 41. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 42. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 43. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 44. SUSPENSION OF WORK:**
- A. The City may order the Consultant, in writing, to suspend, delay, or interrupt all or any part of the work under this Contract for the period of time that the City determines appropriate for the convenience of the City.
 - B. The Consultant agrees that no charges or claims for damages shall be made against the City for any delays or hindrances during the progress of this Contract. Such delays or hindrances, if any will be

covered by an extension of time for such reasonable period as mutually agreed upon between the parties. It is agreed and understood, however, that permission to proceed with the Contract after the established completion date, shall not be construed as a waiver by the City of any of the rights herein.

45. TERMINATION OF CONTRACT: This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

46. TITLE AND RISK OF LOSS: The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

47. WARRANTIES: Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

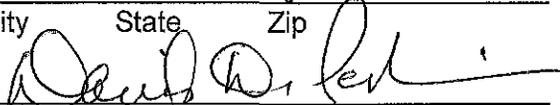
VII. OFFER AND ACCEPTANCE

The Consultant hereby offers to provide the services listed in the attached contract and based upon the Request for Qualifications, including all terms, conditions, specifications, scope of work, amendments, offers and subsequent negotiations, as accepted by the City.

KIMLEY-HORN AND ASSOCIATES, INC.
Company Name

333 W. WETMORE ROAD, SUITE 280
Address

TUCSON AZ 85705
City State Zip


Signature of Person Authorized to Sign

DAVID D. PERKINS
Printed Name

SENIOR V.P.
Title

ACCEPTANCE OF OFFER:

The Offer is hereby accepted.

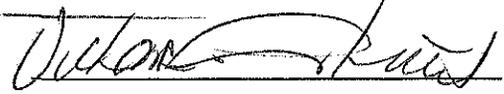
The Consultant is now bound to provide the services listed in the attached contract and based upon the Request for Qualifications, including all terms, conditions, specification, scope of work, amendments, the Consultants Offer and subsequent negotiations, as accepted by the City.

This contract shall henceforth be referred to as Contract No. **130677-02**. The Consultant has been cautioned not to commence any billable work or to provide any material or service under this contract until Consultant receives a purchase order, or is otherwise directed to do so in writing by the undersigned.

CITY OF TUCSON, a municipal corporation

Approved as to form this 18th day of March, 2013. Awarded this 15th day of March, 2013.


As Tucson City Attorney and not personally


As Director of Procurement and not personally

VIII. EXHIBITS

EXHIBIT A – NEGOTIATED CONTRACT RATES & OVERHEAD AND INSURANCE DOCUMENTATION

EXHIBIT B – FEDERAL HIGHWAY ADMINISTRATION (FHWA) TERMS, CONDITIONS AND CERTIFICATIONS

EXHIBIT C – SBE & DBE Program Provisions for Professional Services

EXHIBIT A



Kimley-Horn
and Associates, Inc.

Fee Estimate Summary

Project: On-Call Traffic Engineering Date: February 25, 2013
 Prepared by: Kimley-Horn and Associates, Inc. Contract Number: 130677
 Effective Date: February 25, 2013 Prime Contractor: Kimley-Horn and Associates, Inc.
 Contract Time: _____ Contract Type: _____

Item No.	Firm	Discipline	Direct Labor Rate	Overhead 194.54%	Profit 8%	Billing Rate
1	Kimley-Horn and Associates, Inc.	Principal	\$79.33	\$154.33	\$18.69	\$252.35
2	Kimley-Horn and Associates, Inc.	Sr. Professional	\$60.17	\$117.05	\$14.18	\$191.40
3	Kimley-Horn and Associates, Inc.	Project Manager	\$46.62	\$90.69	\$10.98	\$148.29
4	Kimley-Horn and Associates, Inc.	Professional II	\$41.34	\$80.42	\$9.74	\$131.50
5	Kimley-Horn and Associates, Inc.	Professional I	\$33.49	\$65.15	\$7.89	\$106.53
6	Kimley-Horn and Associates, Inc.	Analyst	\$28.15	\$54.76	\$6.63	\$89.54
7	Kimley-Horn and Associates, Inc.	Clerical/Admin/Intern	\$18.51	\$36.01	\$4.36	\$58.88

FORMULAS

- (A) Direct Labor
- (B) Overhead @ 194.54% X (A)
- (C) Profit @ 8.0% X (A+B)
- (D) Bill Rate (A+B+C)
- (E) Direct Expenses

	Mark-Up
Subconsultants	0%
Other Direct Expenses	0%
CADD Computer	Included In Overhead
Allocation (% of Direct Labor)	Included In Overhead

Rates		Actual Rate	Category Average
Principal			
	Dave Perkins	\$79.33	\$79.33
Sr. Professional			\$60.17
	Vince Catalano	\$50.96	
	Bruce Beenken	\$59.13	
	David Haines	\$62.98	
	Dennis Burns	\$63.38	
	John Kissinger	\$64.42	
Project Manager			\$46.63
	Scott Altherr	Professional	
	Brent Crowther	\$46.63	
	Ray Yparriguirre	Professional II	
	Rick Solis	\$45.67	
Professional II			\$42.34
	Mary Rodin	\$46.63	
	Rebeca Field	Professional I	
	Allen Hathcock	\$39.28	
	Brett Wood	\$41.10	
Professional I			\$33.49
	David Tapia	\$34.86	
	Jiixin Tong	\$32.11	
Analyst			\$28.15
	Adria Koller	\$30.24	
	Karen Furenlid	\$28.36	
	Tim Rhine	\$25.86	
Clerical/Admin/Intern			\$18.51
	Barb Pfeffer	\$18.51	



Kimley-Horn
and Associates, Inc.

Fee Estimate Summary

Project: On-Call Traffic Engineering Date: February 25, 2013
 Prepared by: Field Data Services Contract Number: 130677
 Effective Date: February 25, 2013 Prime Contractor: Kimley-Horn and Associates, Inc.
 Contract Time: _____ Contract Type: _____

Item No.	Firm	Discipline	Direct Labor Rate	Overhead 52.00%	Profit 8%	Billing Rate
1	Field Data Services	Principal	\$41.50	\$21.58	\$5.05	\$68.13
2	Field Data Services	Project Manager	\$38.50	\$20.02	\$4.68	\$63.20
3	Field Data Services	Senior A/E	\$27.50	\$14.30	\$3.34	\$45.14
4	Field Data Services	Administrative	\$13.00	\$6.76	\$1.58	\$21.34
5				\$0.00	\$0.00	\$0.00
6				\$0.00	\$0.00	\$0.00
7				\$0.00	\$0.00	\$0.00
8				\$0.00	\$0.00	\$0.00

FORMULAS

- (A) Direct Labor
 - (B) Overhead @ 52% X (A)
 - (C) Profit @ 8.0% X (A+B)
 - (D) Bill Rate (A+B+C)
 - (E) Direct Expenses
- | | Mark-Up |
|-----------------------|---------|
| Subconsultants | 0% |
| Other Direct Expenses | 0% |

Rates		Actual Rate	Category Average
Principal			\$63.08
	Sharon Morris	\$63.08	
Project Manager			\$41.80
	Jerry Morris	\$41.80	
Sr. Technician			\$32.68
	Dirk Rice		
		\$32.68	
Technician			\$19.76
	Chris Sartain	\$19.76	



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

EUGENE A. CONTI, JR.
SECRETARY

May 21, 2012

Tammy Flanagan, Manager of Audit and Financial Compliance
Kimley-Horn and Associates, Inc.
3001 Weston Parkway
Cary, NC 27513

Dear Tammy:

We have performed a cognizant review of the audit, and supporting workpapers, of the Indirect Cost Rate of Kimley-Horn and Associates, Inc. as presented in the Schedule of Indirect Expenses and Rates for the year ended December 31, 2011 in accordance with our role as Cognizant Agency as defined in 23 U.S.C. § 112 (b) (2)(c) and 23 C.F.R. §172.3 and 172.7. The audit was performed by the independent CPA firm of Cherry, Bekaert & Holland, L.L.P.. The CPA represented that the audit was conducted in accordance with Government Auditing Standards as promulgated by the Comptroller General of the United States of America, and the audit was designed to determine that the indirect cost rate was established in accordance with Cost Principles contained in the Federal Acquisition Regulation, 48 CFR Part 31. Our cognizant review was performed in accordance with the AASHTO Review Program for CPA Audits of Consulting Engineers' Indirect Cost Rates.

In connection with our cognizant review, nothing came to our attention that caused us to believe that the examination and supporting workpapers for the Indirect Cost Rate, and the related Auditor's Report we reviewed did not conform in all material respects to the aforementioned regulations and auditing standards.

We recommend acceptance of the following rates:

Payroll burden, G&A and overhead 193.23% (Home Office)
Facilities Capital Cost of Money 1.31% (Home Office)
Field overhead 163.89%
Facilities Capital Cost of Money 0.04% (Field Office)
Direct Expense Rate for FDOT 8.38% (Home Office)
Direct Expense Rate for FDOT 2.74% (Field Office)

Sincerely,

A handwritten signature in cursive script that reads "Todd Jones".

Todd Jones, NCDOT
Manager Consultant, Utility, Rail and Turnpike

MAILING ADDRESS:
NC DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL
1507 MAIL SERVICE CENTER
RALEIGH NC 27699-1507

TJONES@NCDOT.GOV
TELEPHONE: 919-733-2342
FAX: 919-715-0148

LOCATION:
1 S. WILMINGTON STREET
2ND FLOOR ART MUSEUM
RALEIGH NC 27601

EXHIBIT B

FEDERAL HIGHWAY ADMINISTRATION (FHWA) TERMS AND CONDITIONS

Debarment and Suspension Requirements - 49 CFR Part 29, Executive Order 12549

Debarment, Suspension, and Other Responsibility Matters - (Third Party Contracts over \$25,000).

The Recipient agrees to comply, and assures the compliance of each subrecipient, lessee, third party contractor, or other participant at any tier of the Project, with Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT regulations, U.S. OMB "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. Part 180. The Recipient agrees to, and assures that its subrecipients, lessees, third party contractors, and other participants at any tier of the Project will, review the "Excluded Parties Listing System" at <http://epls.gov/> before entering into any subagreement, lease, third party contract, or other arrangement in connection with the Project.

Lobbying Requirements - 31 U.S.C. 1352, 49 CFR Part 19, 49 CFR Part 20

Contractors who apply or bid for an award of \$100,000 or more shall certify that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the City Of Tucson.

Clean Water Requirements - 33 U.S.C. 1251

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq . The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FHWA and the appropriate EPA Regional Office.
2. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FHWA.

Clean Air Requirements - 42 U.S.C. 7401 et seq., 40 CFR 15.61, 49 CFR Part 18

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq . The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FHWA and the appropriate EPA Regional Office.
2. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FHWA.

Environmental Protection 42 U.S.C. 4321 et seq., 40 CFR Part 1500 et seq., 23 CFR Part 771, 49 CFR Part 622

The Contractor agrees to comply with all applicable requirements of the National Environmental Policy Act of 1969, as amended, 42 U.S.C. §§ 4321 et seq. consistent with Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," 42 U.S.C. § 4321 note; Council on Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended, 40 C.F.R. Part 1500 et seq.; and joint FHWA/FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622

Energy Conservation Requirements - 42 U.S.C. 6321 et seq., 49 CFR Part 18

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

**CERTIFICATION REGARDING LOBBYING
FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

The undersigned Contractor certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq .)]
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The Contractor, KIMLEY-HORN AND ASSOCIATES, INC., certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure, if any.



Signature of Contractor's Authorized Official

DAVID PERKINS, SR., V. P. Name and Title of Contractor's Authorized Official

02-28-2013 Date

EXHIBIT C

SBE PROGRAM PROVISIONS FOR PROFESSIONAL DESIGN SERVICES

PROJECT GOAL

The City of Tucson's Small Business Enterprise Participation goal for this project is as follows:

 X % SBE

I. SMALL BUSINESS ENTERPRISE REQUIREMENTS

A. DEFINITIONS

Commercially Useful Function - Is defined as the performance of real and actual services in the discharge of any contractual endeavor. An SBE subcontractor is performing a commercially useful function when it is responsible for execution of a distinct element of a contract and carries out its responsibilities by actually performing, managing and supervising the work involved.

Contractor - The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City. For the purposes of SBE plan evaluation, any Offeror in negotiations with the City of Tucson pursuant to a Request for Qualifications is also subject to the contractor SBE program compliance requirements.

Eligible Contract - Any contract undertaken by the City, unless otherwise precluded by law, *provided* the estimate meets or exceeds fifty thousand dollars (\$50,000). An Eligible Contract does not include any project in which the estimated contract value is below fifty thousand dollars (\$50,000); contracts which require a disadvantaged business enterprise goal pursuant to federal law; contracts awarded under sections 28-21 (sole source procurement), 28-22 (emergency procurement) or 28-23 (special procurement) of the City Procurement Code.

Joint Venture – An association of two (2) or more persons, partnerships, corporations, business enterprises, or any combination of these entities established to form a single business enterprise but limited in scope and duration for the purpose of carrying out a business activity. The agreement establishing the Joint Venture shall be in writing. The SBE partner(s) must be responsible for a clearly defined portion of the work performed which is set forth in detail and separately from the work to be performed by the non-SBE partner and is assigned a commercially reasonable dollar value. Furthermore, the SBE's interest shall be based on sharing real economic interest in the venture, include proportionate control over management, and interest in capital acquired by the Joint Venture and interest in earnings. Only the portion of work, supplies, and/or services attributed to the SBE, as a member of the Joint Venture, may be counted towards relevant SBE participation goals.

Small Business Enterprise (SBE) – A local small business that is an independent and continuing enterprise for profit, performing a Commercially Useful Function, that has completed the application process for certification with the City of Tucson, and has met the requirements set forth in Title 49, Code of Federal Regulations, (49 CFR Part 26).

Subcontractor and Subconsultant – A person or entity that contracts to perform work or render service to a Contractor or to another Subcontractor as part of a contract with the City.

B. APPLICABILITY

The SBE program and policies are codified in Chapter 28, Article XIII of the City Procurement Code. It is the responsibility of all contractors, subcontractors, vendors, suppliers and others who are interested in contracting with the City of Tucson to read and become familiar with this section of the City Code.

Only firms that are certified by the City of Tucson under Chapter 28, Article XIII of the City Code, **at time of SBE Plan submittal**, are eligible to fulfill SBE goals for City of Tucson projects.

In addition to subcontractors, contractors may use their own participation towards fulfillment of the SBE participation goal if they are certified through the City of Tucson SBE program.

The City of Tucson's most recent SBE Directory contains the **complete** listing of those firms which are currently certified with the City, and therefore eligible to participate as an SBE on a project. If the name of an SBE firm does not appear in directories, it shall be the contractors responsibility to ascertain the certification status of the SBE and determine the eligibility of the firm to meet the established goal. The contractor may accomplish this by calling the City's Office of Equal Opportunity Programs (OEOP) at (520) 791-4593 for assistance.

ALL CONTRACTORS, INCLUDING SBEs, MUST COMPLY. Contractors who are SBEs must also comply with all requirements stated herein. By submitting to the City of Tucson, contractors bind themselves to make every good faith effort to meet the City's SBE goal and comply with all aspects of the SBE Program requirements.

C. SBE PARTICIPATION

An SBE may participate as a prime contractor, subcontractor, second-tier subcontractor, joint venture partner with either a prime contractor or a subcontractor, or as a vendor of materials or supplies. An SBE shall be responsible for a clearly defined portion of the work to be performed.

D. SBE GOALS

To satisfy SBE goals, a certified SBE must perform a commercially useful function, i.e., must be responsible for a clearly defined portion of the work and must carry out its responsibility by actually performing, managing and supervising the work. Contractors may meet the SBE project goals through the following methods:

Prime Contractor Participation – SBE prime contractors may use their own participation towards fulfillment of the SBE participation goals. Credit will only be given for the dollar value of actual work performed by the prime contractor's work force.

Subcontractor Participation - Contractors may utilize one or more certified SBE subcontractors to satisfy its SBE participation commitment and may claim the value of the commercially useful function to be performed by such subcontractor(s) to obtain credit toward the satisfaction of the applicable goal.

1. Contractors who utilize certified SBE firms whose participation is included in Force Account items, Allowances or in a Cost Reimbursement type contract, shall establish a signed contract value with the SBE firm and may only take credit for the dollar value of that

contract towards satisfying its SBE commitment in their proposed SBE plan. The dollar value must be a specific amount based on anticipated work calculated by the subcontractor and is not reliant on any estimated values and cannot be specified as a range.

2. If a certified SBE subcontractor enters into second tier subcontracts consistent with the standard industry practices, such SBE subcontractor is performing a commercially useful function. If an SBE subcontractor subcontracts a significantly greater portion of its work to a non-SBE than would be expected by standard industry practices, it shall be presumed that the SBE is not performing a commercially useful function. Therefore, contractors are required to identify and report the use of any second tier subcontractors on the project on the Statement of Proposed SBE Plan form.
3. Credit will be given when a SBE subcontracts part of the work of its contract to another firm only if the SBE's subcontractor is itself a SBE.

Supplier Participation - The contractor may contract with one or more certified SBE suppliers, provided that the supplier is a regular dealer of the materials supplied, to obtain credit toward SBE goals. The value of the commercially useful function to be performed by such SBE's and credited toward satisfaction of the applicable SBE goals is as follows:

1. If an SBE supplier manufactures the goods supplied, one hundred percent (100%) of the contract amount is credited towards the applicable SBE participation goal.
2. If an SBE supplier is a wholesaler warehousing the goods supplied or is a manufacturer's representative, the total contract amount is credited toward the established SBE goal; however, only twenty-five percent (25%) of the total SBE project goal may be met in this manner.
3. If an extraordinarily large proportion of a contract price is for equipment or supplies, a lower project goal may be set than otherwise would be required, or the twenty-five percent (25%) limit for suppliers may be increased, or a combination of these two methods may be utilized.

Joint Venture - Where a contractor engages in a joint venture to satisfy its SBE commitment, the SBE joint venture partner must be responsible for a clearly defined portion of the work to be performed in addition to satisfying the requirements of ownership and control. The SBE joint venture partner must submit information for determining joint venture eligibility. ***The SBE joint venture must be approved as a SBE joint venture prior to SBE Plan submittal.*** The OEOP shall determine the degree of SBE participation resulting from the joint venture which may be credited toward the applicable SBE goal of the project.

II. SUBMITTAL REQUIREMENTS

A. SUBMISSION OF AN SBE PLAN

The SBE Plan and/or Affidavit of Good Faith Efforts must be submitted with the project proposal.

The SBE Plan must include:

1. The name of the SBE subcontractors/suppliers;

2. The type and scope of work or service each SBE will perform;
3. The dollar value of each SBE's subcontract;
4. Identify the prime contractor as an SBE, if applicable;
5. The dollar value of the prime contractor's self-performed work if claiming SBE credit;
6. The total dollar value of SBE work performed and percentage of the contract value.
7. If the contract goal is not met, evidence of good faith efforts.

B. REVIEW OF SBE PLANS

The OEOP Director may determine that the contractor is nonresponsive where the contractor: (1) failed to provide a completed Statement of Proposed SBE Plan; (2) failed to identify SBEs by name, the scope of work and value of work as a percent of the total project amount sufficient to meet the applicable SBE goal for that project; (3) failed to achieve the dollar value of credible participation by certified SBEs necessary to meet the project goals; or (4) failed to meet the requirements for a waiver of the SBE goal.

III. GOOD FAITH EFFORT

If the SBE plan does not meet the project goals, the contractor may seek a waiver. The application for a waiver shall be in writing and **must be completed and submitted with the project proposal**. The request must indicate whether a complete or partial waiver is sought. If a partial waiver is being sought the scope of such waiver must be indicated and an SBE plan must also be submitted. The contractor must provide documented evidence including a narrative statement with supporting affidavits and/or exhibits verifying the good faith efforts to meet the goals. Evidence of the good faith efforts shall include, but is not limited to the following:

- a. Documentation of communication with the OEOP Director seeking technical/professional assistance identifying available SBE's.
- b. Copies of written notification to Certified SBE's regarding subcontracting opportunities on a project.
- c. Documentation of efforts made to select portions of work for SBE subcontracting in order to increase the likelihood of meeting the SBE goals, including where appropriate breaking down subcontracts into economically feasible units in order to facilitate SBE participation.
- d. Documentation of efforts to assist and negotiate with SBE's for specific sub-proposals and reasons for rejection of any such offer, including the names, addresses, and telephone numbers of SBE's who were contacted and reason for the rejection.
- e. As to each SBE contacted which was considered not to be qualified; a written statement of the reasons for the conclusion.
- f. Written quotes or records of verbal quotes solicited from all SBE's seeking subcontract work at the time of the proposal submittal.
- g. Verification that the offeror rejected available SBE's because they submitted proposals which were unreasonably high, or they were not qualified. Such verification shall include a statement of the amounts of all proposals received from potential Subcontractors and all relevant dates.

The City's OEOP Director shall review the waiver and approve the waiver where the contractor has demonstrated good faith efforts or deem the contractor nonresponsive where they failed to meet the good faith efforts and shall recommend that the Project Manager reject the proposal.

Right to Appeal Good Faith Effort Waiver or Plan Decision An aggrieved party has a right to protest a good faith waiver request or plan decision made by the OEOP Director as follows:

1. An aggrieved party may submit a protest in writing to the OEOP Director within five (5) days from the date of notice of the adverse decision notice. The protest must include the legal and factual basis for the protest along with any supporting documents.
2. Within five (5) days of receipt of the protest, the OEOP Director shall review the protest and all relevant supporting documents and render a decision notice in writing which includes the basis for the decision.
3. The decision of the director is final and not appealable.

General Waiver or Reduction of SBE Goals If, after consultation with appropriate City departments, the OEOP Director determines that SBE availability is less than projected, the OEOP Director may waive or reduce established project goals. In such circumstances, the OEOP Director shall certify that SBE's are not in fact available or that the amount of work, which occurred under the contract, was insufficient to support the established goals.

The City shall waive a project goal, at least in part, if the contractor requesting a waiver receives from all qualified SBE's, in one trade or industry, quotes or proposal that exceeds the lowest quote or proposal of a qualified non-SBE competing for the same work by the lesser of fifteen percent (15%) or two hundred and fifty thousand dollars (\$250,000). In such circumstances, the OEOP Director shall certify that SBE's are not available to provide the needed labor and materials at competitive prices.

A contractor may not compare self-performed costs against an SBE subcontractor proposal as justification for the rejection of a proposal.

PURSUANT TO ADMINISTRATIVE PROCEDURES AND POLICIES, THE OEOP DIRECTOR MAY VERIFY AND / OR CLARIFY INFORMATION AS IT RELATES TO THE AFFIDAVIT OF GOOD FAITH EFFORTS, AND / OR THE STATEMENT OF PROPOSED SBE PLAN.

IV. MISCELLANEOUS PROVISIONS

A. CONTRACT PERFORMANCE

The contractor's distinct contract items of work to be awarded to SBE's shall be performed by the designated SBE or SBE substitute approved by the OEOP. SBE contract work items shall not be performed by the contractor in lieu of subcontracting, without the OEOP's approval. Contract items eliminated from the project, with the approval of the Project Manager, will not reduce the contractor's credit for SBE participation. The SBE must perform a commercially useful function, that is, the SBE must manage, perform, and supervise a distinct element of work.

An executed subcontract with all SBE subcontractors shall be completed prior to the Notice To Proceed, and available to the City of Tucson upon request.

B. NON-PERFORMANCE BY SBE's

In the event that an SBE is unable or unwilling to fulfill its agreement with the contractor, the contractor will immediately notify the Office of Equal Opportunity Programs and the Project Manager and provide all facts surrounding the matter. Such failure on the part of an SBE will not relieve the contractor of responsibility for meeting the SBE participation goal on the contract. The contractor shall immediately take reasonable good faith efforts to obtain another certified SBE to perform an equal or greater dollar value of the work. The substitute SBE's name, description of work and dollar value of the work shall be submitted to the OEOP and OEOP's approval must be obtained prior to the substitute SBE beginning the work.

C. CONTRACTOR PERFORMANCE EVALUATION

At the conclusion of every City of Tucson construction project, the prime contractor is required to complete the OEOP Prime Contractor Report of Subcontractor Utilization. The report will include a section to rate the performance of project subcontractors from 1 – 5, based on industry standards. The performance rating section shall be completed. A score of 3 is considered average. A score of 4 or 5 is considered above average. A score of 1 or 2 is considered as poor performance. A rating of 1 or 2 regarding a subcontractor will require the prime contractor to complete a performance evaluation report documenting the cause for the sub-performance rating. The City of Tucson Project Manager must concur with all poor performance ratings. Repeated poor performance may result in action by the OEOP Director up to and including decertification in accordance with Sec. 28-148(8)(8) of the SBE ordinance.

D. MONITORING PAYMENTS TO SUBCONTRACTORS

Prime contractors must provide notice to subcontractors that complaints of violations of the prompt payment provision may be submitted in writing to the City of Tucson Office of Equal Opportunity Programs Director, 201 N. Stone Ave., 3rd Floor NW, Tucson, Arizona 85701 – PO Box 27210, Tucson, Arizona 85726. The complaint shall set forth the facts and identify the prime contractor and the construction project. Subcontractors will be assisted by the Office of Equal Opportunity Programs with the complaint process as detailed in the City of Tucson Construction Fairness Ordinance comprised of Chapter 28, Tucson Procurement Code Section 28-101, Tucson Code Chapter 11-38 and Tucson Code, Chapter 8-2.2.

A copy of the SBE contract provisions shall be included with every subcontract.

The City of Tucson may withhold payment from the prime contractor for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

The City of Tucson may withhold payment from the prime contractor for failure to submit and/or complete required documents.

A COMPLETED SBE PLAN AND/OR AFFIDAVIT OF GOOD FAITH EFFORTS MUST BE SUBMITTED WITH THE PROPOSAL

**City of Tucson
Office of Equal Opportunity Programs
AFFIDAVIT OF GOOD FAITH EFFORTS**

CONTRACT NO: _____ PROJECT NAME: _____

COMPANY NAME: _____

CONTACT NAME: _____ PHONE NUMBER: _____ FAX NUMBER: _____

WHERE A CONTRACTOR FAILS TO EXERCISE "GOOD FAITH" EFFORTS TO MEET SBE GOALS, AS REQUIRED BY THE CITY OF TUCSON, THE CONTRACTOR WILL BE DEEMED NONRESPONSIVE.

The intent of this certification is to document the good faith efforts implemented by the contractor in soliciting and utilizing SBE firms to meet the City of Tucson's SBE goal. This certificate will assist the City of Tucson's Office of Equal Opportunity Programs in determining whether the contractor has implemented comprehensive good faith efforts. Pursuant to Administrative procedures and policies, the OEOP Director may verify and / or clarify information as it relates to the Affidavit of Good Faith Efforts and / or the Statement of Proposed SBE Plan. The burden of proof rests with the contractor.

Is a partial or complete waiver being sought? Please explain. Note: If a partial waiver is being sought the scope of such waiver must be indicated and a SBE Plan must also be submitted.

2. Provide a brief summary of why the SBE goal on this project was not achieved. Attach supporting documentation.

3. Which portions of the contract proposal, in terms of the nature of the work, were selected to be subcontracted to SBE firms? Attach supporting documentation (e.g. memo, proposal, project breakdown, etc.)

4. Which portion of the contract proposal, in terms of suppliers, was identified for SBE firms? Attach supporting documentation (e.g. memo, proposal, project, material breakdown, etc.)

5. Which SBE firms were solicited in writing for subcontract or supplier quotes/bids? Also in the appropriate space identify when the firms received subsequent telephone solicitations. Attach supporting documentation (e.g. copy of written solicitation to SBE firms, along with copies of telephone logs documenting follow-up communications, etc.)

Name of Company Contacted	Contact Person	Dates of Contact	Telephone #

6. Was the City of Tucson's Office of Equal Opportunity Programs (OEOP) technical or professional staff contacted for assistance? (Note that it is the policy of the OEOP to offer technical support to respondents to ensure that all avenues have been exhausted in meeting the SBE goal.) Attach necessary documentation.

Yes _____ No _____ Date of Contact _____ OEOP Contact Person _____

7. Describe any efforts undertaken to provide SBE firms with information about the project plans, specifications and requirements of the contract.

8. Describe any additional efforts undertaken to assist SBE firms (e.g. bonding assistance, lines of credit, etc.)

9. Indicate which SBE firms submitted quotes on the contract proposal and provide a brief explanation of the reasons why these quotes were selected. If price was a factor, provide documentation to show quotes received from non-certified firms.

Name of SBE Firm

Explanation for Rejecting Quotes

10. Were any bids from SBE Subcontractors that were no more than 15% or \$250,000 greater than the accepted Non-SBE Subcontractor rejected? If so, describe in detail.

11. Describe in detail any supplemental items or efforts which you wish to have the department consider as part of your Good Faith Effort. Attach additional documentation or sheets for this item.

DBE PROGRAM PROVISIONS FOR PROFESSIONAL DESIGN SERVICES

PROJECT GOAL

The City of Tucson's Disadvantaged Business Enterprise Participation goal for this project is as follows:

 X % DBE

I. DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

A. DEFINITIONS

Commercially Useful Function - The performance of real and actual services in the discharge of any contractual endeavor. A DBE is performing a commercially useful function when it is responsible for execution of a distinct element of a contract and carries out its responsibilities by actually performing, managing, and supervising the work involved.

If a DBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or the DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, it is presumed that the DBE firm is not performing a commercially useful function and no DBE credit may be awarded toward the DBE goal.

Contract - A legally binding relationship obligating a seller to furnish supplies or services (including, but not limited to, construction and professional services) and the buyer to pay for them.

Contractor - One who participates, through a contract or subcontract (at any tier), in a federally funded program. For the purposes of DBE Plan evaluation, any offeror in negotiations with the City of Tucson pursuant to a Request for Qualifications is also subject to the Contractor DBE program compliance requirements.

Disadvantaged Business Enterprise or DBE - A for-profit small business concern certified under the Arizona Unified Certification Program (AZUCP) –

(a) That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and

(b) Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

Good Faith Efforts - Efforts to achieve a DBE goal or other requirement of this part which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.

Joint Venture - An association of a DBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.

Primary Industry Classification - The four digit Standard Industrial Classification (SIC) code designation which best describes the primary business of a firm. The SIC code designations are described in the Standard Industry Classification Manual. As the North American Industrial Classification System (NAICS) replaces the SIC system, references to SIC codes and the SIC Manual are deemed to

refer to the NAICS manual and applicable codes. The SIC Manual and the NAICS Manual are available through the National Technical Information Service (NTIS) of the U.S. Department of Commerce (Springfield, VA 22261). NTIS also makes materials available through its web site (www.ntis.gov/products/naics.aspx).

Program - Any undertaking on the City of Tucson's part to use federal financial assistance, authorized by the laws to which this part applies.

Race and Gender-Conscious - A measure or program that is focused specifically on assisting only DBEs.

Race and Gender-Neutral - A measure or program that is, or can be, used to assist all small businesses.

Recipient - Any entity, public or private, to which federal financial assistance is extended, whether directly or through another recipient, or who has applied for such assistance.

Set-Aside - A contracting practice restricting eligibility for the competitive award of a contract solely to DBE firms.

Small Business Concern - With respect to firms seeking to participate as a DBE, a small business concern as defined pursuant to section 3 of the Small Business Act and Small Business Administration regulations implementing it (13 CFR 121) that also does not exceed the cap on average annual gross receipts specified in §26.65(b).

Socially and Economically Disadvantaged Individual - Any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who is --

(a) Any individual who the City of Tucson finds to be a socially and economically disadvantaged individual on a case-by-case basis.

(b) Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:

(i) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

(ii) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

(iii) "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

(iv) "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

(v) "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;

(vi) Women;

(vii) Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

B. APPLICABILITY

The City of Tucson has received federal financial assistance and has established a DBE Diversity Program for Contracts in accordance with 49 CFR 26, which is incorporated herein by this reference. The DBE Diversity Program applies to all City and subrecipient contracts that are funded, in whole or in part, by federal financial assistance. In the event of any conflicts or inconsistencies between 49 CFR 26 and this DBE Diversity Program, 49 CFR 26 shall prevail.

ALL CONTRACTORS INCLUDING DBEs MUST COMPLY. Contractors who are DBEs must also comply with all requirements stated herein. However, a DBE on a prime contract may meet the contract goal by virtue of the work it performs on the prime contract with its own forces. By submitting to the City of Tucson, contractors bind themselves to make every good faith effort to meet the City's DBE goals and federal regulations.

Firms that are certified *at time of DBE Plan submittal* through the Arizona Unified Certification Program (AZUCP) under 49 CFR 26 are eligible to participate as DBEs on City of Tucson contracts that are federally funded wholly or in part.

The Arizona Unified Certification Program (AZUCP) Database contains the **complete** listing of those firms which are certified and therefore eligible to participate as a DBE on a project. DBE participation is NOT limited to Pima County firms. Any DBE firm recognized through the AZUCP is eligible to be recognized as a certified DBE. The AZUCP Database can be accessed through the following internet address: (<http://www.azdbe.org/>). If the name of a firm does not appear in the AZUCP database, it shall be the bidder's responsibility to ascertain the certification status of the firm.

Questions regarding the AZUCP and the City's DBE Program can be addressed to the City's Office of Equal Opportunity Programs (OEOP) at (520) 791-4593.

The City of Tucson has provided an overall DBE goal for this project. Prime contractors should be aware that **your obligation is to meet the DBE goal or submit an Affidavit of Good Faith Effort** to waive any or all of the portion of the goal not met.

C. DBE PARTICIPATION

A DBE goal may only be met by a certified DBE firm performing a commercially useful function. A DBE may participate as a prime contractor, subcontractor, second-tier subcontractor, joint venture partner with either a prime contractor or a subcontractor, or as a vendor of materials or supplies. A DBE shall be responsible for a specific contract amount and a clearly defined portion of the work to be performed, in addition to meeting the requirements for ownership and control. Open ended contracts or reimbursable contracts may not be used to meet a DBE goal at the time of bid submission. A copy of an executed subcontract must be submitted upon request by the City of Tucson.

D. DBE GOALS

To satisfy the DBE goals, a certified DBE must perform a commercially useful function, i.e., must be responsible for a clearly defined portion of the work and must carry out its responsibility by actually performing, managing and supervising the work. Unless specific subcontractor participation goals are expressed in the specifications, contractors may meet the DBE project goals through the following methods:

Subcontractor Participation - Where a prime contractor utilizes one or more certified DBE subcontractor(s) to satisfy its DBE participation commitment, the prime contractor may claim only the value of the commercially useful function to be performed by such subcontractor(s) in order to obtain credit toward the satisfaction of the applicable goal.

1. Prime Contractors who utilize certified DBE firms whose participation is included in Force Account items, Allowances or in a Cost Reimbursement type contract, shall establish a signed contract value with the DBE firm and may only take credit for the dollar value of that contract towards satisfying its DBE commitment in their proposed DBE plan. The dollar value must be a specific amount based on anticipated work calculated by the subcontractor and is not reliant on any estimated values that may be listed in the bid schedule and cannot be specified as a range.

2. When a DBE participates in a contract, only the work actually performed by the DBE will count toward DBE goals.

a. Credit will be given for the entire amount of that portion of a contract by the DBE performing a commercially useful function, including the cost of supplies and materials obtained by the DBE for the work of the contract (including supplies purchased or equipment leased by the DBE except supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliate).

b. Credit will be given for the entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services, or for providing bonds or insurance specifically required for the performance of a federally funded contract, toward DBE goals, provided the fee is reasonable and not excessive as compared with fees customarily allowed for similar services.

c. When a DBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work may be counted toward DBE goals only if the DBE's subcontractor is itself a DBE. Work that a DBE subcontracts to a non-DBE firm does not count toward DBE goals. The value of work that a non-DBE subcontractor subcontracts (second-tier) to a DBE firm may count toward DBE goals. **Therefore, prime contractors are required to identify and report the use of any second tier subcontractors on the project on the DBE Plan form.**

d. Credit will be given when a DBE subcontracts part of the work of its contract to another firm only if the DBE's subcontractor is itself a DBE.

3. When a DBE is used as the source for materials or supplies:

a. If a DBE supplier manufactures the goods supplied, one hundred percent (100%) of the contract amount is credited towards the applicable DBE participation goal.

b. If a DBE supplier is a regular dealer (a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment are bought, kept in stock, and regularly sold or leased to the public), 60% of the cost of the materials or supplies will be credited toward DBE goals.

4. Where a contractor engages in a joint venture to satisfy its DBE commitment, the DBE joint venture partner must be responsible for a distinct and clearly defined portion of the work to be performed in addition to satisfying the requirements of ownership and control. DBE joint ventures do not have to be certified as a joint venture by the City prior to bid opening. However, prime contractors must submit information at the time of bid opening that includes a copy of the joint venture agreement and clearly outlines the work to be performed by the DBE joint venture partner, including the dollar amount and percentage of the contract to be performed.

When a DBE performs as a joint venture, the OEOP will count a portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces toward DBE goals.

II. SUBMITTAL REQUIREMENTS

A. SUBMISSION OF A DBE PLAN

The DBE Plan and/or Affidavit of Good Faith Efforts must be submitted with the project proposal.

The DBE Plan must include:

1. The names of the DBE subcontractors/suppliers;
2. The type and scope of work or service each DBE will perform;
3. The dollar value of work as a percentage of the total contract

- value.
4. If the contract goal is not met, evidence of good faith efforts.

If the completed Statement of Proposed DBE Plan or, if necessary, a documented waiver application is not included with the proposal, the proposal will be considered non-responsive.

B. DBE ACKNOWLEDGMENT OF PARTICIPATION

The Contractor will be required to submit to the Office of Equal Opportunity Programs (OEOP), a DBE Acknowledgment of Participation for each DBE listed on the proposed DBE Plan which provides signed confirmation that they are participating in the contract as provided in the prime contractor's commitment in their DBE plan.

C. REVIEW OF DBE PLANS

The OEOP Director may determine that the Plan and/or Affidavit of Good Faith Effort is nonresponsive where the contractor, (1) failed to provide a completed Statement of Proposed DBE Plan; (2) failed to identify DBEs by name, the scope of work and value of work as a percent of the total project amount sufficient to meet the applicable DBE goals for this project; (3) failed to achieve the dollar value of credible participation by certified DBEs as necessary to meet the project goals; (4) failed to provide written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal prior to contract execution; or (5) failed to meet the requirements for a waiver of the DBE goals. The OEOP Director's determination shall be in writing and shall state the basis for such decision.

III. GOOD FAITH EFFORT

A contractor must, in order to be responsive, make good faith efforts to meet the goal. The contractor can meet this requirement in either of two ways. First, the contractor can meet the goal, documenting commitments for participation by DBE firms sufficient for this purpose. Second, even if it does not meet the goal, the contractor can document adequate good faith efforts. This means that the contractor must show that it took all necessary and reasonable steps to achieve a DBE goal or other requirements of this part which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if they were not fully successful.

The application for a waiver shall be in writing and must be submitted with the project proposal. The request must indicate whether a complete or partial waiver is sought. If a partial waiver is being sought the scope of such waiver must be indicated. The contractor must provide documented evidence including a narrative statement with supporting affidavits and/or exhibits verifying the good faith efforts to meet the goals.

The following is a list of types of actions which the City will consider as part of the good faith efforts to obtain DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

A. Soliciting through all reasonable and available means the interest of all certified DBEs who have the capability to perform the work of the contract. The contractor must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The contractor must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

B. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.

C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

D. (1) Negotiating in good faith with interested DBEs. It is the contractor's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

(2) A contractor using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not itself sufficient reason for failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve them of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the City of Tucson or contractor.

G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

I. Communicating with the Office of Equal Opportunity Programs (OEOP) seeking technical or professional assistance in identifying available DBEs and requesting the most current Arizona Unified Certification Program (AZUCP) directory of certified DBE firms.

The City's OEOP Director shall review the waiver application and approve the waiver where the contractor has demonstrated good faith efforts or deem them nonresponsive where they failed to meet the good faith efforts.

IV. ADMINISTRATIVE RECONSIDERATION

If it is determined by the City's OEOP Director that the contractor has failed to meet the goal and/or document adequate good faith efforts, the contractor shall have the opportunity for administrative reconsideration. Therefore, within five (5) working days of being notified by OEOP that it is not responsive because it has not met the goal or documented adequate good faith efforts, a contractor may request administrative reconsideration. Contractors must make this request in writing to the following individual:

Procurement Director
City of Tucson
255 W. Alameda - PO Box 27210
Tucson, Arizona 85726.

The request for reconsideration must include the reasons and factual grounds for reconsideration with any supporting documents. The Procurement Director shall appoint a Reconsideration Official who will not have played any role in the original determination that the bidder did not document sufficient good faith efforts. The Reconsideration Official shall hold a hearing within ten (10) working days of the request for reconsideration. The contractor will have the opportunity to meet in person with the City's Reconsideration Official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The Reconsideration Official can also take testimony from City employees.

The City will send the contractor, via certified mail, a written decision on reconsideration, explaining the basis for finding that the contractor did or did not meet the goal or make adequate good faith efforts to do so. The decision will be sent within five (5) working days of the Reconsideration Hearing. The result of the reconsideration process is not administratively appealable. Copies of the reconsideration documentation, including supporting documents and the Reconsideration Officials final decision, shall be maintained in the contract file at Procurement and OEOP.

FAILURE TO SUBMIT THE REQUIRED INFORMATION BY THE STATED TIME AND IN THE MANNER HEREIN SPECIFIED SHALL BE CAUSE FOR THE CONTRACTOR TO BE DEEMED NONRESPONSIVE.

PURSUANT TO ADMINISTRATIVE PROCEDURES AND POLICIES, THE OEOP DIRECTOR MAY VERIFY AND/OR CLARIFY INFORMATION AND REQUEST RESUBMITTAL OF INFORMATION BASED ON CLARIFICATION AS IT RELATES TO THE AFFIDAVIT OF GOOD FAITH EFFORTS, AND/OR THE STATEMENT OF PROPOSED DBE PLAN.

V. GENERAL WAIVER OR REDUCTION OF DBE GOALS

If after consultation with appropriate City departments, the OEOP Director determines that DBE availability is less than projected, the OEOP Director may waive or reduce established project goals. In such circumstances, the OEOP Director shall certify that DBEs are not in fact available.

The City shall waive a project goal, at least in part, if the contractor requesting a waiver receives from all qualified DBEs, in one trade or industry, quotes or proposal that exceeds the lowest quote or proposal of a qualified non-DBE competing for the same work by the lesser of fifteen percent (15%) or two hundred and fifty thousand dollars (\$250,000). In such circumstances, the OEOP Director shall certify that DBEs are not in fact available to provide the needed labor and materials at competitive prices.

VI. MONITORING PAYMENTS TO SUBCONTRACTORS

Prime contractors must maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Tucson or federal government. This reporting requirement also extends to any certified DBE subcontractor. As part of the contract documents requirement, the contractor will submit company procedures and policy for prompt payment of work and prompt release of retention to subcontractors.

Prime contractors are required to pay **all** subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each progress payment made by the City of Tucson to the prime contractor.

The prime contractor is to pay **all** retention owed to a subcontractor within **30 days** of **satisfactory completion** of the contracted work. For the purposes of this section, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and accepted by the prime contractor as required by the City of Tucson. Payment of retention by a prime contractor to subcontractors following completion and acceptance of work is **NOT** dependent on the billing of, or payment from, the City of Tucson for the retention release. Required timelines are indicated below:

A. When a subcontractor has completed all the tasks called for in the subcontract, the subcontractor will submit a written request to the prime contractor for an acceptance inspection and release of all retention.

B. Within 10 days of receipt of an inspection request by a subcontractor, the contractor shall schedule an inspection / walk through for acceptance of the work.

C. Within 30 days of the acceptance of a subcontractors work, the prime contractor shall pay all retention owed to a subcontractor.

Once a subcontractor's work has been accepted, a prime contractor may bill the City of Tucson for release of retention equal to the amount of retention that is/has been released to a subcontractor.

Prime contractors are asked to submit the attached Certification of Payments, for each DBE subcontractor utilized on this project, once that portion of the work has been completed and the subcontractor has been paid in full.

Prime contractors will report the actual value of any contract to DBE firms for work committed to them at the time of the contract award. Contractors must submit the attached Supplier & Subcontractor Utilization List Final Payment Record to OEOP with their request for final payment. The Final Payment Record will record total dollar amounts paid to both DBE and non-DBE suppliers and subcontractors.

Prime contractors must provide notice to subcontractors that complaints of violations of the prompt payment provision may be submitted in writing to the City of Tucson Office of Equal Opportunity Programs Director, 201 N. Stone Ave., 3rd Floor NW, Tucson, Arizona 85701. The complaint shall set forth the facts and identify the prime contractor and the project. Subcontractors will be assisted by the Office of Equal Opportunity Programs with the complaint process.

A copy of the DBE contract provisions shall be included with every subcontract.

The City of Tucson may withhold payment from the prime contractor for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

The City of Tucson may withhold payment from the prime contractor for failure to submit and/or complete required documents.

VII. MISCELLANEOUS PROVISIONS

A. CONTRACT PROVISIONS

The contractor's distinct contract items of work to be awarded to DBEs shall be performed by the designated DBE or DBE substitute approved by the OEOP and the Procurement Department. DBE contract work items shall not be performed by the contractor in lieu of subcontracting, without OEOP's approval. Contract items eliminated from the project, with the approval of the Project Manager, will not

reduce the contractor's credit for DBE participation. The DBE must perform a commercially useful function, that is, the DBE must manage, perform, and supervise a distinct element of work.

An executed subcontract with all DBE subcontractors shall be completed prior to the Notice To Proceed, and available to the City of Tucson upon request.

B. NON-PERFORMANCE BY DBEs

In the event that a DBE is unable or unwilling to fulfill its agreement with the contractor, the contractor will immediately notify the OEOP and the Project Manager and provide all facts surrounding the matter. The DBE firm can be terminated only for good cause. Good cause includes a situation where the DBE subcontractor has failed or refused to perform the work of its subcontract in accordance with normal industry standards. Such failure on the part of a DBE will not relieve the contractor of responsibility for meeting the DBE participation goal on the contract. The contractor shall immediately take adequate good faith efforts to obtain another certified DBE to perform an equal or greater dollar value of the work. The substitute DBEs name, description of work and all written and signed commitments, and dollar value of the work shall be submitted to the OEOP, and the OEOP's approval must be obtained prior to the substitute DBE beginning work. If the contractor fails or refuses to comply, the OEOP will recommend that the City issue an order stopping all or part of payment/work until satisfactory action has been taken. If the contractor still fails to comply, the City may terminate the contract for cause and/or pursue any other remedy available to the City.

C. CONTRACTOR PERFORMANCE EVALUATION

At the conclusion of every City of Tucson construction project, the prime contractor is required to complete the OEOP Prime Contractor Report of Subcontractor Utilization. The report will include a section to rate the performance of project subcontractors from 1 – 5, based on industry standards. The performance rating section shall be completed. A score of 3 is considered average. A score of 4 or 5 is considered above average. A score of 1 or 2 is considered as poor performance. A rating of 1 or 2 regarding a subcontractor will require the prime contractor to complete a performance evaluation report documenting the cause for the sub-performance rating. The City of Tucson Project Manager must concur with all poor performance ratings. Repeated poor performance may result in action by the OEOP Director up to and including decertification in accordance with Sec. 28-148(8)(8) of the SBE ordinance.

D. RECORD-KEEPING

The City of Tucson will require prime contractors to maintain records and documents of payments to DBE for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Tucson or federal government. The reporting requirement also extends to any certified DBE subcontractors.

E. FALSE, FRAUDULENT OR DISHONEST CONDUCT

The City of Tucson will bring to the attention of the federal government any false, fraudulent or dishonest conduct in connection with the DBE Diversity Program for Contracts so that the federal government can take steps (e.g., referral to the Department of Justice for criminal prosecution, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR 26.109. The City will also consider similar action under its own legal authorities, including responsibility determinations in future contracts.

F. NON-DISCRIMINATION

The City of Tucson shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any federal contract or in the administration of its DBE Program or the requirements of 49 CFR 26. The recipient shall take all necessary and reasonable steps under 49 CFR 26 to ensure nondiscrimination in the award and administration of federal contracts. The recipient's DBE Program, as

required by 49 CFR 26, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the City of Tucson of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

A COMPLETED DBE PLAN AND/OR AFFIDAVIT OF GOOD FAITH EFFORTS MUST BE SUBMITTED WITH THE PROPOSAL

**City of Tucson
Equal Opportunity Office**

AFFIDAVIT OF GOOD FAITH EFFORTS

CONTRACT NO: _____ PROJECT NAME: _____

COMPANY NAME: _____

CONTACT NAME: _____ PHONE NUMBER: _____ FAX NUMBER: _____

WHERE A CONTRACTOR FAILS TO EXERCISE "GOOD FAITH" EFFORTS TO MEET DBE GOALS, AS REQUIRED BY THE CITY OF TUCSON, THE BIDDER WILL BE DEEMED NONRESPONSIVE.

The intent of this certification is to document the good faith efforts implemented by the contractor in soliciting and utilizing DBE firms to meet the City of Tucson's DBE goals. This certificate will assist the City of Tucson's Office of Equal Opportunity Programs in determining whether the contractor has implemented comprehensive good faith efforts. Pursuant to Administrative procedures and policies, the OEOP Director may verify and/or clarify information as it relates to the Affidavit of Good Faith Efforts and/or the Statement of Proposed DBE Plan. The burden of proof rests with the contractor.

1. Is a partial or complete waiver being sought? Please explain. Note: If a partial waiver is being sought the scope of such waiver must be indicated and a DBE plan must also be submitted.

2. Provide a brief summary of why the DBE goal for this project has not been met. Attach supporting documentation.

3. Which portions of the contract proposal, in terms of the nature of the work, were selected to be subcontracted to DBE firms? Attach supporting documentation (e.g. memo, proposal, project breakdown, etc).

4. Which portion of the contract proposal, in terms of suppliers, was identified for DBE firms? Attach supporting documentation (e.g. memo, proposal, project material breakdown, etc).

5. Which DBE firms were solicited in writing for subcontract or supplier quotes/bids? Also, in the appropriate space identify when the firms received subsequent telephone solicitations. Attach supporting documentation (e.g. copy of written solicitation to DBE firms, along with copies of telephone logs documenting follow-up communications, etc.).

Name of Company Contacted Telephone #	Contact Person	Dates of Contact

6. Was the City of Tucson's Office of Equal Opportunity Programs (OEOP) technical or professional staff contacted for assistance? (Note that it is the policy of the OEOP to offer technical support to respondents to ensure that all avenues have been exhausted in meeting the DBE goals.) Attach necessary documentation.

Yes _____ No _____ Date of Contact _____ OEOP Contact Person _____

7. Describe any efforts undertaken to provide DBE firms with information about the project plans, specifications and requirements of the contract.

8. Describe any additional efforts undertaken to assist DBE firms (e.g. bonding assistance, lines of credit, etc.)

9. Indicate which DBE firms submitted quotes on the contract proposal and provide a brief explanation of the reasons why these quotes were rejected. If price was a factor, provide documentation to show quotes received from non-certified firms.

Name of DBE Firm

Explanation for Rejecting Quotes

<hr/>	<hr/>

10. Were any proposals from DBE subcontractors that were no more than 15% or \$250,000 greater than the accepted Non-DBE subcontractor rejected? If so, describe in detail.

11. Describe in detail any supplemental items or efforts which you wish to have the department consider as part of your Good Faith Effort. Attach additional documentation or sheets for this item.

MUST BE SUBMITTED WITH THE PROPOSAL

City of Tucson
Office of Equal Opportunity Programs (OEOP)
DBE ACKNOWLEDGMENT OF PARTICIPATION

CONTRACT NO. _____ PROJECT NAME: _____

TRADE/INDUSTRY/SUPPLY/EQUIPMENT: _____

DOLLAR VALUE OF THE CONTRACT: _____

DBE Firm: _____

DBE Signature: _____

Phone No. _____ Date: _____

Name: _____

Title: _____

I hereby certify that _____ is participating in the contract as provided in the Proposed DBE Plan and that the information shown above is a true reflection of the proposed subcontract.

Prime Contractor's Signature: _____

MUST BE SUBMITTED WITH REQUEST FOR FINAL PAYMENT

**City of Tucson
Office of Equal Opportunity Programs (OEOP)**

**SUPPLIER AND SUBCONTRACTOR UTILIZATION LIST
FINAL PAYMENT RECORD**

Pursuant to administrative procedures and policies, the OEOP Director may verify and/or clarify and request resubmittal of information to verify or clarify information as it relates to the contractor's Final Payment Record.

CONTRACT No. _____ Bid Amount: _____ Project Name: _____

<u>FIRM NAME</u>	<u>DBE</u>	<u>TRADE/INDUSTRY</u>	<u>SUPPLIER TOTAL PAYMENT MADE</u>
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_
_____	Y_N_	_____	Y_N_

CERTIFICATION OF PAYMENTS TO DBE FIRMS

Project Name: _____
COT Job No.: _____ Contract No.: _____
Fed Job No.: _____ State TRACS No.: _____

The undersigned prime contractor on the above named City of Tucson project hereby, certifies that full payment was made to the firm indicated for material and/or work performed under this project's contract as follows:

Firm Name _____, was paid \$ _____

The subcontract was completed on _____

Full Retention has been released to the Subcontractor by the Prime Contractor Yes / No

This certification is made under Federal and State laws concerning false statement. Supporting documentation for this payment is subject to audit and should be retained for a minimum of three years from project acceptance date. In the event the DBE was not paid in accordance with affidavits submitted by the prime contracts, all documentation supporting the contractors position should be submitted.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS, THAT THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Prime Contractor
By: _____
Title: _____
Date: _____

The undersigned subcontractor/supplier/manufacturer for the above named project hereby certifies that payments were received and/or justification by contractor is correct.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS, THAT THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Subcontractor/Supplier/Manufacturer
By: _____
Title: _____
Date: _____

MUST BE SUBMITTED WITH THE PROPOSAL

SUBCONTRACTOR PROMPT PAYMENT REQUIREMENTS

CONTRACT NO: _____

PROJECT NAME: _____

DBE Contract Provisions – Section V. Monitoring Payments to Subcontractors

Prime contractors are required to pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each progress payment made by the City of Tucson to the prime contractor.

The prime contractor is to pay **all** retention owed to a subcontractor within **30 days of satisfactory completion** of the contracted work. For the purposes of this section, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and accepted by the prime contractor as required by the City of Tucson.

Payment of retention by a prime contractor to subcontractors following completion and acceptance of work is **NOT** dependent on the billing of, or payment from, the City of Tucson for the retention release.

Once a subcontractor's work has been accepted, a prime contractor may bill the City of Tucson for release of retention equal to the amount of retention that is/has been released to a subcontractor.

The City of Tucson may withhold payment from the prime contractor for work performed by subcontractors unless and until the prime contractor ensures that the subcontractors are promptly paid for the work they have performed.

By signing below I acknowledge and agree to the DBE subcontractor prompt payment requirements.

Company Name: _____

Signature: _____

Name & Title: _____

Date: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/7/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Greyling Insurance Brokerage 450 Northridge Parkway Suite 102 Atlanta GA 30350	CONTACT NAME: Jerry Noyola	
	PHONE (A/C, No, Ext): (770) 552-4225 FAX (A/C, No): (866) 550-4082	
INSURED Kimley-Horn and Associates, Inc. P.O. Box 33068 Raleigh NC 27636	E-MAIL ADDRESS: jerry.noyola@greyling.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A National Union Fire Ins. Co.	19445
	INSURER B Commerce & Industry Insurance	19410
	INSURER C New Hampshire Insurance Company	23841
	INSURER D Lexington Insurance Company	19437
INSURER E:		
INSURER F:		

COVERAGES CERTIFICATE NUMBER: 12-13 (Kimley LuAnn) REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liability	X	X	9645227	12/1/2012	4/1/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS	X	X	4982985	12/1/2012	4/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X	X	BE 021730741	12/1/2012	4/1/2013	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		X	018112556	12/1/2012	4/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Professional Liability		X	016017332	12/1/2012	4/1/2014	Per Claim \$2,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: DP-Request for Qualifications #130677 - On Call Traffic Engineering Services, COT. The City of Tucson & The Regional Transportation Authority (RTA) are named as Additional Insureds on the above referenced liability policies with the exception of workers compensation & professional liability where required by written contract. Should any of the above described policies be cancelled by the issuing insurer before the expiration date thereof, we will endeavor to provide 30 days' written notice (except 10 days for nonpayment of premium) to the Certificate Holder named below.

CERTIFICATE HOLDER

CANCELLATION

City of Tucson Matt Hausman P.O. Box 27210 Tucson, AZ 85276-2639	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Matias Ormaza/JERRY

EXHIBIT B
SCOPE OF WORK, LIST OF MATERIALS, SPECIFICATIONS
AND OTHER MODIFICATIONS TO UNDERLYING CONTRACT

SEE EXHIBIT A

EXHIBIT C
PAYMENT & COMPENSATION TERMS

SEE EXHIBIT A

EXHIBIT D
INSURANCE REQUIREMENTS

COVERAGE AFFORDED

LIMITS OF LIABILITY

Worker's Compensation

Statutory

Commercial General
Liability Insurance
Including:

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

- A. Products & Completed Operations
- B. Blanket Contractual
- C. Premises-Operations-Personal Injury

The following Automobile Liability Insurance coverage will also be required for all professional services contracts which require automobile travel by Contractor.

Comprehensive Automobile Liability
Insurance including: non-owned, and
Hired vehicles

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

SPECIAL CONDITIONS:

1. THE TOWN OF SAHUARITA WILL BE ADDED AS ADDITIONAL INSURED UNDER THE COMMERCIAL GENERAL LIABILITY AND COMPREHENSIVE AUTOMOBILE LIABILITY POLICIES.
2. Policies will not be cancelled or reduced in coverage without ten (10) days written notice to the Town.
3. Deductibles will be stated on the certificate of insurance and are subject to the review and approval of the Town.
4. Contractor shall provide Town with proof of compliance with the insurance provisions and requirements within ten (10) days of the date this Contract is executed by all parties by providing a current certificate of insurance and the associated endorsement to the policy. Failure of Contractor to comply with the insurance requirements at any time shall result in a breach of this Agreement, and shall, among other things, allow immediate termination of this Agreement.
5. Contractors performing any portion of a Project that shall acquire funding from the Regional Transportation Authority (RTA) shall name the RTA as additional insured and additional indemnitee. The RTA shall be identified as an additional insured with respect to insurance policies for general liability, automobile liability and defects in design. Contractor is also required to name the RTA as an additional beneficiary in any performance and payment related assurances posted for the Project.

EXHIBIT E
LEGAL NOTICES

<p><u>TOWN:</u></p> <p>L. Kelly Udall, Town Manager Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>with a copy to:</u></p> <p>Daniel J. Hochuli, Town Attorney Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p> <p><u>and:</u></p> <p>Sheila M. Bowen, P.E. Public Works Director / Town Engineer Town of Sahuarita 375 W. Sahuarita Center Way Sahuarita, Arizona 85629</p>	<p><u>CONTRACTOR:</u></p> <p>Brent C. Crowther, Vice President Kimley-Horn and Associates, Inc. 333 E. Wetmore Road, Suite 280 Tucson, AZ 85705</p> <p><u>With a copy to:</u></p> <p>NONE</p>
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MEETING DATE: October 10, 2016

DATE PREPARED: September 28, 2016

AGENDA ITEM: 7E

TO: Honorable Mayor and Council
FROM: A.C. Marriotti, Finance Director
SUBJECT: **Approval of Contract No. 170026 between the Town of Sahuarita and Raftelis Financial Consultants, Inc., for professional services to evaluate wastewater rates and to develop a Financial Plan for the Wastewater Utility; commencing October 11, 2016 and terminating October 10, 2017, not-to-exceed \$50,000.**

	 <input type="checkbox"/> Economic Development	 <input type="checkbox"/> Infrastructure	 <input checked="" type="checkbox"/> Planning for Our Community's Future
	 <input checked="" type="checkbox"/> Organizational Effectiveness	 <input type="checkbox"/> Quality of Life	 <input type="checkbox"/> Other

GOALS/OTHER:

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Wastewater Enterprise Fund
2. Available Budget/Project Capacity (\$): \$50K budgeted

STAFF RECOMMENDATION

Staff recommends approval.

SUGGESTED MOTION

I move to approve Contract No. 170026.

DISCUSSION

As discussed during the budget study session, the Wastewater Utility is in need of expertise in the field to help develop a comprehensive, long-term plan/strategy to:

- Ensure the financial stability of the Wastewater Enterprise Fund;
- Develop rates (and rate structures) that are equitable and resilient to pressures external to the Town; and
- Will plan for and help in managing the future operational, capital, and service delivery needs.

The consultants will help us establish guidelines and policies that will be used to overhaul *Sahuarita Town Code Title 13—Sanitary Sewers*. Best practices will be considered. The consultants will also develop a benchmarking analysis which can be used to measure the Utility's operational efficiency. See Contract Scope of Work for more information. The Finance & Investment Advisory Committee will be included in the process as well.

This is a cooperative purchasing contract. The Town is "piggybacking" off of a Pima County contract with the same vendor. Raftelis Financial Consultants, Inc. is well known in the industry. The Raftelis consultants are regarded as experts in the field. Raftelis will coordinate their efforts on our project with their County project, resulting in savings to the Town.

ATTACHMENTS

1. Contract No. 170026



COOPERATIVE PURCHASING CONTRACT

Town of Sahuarita, Arizona



Department: Wastewater Department
Contractor: Raftelis Financial Consultants, Inc.
Project Name: Wastewater Rate Evaluation and Financial Plan
Project Number: 170026
Contract Dates: Start: 10/11/2016 End: 10/10/2017
Contract Number: 170026
Amount: Not to Exceed \$50,000.00
Funding Source: Wastewater Enterprise Fund

TOWN COUNCIL MEMBERS

Mayor Duane Blumberg
Vice Mayor Bill Bracco
Kara Egbert
Gil Lusk
Tom Murphy
Lynne Skelton
Melissa L. Hicks

TOWN MANAGEMENT

L. Kelly Udall, Town Manager
A.C. Marriotti, Finance Director

COOPERATIVE PURCHASING CONTRACT

THIS CONTRACT is entered into between the Town of Sahuarita, Arizona, an Arizona municipal corporation (hereinafter "Town"), and Raftelis Financial Consultants, Inc., a North Carolina corporation (hereinafter "Contractor").

WITNESSETH

Whereas, Town requires the services of a vendor and/or contractor qualified and duly licensed in the Town of Sahuarita and the State of Arizona and qualified to provide sewer rate study services; and

Whereas, Contractor is qualified and willing to provide such services; and

Whereas, Section 3.15.060 (C) of the Sahuarita Town Code provides that in the event of a purchase made by, through, or with any public agency as defined in Arizona Revised Statutes § 11-951, the Town Council may approve such purchases or award such contracts for services without a formal bidding process, and Contractor meets all such requirements.

A G R E E M E N T

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter provided, it is agreed between the Town and the Contractor as follows:

- 1 **INCORPORATION OF CONTRACT.** The parties hereby incorporate that certain contract between Contractor and Pima County attached hereto as Exhibit "A" (the "Underlying Contract") as if fully set forth herein, and agree that (i) the Town shall be substituted in place of the other governmental entity, (ii) the Underlying Contract shall bind the parties to the fullest extent possible, and (iii) any clarifications or modifications to the Underlying Contract shall be set forth herein.
- 2 **TERM.** This Contract shall commence on October 11, 2016, and shall terminate on October 10, 2017, unless sooner terminated or further extended.
- 3 **SCOPE OF WORK.**
 - 3.1 The work to be performed under this Contract is that work which is requested pursuant to the Scope of Work, list of materials, or other specifications attached hereto as Exhibit "B" and incorporated herein by this reference. Any clarifications, substitutions, corrections, additions, or other modifications to the Underlying Contract shall also be set forth on Exhibit "B."
- 4 **PAYMENT.**
 - 4.1 In consideration of the services specified in this Contract, the Town agrees to pay the Contractor as set forth in the Underlying Contract, as clarified or modified as set forth in Exhibit "C" to this Agreement.
 - 4.2 Contractor shall not perform work in excess of the contract amount without prior authorization by an amendment executed by all parties to this Contract. Work performed in excess of the contract amount without prior authorization by amendment shall be at Contractor's own risk.
- 5 **CONFLICT OF INTEREST.** This Contract is subject to the provisions of A.R.S. § 38-511.
- 6 **NOTICES.** Any notice required or permitted to be given under this Contract shall be in writing and shall be served by delivery or by certified mail upon the other party as provided on Exhibit "E" to this Contract.
- 7 **Non-Discrimination.** Contractor agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive Order 99-4 and amends Executive Order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website <http://azmemory.azlibrary.gov/cdm/ref/collection/execorders/id/680> which is hereby incorporated into this Agreement as if set forth in full herein. During the performance of this

Agreement, the Parties shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

- 8** **COMPLIANCE WITH FEDERAL AND STATE LAWS.** In the event this contract refers to services, the following shall apply. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1988. The following is only applicable to construction contracts: The Contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

- 8.1** Under the provisions of A.R.S. §41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

The Town retains the legal right to inspect the papers of any Contractor or Subcontractors employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any of subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

Neither the Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

- 9.** **NON-APPROPRIATION OF FUNDS.** Notwithstanding any other provision in this Contract, this Contract may be terminated if for any reason the Sahuarita Town Council does not appropriate sufficient monies for the purpose of maintaining this Contract. In the event of such termination, Town shall have no further obligation to Contractor, other than for services rendered prior to termination.

IN WITNESS THEREOF, the parties have affixed their signatures to this Contract on the dates written below.

TOWN OF SAHUARITA, ARIZONA

ATTEST:

Duane Blumberg
Mayor

Lisa Cole, MMC, Town Clerk

Date: _____

TOWN OF SAHUARITA

CONTRACTOR:
RAFTELIS FINANCIAL CONSULTANTS, INC.

L. Kelly Udall, Town Manager/Purchasing Director

DEPARTMENT HEAD:

Name: J. Bart Kreps
Title: Senior Manager

A.C. Marriotti, Finance Director

Date: _____

Federal Tax ID Number: 20-1054069

APPROVED AS TO FORM:

D-U-N-S Number: 809874100

Daniel J. Hochuli, Town Attorney

Federal Tax ID Number: 86-0777111

D-U-N-S Number: 963704101

EXHIBIT A
UNDERLYING CONTRACT (WITH ALL AMENDMENTS TO DATE)



MASTER AGREEMENT

PIMA COUNTY, ARIZONA

THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES CONTRACT EXECUTION

Master Agreement No: 1700000000000000019

MA Version: 1

Page: 1

Description: Sewer Rate Study IFB 220885

I S S U E R	Pima County Procurement Department 130 W. Congress St. 3rd Fl Tucson AZ 85701
	Issued By: JENNIFER MOORE
	Phone: 5207248164
	Email: jennifer.moore@pima.gov

T E R M S	Initiation Date: 08-01-2016
	Expiration Date: 07-31-2017
	NTE Amount: \$99,520.00
	Used Amount: \$0.00

V E N D O R	RAFTELIS FINANCIAL CONSULTANTS INC 1031 S CALDWELL ST STE 100 CHARLOTTE NC 28203	Contact: DIANE ADAMS Phone: 704-373-1199 Email: dadams@raftelis.com Terms: 0.0000 % Days: 30

Shipping Method:	Vendor Method
Delivery Type:	STANDARD GROUND
FOB:	FOB Dest, Freight Prepaid
Modification Reason	
<p>This Master Agreement is issued pursuant to an award made by the Procurement Director. Contract is for an initial term of one (1) year and includes four (4) one-year renewal options. Annual award amount is \$99,520.00. Attachment: Offer Agreement</p>	

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All Transactions and conduct are required to conform to these documents.



MASTER AGREEMENT DETAILS

Master Agreement No: 1700000000000000019

MA Version: 1

Page: 2

Line	Description	UOM	Unit Price	Stock Code	VPN	MPN
2	A-G Phase 1 Year 1 Comprehensive Rate Study					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$60530			
3	Ha Phase 2 Year 1 Meet & Confer					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$16350			
4	Ha Phase 2 Year 1 Meet with RWRD Directors					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$2110			
5	Ha Phase 2 Year 1 Meet with F&RM					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$1315			
6	Hb Phase 2 Year 1 Preliminary Report Presentation					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$1055			
7	Ia Phase 3 Year 1 Prepare Final Report					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$11560			
8	Ib Phase 3 Year 1 Attend Public Meeting					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$1100			
9	Ib Phase 3 Year 1 Attend RWRAC meeting 1					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$2200			
10	Ib Phase 3 Year 1 Attend RWRAC meeting 2					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$2200			
11	Ib Phase 3 Year 1 Present Final Report at BOS Meeting					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$1100			
12	Rate Study Year 2 Phase 1					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$20010			
13	Rate Study Year 2 Phase 2					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$16350			
14	Rate Study Year 2 Phase 3					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$13490			
15	Rate Study Year 3 Phase 1					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$20610			
16	Rate Study Year 3 Phase 2					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$16800			
17	Rate Study Year 3 Phase 3					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$13900			
18	Rate Study Year 4 Phase 1					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$21200			
19	Rate Study Year 4 Phase 2					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$17350			
20	Rate Study Year 4 Phase 3					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$14300			
21	Rate Study Year 5 Phase 1					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$21900			
22	Rate Study Year 5 Phase 2					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$17900			
23	Rate Study Year 5 Phase 3					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	LOT	\$14750			



MASTER AGREEMENT DETAILS

Master Agreement No: 1700000000000000019

MA Version: 1

Page: 3

Line	Description	UOM	Unit Price	Stock Code	VPN	MPN
24	Consultant Project Manager					
	Discount	HOUR	\$250			
	0.0000 %					
25	Consultant Project Director					
	Discount	HOUR	\$275			
	0.0000 %					
26	Lead Consultant					
	Discount	HOUR	\$225			
	0.0000 %					
27	Staff Consultant					
	Discount	HOUR	\$140			
	0.0000 %					
28	Administration					
	Discount	HOUR	\$75			
	0.0000 %					

1. INTENT:

This document is intended to establish an "As Required" indefinite delivery/indefinite quantity (IDIQ) "Master" agreement contract to provide Pima County ("County") with such quantities of **Sewer Rate Study services** as County may order from time to time by issue of Delivery Order (DO) pursuant to a resulting contract.

The Pima County Regional Wastewater Reclamation Department (RWRD) is an Enterprise Fund of Pima County, Arizona. Contractor is to conduct a comprehensive Sewer Rate Study and as needed related services. The intent of the study any provision of related services is to independently assess and evaluate the existing sewer rates, determine an updated cost of service, and provide recommendation for equitable, sustainable cost recovery by customer class. RWRD desires to ensure that, to the extent practical, the cost of providing service is recovered by each customer receiving such service.

As defined by the attached Pima County Standard terms and Conditions (STC) this contract is non-exclusive and may be terminated for any reason without penalty or cost to County.

All Goods and Services offered or provided pursuant to the contract will conform to the requirements defined by or referred to by the solicitation documents including *Solicitation Addenda, Instructions to Bidders, Standard Terms and Conditions* and this *Offer Agreement*, all of which are incorporated herein.

This document, including all attachments and documents incorporated by reference, constitutes the entire contract between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

2. CONTRACT TERM EXTENSIONS-RENEWALS & REVISIONS:

The initial term of the contract will be for a one year period and include four (4) one-year renewal options that may be exercised upon the written agreement of the parties as follows:

Proposed extension or renewals of the contract if included in the contract and revisions to the contract shall be made through the issuance by County to Contractor of a revised Master Agreement (MA), document setting forth the requested changes. Failure by Contractor to object in writing to the proposed revisions, terms, conditions and/or specifications within ten (10) calendar days of issuance by County will signify acceptance of all such changes by Contractor and the amendment will be binding upon the parties, effective on the date of issuance.

3. CONTRACTOR MINIMUM QUALIFICATIONS:

Contractor certifies that they possess the following minimum qualifications and shall provide the requested documents that substantiate their satisfaction of the Minimum Qualifications. Failure to provide the information required by these Minimum Qualifications and required to substantiate *responsibility* may be cause for the offeror's proposal to be rejected as **Non-Responsive**.

MQ#	MQ TITLE	MQ DESCRIPTION	MQ DOCUMENTATION
1	Responsible	Responsible: The CONTRACTOR certifies that they are competent, willing and responsible for performing the services or providing the products in accordance with all requirements of the solicitation and this Offer Agreement. The CONTRACTOR further stipulates that they possess all licenses required by applicable Agencies to satisfy the requirements of this agreement	CHECK <input checked="" type="checkbox"/> appropriate response. YES <input checked="" type="checkbox"/> Certify agreement with the qualification requirement. NO <input type="checkbox"/>

MQ#	MQ TITLE	MQ DESCRIPTION	MQ DOCUMENTATION
2	Consultant/Project Manager (PM) Experience	<p>Experience: Consultant/PM must have a minimum of five (5) years' work experience conducting water/pressurized irrigation/sanitary sewer/storm drain rate studies. Rate study experience shall include various types of customer classes, usage analysis, and development fees and methodology assessment.</p> <p>Consultant/PM shall perform the services required for managing, providing oversight and final approval of all tasks, services performed by associated staff and work products to include final rate study report pursuant to the Scope of Services defined herein.</p>	<p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p> <p>Attachment 1 substantiates the Consultant/PM has the requisite experience required by MQ 2.</p> <p>Bart Kreps Name (First, Last) Consultant/Project Manager Senior Manager Title</p> <p>The completed Attachment 1: Consultant/PM Experience Log for the above identified staff is attached as part of the bid.</p>

MQ#	MQ TITLE	MQ DESCRIPTION	CHECK <input checked="" type="checkbox"/> appropriate response.
3	Rate Study Report	<p>Sample Final Rate Study Report: The Consultant/PM must have completed two past rate studies for water/pressurized irrigation/sanitary sewer/storm drain systems within the most recent five (5) years.</p>	<p>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/></p> <p>The completed Attachment 2: Consultant/PM Sample Rate Study Log for the above identified Consultant/Project Manager is attached as part of the bid.</p> <p>Sample Rate Studies are included with Bid package.</p>

4. PRODUCT OR SERVICE SPECIFICATIONS & SCOPE:

This Contract establishes the agreement under which CONTRACTOR will provide COUNTY with products and services in accordance with the attached **Exhibit A: Scope of Services (2 pages)**.

5. OFFER ACCEPTANCE AND ORDER RELEASES:

County will accept offers and execute contracts by issue of a Master Agreement (MA) (Recurring requirements) to be effective on the document's date of issue without further action by either party. Master Agreement (MA) and Contract documents will document the term of the agreement.

County will order products or services pursuant to an executed Master Agreement by issue of Delivery Order (DO) documents. Order documents will be furnished to Contractor via facsimile, e-mail or telephone. **If the order is given verbally, the County Department that issued the order will transmit a confirming order document to Contractor within five workdays of the date the verbal order is given.**

Contractor must not supply materials or services pursuant to the contract that are not documented or authorized by a Delivery Order (DO) at the time of provision. County accepts no responsibility for control of or payment for materials or services not documented by a COUNTY Delivery Order (DO).

Contractor will establish, monitor, and manage an effective contract administration process that assures compliance with all requirements of this contract. In particular, Contractor will not provide goods or services in excess of the executed contract items, item quantity, item amount, or contract amount without prior written authorization by contract revision

OFFER AGREEMENT
Title: Sewer Rate Study

Solicitation #: 220885

Page 3 of 15

properly executed and issued by County. Any items provided in excess of that stated in the contract are at Contractor's own risk. Contractor will decline verbal requests to deliver items in excess of the contract and will report all such requests in writing to the COUNTY Procurement Department within one (1) workday of the request. The report must include the name of the requesting individual and the nature of the request.

6. ACCEPTANCE OF GOODS AND SERVICES:

The County Department designated on the issued Order will accept goods and services only in accordance with this contract. Such acceptance is required prior to commencement of Payment terms.

7. COMPENSATION & PAYMENT:

Contractor will submit Request(s) for Payment or Invoices to the location and entity defined by County's Order document.

All Invoice documents will reference the County's Purchase Order (PO) Delivery Order (DO) or Contract number under which the services or products were ordered. **ALL** Invoice line items will utilize the item description, precise unit price and unit of measure defined by the County's Order or Contract document. Invoices that include line items or unit prices that do not match those documented by the County's order or contract may be returned to Contractor unprocessed for correction. **Contractor will not accept orders, or provide services or products that cumulatively exceed the contract amount.**

Standard payment terms are net thirty (30) days from the date of valid invoice document and do not commence until the later of receipt of goods into payment system by the receiving Department and Contractor's Invoice is received and verified by County Financial Operations.

OPTIONAL EARLY PAYMENT DISCOUNT TERM: Pima County Administrative Procedure No. 22-35 section 2.2.4 defines County's practice regarding discounts for early payment. Contractor offers the following discounts to those prices to be used for all orders issued pursuant to this contract. County will utilize the existing payment code that best matches that offered and does not exceed the offered discount percentage. Payment days cannot be less than ten (10) calendar days. Contractor shall submit valid invoice document consistent with the associated Purchase Order (PO), Delivery Order (DO) or Delivery Order Maximo (DOM) to County Finance Department at least seven (7) calendar days prior to the date on which the discounted payment is due. If desired, for any order issued pursuant with this contract, Contractor may offer early payment discounts that exceed this Standard Early Payment Discount.

Standard Early Payment Discount Percent: N/A % if payment tendered within N/A Days as above

The Master Agreement (MA) or Purchase Order (PO) issued to accept Contractor's offer will define the not to exceed amount of the contract.

The parties may negotiate and establish unit pricing in writing under the contract for items included in the scope of the contract for which unit pricing has not been previously defined.

Unless the parties otherwise agree in writing, all pricing will be *F.O.B. Destination & Freight Prepaid Not Billed ("F.O.B. Destination")*, delivered to and unloaded at the destination(s) defined by the delivery article of this contract or accepted Order for services or products and all freight costs must be included in the offered Unit Price.

Although State and City sales tax may not be fully or accurately defined on an order, they will be paid when they are DIRECTLY applicable to Pima County and invoiced as a separate line item. Such taxes should not be included in the item unit price.

Price Warranty. Contractor will give Pima County the benefit of any price reduction before actual time of shipment.

Price Escalation. All unit prices include compensation for Contractor to implement and actively conduct cost and price control activities. Pricing will remain firm during the initial year of the contract term after which the parties may consider price increases no more frequently than once per year. Contractor will submit a written request to COUNTY that includes supporting documents justifying requested increases at least ninety (90) days prior to the desired implementation date. Contractor will provide evidence, cite sources, demonstrate specific conditions and document how those conditions affect the cost of its performance, and identify specific efforts Contractor has taken to control and reduce those and other costs to avoid the need to increase prices. COUNTY will review proposed pricing and determine if it is allowable, fair and reasonable, and in the best interest of COUNTY to accept the proposal. County reserves the right to continue, accept or reject the price proposal, or terminate and re-solicit the contract.

Quantities referred to are estimated quantities. COUNTY reserves the right to increase or decrease the quantities and amounts. No guarantee is made regarding actual orders issued for items or quantities during the term of the agreement. COUNTY is not responsible for Contractor inventory or order commitment.

Unit prices offered must include all incidentals and associated costs required to comply with and satisfy all requirements referred to or included in this solicitation, which includes the *Instructions to Bidders, Standard Terms and Conditions* and Offer Agreement. No payments will be made for items not included in the contract.

Contractor will provide detailed documentation in support of payment requests which will document, be consistent with and not exceed COUNTY's order. Contractor will bill COUNTY within one (1) month after the date on which Contractor's right to payment accrues ("Payment Accrual Date"), which, unless this contract specifically provides otherwise, is the date goods are delivered, services are performed, or costs are incurred. Invoices must assign each amount billed to an appropriate line item of COUNTY's order and document each Payment Accrual Date. COUNTY may refuse to pay any amount billed in an untimely manner or which is not conforming to COUNTY's order. County will refuse to pay any amount billed more than six (6) months after the Payment Accrual Date, pursuant to A.R.S. § 11-622(C).

8. DELIVERY:

As defined by the Standard Terms, "On-Time" delivery is an essential part of the consideration to be given to COUNTY under the contract. Delivery will be made in accordance with the Instructions to Bidders, Standard Terms and Conditions and to the location(s) referenced on the Delivery Order (DO) or Contract.

Contractor guarantees delivery of product or service in accordance with the timeline provided by the Project Schedule after issue date of order. If required to satisfy the guaranteed delivery interval Contractor will utilize premium freight method at no additional cost to County.

9. TAXES, FEES, EXPENSES:

Articles sold to COUNTY are exempt from federal excise taxes. COUNTY is subject to State and City sales tax. COUNTY will pay no separate charges for delivery, drayage, express, parcel post, packing, insurance, license fees, permits, costs of bonds, surcharges, or bid preparation unless expressly included in the contract and itemized by the solicitation documents.

10. OTHER DOCUMENTS

Contractor and COUNTY in entering into this contract have relied upon information provided or referenced by Pima County Solicitation No. 220885 including the Invitation For Bids, Instructions to Bidders, Standard Terms and Conditions, Solicitation Addenda, Contractor's Bid Offer, documents submitted by Contractor or References to satisfy Minimum Qualifications and on other information and documents submitted by Contractor's response to County's Solicitation. These documents are hereby incorporated into and made a part of this Contract as if set forth in full herein, to the extent not inconsistent with the provisions of this contract.

11. INSURANCE

The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. Pima County in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract. The Contractor is free to purchase additional insurance.

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. Pima County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

11.1 Minimum Scope and Limits of Insurance:

Contractor shall procure and maintain, until all of their obligations have been discharged, coverage with limits of liability not less than those stated below.

11.1.1 Workers' Compensation and Employers' Liability - Statutory requirements and benefits. Coverage is compulsory for employers of one or more employees. Employer's Liability - \$500,000.

Note: The Workers' Compensation requirement shall not apply to a Contractor that is exempt under A.R.S. § 23-901, and when such Contractor executes the appropriate Pima County Sole Proprietor (Independent Contractor) Waiver form.

Solicitation #: 220885

11.1.2 Professional Liability Insurance – This insurance is required when soliciting work from licensed professionals. The policy limits shall be not less than \$1,000,000 Each Claim and \$1,000,000 Annual Aggregate. The insurance policy shall cover professional misconduct or negligent acts of anyone performing any services under this contract.

In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.

Examples of Professional Services requiring E&O insurance: Accounting, Architecture, Asbestos Design, Inspection or Abatement Contractors, Licensed Health Care Practitioners, Legal Services, Engineering Services, or Surveying Services.

11.2 Additional Insurance Requirements:

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

11.2.1 Additional Insured Endorsement: The General Liability and Business Automobile Liability Policies shall each be endorsed to include Pima County, its departments, districts, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

11.2.2 Subrogation Endorsement: The Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of Pima County, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

11.2.3 Primary Insurance Endorsement: The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary for this written agreement and that any insurance carried by Pima County, its agents, officials, employees or Pima County shall be excess and not contributory insurance.

11.2.4 Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

11.3 Verification of Coverage:

Contractor shall furnish Pima County with certificates of insurance (valid ACORD form or equivalent approved by Pima County) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

11.3.1 All certificates and endorsements, as required by this written agreement, are to be received and approved by Pima County before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance coverages or policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

11.3.2 All certificates required by this Contract shall be sent directly to the appropriate County Department. The Certificate of Insurance shall include the Pima County project or contract number and project description on the certificate. Pima County reserves the right to require complete copies of all insurance policies required by this Contract at any time.

11.4 Notice of Cancellation:

For each insurance policy required by the insurance provisions of this contract, Contractor's insurance shall not be permitted to expire, be suspended or canceled without thirty (30) days prior written notice to Pima County. Such notice shall be mailed, emailed, hand-delivered or sent by facsimile transmission to the Pima County Contracting Representative. Notice shall include the Pima County project or contract number and project description.

11.5 Approval and Modifications:

Pima County Risk Management reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

12. PERFORMANCE BOND: N/A

13. ACKNOWLEDGEMENT of SOLICITATION ADDENDA:

Contractor acknowledges that the following solicitation addenda have been incorporated in its offer and this contract:

Addendum #	Date	Addendum #	Date	Addendum #	Date
1	6/30/16				

14. SMALL BUSINESS ENTERPRISE (SBE) CERTIFICATION:

Is your firm SBE certified as defined by the solicitation's 'Instruction To Bidders'? Yes No (Select one)
If 'Yes', have you included your certification document? Yes No (Select one) NOTE: If the SBE Certification document is not submitted with your bid the SBE Preference cannot be applied

The remainder of this page is intentionally left blank.

OFFER AGREEMENT
Title: Sewer Rate Study

Solicitation #: 220885

15. BID/OFFER CERTIFICATION:

CONTRACTOR LEGAL NAME:		Raftelis Financial Consultants, Inc.			
BUSINESS ALSO KNOWN AS:					
MAILING ADDRESS:		227 W. Trade Street, Suite 1400			
CITY:	Charlotte	STATE:	NC	ZIP CODE:	28202

Primary CONTACT PERSON During term of the solicitation/IFB process:

Name and Title	Bart Kreps, Senior Manager				
Phone Number	704.936.4438	Email Address	bkreps@raftelis.com	Fax #	704.373.1113

INVOICES:

REMIT TO ADDRESS:		227 W. Trade Street, Suite 1400			
CITY:	Charlotte	STATE:	NC	ZIP CODE:	28202
CONTACT PERSON NAME: (first, last)		Bart Kreps		TITLE:	Senior Manager
PHONE:	704.936.4438	FAX:	704.373.1113		
CONTACT PERSON EMAIL ADDRESS:		bkreps@raftelis.com			

DELIVERY ORDERS & CONTRACTS SHALL BE TRANSMITTED:

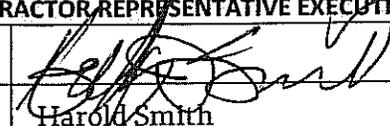
CONTACT PERSON NAME (first, last)		Bart Kreps		TITLE:	Senior Manager
PHONE:	704.936.4438	FAX:	704.373.1113		
CONTACT PERSON EMAIL ADDRESS:					

CORPORATE HEADQUARTERS LOCATION:

STREET ADDRESS:		227 W. Trade Street, Suite 1400			
CITY:	Charlotte	STATE:	NC	ZIP CODE:	28202

By signing and submitting these Offer Agreement documents, the undersigned certifies that they are legally authorized to represent and bind Contractor to legal agreements, that all information submitted is accurate and complete, that Contractor has reviewed the Pima County Procurement website for solicitation addenda and has incorporated all such addenda to its offer, that Contractor is qualified and willing to provide the items requested, and that Contractor will comply with all requirements of the solicitation. The Unit Pricing includes all costs incidental to the provision of the items in compliance with the above documents; no additional payment will be made. Conditional offers that modify the solicitation requirements may be deemed not 'responsive' and may not be evaluated. Contractor's submission of a signed offer agreement shall constitute a firm offer and upon the issuance of a Master Agreement (MA) or Purchase Order (PO) document signed by the Pima County Procurement Director or authorized designate a binding contract is formed that will require Contractor to provide the services and materials described in this solicitation. The undersigned hereby offers to furnish the material or service in compliance with all terms, conditions, specifications, defined or referenced by the solicitation, which includes Pima County Standard Terms & Conditions, this Offer Agreement and other documents listed in this Offer Agreement's Other Documents article.

AUTHORIZED CONTRACTOR REPRESENTATIVE EXECUTING OFFER

SIGNATURE:		DATE:	July 8, 2016
PRINTED NAME	Harold Smith	TITLE	Vice President
PHONE:	704.936.4440	EMAIL ADDRESS:	hsmith@raftelis.com

County Attorney Contract Approval "As to Form"

Exhibit A: Scope of Services (2 pages)**GENERAL SCOPE**

The Sewer Rate Study shall be completed by December 31, 2016.

County will be responsible for issuing a Delivery Order documenting the Notice-to Proceed date for each phase of the project.

County will coordinate with Contractor date, time and place for each meeting.

Pima County values and encourages Sustainable Practices. Contractor shall endeavor, when practical, to incorporate sustainable practices into the provision of services rendered to County. Contractor will endeavor to minimize transportation by conducting meetings, when conducive via conference call and/or peer-to-peer video conferencing. Reports will be generated and transmitted electronically. In the event documents are necessary to be printed, recycled paper will be used.

SCOPE OF SERVICES**PHASE ONE (1):****A. Familiarization with Existing Sewer Rate**

Conduct a detailed review of the current rates and fees associated with wastewater services.

B. Evaluate Existing Customer Classes

Analysis of historic consumption and strength characteristics with the purpose of properly classifying and segregating the costs associated with the different functions and customers of the utility.

C. Determine an Updated Cost of Service

- a. Propose rates and fees that will ensure recovery of actual costs associated with the services provided.
- b. Provide analysis and recommendations for fixed versus variable elements of the rate.

D. Determine Customer Classes

- a. Identify costs to be allocated across all customer classes and those costs that are specific to Residential, Commercial, and/or Industrial classes.
- b. Identify the relative costs of servicing different classes of customers. In determining the actual cost of providing sewer service to each customer class, traditional cost of service and rate setting principles and approaches should be employed such that the County can ensure that class rate requirements are equitable.
- c. Provide benefits and consequences of combining Commercial and Industrial users into one class with a flat rate.
- d. Analysis on using actual water usage for Commercial and Industrial users versus the Winter Quarter Average.

E. Determine Rate Design

- a. Review and evaluate the existing service fee. The service fee is intended to recover the basic costs associated with providing service to each customer, regardless of the volumetric component.
- b. Review and evaluate the existing volumetric rate. This fee is charged based on the Winter Quarter Average water usage for each customer or the actual usage for that month, whichever is lower. The volumetric rate is intended to recover the variable costs associated with providing wastewater services to the customers.
- c. Several rate design options should be presented, such as: the existing formula, fixed cost, new formula with a higher fixed portion, others.
- d. The consultant will be expected to compare and contrast RWRD's existing and the proposed rate design with the billing methodologies of other similar public agency wastewater service providers.

F. Connection Fee

- a. Review the 2012 Connection Fee Study and provide an update if necessary based on additional augmentation projects and depreciation to ensure the recovery of actual costs associated with the capacity being provided.
- b. Benchmark how other similar public agency wastewater service providers provide reimbursements towards connection fees to developers for capital contributions, e.g. protected main, discounts, credits.

G. Benchmark

The consultant will be expected to compare and contrast RWRD's existing rates and the new rates developed by the study with the rates of other public agency wastewater service providers and how those agencies account for the cost of future system capacity to promote economic development. The benchmarking must be for all comparable customer classifications.

PHASE TWO (2):**H. Discuss Findings and Prepare a Preliminary Report**

- a. Meet and confer with staff as needed and attend two meetings with the Directors of RWRD and the Finance and Risk Management Department (F&RM) to present the interim status of the study and obtain input.
- b. Prepare a preliminary report and present the analysis and findings with RWRD, F&RM, and the Regional Wastewater Reclamation Department Advisory Committee (RWRAC) Financial Subcommittee and full committee.
- c. Address questions and concerns, and incorporate comments into final recommendations.

PHASE THREE (3):**I. Present Final Report**

- a. Prepare a final report with incorporated changes pursuant to comments received from RWRD, F&RM, and the RWRAC. Comments will be sent to Consultant in written form from Jennifer C. Coyle, Special Assistant to the Director, (520) 724-9788 or jennifer.coyle@pima.gov. RWRD will review the final copy before presentation to the Board of Supervisors.
- b. Attend one public meeting, two RWRAC meetings, and one presentation at a Board of Supervisors meeting to present the final report.

As needed services will be priced at the hourly rates provided in the Master Price List or as per Project mutually defined and agreed to by both parties.

End of Exhibit A

Exhibit B – Unit Prices Schedule
UNIT PRICES (Net 30 day Payment Terms)

Unit Prices provided for each Phase and/or Sub-Phase shall include all travel, food, and lodging costs, and other out-of-pocket costs, as these will not be reimbursed separately. Time frames are estimates and are subject to vary within reason as mutually agreed by both parties. Unit Prices are firm-fixed Unit Prices

ITEM #	ITEM NAME Items to include and satisfy all Solicitation & Offer Agreement requirements, General & Item Specifications	ESTIMATED TIME TO COMPLETE Phase/ Sub-phase	(1) ESTIMATED ANNUAL USAGE QUANTITY	UOM	(2) UNIT PRICE \$
1	Phase 1: Scope of Services sections A-G				
	A. Familiarization with Existing Sewer Rates B. Evaluate Existing customer Classes C. Determine an Updated Class of Services D. Determine Customer Classes E. Determine Rate Design F. Connection Fee G. Benchmark	30 - 45 days	1	Lot	\$60,530
2	Phase 2: Scope of Services section H: Discuss Findings and Prepare Preliminary Report				
	Ha. Meet and confer with staff as needed to present interim status of the study and obtain input	On-going over a period of 30 -45 days	1	Lot	\$16,350
	Ha. Meeting 1 with Directors of RWRD	8 hours	1	Lot	\$2,110
	Ha. Meeting 2 with F&RM	5 hours	1	Lot	\$1,315
	Hb. Preliminary Report and Presentation	4 hours	1	Lot	\$1,055
3	Phase 3: Scope of Services section I: Present Final Report				
	Ia. Prepare final report	On-going over a period of 30 -45 days	1	Lot	\$11,560
	Ib. Attend Public Meeting	4 hours	1	Lot	\$1,100
	Ib. Attend RWRAC meeting 1	8 hours	1	Lot	\$2,200
	Ib. Attend RWRAC Meeting 2	8 hours	1	Lot	\$2,200
	Ib. Present final report at Board of Supervisors meeting	4 hours	1	Lot	\$1,100
FOB Destination/Unloaded; Cost of freight should be included in unit price.				TOTAL BID	\$99,520.00
Although taxes will be paid IF applicable do NOT include sales tax in unit price.					

ITEM #	Year	Phase 1	Phase 2	Phase 3	Total Annual Cost
4	Comprehensive Rate Study for subsequent annual renewal periods. As per Exhibit A: Scope of Services, to be billed per Phase.				
4.1	Rate Study Year 2	\$20,010	\$16,350	\$13,490	\$49,850
4.2	Rate Study Year 3	\$20,610	\$16,800	\$13,900	\$51,310
4.3	Rate Study Year 4	\$21,200	\$17,350	\$14,300	\$52,850
4.4	Rate Study Year 5	\$21,900	\$17,900	\$14,750	\$54,550
5	Master Price List (MPL) & Discount Off MPL for services not in the Unit Price Schedule: Indicate any itemized or additional services that may be utilized by the County on an as needed, as requested basis. Identify Key Staff Position, type of service to be rendered, Unit of Measure (UOM), and Unit Price \$				
Item #	Key Staff Position	Service Description		UOM	Unit Price \$
5.1	Consultant/Project Manager	Consulting/Project Management		Hour	\$250
5.2	Consultant/Project Director	Consulting		Hour	\$275
5.3	Lead Consultant	Consulting/Financial Analysis		Hour	\$225
5.4	Staff Consultant	Financial Analysis/Model Development		Hour	\$140
5.5	Administration	Administration		Hour	\$75
5.6					

End of Exhibit A

PIMA COUNTY STANDARD TERMS AND CONDITIONS (03/18/15)**1. OPENING:**

Responses will be publicly opened and each respondent's name, and if a Bid the amount, will be read on the date and at the location defined in the *Invitation for Bid (IFB)* or *Request For Proposals (RFP)*. Proposals shall be opened so as to avoid disclosure of the contents of any proposal to competing offerors during the process of negotiation. All interested parties are invited to attend.

2. EVALUATION:

Responses shall be evaluated to determine which are most advantageous to Pima County (COUNTY) considering evaluation criteria, conformity to the specifications and other factors.

If an award is made, COUNTY will enter into an agreement with the one or multiple respondent(s) that submitted the lowest responsive bid(s) that were determined responsible for supplying the required goods or services. Unless otherwise specified on the Bid/Offer document determination of the low/lowest bids will be made considering the total bid amount.

COUNTY, at its sole discretion, reserves the following rights: 1) to waive informalities in the bid or bid procedure; 2) to reject the response of any persons or corporations that have previously defaulted on any contract with COUNTY or who have engaged in conduct that constitutes a cause for debarment or suspension as set forth in COUNTY Code section 11.32; 3) to reject any and all responses; 4) to re-advertise for bids previously rejected; 5) to otherwise provide for the purchase of such equipment, supplies materials and services as may be required herein; 6) to award on the basis of price and other factors, including but not limited to such factors as delivery time, quality, uniformity of product, suitability for the intended task, and bidder's ability to supply; 7) to increase or decrease the item quantity or eliminate any item of this solicitation prior to the award. Pricing evaluations will be based on pre-tax pricing offered by Contractor.

3. AWARD NOTICE:

A *Notice of Recommendation for Award* for IFB or RFP will be posted on the Procurement website and available for review by interested parties. A tabulation of responses will be maintained at the Procurement Department.

4. AWARD:

Awards will be made by either the Procurement Director or the Board of Supervisors in accordance with the Pima County Procurement Code. COUNTY reserves the right to reject any or all offers, bids or proposals or to waive irregularities and informalities if it is deemed in the best interest of COUNTY. Unless expressly agreed otherwise, resulting contracts are not exclusive, are for the sole convenience of COUNTY, and COUNTY reserves the right to obtain like goods or services from other sources.

5. WAIVER:

Each offeror, by submission of an offer, bid or proposal waives any and all claims for damages against COUNTY or its officers or employees when COUNTY exercises any of its reserved rights.

6. ACKNOWLEDGEMENT AND ACCEPTANCE:

If Contractor's terms of sale are inconsistent with the terms of the resultant contract, the terms herein shall govern, unless COUNTY accepts Contractor's terms in writing. No oral agreement or understanding shall in any way modify this contract or the terms and conditions herein. Contractor's acceptance, delivery or performance called for herein shall constitute unqualified acceptance of the terms and conditions of the resultant contract.

7. INTERPRETATION and APPLICABLE LAW:

The contract will be interpreted, construed and given effect in all respects according to the laws of the State of Arizona. If any of Contractor's terms or conditions is not in agreement with County's terms and conditions as set forth herein, COUNTY's shall govern. This contract incorporates the complete agreement of the parties with respect to the subject matter of this contract. No oral agreement or other understanding will in any way modify the terms and conditions of this contract.

8. WARRANTY:

Contractor warrants goods or services to be satisfactory and free from defects.

9. QUANTITY:

Contractor will not exceed or reduce the quantity of goods ordered without written permission from COUNTY in the form of a properly executed Master Agreement (MA), Purchase Order (PO) Delivery Order (DO) or Delivery Order Maximo (DOM) revision or amendment as required by COUNTY Procurement Code. All quantities are estimates and COUNTY provides no guarantee regarding actual usage.

10. PACKING:

Contractor will make no extra charges for packaging or packing material. Contractor is responsible for safe packaging conforming to carrier's requirements.

11. DELIVERY:

On-time delivery of goods and services is an essential part of the consideration to be received by COUNTY.

A guaranteed delivery date, or interval period from order release date to delivery, must be given if requested by the Price offer document. Upon receipt of notification of delivery delay, COUNTY at its sole option and at no cost to COUNTY may cancel the order or extend delivery times. Such extension of delivery times will not be valid unless extended in writing by an authorized representative of COUNTY.

To mitigate or prevent damages caused by delayed delivery, COUNTY may require Contractor to deliver additional quantity utilizing express modes of transport, and or overtime, all costs to be Contractor's responsibility. COUNTY reserves the right to cancel any delinquent order, procure from alternate source, or refuse receipt of or return delayed deliveries, at no cost to COUNTY. COUNTY reserves the right to cancel any order or refuse delivery upon default by Contractor concerning time, cost, or manner of delivery.

Contractor will not be held responsible for unforeseen delays caused by fires, strikes, acts of God, or other causes beyond Contractor's control, provided that Contractor provides COUNTY immediate notice of delay.

12. SPECIFICATION CHANGES:

COUNTY has the right to make changes in the specifications, services, or terms and conditions of an order. If such changes cause an increase or decrease in the amount due under an order or in time required for performance, an acceptable adjustment will be made and the order modified in writing. Any agreement for adjustment must be made in writing.

Nothing in this clause reduces Contractor's responsibility to proceed without delay in the delivery or performance of an order.

13. INSPECTION:

All goods and services are subject to inspection and testing at place of manufacture, destination or both by COUNTY. Goods failing to meet specifications of the order or contract will be held at Contractor's risk and may be returned to Contractor with costs for transportation, unpacking, inspection, repacking, reshipping, restocking or other like expenses to be the responsibility of Contractor. In lieu of return of nonconforming supplies, COUNTY, at its sole discretion and without prejudice to COUNTY's rights, may waive any nonconformity, receive the delivery, and treat the defect(s) as a warranty item, but waiver of any condition will not be considered a waiver of that condition for subsequent shipments or deliveries.

14. SHIPPING TERMS:

Unless stated otherwise by the contract, delivery terms are to be F.O.B. Destination & Freight Prepaid Not Billed ("F.O.B. Destination") and are to be included in the Unit Price offered by Contractor and accepted by COUNTY.

15. PAYMENT TERMS:

Payment terms are net thirty (30) days, unless otherwise specified by the contract.

16. ACCEPTANCE OF MATERIALS AND SERVICES:

COUNTY will not execute an acceptance or authorize payment for any service, equipment or component prior to delivery and verification that all specification requirements have been met.

17. RIGHTS AND REMEDIES OF COUNTY FOR DEFAULT:

In the event any item furnished by Contractor in the performance of the contract should fail to conform to the specifications thereof, or to the sample submitted by Contractor, COUNTY may reject same, and it thereupon becomes the duty of Contractor to reclaim and remove the same, without expense to COUNTY, and immediately replace all such rejected items with others conforming to the specifications or samples. Should Contractor fail, neglect, or refuse immediately to do so, COUNTY has the right to purchase in the open market, in lieu thereof, a corresponding quantity of any such items and to deduct from any monies due or that may become due to Contractor the difference between the price named in the Master Agreement or Purchase Order and actual cost to COUNTY.

In the event Contractor fails to make prompt delivery as specified of any item, the same conditions as to the rights of COUNTY to purchase in the open market and invoke the reimbursement condition above apply, except when delivery is delayed by fire, strike, freight embargo, or acts of god or of the government. In the event of cancellation of the Master Agreement, Purchase Order or associated orders, either in whole or in part, by reason of the default or breach by Contractor, Contractor will bear and pay for any loss or damage sustained by COUNTY in procuring any items which the Contractor agreed to supply. The rights and remedies of COUNTY provided above are not exclusive and are in addition to any other rights and remedies provided by law or under the contract.

18. FRAUD AND COLLUSION:

Each Contractor, by submission of a bid, certifies that no officer or employee of COUNTY or of any subdivision thereof: 1) has aided or assisted Contractor in securing or attempting to secure a contract to furnish labor, materials or supplies at a higher price than that proposed by any other Contractor; 2) has favored one Contractor over another by giving or withholding information or by willfully misleading the bidder in regard to the character of the material or supplies called for or the conditions under which the proposed work is to be done; 3) will knowingly accept materials or supplies of a quality inferior to those called for by any contract; 4) has any direct or indirect financial interest in the offer or resulting contract. Additionally, during the conduct of business with COUNTY, Contractor will not knowingly certify, or induce others to certify, to a greater amount of labor performed than has been actually performed, or to the receipt of a greater amount or different kind of material or supplies that has been actually received. If at any time it shall be found that Contractor has in presenting any offer(s) colluded with any other party or parties for the purpose of preventing any other offer being made, then any contract so awarded shall be terminated and that person or entity shall be liable for all damages sustained by COUNTY.

19. COOPERATIVE USE OF RESULTING CONTRACT:

As allowed by law, COUNTY has entered into cooperative procurement agreements that enable other Public Agencies to utilize procurement agreements developed by COUNTY. Contractor may be contacted by participating agencies and requested to provide services and products pursuant to the pricing, terms and conditions defined by the COUNTY Master Agreement, or Purchase Order. Minor adjustments are allowed subject to agreement by both Contractor and Requesting Party to accommodate additional cost or other factors not present in the COUNTY's agreement and required to satisfy particular Public Agency code or functional requirements and are within the intended scope of the solicitation and resulting contract. Any such usage shall be in accordance with State, COUNTY and other Public Agency procurement rules, regulations and requirements and shall be transacted between the requesting party and Contractor. Contractor shall hold harmless COUNTY, its officers, employees, and agents from and against all liability, including without limitation payment and performance associated with such use. A list of agencies that are authorized to use COUNTY contracts can be viewed at the Procurement Department Internet home page: <http://www.pima.gov/procure> by selecting the link titled *Authorized Use of COUNTY Contracts*.

20. PATENT INDEMNITY:

Contractor will indemnify, defend and hold COUNTY, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with the Master Agreement, Purchase Order, and associated orders. Contractor may be required to furnish a bond or other indemnification to COUNTY against any and all loss, damage, costs, expenses, claims and liability for patent or copyright infringement.

21. INDEMNIFICATION:

Contractor will indemnify, defend, and hold harmless COUNTY, its officers, employees and agents from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by Contractor, its agents, employees or anyone under its direction or control or on its behalf in connection with performance of the Master Agreement, Purchase Order or associated orders. Contractor warrants that all products and services provided under this contract are non-infringing. Contractor will indemnify, defend and hold COUNTY harmless from any claim of infringement arising from services provided under this contract or from the provision, license, transfer or use for their intended purpose of any products provided under this Contract.

22. UNFAIR COMPETITION AND OTHER LAWS:

Responses must be in accordance with Arizona trade and commerce laws (Title 44 A.R.S.) and all other applicable COUNTY, State, and Federal laws and regulations.

23. COMPLIANCE WITH LAWS:

Contractor will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders, without limitation. In the event any services provided under this contract require a license issued by the Arizona Registrar of Contractors (ROC), Contractor certifies that those services will be provided by a contractor licensed by ROC to perform those services in Arizona. The laws and regulations of the State of Arizona govern the rights, performance and disputes of and between the parties. Any action relating to this Contract must be brought in a court of the State of Arizona in Pima County.

Any changes in the governing laws, rules, and regulations during an agreement apply, but do not require an amendment or revisions.

24. ASSIGNMENT:

Contractor may not assign its rights to the contract, in whole or in part, without prior written approval of COUNTY. COUNTY may withhold approval at its sole discretion, provided that COUNTY will not unreasonably withhold such approval.

25. CONFLICT OF INTEREST:

This contract is subject to the provisions of A.R.S. § 38-511, the pertinent provisions of which are incorporated into and made part of all COUNTY Master Agreements or Purchase Orders as if set forth in full therein.

26. NON-DISCRIMINATION:

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 which is hereby incorporated into this contract as if set forth in full herein including flow down of all provisions and requirements to any subcontractors. During the performance of this contract, CONTRACTOR must not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

27. NON-APPROPRIATION OF FUNDS:

COUNTY may cancel this contract pursuant to A.R.S. § 11-251(42) if for any reason the COUNTY Board of Supervisors does not appropriate funds for the stated purpose of maintaining the contract. In the event of such cancellation, COUNTY has no further obligation, other than payment for services or goods that COUNTY has already received.

28. PUBLIC INFORMATION:

Pursuant to A.R.S. § 39-121 et seq., and A.R.S. § 34-603(H) in the case of construction or Architectural and Engineering services procured under A.R.S. Title 34, Chapter 6, all information submitted in response to this solicitation, including, but not limited to, pricing, product specifications, work plans, and any supporting data becomes public information and upon request, is subject to release or review by the general public including competitors.

Any records submitted in response to this solicitation that Contractor reasonably believes constitute proprietary, trade secret or otherwise confidential information must be appropriately and prominently marked as CONFIDENTIAL by Contractor prior to the close of the solicitation.

Notwithstanding the above provisions, in the event records marked CONFIDENTIAL are requested for public release pursuant to A.R.S. § 39-121 et seq., COUNTY will release records marked CONFIDENTIAL ten (10) business days after the date of notice to Contractor of the request for release, unless Contractor has, within the ten (10) day period, secured a protective order, injunctive relief or other appropriate order from a court of competent jurisdiction, enjoining the release of the records. For the purposes of this paragraph, the day of the request for release is not counted in the time calculation. Contractor will be notified of any request for such release on the same day of the request for public release or as soon thereafter as practicable.

COUNTY will not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of records marked CONFIDENTIAL, nor is COUNTY in any way financially responsible for any costs associated with securing such an order.

29. CUSTOM TOOLING, DOCUMENTATION AND TRANSITIONAL SUPPORT:

Costs to develop all tooling and documentation, such as and not limited to dies, molds, jigs, fixtures, artwork, film, patterns, digital files, work instructions, drawings, etc. necessary to provide the contracted services or products and unique to the services or products supplied to COUNTY are included in the agreed upon Unit Price unless specifically stated otherwise in the contract. Such tools and documentation are the property of COUNTY and will be marked, as is practical, as the "Property of Pima County" and if requested by COUNTY a copy of the tooling and documentation will be delivered to COUNTY within twenty (20) days of acceptance by COUNTY of the first article sample, or not later than ten (10) days of termination of the contract associated with their development, without additional cost to COUNTY. Contractor also agrees to act in good faith to facilitate the transition of work to a subsequent Contractor if and as reasonably requested by COUNTY at no additional cost. Should exceptional circumstances be present that may justify an additional charge, Contractor may submit said justification and proposed cost and negotiate an agreement acceptable to both Contractor and COUNTY, but Contractor may not withhold any requested tooling, document or support as defined above that would delay the orderly, efficient and prompt transition of work. Should conduct by Contractor result in additional costs to COUNTY, Contractor will reimburse COUNTY for said actual and incremental costs provided that COUNTY had given Contractor reasonable time to respond to COUNTY's requests for support.

30. AMERICANS WITH DISABILITIES ACT:

Contractor will comply with all applicable provisions of the Americans with Disabilities Act (public law 101-336, 42 USC 12101-12213) and all applicable federal regulations under the act, including 28 CFR parts 35 and 36.

31. NON-EXCLUSIVE:

Contracts resulting from this solicitation are non-exclusive and are for the sole convenience of COUNTY, which reserves the right to obtain like goods and services from other sources for any reason.

32. PROTESTS:

An interested party may file a protest regarding any aspect of a solicitation, evaluation, or recommendation for award. Protests must be filed in accordance with the Pima County Procurement Code, Section 11.20.010.

33. TERMINATION:

COUNTY reserves the right to terminate any Master Agreement, Purchase Order, Delivery Order, Delivery Order Maximo or award, in whole or in part, at any time, without penalty or recourse, when in the best interests of COUNTY. Upon receipt of written notice, Contractor will immediately cease all work as directed by the notice, notify all subcontractors of the effective date of termination and take appropriate actions to minimize further costs to COUNTY. In the event of termination under this paragraph, all documents, data, and reports prepared by Contractor under the contract become the property of and must be promptly delivered to COUNTY. Contractor is entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures defined by A.A.C. R2-7-701 apply.

34. ORDER OF PRECEDENCE-CONFLICTING DOCUMENTS:

In the event of inconsistencies between contract documents, the following is the order of precedence, superior to subordinate, that will apply to resolve the inconsistency: Master Agreement, Delivery Order or Delivery Order Maximo, Purchase Order, offer agreement or contract attached to a Master Agreement, Purchase Order, Delivery Order or Delivery Order Maximo; these standard terms and conditions; any other solicitation documents.

35. INDEPENDENT CONTRACTOR:

The status of Contractor is that of an independent Contractor. Contractor and Contractor officer's agents or employees are not considered employees of COUNTY and are not entitled to receive any employment-related fringe benefits under the COUNTY Merit System. Contractor is responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this Contract and will indemnify and hold COUNTY harmless from any and all liability which COUNTY may incur because of Contractor's failure to pay such taxes. Contractor is solely responsible for its program development and operation.

36. BOOKS AND RECORDS:

Contractor will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of COUNTY. In addition, Contractor will retain all records relating to this contract at least five (5) years after its termination or cancellation or, if later, until any related pending proceeding or litigation has been closed.

37. COUNTERPARTS:

The Master Agreement or Purchase Order awarded pursuant to this solicitation may be executed in any number of counterparts and each counterpart is considered an original, and together such counterparts constitute one and the same instrument. For the purposes of the Master Agreement and Purchase Order, the signed offer of Contractor and the signed acceptance of COUNTY are each considered an original and together constitute a binding Master Agreement, if all other requirements for execution have been met.

38. AUTHORITY TO CONTRACT:

Contractor warrants its right and power to enter into the Master Agreement or Purchase Order. If any court or administrative agency determines that COUNTY does not have authority to enter into the Master Agreement or Purchase Order, COUNTY is not liable to Contractor or any third party by reason of such determination or by reason of the Master Agreement or Purchase order.

39. FULL AND COMPLETE PERFORMANCE:

The failure of either party to insist on one or more instances upon the full and complete performance with any of the terms or conditions of the Master Agreement, Purchase Order, Delivery Order or Delivery Order Maximo to be performed on the part of the other, or to take any action permitted as a result thereof, is not a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.

40. SUBCONTRACTORS:

CONTRACTOR is fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor, and of persons for whose acts CONTRACTOR may be liable to the same extent that CONTRACTOR is responsible for the acts and omissions of persons directly employed by it. Nothing in this contract creates any obligation on the part of COUNTY to pay or see to the payment of any money due any subcontractor, except as may be required by law.

41. SEVERABILITY:

Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law is ineffective to the extent of such prohibition without invalidating the remainder of this Contract.

42. LEGAL ARIZONA WORKERS ACT COMPLIANCE:

CONTRACTOR hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to CONTRACTOR's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). CONTRACTOR will further ensure that each subcontractor who performs any work for CONTRACTOR under this contract likewise complies with the State and Federal Immigration Laws.

COUNTY has the right at any time to inspect the books and records of CONTRACTOR and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of CONTRACTOR's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting CONTRACTOR to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, CONTRACTOR will take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

CONTRACTOR will advise each subcontractor of COUNTY's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form:

"SUBCONTRACTOR hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to SUBCONTRACTOR's employees, and with the requirements of A.R.S. § 23-214 (A). SUBCONTRACTOR further agrees that COUNTY may inspect the SUBCONTRACTOR's books and records to insure that SUBCONTRACTOR is in compliance with these requirements. Any breach of this paragraph by

SUBCONTRACTOR is a material breach of this contract subjecting SUBCONTRACTOR to penalties up to and including suspension or termination of this contract.”

Any additional costs attributable directly or indirectly to remedial action under this Article is the responsibility of CONTRACTOR. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of CONTRACTOR's approved construction or critical milestones schedule, such period of delay will be excusable delay for which CONTRACTOR is entitled to an extension of time, but not costs.

43. CONTROL OF DATA PROVIDED BY COUNTY:

For those projects and contracts where COUNTY has provided data to enable the Contractor to provide contracted services or products, unless otherwise specified and agreed to in writing by COUNTY, Contractor will treat, control and limit access to said information as confidential and will under no circumstances release any data provided by COUNTY during the term of this contract and thereafter, including but not limited to personal identifying information as defined by A.R.S. § 44-1373, and Contractor is further prohibited from selling such data directly or through a third party. Upon termination or completion of the contract, Contractor will either return all such data to COUNTY or will destroy such data and confirm destruction in writing in a timely manner not to exceed sixty (60) calendar days.

44. ISRAEL BOYCOTT CERTIFICATION:

Contractor hereby certifies that it is not currently engaged in, and will not for the duration of this Contract engage in, a boycott of Israel as defined by A.R.S. § 35-393.01. Violation of this certification by Contractor may result in action by the County up to and including termination of this Contract.

END OF PIMA COUNTY STANDARD TERMS AND CONDITIONS

EXHIBIT B
SCOPE OF WORK, LIST OF MATERIALS, SPECIFICATIONS
AND OTHER MODIFICATIONS TO UNDERLYING CONTRACT



Scope of Services

The Town of Sahuarita, Arizona (Town) is seeking the assistance of a consultant to perform a wastewater rate evaluation and financial plan that:

1. Establishes guidelines and policies to ensure long-term financial stability of the Wastewater Enterprise Fund;
2. Can be used to develop rates that are equitable and resilient to pressures external to the Town;
3. Will plan for and help the Town manage the future operational, capital, and service delivery needs.

Raftelis Financial Consultants, Inc. (RFC) has developed the following project scope and project fees based on discussions with Town staff and our experience in performing similar studies for utilities throughout the country. RFC has developed the scope with optional tasks to provide flexibility on the level of analysis in the study.

PROJECT MANAGEMENT

The project management task will begin once we have reached agreement on the scope and will continue throughout the duration of the Study. It is designed to ensure the Study progresses in an efficient and deliberate manner. This task will include administrative components related to project management, quality assurance and control processes, and also the collection of all relevant data.

Data Collection

RFC will provide a data request list that identifies the information needed to complete the Study. The list includes requests for recent Comprehensive Annual Financial Reports (CAFRs), recent and current utility budgets, current and historical billing data, long-term Capital Improvement Plan(s) (CIP), etc.

Ongoing Project Management

Effective project management actually starts during the proposal phase in assembling the appropriate project team. Our management approach stresses communication, accountability, teamwork, and objectivity for achieving project objectives and includes general administration, including client correspondence, billing, project documentation and implementation of the Study's quality control process. This task provides for consistent and competent project oversight to ensure all objectives of the Study are met efficiently and on schedule. We believe in a no-surprises approach so the client is aware of the status of the project at all times.

TASK 1 – PROJECT INITIATION AND ASSESSMENT OF CURRENT THE ENTERPRISE FUND’S FINANCIAL STATE

At the outset of a rate and financial planning study, it is critical to assess the current financial status of the utility to ensure key priorities are understood by RFC and Town staff. The first task of the study will include a kick-off workshop which will provide a collaborative environment for Town staff to engage with RFC staff and discuss the elements of the study. The kick-off workshop will also be a venue for RFC to present initial analyses of the data collected from the Town that will provide perspective on the overall financial health of the utility relative to other utilities throughout the industry. For the purpose of this scope of service, the kick-off workshop will be conducted by webinar.

Kick-off Workshop (Webinar)

RFC believes the execution of a successful kick-off workshop is instrumental in conducting an efficient and useful Study. The goals of this meeting include providing a forum to finalize the work plan and schedule of the Study; ensuring RFC has a clear understanding of the objectives of the Town; and providing an opportunity for Town staff to meet and become comfortable with RFC staff.

In addition to the items mentioned above, one of the primary goals of the kick-off workshop will be the discussion and identification of the Town’s primary pricing objectives with respect to the study. Developing rates that will provide sufficient revenues throughout the rate forecast is paramount. However, if the Town would like to evaluate potential changes to its rate structure, we will also facilitate a discussion of pricing objectives to determine what the Town would like to achieve through its rate structure. Pricing objectives that will be discussed include, for example:

- Revenue Stability
- Affordability
- Economic Development
- Rate Stability
- Minimal Customer Impacts
- Water Efficiency
- Rate Equity (Cost-of-Service)
- Simplicity & Customer Understanding
- Ease of Implementation
- Equitable Contributions from New Customers

Current Enterprise Fund Financial State Assessment

Before developing a roadmap for how the Town can meet its objectives, RFC will review the data collected to accurately determine the current financial state of the wastewater utility. The current state of the utility is comprised of many attributes, and the study will focus on the financial position. RFC will review the utility’s historical user charge and miscellaneous revenues, operating expenses, debt profile, debt coverage performance, and liquidity. These data, along with consideration for any existing financial policies, will be used in our assessment of the current financial state of the utility.

We will also review historical customer information relating to the number of accounts and volumes of wastewater sales. RFC understands that the Town has experienced some challenges in regard to cash collections, which may be related, in part, to the fact that the Town only recently became the billing agent for its services, and it has a relatively high

number of accounts that become inactive during certain period of the year. RFC will work with the Town to understand the primary issues related to accounts receivable delinquencies, and identify opportunities for consideration that may improve cash flow.

Financial Policies Review

The financial policies for the utility will drive decision making that is at the core of the utility operations. The policies, both based on internal goals and those imposed by outside factors, will be reviewed and discussed, and eventually incorporated in the development of the financial model created for the Town. RFC will assist the Town in identifying policies that are appropriate based on its size, financial position, and estimated future needs, and will include industry best practices where appropriate. The result of this effort will be a set of formal policies that can be presented to Town leadership and used to drive short and long-term decision making throughout the utility.

For example, a utility that foresees significant capital improvements which will require securing revenue bond debt should maintain a stronger financial position to ensure access to capital markets with reasonable borrowing terms. As Registered Municipal Advisors, RFC is qualified to provide perspective related to these items.

TASK 2 – DEVELOP FINANCIAL PLAN

With a firm understanding of the utility’s objectives and financial policy goals, RFC will develop a financial plan that becomes the roadmap for financial decision making in the future. The financial plan will become the source of information for the rate evaluation analysis, which can then be used to determine across the board rate increases or rate structure changes, if necessary, that are consistent with the pricing objectives identified in Task 1.

DEVELOP FINANCIAL PLAN

The financial plan will summarize the projected revenues and revenue requirements for the study period and will also incorporate annual debt service coverage requirements, compliance with applicable additional bond coverage tests, and reserve fund balances. The financial plan will project revenue shortfalls under the Town’s existing rates and provide an indication of the additional revenues necessary to support the projected revenue requirements and financial health of utility. The financial plan will be developed with emphasis on the next five to ten years, but with flexibility to consider much longer-term results.

Billable Units of Service and Revenues under Existing Rates

One of the initial steps in the financial planning process is to forecast revenue over the planning period at the existing rates. To do this, RFC will evaluate historical customer account and billing data to develop a forecast that projects billable units of service, which may also account for declines in per capita consumption, due to water conservation initiatives, and an estimate for the impact of price elasticity on customer demand.

Once we have developed a projection of accounts and billable flows, we will forecast revenues using the existing rates. In addition to revenue generated from user charges, we

will also forecast revenues from any ancillary fees, miscellaneous revenue, and interest income for the planning period.

Revenue Requirements

Offsetting the revenues will be a projection of the total revenue requirements (or expenditures) over the planning period. The revenue requirements will include all operating and maintenance (O&M) costs, capital costs, reserve requirements, and bond covenants. The revenue requirements will also recognize the Town's capital program needs and provide for estimated future debt service requirements.

RFC will review the Town's actual O&M costs for the past five years to identify trends that should be recognized in the forecast of future costs. We will review the current budget and discuss with staff known and measurable changes to current cost levels, such as wages and benefits, utility costs and any other significant cost categories. Also, we will discuss with staff any contractual commitments for future wage and benefit increases and any expected changes in operations and staffing that will impact future O&M costs, including the effects of the capital program. In order to project the costs over the forecast period, we will develop escalators based on historical trends and anticipated impacts of inflation on the various categories of costs. These escalation factors will be reviewed with staff to obtain their perspectives and input.

One of the most important tasks when projecting revenue requirements will be working extensively with the Town's CIP. Like most utilities, the Town's capital needs are significant, complex, and dynamic, and we will work with staff to understand the timing and priority of future needs. As a Registered Municipal Advisor, RFC will be able to work with the Town to develop a capital financing plan for the planning period. The financing sources for the capital improvement program will include a combination of debt and current revenues, and be influenced by the financial policies developed during Task 1. We will review the proposed capital improvement plan with staff and make appropriate recommendations reflecting their perspectives and comments. As part of this task, RFC will calculate debt service on existing debt and project annual debt service requirements related to future borrowings to finance the capital program.

Finally, the forecast of revenue requirements will consider all of the Town's financial and debt policies. Policies and metrics, both existing and those developed in Task I, will be identified, tracked, and incorporated into the forecast of revenue requirements. RFC will meet with the Town staff to review all components of the forecast of revenue requirements. We will solicit staff input to ensure the forecast is consistent with the expressed financial objectives.

Financial Planning Model Development

Combining the results from the previous work elements will result in a financial plan for the forecast period. The financial plan will summarize the projected revenues and revenue requirements and incorporate annual debt service coverage requirements, compliance with applicable additional bond coverage tests, and reserve fund balances. The financial plan will project revenue shortfalls under the Town's existing rates and provide an indication of the additional revenues necessary to support the projected revenue requirements and financial health of the utility.

At the heart of any successful rate study is the computer model (Model) used to develop revenue requirements and perform operational and capital financial planning, review customer information, and calculate revenue and rates. The Model will incorporate the results of each of the other tasks in the engagement, and be sophisticated enough to perform the complex calculations involved in a comprehensive rate analysis with the ability to analyze various rate structures, if necessary.

The Model created for this engagement will be developed using Microsoft Excel® and will be based on a model framework that incorporates industry standard rate-setting methodologies. During the course of the project, Town staff will be provided with working copies of the Model such that they will be able to provide input into its development, if desired. The Model is built around our innovative modeling approach and includes the customized and interactive Dashboard which will provide the Town with an intuitive system to measure, track, and manage the performance of the utility.



TASK 3 – COST OF SERVICE AND RATE DESIGN

Although we take care to tailor a utility’s cost of service analysis (COS) to meet the needs of the individual utility, we always make sure to follow the basic premise of COS allocations set for the by State and local laws and the Water Environment Federation (WEF) Manual of Practice No. 26 Financing and Charges for Wastewater Systems.

COST OF SERVICE

Each cost item used to develop the revenue requirements will be allocated to one or more functions depending on its nature. We will also identify and recommend any necessary changes to the current classification cost-causative parameters. Our recommendations will be based on industry practices and our experience in performing such classifications to ensure the appropriate assignment of costs. Ultimately, cost assignment components may include, for example, wastewater billed volume, infiltration and inflow, wastewater strength, customer accounts, and equivalent meters. After the allocation of the Town's wastewater costs to cost components, the cost of serving each customer class will be determined based on each class' usage characteristics. We will use the demand and consumption information developed in Task 2 to determine an appropriate basis for the allocation of costs to each customer group and/or service characteristic for the purpose of rate design.

As part of this task, we will also develop a high-level benchmarking analysis based on various operational metrics. The metrics will be identified through discussion with Town staff and based on available data. The benchmarking analysis will be designed for comparison purposes with similar wastewater utilities and to provide a general indication of the efficiency of the Town's utility operations.

RATE EVALUATION

We have found that it is beneficial to conduct a Rates and Charges Workshop for our clients that are considering alternative rate structures in the course of their project. This workshop will be the first step in the rate review process. For the purpose of this scope of services, it is assumed the Rates and Charges Workshop will be conducted via webinar. During the workshop, RFC will explain each step in the process of developing cost of service-based rates as well as trends in rate setting throughout the United States. We will examine the pricing objectives that drive a utility's rate setting process, explore the various approaches to determining revenue requirements and cost allocation methodologies, and look at the strengths and weaknesses of the Town's current rate structures as well as alternative rate structures and the effect that each has on customer demand, revenue sufficiency, and rate equity. Participants in the Rates and Charges Workshop will leave with a better understanding of the rate setting process and will be better equipped to make the decisions they will be asked to make as the study progresses. In addition, they will be able to communicate more effectively with policymakers and customers on matters related to rates and charges.

Rate Design and Calculation

Rates do more than simply recover costs. Properly designed rates should support and optimize a blend of various utility objectives, such as revenue sufficiency and stability, affordability for essential needs, water efficiency, changing customer behaviors, and ease of administration. RFC considers rate development to be a public information tool in communicating these objectives to customers. In this step, RFC will work within the legal framework and industry standards to design appropriate rates to address the Town's current issues and achieve the Town's objectives.

After the revenue requirements have been functionalized, classified, and allocated, we will use the consumption analysis combined with the revenue requirements identified in the financial plan to calculate user rates based on potential rate structure alternatives prioritized in the Rates and Charges Workshop.

Customer Impacts Evaluation

The potential impacts on certain customer classes that may result due to any adjustments in rates must be considered. The Model will include a series of schedules that present the anticipated impacts on different customer types at a variety of usage levels. These schedules provide an invaluable tool for evaluating whether the rate recommendations are impacting the targeted customer groups to ensure equitable recovery of costs from different customer types, and that other pricing objectives are being addressed effectively. We will also compare and benchmark the proposed wastewater rates with neighboring communities and utilities of comparable size and service characteristics.

TASK 4 – REVIEW CONNECTION FEES

RFC will review the Town's existing wastewater connection fees to ensure consistency with industry standards, cost of service principles, and state law. If necessary, RFC will evaluate an alternative calculation methodology that is more consistent with the Town's capital planning initiatives. The recommended methodology and ultimate fee calculation will depend on fixed assets, planned capital improvements, capital financing assumptions, system capacities and the level of service or demand required to serve new customers. Cost of capacity for wastewater single family residences and for different customer classes will be calculated.

TASK 5 – COMMUNICATE THE RESULTS

Draft and Final Report

The draft report will describe the study process and summarize preliminary rate recommendations. A section enumerating utility policies as well as a comprehensive section on the rate design assumptions and methodologies used to develop the rate calculations will be included, if necessary. An executive summary highlighting the major issues, decisions, and recommendations will be provided to aid in sharing the results with non-technical stakeholders. The draft report will be submitted to Town staff for review.

RFC will incorporate Town staff's comments on the draft report into a final report. Upon finalization of the report, the Town will be provided with bound copies of the final report and an electronic copy (in Adobe Acrobat and/or Microsoft Word format) of the report. In addition to the final report, the Town will also be provided with electronic copies of the final rate model in Microsoft Excel format.

Presentations

RFC will present the results of the study to Town Council, the Finance and Investment Advisory Committee, or other audiences as directed by Town staff. For such presentations, RFC will prepare a PowerPoint presentation that will be provided to the Town in advance of any such presentation for their review and comment. We have included one presentation of the study results.

PROJECT MANAGEMENT AND PRICING

For the proposed scope of work, I will serve as will serve as Project Manager addressing the day-to-day aspects of the project and ensuring it is within budget, on schedule, and effectively meets the Town's objectives. Mr. Rocky Craley will serve as Lead Consultant and will oversee development of project analytics and preparation of project deliverables. Mr. Josh Doran will serve as staff consultant. This is the same Project Team currently providing services to Pima County (County). We will make every effort to provide efficiencies to the Town (e.g. coordinated travel) as a result of our ongoing work in the County.

We propose to complete the scope of services for a not-to-exceed amount of \$50,000. Attachment A provides a work plan, detailing the anticipated level of effort required to complete each of the analyses and their associated tasks. The project fees are based on our standard hourly billing rates for professional and administrative personnel assigned to the project, plus direct expenses. Expenses would relate to travel costs, computers, postage, supplies, etc. It is our practice to bill monthly for fees and expenses as they are incurred during a project. The attached work plan provides an estimate of the time required to complete each task, and we reserve the right to shift hours among tasks and personnel as circumstances may change during the project.

RFC would look forward to an opportunity to provide service to the Town of Sahuarita. Our primary focus is to ensure that all of your expectations are met or exceeded throughout this engagement. Do not hesitate to contact me at 704-936-4438 or bkreps@raftelis.com with any questions.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.



J. Bart Kreps
Sr. Manager

Attachment A

Town of Sahuarita
Rate and Financial Planning Study
 Proposed Level of Effort

		Team Members				
		BK	RC	JD	Total (Hrs)	Total (\$)
<u>Project Management, Data Collection, and Quality Assurance</u>		6	6	8	20	\$ 3,970
1 Ongoing Project Management						
2 Data Collection						
3 Quality Assurance						
Key Work Elements						
<u>1. PROJECT INITIATION AND ASSESSMENT OF CURRENT STATE</u>		4	8	10	22	\$ 4,200
1 Kick-off Workshop						
2 Assessment of Current State						
3 Review & Develop Financial Policies						
<u>2. DEVELOP FINANCIAL PLAN AND RATE EVALUATION</u>		8	26	56	90	\$ 15,690
1 Develop Revenue Projections						
2 Develop Revenue Requirements						
3 Evaluate & Recommend Rates						
4 Build financial planning model						
<u>3. COST OF SERVICE AND RATE DESIGN</u>		8	16	32	56	\$ 10,080
1 Evaluate cost of service						
2 Develop cost allocations						
<u>4. REVIEW CONNECTION FEES</u>		4	8	16	28	\$ 5,040
1 Review connection fees						
<u>5. DOCUMENT AND PRESENT RESULTS</u>		8	10	20	38	\$ 7,050
1 Document and Present results						
Project Total		38	74	142	254	\$ 46,030
Professional Rate		\$ 250	\$ 225	\$ 140		
Professional Fees		\$ 9,500	\$ 16,650	\$ 19,880		\$ 46,030
Estimated Expenses*						4,040
						\$ 50,070

BK: Bart Kreps, Project Manager
 RC: Rocky Craley, Lead Consultant
 JD: Josh Doran, Staff Consultant

*Includes technology/communications charge to recover the cost of telephone, fax, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.

EXHIBIT C
PAYMENT & COMPENSATION TERMS

SEE EXHIBIT B

EXHIBIT D
INSURANCE REQUIREMENTS

COVERAGE AFFORDED

LIMITS OF LIABILITY

Worker's Compensation

Statutory

Commercial General
Liability Insurance
Including:

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

- A. Products & Completed Operations
- B. Blanket Contractual
- C. Premises-Operations-Personal Injury

The following Automobile Liability Insurance coverage will also be required for all professional services contracts which require automobile travel by Contractor.

Comprehensive Automobile Liability
Insurance including: non-owned, and
Hired vehicles

\$1,000,000 - Bodily Injury
Combined Single Limit
\$100,000 Property Damage

SPECIAL CONDITIONS:

1. THE TOWN OF SAHUARITA WILL BE ADDED AS ADDITIONAL INSURED UNDER THE COMMERCIAL GENERAL LIABILITY AND COMPREHENSIVE AUTOMOBILE LIABILITY POLICIES.
2. Policies will not be cancelled or reduced in coverage without ten (10) days written notice to the Town.
3. Deductibles will be stated on the certificate of insurance and are subject to the review and approval of the Town.
4. Contractor shall provide Town with proof of compliance with the insurance provisions and requirements within ten (10) days of the date this Contract is executed by all parties by providing a current certificate of insurance and the associated endorsement to the policy. Failure of Contractor to comply with the insurance requirements at any time shall result in a breach of this Agreement, and shall, among other things, allow immediate termination of this Agreement.
5. Contractors performing any portion of a Project that shall acquire funding from the Regional Transportation Authority (RTA) shall name the RTA as additional insured and additional indemnitee. The RTA shall be identified as an additional insured with respect to insurance policies for general liability, automobile liability and defects in design. Contractor is also required to name the RTA as an additional beneficiary in any performance and payment related assurances posted for the Project.

EXHIBIT E
LEGAL NOTICES

TOWN:

L. Kelly Udall, Town Manager
Town of Sahuarita
375 W. Sahuarita Center Way
Sahuarita, Arizona 85629

with a copy to:

Daniel J. Hochuli, Town Attorney
Town of Sahuarita
375 W. Sahuarita Center Way
Sahuarita, Arizona 85629

and:

A.C. Marriotti, Finance Director
Town of Sahuarita
375 W. Sahuarita Center Way
Sahuarita, Arizona 85629

CONTRACTOR:

J. Bart Kreps, Senior Manager
Raftelis Financial Consultants, Inc.
227 W. Trade Street, Suite 1400
Charlotte, NC 28202

With a copy to:

Peiffer Brandt, Chief Operating Officer
Raftelis Financial Consultants, Inc.
227 W. Trade Street, Suite 1400
Charlotte, NC 28202

MEETING DATE: October 10, 2016

DATE PREPARED: September 13, 2016

AGENDA ITEM: 7F

TO: Honorable Mayor and Council
FROM: Lisa Cole, MMC, Town Clerk
SUBJECT: Recommendation to the Arizona Department of Liquor Licenses and Control regarding a special event liquor license application submitted by the San Martin de Porres Catholic Parish for Saturday, November 5, 2016 and Sunday, November 6, 2016 at San Martin de Porres Roman Catholic Parish, 15440 S. Santa Rita Road, Sahuarita, Arizona.

	 <input type="checkbox"/> Economic Development	 <input type="checkbox"/> Infrastructure	 <input type="checkbox"/> Planning for Our Community's Future
	 <input type="checkbox"/> Organizational Effectiveness	 <input type="checkbox"/> Quality of Life	 <input checked="" type="checkbox"/> Other

GOALS/OTHER: A.R.S. 4-203.02 Special event license; rules

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Not Applicable
2. Available Budget/Project Capacity (\$): Not Applicable

STAFF RECOMMENDATION

Staff recommends approval.

SUGGESTED MOTION

I move to submit the application to the Arizona Department of Liquor Licenses and Control with a recommendation for approval.

DISCUSSION

This application is for a special event liquor license on behalf of San Martin de Porres Roman Catholic Parish for Saturday, November 5, 2016 from 12:00 p.m. to 10:00 p.m. and Sunday, November 6, 2016 from 12:00 p.m. to 9:00 p.m., at San Martin de Porres Roman Catholic Parish, 15440 S. Santa Rita Road, Sahuarita, Arizona.

A special event liquor license is a temporary, non-transferable, on-sale retail privileges liquor license that allows a charitable, civic, fraternal, political or religious organization to sell and serve all types of spirituous liquor for consumption only on the premises where the spirituous liquor is sold and only for the period authorized on the license. Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. This will be the first event this year for San Martin de Porres Roman Catholic Parish.

Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first. The qualified organization must receive at least twenty-five percent (25%) of the gross revenues of the special event.

The Arizona Department of Liquor Licenses and Control requires the applicant to file a special event application with the Town for approval or disapproval by the Council. If the event meets the requirements for granting the license and the application is approved, the director of the Arizona Department of Liquor Licenses and Control will issue a special event license to the qualifying organization.

A copy of the attached application was distributed to Town departments and staff has indicated that the applicant has met all requirements.

ATTACHMENTS

1. Special Event Liquor License Application: November 5-6, 2016





APR 15 10 16 AM '15

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix, AZ 85007-2934
www.azliquor.gov
(602) 542-5141

FOR DLIC USE ONLY
Event Date(s):
Event time start/end:
CSR:
License:

APPLICATION FOR SPECIAL EVENT LICENSE
Fee= \$25.00 per day for 1-10 days (consecutive)
A service fee of \$25.00 will be charged for all dishonored checks (A.R.S. § 44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: San Martin de Porres Catholic Parish

SECTION 2 Non-Profit/IRS Tax Exempt Number: 86-0963558

SECTION 3 The organization is a: (check one box only)
Charitable Fraternal (must have regular membership and have been in existence for over five (5) years)
Religious Civic (Rotary, College Scholarship) Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises? Yes No

Name of Business License Number Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- Place license in non-use
Dispense and serve all spirituous liquors under retailer's license
Dispense and serve all spirituous liquors under special event
Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? On-site consumption Off-site (auction) Both

SECTION 7 Location of the Event: 15440 S. Santa Rita Road - in the patio
Address of Location: Sahuarita Pima AZ 85629

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? Yes No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Aguirre Juan Carlos [Redacted]
Last First Middle Date of Birth

2. Applicant's mailing address: P.O. Box 65 Sahuarita AZ 85629
Street City State Zip

3. Applicant's home/cell phone: () Applicant's business phone: 520 625-1154

4. Applicant's email address: admin@SanmartinSahuarita.org

2016-09

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
 Yes No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 2
 (The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. Is the organization using the services of a promoter or other person to manage the event? Yes No
 (If yes, attach a copy of the agreement.)

4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name San Martin de Porres Percentage: 100

Address 15440 S. Santa Rita Rd. Sahuarita AZ 85629
Street City State Zip

Name _____ Percentage: _____

Address _____
Street City State Zip

5. Please read A.R.S. § 4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.

Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.

"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

6. What type of security and control measures will you take to prevent violations of liquor laws at this event?
 (List type and number of police/security personnel and type of fencing or control barriers, if applicable.)

_____ Number of Police _____ Number of Security Personnel Fencing Barriers

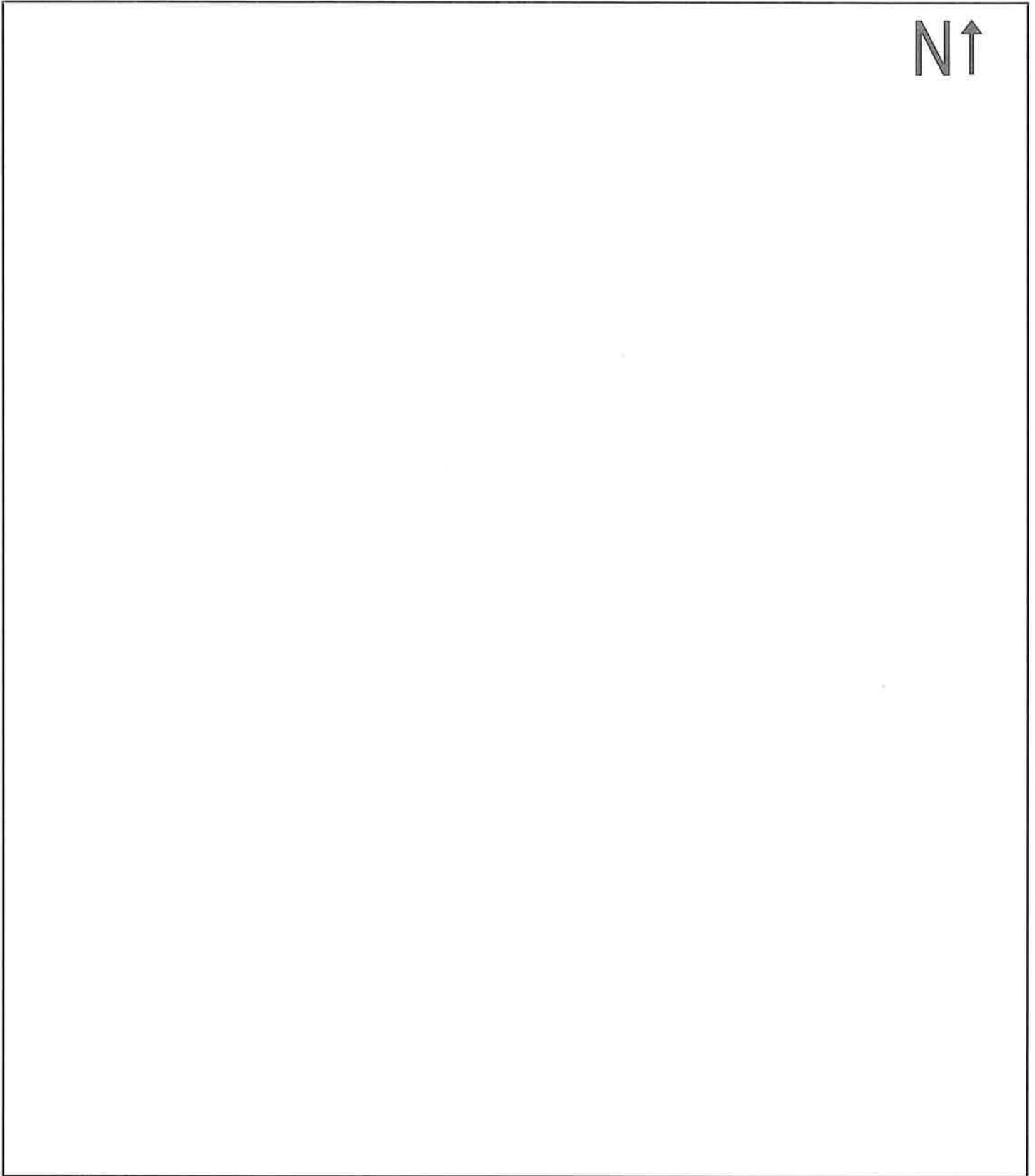
Explanation: We will have at least 2 volunteers per day. Our volunteers regular jobs is law enforcement.

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.

See A.R.S. § 4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	<u>Nov. 5, 2016</u>	<u>Saturday</u>	<u>12 PM</u>	<u>10 PM</u>
DAY 2:	<u>Nov. 6, 2016</u>	<u>Sunday</u>	<u>12 PM</u>	<u>9 PM</u>
DAY 3:	_____	_____	_____	_____
DAY 4:	_____	_____	_____	_____
DAY 5:	_____	_____	_____	_____
DAY 6:	_____	_____	_____	_____
DAY 7:	_____	_____	_____	_____
DAY 8:	_____	_____	_____	_____
DAY 9:	_____	_____	_____	_____
DAY 10:	_____	_____	_____	_____

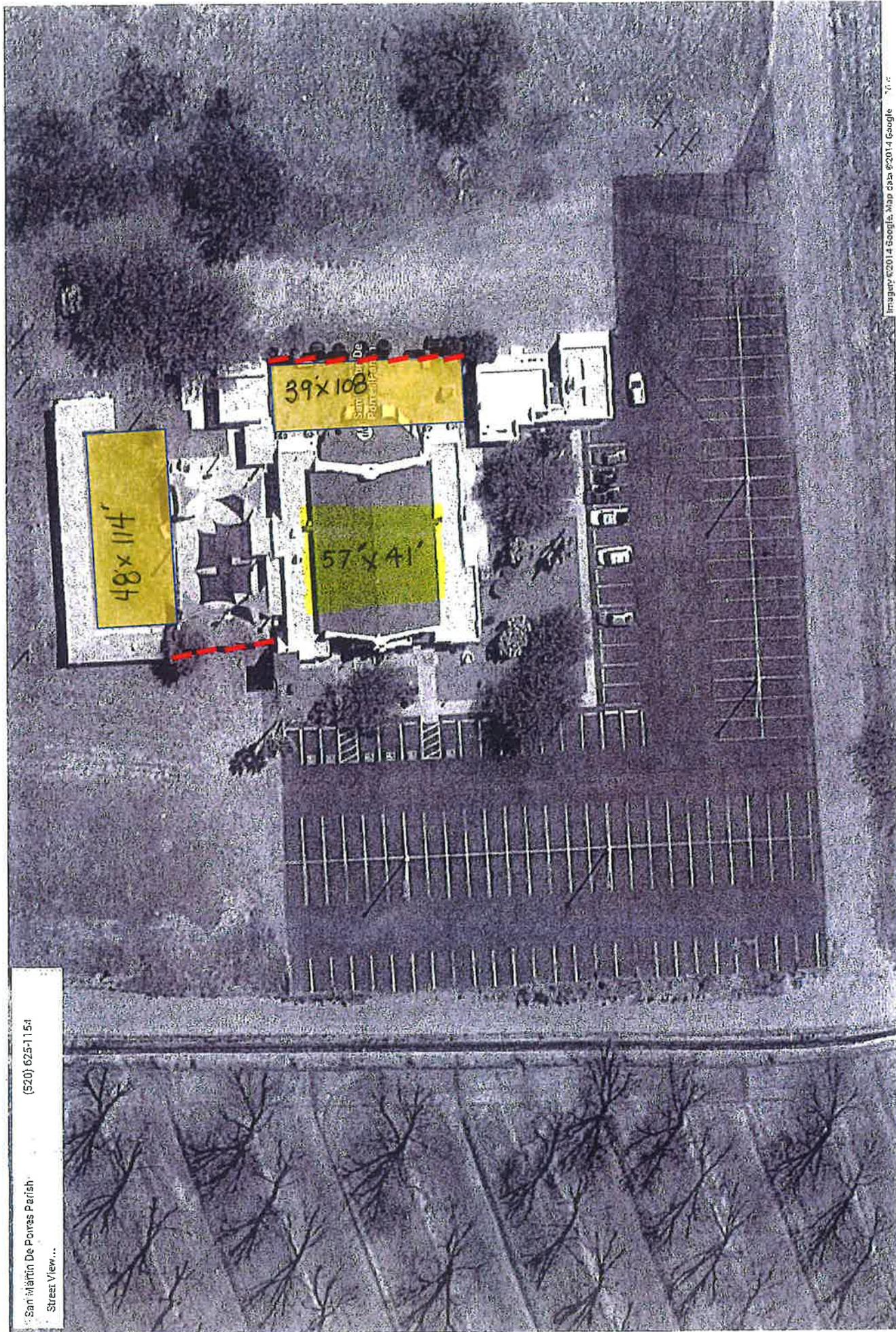
SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.



(520) 625-1154

San Martín De Porres Parish

Street View...



Highlighted areas indicate where alcohol will be sold.
Dotted lines indicate fences.
Security will patrol the premises.

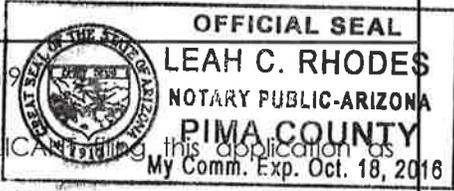
SECTION 13 To be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, Juan Carlos Aguirre declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON
(Print Full Name)
appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event
Liquor License.

X _____
(Signature) Pastor 8-15-16 520-625-1154
Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 15 8 2014
Day Month Year
State AZ County of Pima

My Commission Expires on: 10/18/2016 _____
Date Signature of Notary Public Leah C. Rhodes



SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, Juan Carlos Aguirre declare that I am the APPLICANT of this application as
(Print Full Name)
listed in Section 9. I have read the application and the contents and all statements are true, correct and
complete.

X _____
(Signature) Pastor 8-15-16 520-625-1154
Title/ Position Date Phone #

The foregoing instrument was acknowledged before me this 15 8 2014
Day Month Year
State AZ County of Pima

My Commission Expires on: 10/18/2016 _____
Date Signature of Notary Public Leah C. Rhodes



Please contact the local governing board for additional application requirements and submission deadlines. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ recommend APPROVAL DISAPPROVAL
(Government Official) (Title)
on behalf of _____, _____, _____
(City, Town, County) Signature Date Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

APPROVAL DISAPPROVAL BY: _____ DATE: _____

A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice
B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.
D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.
E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.
F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.

MEETING DATE: October 10, 2016

DATE PREPARED: September 28, 2016

AGENDA ITEM: 8

TO: Honorable Mayor and Council
FROM: Sarah S. More, Planning and Building Director
SUBJECT: **Presentation by Pima County Community and Rural Development Program Manager Daniel Tylutki, on the Community Development Block Grant Program and the Homeownership Partnership Program.**

	 <input type="checkbox"/> Economic Development	 <input type="checkbox"/> Infrastructure	 <input type="checkbox"/> Planning for Our Community's Future
	 <input type="checkbox"/> Organizational Effectiveness	 <input checked="" type="checkbox"/> Quality of Life	 <input type="checkbox"/> Other

GOALS/OTHER:

FINANCIAL / BUDGET SUMMARY

1. Fund(s) Impacted: Not Applicable
2. Available Budget/Project Capacity (\$): Not Applicable

STAFF RECOMMENDATION

None.

SUGGESTED MOTION

None.

DISCUSSION

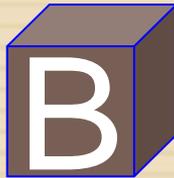
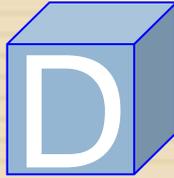
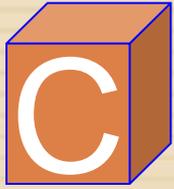
On June 27, 2016, The Town Council approved a Cooperative Agreement to meet the requirements of the Housing and Community Development Act of 1974 and subsequent amendments (" the Act") to participate as an Urban County in order to obtain federal funding for the Community Development Block Grant Program (" CDBG") and the HOME Investment Partnership Program (" HOME") for federal fiscal years 2017, 2018 and 2019.

Pima County Community Development staff will provide a brief presentation on the Community Development Block Grant program including the annual planning process to fund projects and programs, application timelines, and eligible activities. The Town of Sahuarita and Pima County have recently executed intergovernmental agreements for implementation of Community Development Block Grant and other related HUD federal funds. The IGA allows Pima County to fund programs and projects in Sahuarita as opposed to the Town directly applying competitively to the State of Arizona.

ATTACHMENTS

None





Pima County
Community Development &
Neighborhood Conservation Dept.

FY 2017/2018 Annual Action Plan
Town of Sahuarita Mayor & Council
10/10/16



Community Development & Neighborhood Conservation Department
www.pima.gov/CED/CDNC/
(520) 243-6777

Outline

- Pima County CDNC
- What is “Community Development”
- CDBG & ESG
- HUD Annual Action Plan
- AAP Proposed Timeline
- Available Funding
- Review Process and Criteria

Pima County CDNC

- Community Development & Neighborhood Conservation Department
- Mission:

To provide resources that strengthen communities and improve the quality of life for residents. This is done through providing affordable housing, assisting with community and rural development, neighborhood reinvestment, and community planning and revitalization efforts and funded projects. CDNC is responsible for the administration of multiple federal, state and local funds.

So What is Community Development?

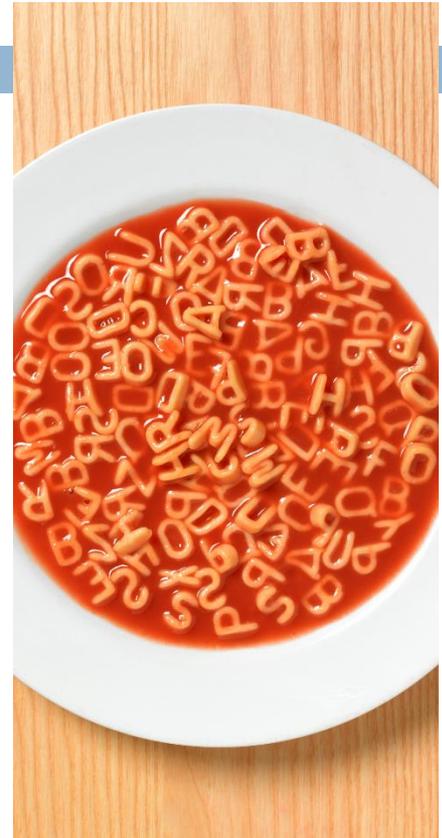
- Planning activities that build stronger and more resilient communities through an ongoing process of identifying and addressing needs, assets, and priority.
- Identifying community driven program and projects utilizing limited resources.
- Effective community outreach and public participation is key.

Community Development Activities...

- affordable housing
- infrastructure
- economic development
- installation of public facilities
- community centers
- housing rehabilitation
- public services
- brownfields
- demolition
- microenterprise assistance....

Typical CD Resources...\$\$\$

- Federal funds
 - ▣ HUD CDBG ESG HOME SHP NSP....
 - ▣ EPA Brownfields
 - ▣ USDA Rural Development
- State funds
- Local funds
 - ▣ General Funds (Outside Agencies)
 - ▣ Bonds
 - ▣ Industrial / Redevelopment Authorities
- Private funds
 - ▣ MacArthur Foundation



CDBG Program

Purpose & National Objectives:

- Decent housing
- Suitable living environment
- Revitalize low- to-moderate income neighborhoods



Funded CDBG Activities

- Public Services (15% cap)
- Public Facilities and Improvements
- Infrastructure
- Fire
- Housing
- Economic Development
- Land Acquisition
- Demolition
- Brownfields
- Program Administration Costs (20% cap)

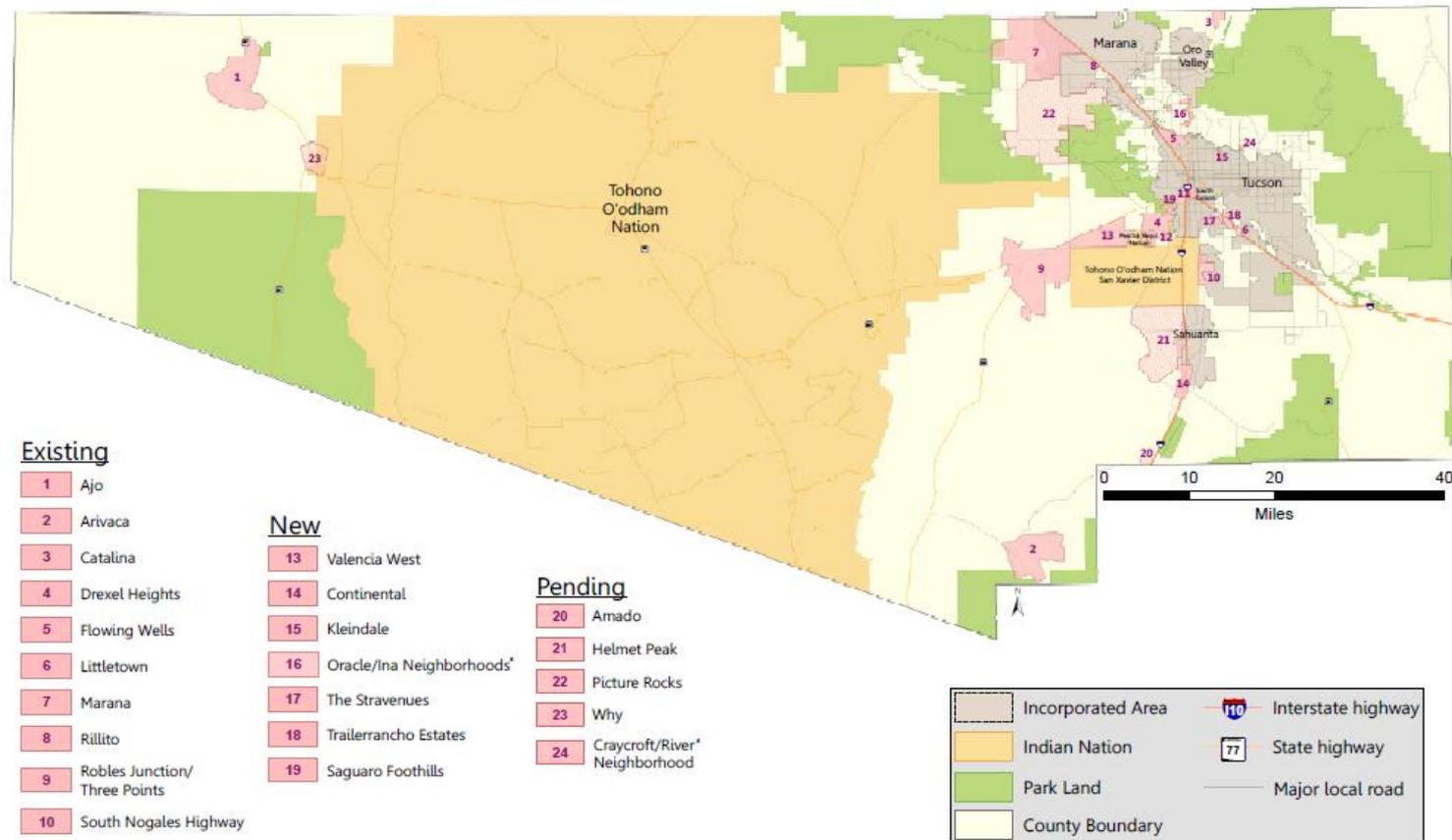
CDBG Funding Priorities

- Unincorporated Pima County
 - ▣ Community Development Target Area
 - ▣ Towns and Communities
 - ▣ Low to moderate income residents
- Pima County & partner jurisdictions (sub-recipients):
 - ▣ City of South Tucson
 - ▣ Town of Marana
 - ▣ Town of Sahuarita
 - ▣ Town of Oro Valley
- Non-profit Organizations which serve:
 - ▣ Primarily unincorporated Pima County
 - ▣ In partner jurisdictions

CDBG Target Areas

HUD Designated Pima County Target Areas

2015 Update, Draft for Working Purposes Only
<https://www.hudexchange.info/programs/cdbg-entitlement/>



Existing

- 1 Ajo
- 2 Arivaca
- 3 Catalina
- 4 Drexel Heights
- 5 Flowing Wells
- 6 Littletown
- 7 Marana
- 8 Rillito
- 9 Robles Junction/ Three Points
- 10 South Nogales Highway
- 11 South Tucson
- 12 Cardinal

New

- 13 Valencia West
- 14 Continental
- 15 Kleindale
- 16 Oracle/Ina Neighborhoods*
- 17 The Stravenues
- 18 Trailerrancho Estates
- 19 Saguaro Foothills

Pending

- 20 Amado
- 21 Helmet Peak
- 22 Picture Rocks
- 23 Why
- 24 Craycroft/River* Neighborhood

*Names of Target Areas are preliminary pending final naming convention as identified by the community.

Solid Target Areas have been identified as LMI qualifying communities according to ACS 2009-2013 data. Crosshatched Target Areas represent communities which were LMI qualifying according to 2000 Census Data but lost qualification during the latest data update. Pima County CDNC will be conducting income verification surveys within those communities to confirm LMI status.

CDBG Requirements

- Funds must be used to meet a National Objective:
 - Benefit Low- to Moderate income persons:
 - Address slum or blight
 - Urgent need
- Activities must be eligible
- Subrecipient must be either:
 - Unit of local government
 - Non-profit entity

Emergency Solutions Grant Program

- Street Outreach
- Emergency Shelter
- Homelessness Prevention
- Rapid Re-Housing



ESG Requirements

- Compliance with HEARTH Act
- Coordination with Continuum of Care, known as TPCH – Tucson/Pima Collaboration to End Homelessness.
- Approval of ESG Program Standards.
- Grantees must participate in HMIS.

What is the Annual Action Plan?

- Required by HUD.
- Defines one-year activities in relationship to 5 Year Consolidated Plan:
 - ▣ Priorities
 - ▣ Goals
 - ▣ Objectives
 - ▣ Activities (i.e. Programs and Projects)
- Identifies needs and priorities to improve quality of life for low- to moderate-income residents in Pima County.

What is the Annual Action Plan?

- Pima County's Application for available HUD funding.
- Comprehensive planning document for all CDNC programs:
 - Affordable Housing
 - Homeless
 - Community & Rural Development
 - Non-Homeless Special Needs Housing
 - Neighborhood Reinvestment
 - Community Planning and Revitalization
 - Outside Agency
 - Lists specific programs and funding amounts.

Annual Action Planning Process

1. Citizen's Participation Plan
2. Community Planning Application Funding Priorities and Recommendations
3. Public Process and Approvals
4. Contracts, Monitoring, and Federal Reporting

FY 2018-19 AAP Process



AAP Proposal Timeline

- OCT: Application available
- OCT - JAN: Public meetings
- FEB: Application due
- FEB - APR: Applications reviewed
- MAY: Staff recommendation to Board of Supervisors
BOS makes funding decisions (5/7/17)
AAP Submitted to HUD (5/16/17)
- JULY: CAPER
- AUG – SEPT Staff Draft Agency Contracts
- OCT - NOV: Funds available (w/ HUD approval)
County Contracts/IGAs Executed (God Willing)



Citizen's Participation Plan

- 20+ Public Meetings Held
- Community Planning Application Issued (ZoomGrants)
- Technical Assistance Provided

Funding Priorities & Recommendations

- Pre- and Final Application Processed
- Risk Assessments Conducted (2 CFR 200)
- Multi-level reviews conducted
- Recaptured funds identified
- Final recommendations drafted

Review Process & Criteria

- Priority given the agencies serving primarily unincorporated Pima County including identified Target Areas.
- Leveraged (and Committed) Resources.
- Previous years funding and timely expenditure of funds.
- Emphasis on filling gaps for hard construction projects.
 - ▣ Detailed Estimates
 - ▣ Funding exact project elements
- Capacity
 - ▣ New Project?
 - ▣ Staff

Review Process & Criteria



Review Process:

- Initial Staff Review
- Manager Concurrent Committee Review:
- Departmental Review
- County Administrator's Office Review
- Board of Supervisor staff review
- Board of Supervisor Approval of AAP

Public Process and Approvals

- AAP Narrative Drafted and Posted online
- BOS May 2, 2017 Meeting
- Certifications Drafted
- Final Activities submitted
- eCon Planning Suite integration

Contracts / Monitoring

Federal Reporting

- Agencies contacted for monitoring visits—goal once every two years
- Staff contacts agencies to negotiate:
 - ▣ Final Scope of Work
 - ▣ Approved Budget
- Staff drafts Contracts (K's)
- Deputy County attorney review
- Agency execution
- BOS signature only
- October 1 Start Date

FY2017-18 Estimated HUD Funding

Available Funding

- Community Development Block Grant (CDBG):

\$1,000,000 recaptured/carryover funds

\$2,500,000 (est.)

\$2,600,000



- Emergency Solutions Grant (ESG) Estimate

\$233,372

Project Summary

□ CDBG

- 82 Responding Projects / 45+/- Recommended
- \$5,811,689 Requested / \$2,746,437 Available
- Highest / Lowest Requested: \$800,000 / \$10,000
- Average / Median Funded: TBD

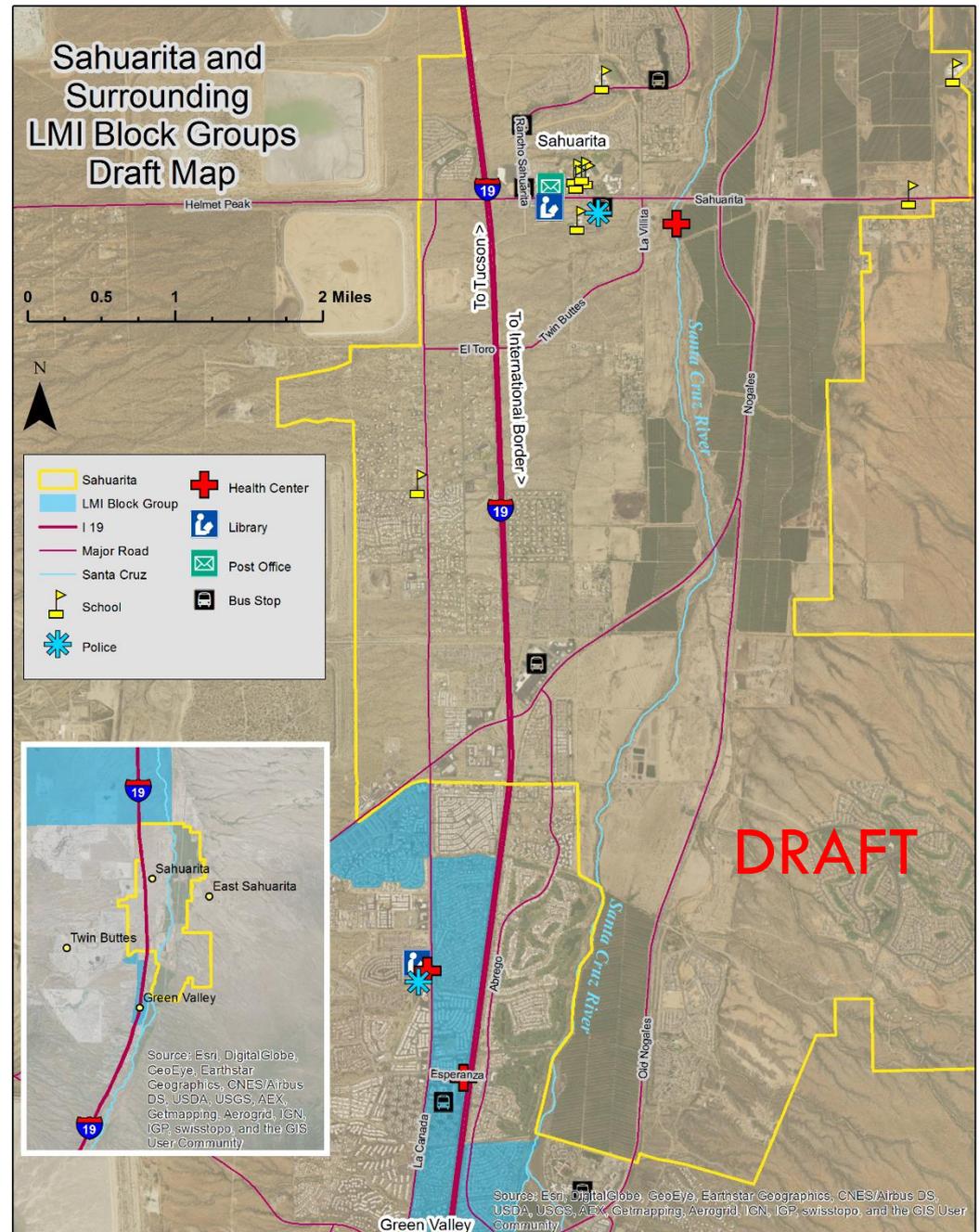
□ ESG

- 20 Responding Agencies
- \$549,880 Requested / \$233,372 Available
- Highest / Lowest Requested: \$90,000 / \$10,000
- Average / Median Funded: TBD

Town of Sahuarita Programs & Projects

Arizona Board of Regents, University of Arizona Mobile Health Program	\$42,000
Green Valley Assistance Services Valley Assistance Family MAP (Map a Plan):	\$60,000
Community Food Bank, Inc. Green Valley-Sahuarita Community Food Bank Facility Expansion:	\$100,000
Pima County Home Repair Program	\$120,000

Next Steps



QUESTIONS? COMMENTS?

PIMA COUNTY COMMUNITY DEVELOPMENT AND NEIGHBORHOOD CONSERVATION DEPARTMENT

Kino Service Center
2797 East Ajo Way

Tucson, Arizona 85713

Phone (520) 243-6777 • Fax (520) 243-6796

- Margaret M. Kish, Director CDNC
margaret.kish@pima.gov
- Daniel Tylutki, Community Development Program Manager
daniel.tylutki@pima.gov
- Pat Devito, Program Coordinator CDBG
MaryPatricia.Devito@pima.gov
John Matheny, Program Coordinator ESG
John.Matheny@pima.gov
Josue Licea, Housing and Community Development Planner
Josue.licea@pima.gov

MEETING DATE: October 10, 2016

DATE PREPARED: September 21, 2016

AGENDA ITEM: 9

TO: Honorable Mayor and Council
FROM: Sheila M. Bowen, P.E., Public Works Director / Town Engineer
SUBJECT: **Presentation and authorization to test the use of Traffic Advisory Lights at signalized intersections.**

			
	<input checked="" type="checkbox"/> Economic Development	<input checked="" type="checkbox"/> Infrastructure	<input type="checkbox"/> Planning for Our Community's Future
			
	<input type="checkbox"/> Organizational Effectiveness	<input type="checkbox"/> Quality of Life	<input type="checkbox"/> Other

GOALS/OTHER:

- Goal 1 e): Maintain and enhance the high quality of life and outstanding public services in Sahuarita that include public safety, Parks and Recreation and overall community appearance
- Goal 1 a): Identify community priorities regarding the provision of clean and safe streets, sidewalks, landscaping, and parks and recreational facilities

FINANCIAL / BUDGET SUMMARY

1. Cost: Not applicable
2. Available Budget/Project Capacity (\$):

STAFF RECOMMENDATION

Council authorization to move forward with the testing phase for the technology.

SUGGESTED MOTION

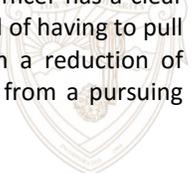
I move to authorize Public Works to conduct testing for the use of Traffic Advisory Lights at signalized intersections.

DISCUSSION

In April 2015, the Town completed the Roadway Safety Study, which evaluated the safety of the roadways and intersections in the Town based on crash data from 2009-2013. Locations where minor and/or major improvements could enhance safety and provided recommendations for those improvements were identified. Out of the twenty-one (21) ranked projects, 8 are located along Rancho Sahuarita Boulevard. Based on those findings, funding from the Pima Association of Governments for a Road Safety Assessment along Rancho Sahuarita Boulevard was sought and received. In June 2016, an independent multi-disciplinary team including traffic engineering experts as well as representatives from the Tucson-Pima County Bicycle Advisory Committee, Sahuarita Police, and PAG completed an assessment of Rancho Sahuarita Boulevard from Pima Mine Road to Sahuarita Road.

The assessment included a physical observation of the corridor characteristics and intersections during morning, evening, and mid-day peak periods, as well as nighttime periods. Crash history from the townwide Safety Study was also reviewed. The assessment presented recommendations with implementation periods (short, medium, and long) based on the findings from the field observation and crash history. Public Works has begun implementing recommendations using funds allocated by CIP16SO2 - Townwide Safety Improvements and in combination with other funded projects.

One of the recommendations included the installation of Traffic Advisory Lights at signalized intersections. By providing a blue light on the back side of a signal, which is coordinated with the opposing red light, a police officer has a clear view of when the signal turns red and can pursue violators from the far side of the intersection instead of having to pull out and traverse an intersection on a red light. Overall intersection safety is enhanced through a reduction of accidents caused by vehicles running red lights as well as a reduction in the potential for conflict from a pursuing



officer.

The FY16/17 CIP budget includes \$181,020 for Sahuarita Road: I-19 to Country Club (CIP Project #03P9B) and \$111,820 for La Villita/Rancho Sahuarita Intersection (CP Project #13S01). In September, Public Works utilized available funds to install Traffic Advisory Lights on the five traffic signals along Sahuarita Road and at the La Villita/Rancho Sahuarita Boulevard traffic signal. The devices were covered to render them inoperative at that time.

The goal of the installation is to provide an opportunity to evaluate the devices for possible implementation at these and other Town-owned traffic signals. Staff will seek Council authorization to move forward with the testing phase for the technology. At the conclusion of the test, staff will report its findings for further consideration.

ATTACHMENTS

1. Presentation



Sahuarita ARIZONA

CONSIDERATION OF USE OF TRAFFIC ADVISORY LIGHTS AT SIGNALIZED INTERSECTIONS

**AGENDA ITEM 9
OCTOBER 10, 2016**

TRAFFIC ADVISORY LIGHTS

WHAT ARE THEY?

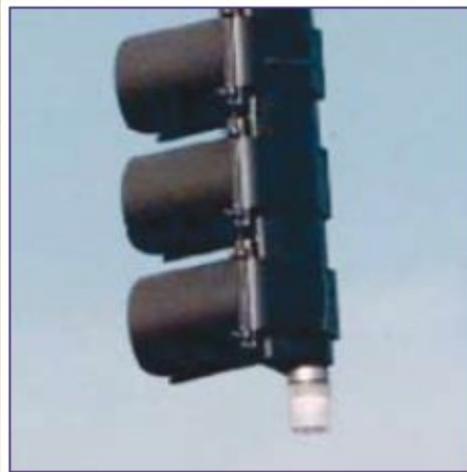


Figure 1: Bottom-mounted Red-Signal Enforcement Light on a signal head

Source: FHWA



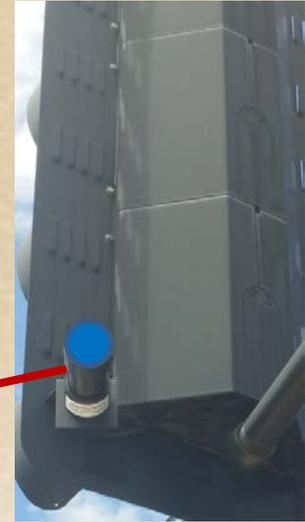
Location: La Canada Dr,
Pima County



Location: Sahuarita Rd at
Desert Gem

TRAFFIC ADVISORY LIGHTS

HOW DO THEY WORK?



- Activate simultaneously with the red signal phase

TRAFFIC ADVISORY LIGHTS

WHAT DO THEY DO?

- Allow red-light running monitoring from any leg of an intersection, particularly downstream from the intersection
- Eliminate the need for unsafe pursuit by upstream officer across the intersection during the red phase
- Improve safety

Source: FHWA

TRAFFIC ADVISORY LIGHTS

WHAT DON'T THEY DO?

- Record data
- Photograph
- Alert law enforcement

OTHER TRAFFIC ADVISORY LIGHTS IN USE



*School Flasher Assembly
Location: La Canada at Camino Antigua*

STATUS

- 42 citations issued for red light running on Sahuarita Road between I-19 and Nogales Hwy between 2013 and September 2016
- Implementation recommended by Safety Assessment
- Installed September 2016 at 6 intersections (Sahuarita Rd/Rancho Sahuarita Blvd, Sahuarita Rd/Calle Imperial, Sahuarita Rd/Desert Gem, Sahuarita Rd/La Villita, Sahuarita Rd/Nogales Hwy, and Rancho Sahuarita Blvd/La Villita)
- Devices capped pending future study

RECOMMENDED NEXT STEPS

- Remove caps from Advisory Lights
- Make adjustments to location/view in consultation with Sahuarita Police and community feedback
- Monitor for possible implementation at other signalized intersections (or removal)