FINAL AGENDA

REGULAR COUNCIL MEETING
TUESDAY
NOVEMBER 19, 2019

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:30 P.M. AND 6:00 P.M.

4:30 P.M. MEETING

Individual Items on the 4:30 p.m. meeting agenda may be postponed to the 6:00 p.m. meeting.

1. CALL TO ORDER

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR EVANS
VICE MAYOR SHIMONI
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY
COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life for all.

4. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or

more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

5. PROCLAMATIONS AND RECOGNITIONS

A. **Recognition:** Utility of the Future, Today - Water Environment Foundation Award

B. **Recognition:** President's Award of Recognition - WateReuse Arizona

C. **Recognition:** Flagstaff Medical Center

D. **Proclamation:** Transgender Remembrance Day

6. LIQUOR LICENSE PUBLIC HEARINGS

A. **Consideration and Action on Liquor License Application:** Staci Lynn Kay "Mountain Top Tap Room," 10 E. Route 66, Series 7 (beer and wine bar) Owner Transfer.

STAFF RECOMMENDED ACTION:

Open the public hearing.
Receive citizen input.
Close the public hearing.

The City Council has the option to:
(1) Forward the application to the State with a recommendation for approval;
(2) Forward the application to the State with a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

7. CONSENT ITEMS

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

A. **Consideration of Ratifying the Grant Agreement:** Ratify the Grant Agreement between the City of Flagstaff and the U.S. Department of Transportation, Federal Aviation Administration (FAA) to Acquire Airport Snow Removal Equipment.

STAFF RECOMMENDED ACTION:

Ratify the Grant Agreement #3-04-0015-043-2019 with the U.S. Department of Transportation, Federal Aviation Administration in the amount of $1,465,664 to acquire Snow Removal Equipment, #1-Multi-Use Plow/Sweeper, #2-Hopper/Spreader, #3-Hopper/Spreader.

B. **Consideration and Approval of Two Purchase Contracts:** One (1) Multi-Task Equipment vehicle from M-B Co Inc., and two (2) Material Spreader vehicles from Quality Truck and Care Center, Inc. for the Flagstaff Airport.

STAFF RECOMMENDED ACTION:

1. Approve the purchase of one (1) Multi-Task Equipment vehicle from **M-B Co Inc** in the amount of **$757,331.57** and two (2) Material Spreader and Vehicles from **Quality Truck and Care Center, Inc** in the amount of **$686,234.48** with U.S. Department of Transportation, Federal Aviation Administration (FAA) grant funds for a total cost of $1,443,556.05; and
2. Authorize the City Manager to execute the necessary documents.

C. **Consideration and Approval of Contract:** Approve the construction contract with RTR Paving and Resurfacing, LLC in the amount of $1,246,470.00 for the Industrial Drive and Fanning Wash Improvement project.

STAFF RECOMMENDED ACTION:

1. Approve the construction contract with RTR Paving and Resurfacing, LLC in the amount of $1,246,470.00 and a contract duration of 275 calendar days;
2. Approve a contract allowance of $62,323.50, which is 5% of the lowest responsive bid;
3. Approve Change Order Authority to the City Manager in the amount of $124,647.00 which is 10% of the lowest responsive bid;
4. Authorize the City Manager to execute the necessary documents.

D. **Consideration and Approval through a Cooperative Purchase Contract:** To purchase one (1) 2019 Caterpillar 416F2 4ECP Backhoe Loader Standard Equipment

STAFF RECOMMENDED ACTION:

1. Approve the equipment purchase for one (1) 2019 Caterpillar 416F2 4ECP Backhoe Loader Standard Equipment from Empire Machinery through a cooperative purchase contract #161534 in the amount of $115,198.00; and
2. Authorize the City Manager to execute the necessary documents.

E. **Consideration and Approval of Engineering Professional Services Contract:** Coconino Estates Improvements Phase II Project.

STAFF RECOMMENDED ACTION:

1. Approve the Engineering Professional Services Contract to The WLB Group of Flagstaff, Arizona in an amount not to exceed $566,501.00, which includes a $27,000 Contract Allowance (5% of the contract amount excluding the Contract Allowance), with a contract period of 750 calendar days; and
2. Authorize the City Manager to execute the necessary documents.

F. **Consideration and Approval of Amendment to Lease Agreement :** First Amendment to Airport Lease Agreement with Peabody Western Coal

Consideration and Approval of Assignment and Consent to Assignment: of lease to Wiseman Aviation.

STAFF RECOMMENDED ACTION:

1. Approve the First Amendment to Airport Lease Agreement
2. Approve the Assignment and Consent to Assignment of the Lease to Wiseman Aviation.

G. **Consideration and Approval of Lease Amendment:** Lease No: GS-09P-94446 for Building 3 of the United States Geological Survey (USGS) facility located at 2255 North Gemini Drive, Flagstaff, Arizona 86001 (Extend the lease term for two years).

STAFF RECOMMENDED ACTION:

Approve the Lease Amendment to extend the Lease through December 31, 2021.

H. **Consideration and Approval of Lease Amendment:** Lease No: GS-09P-03408 for Buildings 4 and 5 of the United States Geological Survey (USGS) facility located at 2255 North Gemini Drive, Flagstaff, Arizona 86001 (Extend the lease term for two years).

STAFF RECOMMENDED ACTION:

Approve the Lease Amendment to extend the Lease through December 31, 2021.

8. **ROUTINE ITEMS**

A. **Consideration and Approval of Office Lease Agreement:** Between the HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, 5200 E. Cortland Blvd., Suite E200 (Landlord) and the City of Flagstaff, a municipal corporation (Tenant);

Consideration and Approval of Sub-Lease: For a portion of the Hopi Building at Heritage Square Between City of Flagstaff (City) and the Flagstaff Metropolitan Planning Organization (FMPO);

Consideration and Approval of Sub-Lease: For a portion of the Hopi Building at Heritage Square Between the City of Flagstaff (City) and the Downtown Business Alliance (DBA).

STAFF RECOMMENDED ACTION:

1. Approve the Office Lease Agreement to provide office space for City staff (ParkFlag)
2. Approve the Sub-lease with the Flagstaff Metropolitan Planning Organization (FMPO)
3. Approve the Sub-lease with the Downtown Business Alliance (DBA)

RECESS

6:00 P.M. MEETING

RECONVENE

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

9. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR EVANS	
VICE MAYOR SHIMONI	COUNCILMEMBER ODEGAARD
COUNCILMEMBER ASLAN	COUNCILMEMBER SALAS
COUNCILMEMBER MCCARTHY	COUNCILMEMBER WHELAN

10. PLEDGE OF ALLEGIANCE

11. PUBLIC PARTICIPATION

12. CARRY OVER ITEMS FROM THE 4:30 P.M. AGENDA

13. REGULAR AGENDA

A. Consideration and Adoption of Resolution No. 2019-53 and Ordinance No. 2019-36: A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled "*Animal Keeping Code Amendments*;" and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 6, Police Regulations, Chapter 3, Animal Keeping, by referencing that certain document entitled "*Animal Keeping Code Amendments*"; providing for repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date.

STAFF RECOMMENDED ACTION:

1) Adopt Resolution No. 2019-53
2) Read Ordinance No. 2019-36 by title only for the final time
3) City Clerk reads Ordinance No. 2019-36 by title only (if approved above)
4) Adopt Ordinance No. 2019-36

B. **Consideration of Intergovernmental Agreement and Adoption of Resolution No. 2019-55:** A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the Northern Arizona Council of Governments (NACOG) and the City of Flagstaff for Arizona Route 66 Brownfields Coalition Grant; providing for delegation of authority; and establishing an effective date.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-55 by title only
2) City Clerk reads Resolution No. 2019-55 by title only (if approved above)
3) Adopt Resolution No. 2019-55

C. **Consideration and Adoption of Resolution No. 2019-56:** Arizona Department of Transportation (ADOT) Intergovernmental Agreement between the City of Flagstaff and ADOT for the Project Assessment (PA), 30% design plans, and cost estimate for additional bridge scoping work related to lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-56 by title only
2) City Clerk reads Resolution No. 2019-56 by title only (if approved above)
3) Adopt Resolution No. 2019-56

D. **Consideration and Adoption of Resolution No. 2019-54:** A resolution of the Flagstaff City Council, approving an intergovernmental agreement between the Summit Fire and Medical District; the Highlands Fire District; and the City of Flagstaff for joint hiring and promotional processes.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-54 by title only
2) City Clerk reads Resolution No. 2019-54 by title only (if approved above)
3) Adopt Resolution No. 2019-54

E. **Consideration and Adoption of Resolution No. 2019-59:** A resolution adopting the City Council Policy on the Display of Flags (City Flag Policy).

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-59 by title only
2) City Clerk reads Resolution No. 2019-59 by title only (if approved above)
3) Adopt Resolution No. 2019-59

14. DISCUSSION ITEMS

A. **Stronger as One Coalition Presentation**

B. **Discussion:** 2020 Intergovernmental Priorities

15. COUNCIL LIAISON REPORTS

16. FUTURE AGENDA ITEM REQUESTS

After discussion and upon agreement by three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

A. **Future Agenda Item Request (F.A.I.R.)** A Citizens' Petition requesting Council to implement a more fair election system, called Ranked Choice Voting (RCV). This method of voting is innovative and has proven to be more just, to encourage diversity, and will be reflective of our vibrant community.

B. **Future Agenda Item Request (F.A.I.R.):** A request by Councilmember Whelan to place on a future agenda a discussion about the feasibility of bringing solar to Red Gap Ranch.

C. **Future Agenda Item Request (F.A.I.R.):** A request by Councilmember Aslan to place on a future agenda a discussion about potential strategies for cleaning up cinders in a more timely and efficient matter.

17. CITY MANAGER REPORT

A. City Manager Report

18. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, FUTURE AGENDA ITEM REQUESTS

19. ADJOURNMENT

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2019.

_____
Stacy Saltzburg, MMC, City Clerk

6. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Action on Liquor License Application: Staci Lynn Kay "Mountain Top Tap Room," 10 E. Route 66, Series 7 (beer and wine bar) Owner Transfer.

STAFF RECOMMENDED ACTION:

Open the public hearing.
Receive citizen input.
Close the public hearing.

The City Council has the option to:
(1) Forward the application to the State with a recommendation for approval;
(2) Forward the application to the State with a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting of the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. A Series 07 beer and wine bar license allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises. Series 07 licenses must be obtained through the person and/or location transfer of an existing license from another business. Mountain Top Tap Room is a new business in Flagstaff; if approved, it will be one of the 25 active series 07 licenses in Flagstaff. Series 07 licenses are quota licenses. To view surrounding liquor licenses, please visit the Active Liquor Licenses Map.

The property has been posted as required, and the Police and Community Development divisions have reviewed the application and provided their respective reports.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Policy Impact:

Not applicable.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:
Liquor licenses are a regulatory action and there is no Council goal that applies.

Has There Been Previous Council Decision on This:
Not applicable.

Key Considerations:
Because the application is for an owner transfer, consideration may be given to both the location and the applicant's personal qualifications.

The deadline for issuing a recommendation on this application is December 13, 2019.

Community Benefits and Considerations:
This business will contribute to the tax base of the community.

Community Involvement:
The application was properly posted on October 28, 2019. No written protests have been received to date.

Attachments:
Mountain Top Tap Room - Letter to Applicant
Hearing Procedures
Series 07 Description
Mountain Top Tap Room - PD Memo
Mountain Top Tap Room - Code Memo
Mountain Top Tap Room - Map

OFFICE OF THE CITY CLERK

November 4, 2019

Mountain Top Tap Room
2792 Buckskin Avenue
Kingman, AZ 86401

Dear Ms. Kay:

Your application for a new Series 07 Liquor License for Mountain Top Tap Room located at 10 E. Route 66, was posted on October 28, 2019. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, November 19, 2019 which begins at 4:30 p.m.**

It is important that you or your representative attend this Council Meeting and be prepared to answer any questions that the City Council may have. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application is set to expire on November 18, 2019 and the application may be removed from the premises at that time.

There is an $815 application fee which needs to be received prior to the hearing date. Payment can be made online at https://www.flagstaff.az.gov/2452/E--Services under Business Licensing Payment Online Services by clicking Liquor License Request Payment, in person at the payment window, or you can send a check to my attention at 211 W. Aspen Ave., Flagstaff, AZ 86001.

If you have any questions, please feel free to call me at 928-213-2077.

Sincerely,

Stacy M. Fobar
Deputy City Clerk

Enclosure

City of Flagstaff

Liquor License Application
Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will open the public hearing on the item.

2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.

3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.

4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.

5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.

6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.

7. The presiding officer will then close the public hearing.

8. The Council will then, by motion, vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

R19-1-702. Determining Whether to Grant a License for a Certain Location

A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:

1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;

2. Number and types of licenses within one mile of the proposed premises;

3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;

4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;

5. Residential and commercial population density within one mile of the proposed premises;

6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;

7. Effect on vehicular traffic within one mile of the proposed premises;

8. Compatibility of the proposed business with other activity within one mile of the proposed premises;

9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;

10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;

11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and

12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.

B. This Section is authorized by A.R.S. § 4-201(I).

License Types: Series 07 Beer and Wine Bar License

Transferable (From person to person and/or location to location within the same county only)
On & off-sale retail privileges
Note: Terms in **BOLD CAPITALS** are defined in the glossary.

PURPOSE:
Allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:
A retailer with off-sale privileges may deliver spirituous liquor off of the licensed premises in connection with a retail sale. Payment must be made no later than the time of **DELIVERY**. The retailer must complete a Department approved "Record of Delivery" form for each spirituous liquor retail delivery.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept delivery of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Off-sale ("To Go") package sales can be made on the bar premises as long as the area of off-sale operation does not utilize a separate entrance and exit from the one provided for the bar.

Bar, beer and wine bar and restaurant licensees must pay an annual surcharge of $20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.

FLAGSTAFF POLICE DEPARTMENT
911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001• (928) 779-3646
ADMIN FAX (928)213-3372
TDD 1-800-842-4681

Chief of Police
Kevin D. Treadway

MEMORANDUM

Memo # 19-074

TO **Chief Kevin Treadway**

FROM **Sgt. Collin Seay**

DATE **October 22nd, 2019**

REF **LIQUOR LICENSE APPLICATION – SERIES 7 Person to Person Transfer for "Mountain Top Tap Room"**

On October 22nd, 2019, I initiated an investigation into an application for a series 7 (beer and wine bar) person to person transfer for Mountain Top Tap Room located at 10 E Route 66. The liquor license application has been filed by Staci Kay (Controlling Person and Agent), and she is currently operating the business on a temporary series 7 license (INP030008255). Staci has purchased the series 7 license (#79321) from Terry Thompson who previously used the license at the same location under the name Rickety Cricket. The series 7 license being applied for is #07030020.

I conducted a query through local systems and public access on Staci Kay and found no derogatory records. I spoke with Staci over the phone, and she advised me that she would be running the daily operations of the license and location. Stacy reported over the phone that she was taking her mandatory liquor training today and would have it completed by the end of the day.

Staci advised this is her first liquor license application, and I was able to confirm this in the investigation. I did not find any liquor violations against the temporary license which was filed on October 7th, 2019. I was also unable to locate any liquor violations against this license when it was possessed by Terry Thompson with the business name Rickety Cricket. Staci advised they are keeping a similar business model and products as Rickety Cricket and will operate during the same business hours. They will serve alcohol on Monday through Thursday from 2 p.m. to 10 p.m., Friday and Saturday from 12 p.m. to 12 a.m., and on Sunday from 12 p.m. to 9 p.m. Staci said she would be present for the November 19th, 2019 council meeting.

Planning and Development Services Memorandum

To: Stacy Fobar, Deputy City Clerk

From: Reggie Eccleston, Code Compliance Manager

CC: Tiffany Antol, Planning Director

Date: Oct. 24, 2019

Re: Application for Liquor License #79321
10 E. Rte.66, Flagstaff, Arizona 86001
Assessor's Parcel Number 100-20-007
Staci Lynn Kay on behalf of Mountain Top Tap Room

This application is a request for a new Series 07 Beer & Wine Bar liquor license by Staci Lynn Kay on behalf of Mountain Top Tap Room. This business is located within the Central Business district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.

Mountain Top Tap Room



10/16/2019, 2:33:11 PM

Liquor Licenses

- Bar
- Beer and Wine Bar
- Beer and Wine Store
- In State Microbrewery
- In State Producer
- Restaurant

1:1,128

0 0.01 0.01 0.03 mi

0 0.01 0.03 0.05 km

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),

Web AppBuilder for ArcGIS

Coconino County, County of Yavapai, Bureau of Land Management, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

7. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacey Brechler-Knaggs, Grants and Contracts Manager

Co-Submitter: Barney Helmick

Date: 11/13/2019

Meeting Date: 11/19/2019

TITLE:

Consideration of Ratifying the Grant Agreement: Ratify the Grant Agreement between the City of Flagstaff and the U.S. Department of Transportation, Federal Aviation Administration (FAA) to Acquire Airport Snow Removal Equipment.

STAFF RECOMMENDED ACTION:

Ratify the Grant Agreement #3-04-0015-043-2019 with the U.S. Department of Transportation, Federal Aviation Administration in the amount of $1,465,664 to acquire Snow Removal Equipment, #1-Multi-Use Plow/Sweeper, #2-Hopper/Spreader, #3-Hopper/Spreader.

Executive Summary:

This ratifies the City Manager's acceptance of the FAA Grant Offer which provides funding to acquire airport snow removal equipment.

Financial Impact:

The City submitted a grant application on December 12, 2018. On August 28, 2019, the FAA awarded the City a grant for $1,465,664 (Federal share, 91.06%). The total project cost includes the federal grant, plus $71,947 (State share, 4.47%), plus $71,948 (City share, 4.47%) for a total of $1,609,559.

Due to the Federal Fiscal Year, the City needed to execute the grant no later than September 4, 2019, for the grant to be valid.
The project is budgeted in account number 221-07-222-3147-0-4402 for $2,989,840 for FY 2020.

The project is budgeted in account number 221-07-222-3147-0-4402 for $2,989,840 for FY 2020.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Goal: Transportation and Other Public Infrastructure: Provide airport infrastructure to enhance tenant and patron experience and secure a second airline.

Has There Been Previous Council Decision on This:

No

Options and Alternatives:

- Ratify and accept the Grant Agreement which will provide funding to purchase snow removal equipment.
- Not ratify and accept the Grant Agreement and the funds will be returned and bids rejected.

Background/History:

Bids were received on August 22, 2019 for Snow Removal Equipment. Based on bids, the City received a Grant Offer on August 28, 2019 from FAA for the Airport Improvement Program (AIP) Project No. 3-04-0015-043-2019 to Acquire Snow Removal Equipment. Due to FAA time constraints, to issue the Grant Offer to meet the Federal Fiscal Year 2019 budget, the Grant Agreement was required to be signed no later than September 4, 2019, in order for the grant to be valid.

Key Considerations:

This grant for new equipment will provide effective and efficient snow and ice control procedures for the Flagstaff Airport. In addition, it will assist in compliance with the Airport's current Snow and Ice Control plan and the FAA Advisory Circular 150/5200-3D. The airport is currently unable to meet the clearance time (per AC 150/5200-30D) for the aircraft movement areas. Additionally, the Flagstaff Airport has seen an increase in commercial air carriers and scheduled flights. The Airport receives on average 100 inches of snowfall every year, this new equipment will help critical snow removal on our Runway, Taxiway, Terminal/GA/Cargo Aprons.

Community Benefits and Considerations:

The purchase of the Snow Removal Equipment will further enhance the safety operations at the airport.

Attachments: FAA AIP 43 Grant Agreement

U.S. Department
of Transportation
Federal Aviation
Administration

GRANT AGREEMENT

PART I –OFFER

Date of Offer	AUG 2 8 2019
Airport/Planning Area	Flagstaff Pulliam
AIP Grant Number	3-04-0015-043-2019
DUNS Number	088302625

TO: City of Flagstaff
(herein called the "Sponsor")

FROM: **The United States of America**(acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated December 12, 2018, for a grant of Federal funds for a project at or associated with the Flagstaff Pulliam Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Flagstaff Pulliam Airport (herein called the "Project") consisting of the following:

Acquire Snow Removal Equipment, #1 - Multi-Use Plow/Sweeper, #2 - Hopper/Spreader,

#3 - Hopper/Spreader

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. § 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. § 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated March 2014, as applied and interpreted consistent with the FAA Reauthorization Act of 2018 (see 2018 FAA Reauthorization grant condition.), (b) and the Sponsor's acceptance of this Offer; and, (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided.

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay 91.06 percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $1,465,664.

   The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

   $0 for planning
   $1,465,664 airport development or noise program implementation; and,
   $0 for land acquisition.

   The source of this Grant may include funding from the Small Airport Fund.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

   The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR §200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR §200.343).

   The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.

4. **Indirect Costs - Sponsor.** Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.

5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies, and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies, and procedures of the Secretary. Per 2 CFR § 200.308, the Sponsor agrees to report to the FAA any disengagement from performing the project that exceeds three months. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the assurances which are part of this agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.

8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 4, 2019, or such subsequent date as may be prescribed in writing by the FAA.

9. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the

purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

11. **System for Award Management (SAM) Registration And Universal Identifier.**

    A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at http://www.sam.gov).

    B. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866–705–5771) or on the web (currently at http://fedgov.dnb.com/webform).

12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

    The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of condition No. 1.

    The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

    An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this agreement.

15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

16. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.

17. **Maximum Obligation Increase For Primary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:

    A. May not be increased for a planning project;

    B. May be increased by not more than 15 percent for development projects;

    C. May be increased by not more than 15 percent for land project.

18. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit or program specific audit in accordance with 2 CFR part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at http://harvester.census.gov/facweb/. Provide one copy of the completed audit to the FAA if requested.

19. **Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR §180.200, the Sponsor must:

    A. Verify the non-federal entity is eligible to participate in this Federal program by:

        1. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if the non-federal entity is excluded or disqualified; or

        2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or

        3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.

    B. Require prime contractors to comply with 2 CFR §180.330 when entering into lower-tier transactions (e.g. Sub-contracts).

    C. Immediately disclose to the FAA whenever the Sponsor (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debars a contractor, person, or entity.

20. **Ban on Texting While Driving.**

    A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:

        1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.

        2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:

            a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

            b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

    B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.

21. AIP Funded Work Included in a PFC Application.

Within 90 days of acceptance of this award, Sponsor must submit to the Federal Aviation Administration an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this grant award. The airport sponsor may not make any expenditure under this award until project work addressed under this award is removed from an approved PFC application by amendment.

22. Exhibit "A" Property Map. The Exhibit "A" Property Map dated 8/16/2018, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

23. Employee Protection from Reprisal.

A. Prohibition of Reprisals –

1. In accordance with 41 U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:

    i. Gross mismanagement of a Federal grant;
    ii. Gross waste of Federal funds;
    iii. An abuse of authority relating to implementation or use of Federal funds;
    iv. A substantial and specific danger to public health or safety; or
    v. A violation of law, rule, or regulation related to a Federal grant.

2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:

    i. A member of Congress or a representative of a committee of Congress;
    ii. An Inspector General;
    iii. The Government Accountability Office;
    iv. A Federal office or employee responsible for oversight of a grant program;
    v. A court or grand jury;
    vi. A management office of the grantee or subgrantee; or
    vii. A Federal or State regulatory enforcement agency.

3. Submission of Complaint – A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.

4. Time Limitation for Submittal of a Complaint - A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.

5. Required Actions of the Inspector General – Actions, limitations and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b)

6. Assumption of Rights to Civil Remedy - Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under41 U.S.C. § 4712(c).

24. 2018 FAA Reauthorization. This grant agreement is subject to the terms and conditions contained herein including the terms known as the Grant Assurances as they were published in the Federal Register on April 3, 2014. On October 5, 2018, the FAA Reauthorization Act of 2018 made certain amendments to 49 U.S.C. chapter 471. The Reauthorization Act will require FAA to make certain amendments to the assurances in order to best achieve consistency with the statute. Federal law requires that FAA publish any amendments to the assurances in the Federal Register along with an opportunity to comment. In order not to delay the

offer of this grant, the existing assurances are attached herein; however, FAA shall interpret and apply these assurances consistent with the Reauthorization Act. To the extent there is a conflict between the assurances and Federal statutes, the statutes shall apply. The full text of the Act is at https://www.congress.gov/bill/115th-congress/house-bill/302/text.

SPECIAL CONDITIONS

25. ARFF and SRE Equipment and Vehicles. The Sponsor agrees that it will:

A. House and maintain the equipment in a state of operational readiness on and for the airport;
B. Provide the necessary staffing and training to maintain and operate the vehicle and equipment;
C. Restrict the vehicle to on-airport use only;
D. Restrict the vehicle to the use for which it was intended; and
E. Amend the Airport Emergency Plan and/or Snow and Ice Control Plan to reflect the acquisition of the vehicle and equipment.

26. Equipment Acquisition. The Sponsor understands and agrees that any equipment acquired through this grant is considered a *facility* as that term is used in the Grant Assurances. Further, the equipment must be only operated by the Sponsor. The Sponsor agrees that it will maintain the equipment and use it exclusively at the airport for airport purposes.

27. Grants Issued on Estimates. The Sponsor understands and agrees that this Grant Offer is made and accepted based on estimates for SRE Equipment; and the parties agree that within 90 days from the date of acceptance of this Grant Offer, the Sponsor will receive bids for SRE Equipment contained within the grant description. If, after the Sponsor has received bids, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000.00 or five percent (5%), whichever is greater based on the actual bid prices received, the FAA can issue a letter to the Sponsor unilaterally reducing the maximum obligation. The Sponsor understands that amendment calculations will then be limited by this reduced maximum obligation.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

(Signature)

Mike N. Williams
(Typed Name)

Manager, Phoenix Airports District Office
(Title of FAA Official)

PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.[1]

Executed this 29TH day of AUGUST, 2019.

City of Flagstaff
(Name of Sponsor)

(Signature of Sponsor's Authorized Official)

By: Greg Clifton
(Typed Name of Sponsor's Authorized Official)

Title: City Manager
(Title of Sponsor's Authorized Official

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Sterling Solomon, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Arizona. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Flagstaff, AZ (location) this 29TH day of AUGUST, 2019

By: *(Signature of Sponsor's Attorney)*

[1]Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

City of Flagstaff
AIP43 Snow Removal Equipment
Grant No.: 3-04-0015-043-2019
US Department of Transportation – Federal Aviation Administration

ATTEST:

Stacy Saltzburg
CITY CLERK

ASSURANCES

AIRPORT SPONSORS

A. General.

a. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

b. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.

c. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

FEDERAL LEGISLATION

a. Title 49, U.S.C., subtitle VII, as amended.

b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]

c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.

d. Hatch Act – 5 U.S.C. 1501, et seq.[2]

e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]

f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]

g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]

h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.

i. Clean Air Act, P.L. 90-148, as amended.

j. Coastal Zone Management Act, P.L. 93-205, as amended.

k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]

l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))

m. Rehabilitation Act of 1973 - 29 U.S.C. 794.

n. Title VIof the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).

p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.

q. American Indian Religious Freedom Act, P.L. 95-341, as amended.

r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]

s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]

t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]

u. Copeland Anti-kickback Act - 18 U.S.C. 874.1

v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.

x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]

y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

EXECUTIVE ORDERS

a. Executive Order 11246 - Equal Employment Opportunity[1]

b. Executive Order 11990 - Protection of Wetlands

c. Executive Order 11998 –Flood Plain Management

d. Executive Order 12372 - Intergovernmental Review of Federal Programs

e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]

f. Executive Order 12898 - Environmental Justice

FEDERAL REGULATIONS

a. 2 CFR Part180 - OMBGuidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).

b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].[4, 5, 6]

c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment

d. 14 CFR Part 13 - Investigative and Enforcement Procedures14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.

e. 14 CFR Part 150 - Airport noise compatibility planning.

f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.

g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.

h. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]

i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]

j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]

k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]

l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]

m. 49 CFR Part 20 - New restrictions on lobbying.

n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.[1 2]

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.[1]

s. 49 CFR Part 28 –Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.

t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

u. 49 CFR Part 32 –Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)

v. 49 CFR Part 37 –Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

FOOTNOTES TO ASSURANCE C.1.

[1] These laws do not apply to airport planning sponsors.

[2] These laws do not apply to private sponsors.

[3] 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

[4] On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

[5] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

[6] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.**

   It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

   b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

   c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.**

   The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

   It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

   In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

   In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

    In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy

of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance.**

    With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

    For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.**

    It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.**

    It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title

49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. **Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.**

In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be

required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;

2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service,

provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

a.) Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

b.) Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

c.) Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

d.) It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

e.) In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

f.) The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

g.) The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental

and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

a.) As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a

manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

b.) Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.**

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
   1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
   2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

a. by gross weights of such aircraft) is in excess of five million pounds Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied.

28. **Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at

Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing:

1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;

3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and

4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

a.) If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. **Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the

sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

e. Required Contract Provisions.

1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a.) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

b.) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was

notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated January 24, 2017 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.**

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure

nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 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 1936 (31 U.S.C. 3801).

38. **Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

   1) Describes the requests;

   2) Provides an explanation as to why the requests could not be accommodated; and

   3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

FAA
Airports

Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 4/18/2019

View the most current versions of these ACs and any associated changes at:
http://www.faa.gov/airports/resources/advisory_circulars and
http://www.faa.gov/regulations_policies/advisory_circulars/

NUMBER	TITLE
70/7460-1L Change 2	Obstruction Marking and Lighting
150/5000-9A	Announcement of Availability Report No. DOT/FAA/PP/92-5, Guidelines for the Sound Insulation of Residences Exposed to Aircraft Operations
150/5000-17	Critical Aircraft and Regular Use Determination
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Changes 1- 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28F	Notices to Airmen (NOTAMS) for Airport Operators
150/5200-30D Change 1	Airport Field Condition Assessments and Winter Operations Safety
150/5200-31C Changes 1-2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications

NUMBER	TITLE
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design
150/5210-18A	Systems for Interactive Training of Airport Personnel
150/5210-19A	Driver's Enhanced Vision System (DEVS)
150/5220-10E	Guide Specification for Aircraft Rescue and Fire Fighting (ARFF) Vehicles
150/5220-16E Changes 1	Automated Weather Observing Systems (AWOS) for Non-Federal Applications
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20A	Airport Snow and Ice Control Equipment
150/5220-21C	Aircraft Boarding Equipment
150/5220-22B	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5220-25	pard Airport Avian Radar Systems
150/5220-26 Changes 1-2	Airport Ground Vehicle Automatic Dependent Surveillance - Broadcast (ADS-B) Out Squitter Equipment
150/5300-13A Change 1	Airport Design
150/5300-14C	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17C Change 1	Standards for Using Remote Sensing Technologies in Airport Surveys
150/5300-18B Change 1	General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards

NUMBER	TITLE
150/5320-5D	Airport Drainage Design
150/5320-6F	Airport Pavement Design and Evaluation
150/5320-12C Changes 1-8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-15A	Management of Airport Industrial Waste
150/5235-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30J	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retro reflective Markers
150/5345-42H	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43H	Specification for Obstruction Lighting Equipment

NUMBER	TITLE
150/5345-44K	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures
150/5345-46E	Specification for Runway and Taxiway Light Fixtures
150/5345-47C	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49D	Specification L-854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51B	Specification for Discharge-Type Flashing Light Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53D	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems
150/5345-55A	Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56B	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-12F	Airport Signing and Graphics
150/5360-13A	Airport Terminal Planning
150/5360-14A	Access to Airports By Individuals With Disabilities
150/5370-2G	Operational Safety on Airports During Construction
150/5370-10H	Standards for Specifying Construction of Airports
150/5370-11B	Use of Nondestructive Testing in the Evaluation of Airport Pavements
150/5370-13A	Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5370-15B	Airside Applications for Artificial Turf
150/5370-16	Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements
150/5370-17	Airside Use of Heated Pavement Systems
150/5390-2C	Heliport Design

NUMBER	TITLE
150/5395-1A	Seaplane Bases

THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

Updated: 3/22/2019

NUMBER	TITLE
150/5100-14E Change 1	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17 Changes 1 - 7	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-15A	Use of Value Engineering for Engineering Design of Airport Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating Manuals
150/5370-12B	Quality Management for Federally Funded Airport Construction Projects
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-7B	Airport Pavement Management Program
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness

7. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Timothy Skinner, ARFF Manager
Co-Submitter:	Stacey Brechler-Knaggs
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Two Purchase Contracts: One (1) Multi-Task Equipment vehicle from M-B Co Inc., and two (2) Material Spreader vehicles from Quality Truck and Care Center, Inc. for the Flagstaff Airport.

STAFF RECOMMENDED ACTION:

1. Approve the purchase of one (1) Multi-Task Equipment vehicle from **M-B Co Inc** in the amount of **$757,331.57** and two (2) Material Spreader and Vehicles from **Quality Truck and Care Center, Inc** in the amount of **$686,234.48** with U.S. Department of Transportation, Federal Aviation Administration (FAA) grant funds for a total cost of $1,443,556.05; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The purchase of three pieces of snow removal equipment (1 multi-task, 2 material spreaders) is needed to better equip the airport snow removal fleet to meet the snow removal clearance times requirements set by the FAA. The new pieces of snow removal equipment will further enhance the safety of the airport for all its users including commercial, general aviation, medical, and military traffic.

Financial Impact:

The grant application was submitted on December 13, 2018, based on bids received on August 22, 2019, and the FAA awarded the City a grant in the amount of $1,465,664 (Federal share, 91.06%) plus $71,947 (State share, 4.47%) $71,948 (City share, 4.47%) for a total project cost of $1,609,559.

Based on actual bids the total cost for the equipment is **$1,443,566.05**.

The project is budgeted in account number 221-01-222-3147-0-4402 in the amount of $2,989,840 for FY 2020.

Policy Impact:

None.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Goal: Transportation and Other Public Infrastructure: Provide airport infrastructure by having the proper amount of snow control equipment for the safe and effective use of the Flagstaff Airport during inclement weather seasons.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

1. Award the purchase of one (1) Multi-Task Equipment snow removal vehicle from M-B Co Inc, and two (2) Material Spreader and Vehicles from Quality Truck and Care Center Inc, or;
2. Do not award the purchase and reject all bids. This action would delay the acquisition of equipment necessary for infrastructure at the airport.

Background/History:

The Flagstaff Airport is required to provide multiple services as required by the FAA, including snow and ice control operations. In 2016, the FAA revised Advisory Circular 150/5200-30D Airport Field Condition Assessments and Winter Operations Safety to explain the requirements better and provide guidance for performing snow and ice control services at airports. It establishes required target clearance times and priority areas, including runways, taxiways, ramps, and aircraft rescue firefighting ramps/access. This document, along with the FAA's Snow Removal Equipment Calculation Matrix, was used to evaluate the Flagstaff Airport's snow removal fleet. It was found that the snow removal fleet was equipped with five pieces of equipment. Purchasing three new pieces of equipment will help increase the airport snow removal fleet and allow for better snow and ice control operations at the Flagstaff Airport.

On June 24, 2019, the City of Flagstaff Purchasing Section posted an Invitation for Bids (IFB #2019-121) solicitation on the PlanetBids.com website. We also advertised this Snow Removal Equipment for Flagstaff Airport opportunity in the June 30 and July 7, 2019, editions of the Arizona Daily Sun. Bids were received from four companies and opened on August 22, 2019. The FAA and City staff deemed this a competitive solicitation, and the three pieces of equipment were then selected from the two lowest responsive and responsible bidders.

Key Considerations:

Key considerations are the safety of the flying public and meeting the requirements set forth by the FAA. The purchase of three pieces of snow removal equipment (1 multi-task, 2 material spreaders) is needed to better equip the airport snow removal fleet and allow the airport to meet the snow and ice control requirements set by the FAA. The safety and use of the Flagstaff Airport will be beneficial to all users including commercial, general aviation, medical, and military traffic.

Expanded Financial Considerations:

None.

Community Benefits and Considerations:

The purchase of three new pieces of snow equipment will enhance the safety and use of the airport for all commercial, general aviation, medical, and military aircraft during inclement weather conditions.

Community Involvement:

None.

Expanded Options and Alternatives:

1. Award the purchase contracts for one (1) Multi-Task Equipment snow removal vehicle from M-B Co Inc, and two (2) Material Spreaders and Vehicles from Quality Truck and Care Center Inc, or;
2. Do not award the purchase and reject all bids. This action would delay the acquisition of equipment necessary for infrastructure at the airport.

Attachments: M-B Co. Contract
QTC Contract
Equipment Photos

CONTRACT

CONTRACT FOR PURCHASE OF SNOW REMOVAL EQUIPMENT FOR FLAGSTAFF AIRPORT

Contract No. 2019-121

This Contract is entered into this _____ day of _____, 2019 by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City"), and M-B Companies, Inc., a Wisconsin Corporation ("Contractor").

WHEREAS, the City desires to receive, and Contractor is able to provide materials and/or services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Scope of Work: Contractor shall provide **MULTI-TASK EQUIPMENT FOR FLAGSTAFF AIRPORT**, subject to all terms, conditions, and specifications provided in the response to this Solicitation and in the Scope of Work attached hereto as *Exhibit A.*

2. Compensation: In consideration for the Contractor's satisfactory performance, City shall pay Contractor seven-hundred fifty-seven thousand three hundred thirty one dollars and fifty-seven cents ($757,331.57). Any price adjustment must be approved in writing and approved by the parties. The City Manager or his designee (the Purchasing Director) may approve an adjustment if the Contract price is less than $50,000; otherwise City Council approval is required.

3. Grant Provisions: The parties agree to comply to the Grant Provisions attached hereto as *Exhibit B.*

4. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as *Exhibit C* are hereby incorporated in this Contract by reference and shall apply to performance of this Contract, except to the extent modified in *Exhibit A*.

5. Special Terms and Conditions: The City of Flagstaff Special Terms and Conditions, attached hereto as *Exhibit D* are hereby incorporated in this Contract by reference and shall apply to performance of this Contract, except to the extent modified in *Exhibit A*.

6. Contract Term: The Contract term will be for one (1) year from the date the Contract is signed. This one-year term will allow for additional purchases by the Fleet Committee if needed within the term.

7. Notice: Any formal notice required under this Contract shall be in writing and sent by certified mail and email as follows:

To the City:	To Contractor:
Timothy Skinner	Doug Blada
Airport Operations/ARFF Manager	Business Unit Director
City of Flagstaff	M-B Companies, Inc.
211 W. Aspen Ave.	1200 Park Street
Flagstaff, Arizona 86001	Chilton, Wisconsin 53014

With a copy to:

Matthew Luhman
Senior Procurement Specialist
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, Arizona 86001
Email: mluhman@flagstaffaz.gov

With a copy to:

8. Authority: Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

CONTRACTOR

_____

Print name: _____

Title: _____

CITY OF FLAGSTAFF

_____

Print name: _____

Title: _____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney's Office

COOPERATIVE PURCHASES (FORM)

The City is a member of Flagstaff Alliance for the Second Century, along with the Coconino County Community College District, Northern Arizona University, Coconino County and Flagstaff Unified School District.

The City is also a member of S.A.V.E. (Strategic Alliance for Volume Expenditures), which consists of numerous municipalities, counties, universities, colleges, schools and other Arizona State agencies.

Cooperative purchasing arrangements such as the above are sanctioned by state law and allow a Bidder to sell services and materials to any member of a cooperative group under the same pricing, terms and conditions of contract awarded to the Bidder by any other member, following a competitive procurement process.

Is your company willing to offer the goods and services solicited under the terms and conditions of this solicitation to other members of the Flagstaff Alliance for the Second Century and S.A.V.E. under the same pricing, terms and conditions?

 Yes _____ No (INITIAL ONE)

If you answered No, that is acceptable. The City will not reject your offer or consider it to be non-responsive.

If you answered Yes, and a Contract is approved, others may seek to do business with you under the same terms and conditions, subject to your approval.

BID (FORM)

TO THE CITY OF FLAGSTAFF: The undersigned Bidder hereby offers and agrees to furnish materials and/or services in compliance with the Solicitation, including any Addenda, and as described in this Bid made to the City, including the attached manufacturer's specifications and dimension sheet.

SOLICITATION NUMBER: 2019-121

U.S. Department of Transportation Federal Aviation Administration
Grant Agreement No. 3-04-0015-043-2019

DESCRIPTION OF UNIT: Multi-Task Equipment (MTE) for Flagstaff Airport

UNIT PRICE $673,975.07

FREIGHT $19,672.70

TAX (9.181) % $63,683.80

TOTAL UNIT PRICE $757,331.57

OPTIONS (Please state additional cost from "Total Unit Price" or "base price")

(1) TPT Tax for the City of Flagstaff $63,683.80

(2) Total Amount Due including all taxes $757,331.57

Any other specifications not standard, but being requested by City, must be included here, with price.

Miscellaneous charges: N/A

(All charges must be included; no extra charges will be considered at a later date. Miscellaneous charges will be considered in determining the low bid)

DELIVERY:

Maximum number of calendar days to deliver after receipt of a purchase order and start of production 180 Days.

Doug Blada
Signature of Person Authorized to Sign Bid

Business Unit Director
Title

Doug Blada
Printed Name

8/16/19
Date

EXHIBIT A

SCOPE OF WORK

Multi-Task Equipment (MTE) Specifications

SPEC #	Selection Descriptions	SAE ARP 5548 Paragraph Number
1	Indicate acceptable design(s): 1. Modular unit w/ Plow, Broom, & Blower Attachments	4.1
2	100-foot wall to wall maximum turning test	4.3.1
	Supplemental performance testing	
3	Install pintle hitch	5.2.3
4	Standard catalog diesel engines **Note:** Alternative fuel engines (not available at this time.)	5.3
5	Transfer case (standard manufacturer's equipment)	5.4.4i
6	Steering enhancements (standard manufacturer's design)	5.6.1
7	Enhanced steering (All Wheel Steering)	5.6.2
8	AWS managers switch	5.6.2
9	Spare rim/tire	5.8.3
10	Auto-lubrication system	5.10.2
11	Managed battery system	5.11.1
12	Reflectors or Conspicuity markings	5.12d
13	Audible back up alarm	5.12.5
14	Standard equipment horn (manufacturer's standard air or electric - no choice)	5.12.6
15	Engine coolant heater	5.13.1

SPEC #	Selection Descriptions	SAE ARP 5548 Paragraph Number
16	Ether start provision	5.13.4
17	Operator's cab (no choice of cab, manufacturer's standard design)	5.15
18	Cab glass (no choice of cab, manufacturer's standard design)	5.15.3
19	Rear view mirrors (No choice of mirrors, manufacturer's standard design)	5.15.7
20	Sun visors (No choice of visors, manufacturer's standard design)	5.15.8
21	Prewired for two-way radio components (power only)	5.15.11
22	Windshield deluge system	5.15.12
23	Type of cutting edge: Polyurethane (must have in-pavement lights)	7.5
24	Single or double acting lift cylinder (manufacturers standard design)	7.6
25	Plow quick hitch	7.6.1
26	Spray guard	7.7
27	Shock/impact absorbers	7.8
28	Type of caster assembly – no selection (manufacturers standard design)	7.10.1&2
29	Non-stowable broom head	8.2
30	46 inch brush diameter (recommended)	8.3.3
31	Bristle type: Poly/wire combo: Mix: 50/50 (Sponsor must specify mix.)	8.3.4
8.3.5.1a	Wafer bristles (standard)	8.3.51a
8.3.5.1c	Bristle end count:____	Note 1

EXHIBIT B

GRANT PROVISIONS

(attached)

GRANT PROVISIONS

Sponsor:	**City of Flagstaff**
Funding Agency:	**U.S. Department of Transportation, Federal Aviation Administration**
Grant Project Title:	**Flagstaff Airport – Snow Removal Equipment**
AIP Grant Number:	**3-04-0015-043**

APPENDIX A – CONTRACT PROVISIONS

A1 ACCESS TO RECORDS AND REPORTS

A1.1 CONTRACT CLAUSE

ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

A2 AFFIRMATIVE ACTION REQUIREMENT – NOT APPLICABLE

A3 BREACH OF CONTRACT TERMS

A3.1 CONTRACT CLAUSE

BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the Contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Contractor written notice that describes the nature of the breach and corrective actions the Contractor must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Contractor must correct the breach. Owner may proceed with termination of the contract if the Contractor fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

A4 BUY AMERICAN PREFERENCE

A4.1 SOLICITATION CLAUSE

A4.1.1 Buy American Preference Statement

BUY AMERICAN PREFERENCE

The Contractor agrees to comply with 49 USC § 50101, which provides that Federal funds may not be obligated unless all steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

A bidder or offeror must complete and submit the Buy America certification included herein with their bid or offer. The Owner will reject as nonresponsive any bid or offer that does not include a completed Certificate of Buy American Compliance.

A4.1.2 Certificate of Buy American Compliance – Manufactured Product

Certificate of Buy American Compliance for Manufactured Products

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☐ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:

a) Only installing steel and manufactured products produced in the United States;
b) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing U.S. domestic product.
3. To furnish U.S. domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

☒ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that supports the type of waiver being requested.

2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more that 60 percent of the cost of all components and subcomponents of the "item". The required documentation for a Type 3 waiver is:

a) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
c) Percentage of non-domestic component and subcomponent cost as compared to total "item" component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using U.S. domestic source product exceeds the total project cost using non-domestic product by 25 percent. The required documentation for a Type 4 of waiver is:

a) Detailed cost information for total project using U.S. domestic product
b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

A5 CIVIL RIGHTS - GENERAL

A5.1.1 Clause that is used for Contracts

GENERAL CIVIL RIGHTS PROVISIONS

The Contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

A6 CIVIL RIGHTS – TITLE VI ASSURANCE

A6.1 SOLICITATION CLAUSE

The sponsor must include this clause in:

1) All AIP funded solicitations for bids, requests for proposals, or any work subject to Title VI regulations; and
2) All sponsor proposals for negotiated agreements **regardless of funding source.**

A6.1.1 Title VI Solicitation Notice

Title VI Solicitation Notice:

The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, [select disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

A6.2 CONTRACT CLAUSES

A6.2.1 Title VI Clauses for Compliance with Nondiscrimination Requirements

The sponsor must include this contract clause in:

1) Every contract or agreement (unless the sponsor has determined, and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities); and

2) Service contracts with utility companies that are already subject to nondiscrimination requirements.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
    a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
    b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

A6.2.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities

Insert this list in every contract or agreement, unless the sponsor has determined and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities. This list can

be omitted if the FAA has determined that the contractor or company is already subject to nondiscrimination requirements.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

A7 CLEAN AIR AND WATER POLLUTION CONTROL

A7.1 CONTRACT CLAUSE

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC § 740-7671q) and the Federal Water Pollution Control Act as amended (33 USC § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds $150,000.

A8 CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS – NOT APPLICABLE

A9 COPELAND "ANTI-KICKBACK" ACT – NOT APPLICABLE

A10 DAVIS-BACON REQUIREMENTS – NOT APPLICABLE

A11 DEBARMENT AND SUSPENSION

A11.1 SOLICITATION CLAUSE

A11.1.1 Bidder or Offeror Certification

CERTIFICATION OF OFFERER/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

A11.1.2 Lower Tier Contract Certification

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offerer /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

A12 DISADVANTAGED BUSINESS ENTERPRISE

A12.1 REQUIRED PROVISIONS

A12.1.1 Solicitation Language (Solicitations that include a Project Goal)

Information Submitted as a matter of bidder responsiveness:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

As a condition of bid responsiveness, the Bidder or Offeror must submit the following information with its proposal on the forms provided herein:

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

Information submitted as a matter of bidder responsibility:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in its commitment within five days after bid opening.

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

A12.1.2 Solicitation Language (Race/Gender Neutral Means)

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the **City of Flagstaff** to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

A12.1.3 Prime Contracts (Projects Covered by a DBE Program)

DISADVANTAGED BUSINESS ENTERPRISES

Contract Assurance (§ 26.13) –

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the prime contractor receives from **City of Flagstaff**. The prime contractor agrees further to return retainage payments to each subcontractor within seven (7) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the **City of Flagstaff**. This clause applies to both DBE and non-DBE subcontractors.

A13 DISTRACTED DRIVING

A13.1 CONTRACT CLAUSE

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding $3,500 that involve driving a motor vehicle in performance of work activities associated with the project.

A14 ENERGY CONSERVATION REQUIREMENTS

A14.1 CONTRACT CLAUSE

ENERGY CONSERVATION REQUIREMENTS

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC 6201*et seq*).

A15 DRUG FREE WORKPLACE REQUIREMENTS – NOT APPLICABLE

A16 EQUAL EMPLOYEMENT OPPORTUNITY (EEO) – NOT APPLICABLE

A17 FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

A17.1 SOLICITATION CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The Contractor has full responsibility to monitor compliance to the referenced statute or regulation. The Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

A18 LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

A18.1 CONTRACT CLAUSE

CERTIFICATION REGARDING LOBBYING

The Bidder or Offeror certifies by signing and submitting this bid or proposal, 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 Bidder or Offeror, 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 influencing or attempting to influence 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.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 section 1352, title 31, U.S. Code. 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.

A19 PROHIBITION of SEGREGATED FACILITIES – NOT APPLICABLE

A20 OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

A20.1 CONTRACT CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act

of 1970 (20 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

A21 PROCUREMENT OF RECOVERED MATERIALS

A21.1 CONTRACT CLAUSE

PROCUREMENT OF RECOVERED MATERIALS

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

1) The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or
2) The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b) Fails to meet reasonable contract performance requirements; or
c) Is only available at an unreasonable price.

A22 RIGHT TO INVENTIONS – NOT APPLICABLE

A23 SEISMIC SAFETY – NOT APPLICABLE

A24 TAX DELINQUENCY AND FELONY CONVICTIONS

A24.1 CONTRACT CLAUSE

CERTIFICATION OF OFFERER/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

1) The applicant represents that it is ( ) is not (X) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2) The applicant represents that it is ( ) is not (X) is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twentyfour (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

A25 TERMINATION OF CONTRACT

A25.1 CONTRACT CLAUSE

A25.1.1 Termination for Convenience

TERMINATION FOR CONVENIENCE (CONSTRUCTION & EQUIPMENT CONTRACTS)

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.

2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.
4. Deliver to the Owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work, and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.
6. Take action as directed by the Owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

1) completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;

2) documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;

3) reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and

4) reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

A25.1.2 Termination for Default

TERMINATION FOR DEFAULT (EQUIPMENT)

The Owner may, by written notice of default to the Contractor, terminate all or part of this Contract if the Contractor:

1. Fails to commence the Work under the Contract within the time specified in the Notice- to-Proceed;
2. Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;
3. Fails to make delivery of the equipment within the time specified in the Contract, including any Owner approved extensions;
4. Fails to comply with material provisions of the Contract;
5. Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements; or

6. Becomes insolvent or declares bankruptcy.

If one or more of the stated events occur, the Owner will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Owner's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within [10] days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Owner, the Owner has authority to acquire equipment by other procurement action. The Contractor will be liable to the Owner for any excess costs the Owner incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Owner shall be at the Contract price. The Owner may withhold from amounts otherwise due the Contractor for such completed equipment, such sum as the Owner determines to be necessary to protect the Owner against loss because of Contractor default.

Owner will not terminate the Contractor's right to proceed with the Work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Owner determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Owner issued the termination for the convenience the Owner.

The rights and remedies of the Owner in this clause are in addition to any other rights and remedies provided by law or under this contract.

A26 TRADE RESTRICTION CERTIFICATION

A26.1 SOLICITATION CLAUSE

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

A27 VETERAN'S PREFERENCE

A27.1 CONTRACT CLAUSE

VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

FEDERAL CERTIFICATIONS

- A4 - Buy American Preference - Title 49 U.S.C., § 501101
- A11 - Suspension and Debarment Requirement For All Contracts Over $25,000 – 2 CFR part 180 (Subpart C), 2 CFR part 1200, DOT Order 4200.5
- A12 - Disadvantaged Business Enterprise Participation – 49 CFR part 26
- A18 – Lobbying and Influencing Federal Employees – 31 USC § 1352 Byrd Anti-Lobbying Amendment, 2 CFR part 200, Appendix II(J), 49 CFR part 20, Appendix A
- A26 - Trade Restriction Certification – 49 USC § 50104, 49 CFR part 30

A4 - CERTIFICATE OF BUY AMERNCIAN COMPLIANCE-MANUFACTURED PRODUCTS

PULLIAM AIRPORT
FLAGSTAFF, ARIZONA

SNOW REMOVAL EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-43
ADOT Grant Numbers: XXXXXX

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☐ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:

a) Only installing steel and manufactured products produced in the United States;
b) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing U.S. domestic product.
3. To furnish U.S. domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

☒ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that supports the type of waiver being requested.
2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more that 60 percent of the cost of all components and subcomponents of the "item". The required documentation for a Type 3 waiver is:

a) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
c) Percentage of non-domestic component and subcomponent cost as compared to total "item" component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using U.S. domestic source product exceeds the total project cost using non-domestic product by 25 percent. The required documentation for a Type 4 of waiver is:

a) Detailed cost information for total project using U.S. domestic product
b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

8/20/19
Date

Doug Blada
Signature Doug Blada

M-B Companies, INC.
Company Name

Business Unit Director
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

Buy America Waiver Request

Title 49 U.S.C Section 50101 (b)

For Equipment and Vehicles (ARFF and SRE) Procured under the Airport Improvement Program

(MB4 CHASSIS / SNOW BLOWER / BROOM / PLOW)

Type of Waiver Request:

The bidder may request a waiver subject to the provisions of Section 50101 (b)(1), Section 50101 (b)(2), Section 50101(b)(3) or Section 50101(b)(4). The Owner's approval of the bidders request is contingent upon Federal Aviation Administration (FAA) approval with the waiver request. The bidder must select one of the following applicable waiver provisions:

- ☐ Section 50101(b)(1): Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(1). Applying subsection 50101 (a) *Preference*, would be inconsistent with the public interest. (See approval level below).

- ☐ Section 50101(b)(2): Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(2). The steel and goods produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality. (See approval level below).

- ☒ Section 50101(b)(3): Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(3). The bidder further certifies 76.4 % of the cost of components and subcomponents comprising the facility are produced in the United States and that final assembly occurs with the United States. *(Bidder must attach a copy of the component cost calculation table).*

- ☐ Section 50101(b)(4). Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(4). The bidder asserts provision of domestic material increases the cost of the overall project by more than 25%.

Certification Signature

In accordance with Section 50101(b), we request a waiver to the Buy America provisions based on the above certification and attached documentation.

M-B Companies, INC.

Bidder's Firm Name

8/22/19

Date

Stph O Mueller

Signature Stephen D. Mueller

Approval level for Waivers:

Please note that approval of waivers listed under (b)(1) & (2), can only be approved by the FAA Office of Airports in Washington DC and approval is rare. Waivers listed under (b) (3) & (4) may be approved by FAA Regional or District Offices.

Instructions for Section 50101(b)(3) Waiver:

1. "Equipment" in Section 50101 shall mean AIP-funded vehicle or single piece of equipment.
2. The bidder must base the U.S. percentage upon the value that results from completing a component cost calculation table similar to the attached format. Bidder shall avoid mere pro forma efforts to establish the waiver request percentage. The Bidder must submit the component cost calculation table as an attachment to the waiver request. The component breakout shall be along major elements/systems of the equipment.
3. Components are the material and products directly incorporated into the "vehicle" at the place of final assembly.
4. The final assembly of the AIP-funded "equipment" must be within the USA *(Section 50101(b)(3)(B))*. Final assembly is the substantial transformation of the components and subcomponents into the end product.
5. All steel used in the "Equipment" must be produced in the USA. FAA will not approve a waiver for products made with non-domestic steel.
6. The Buy American requirements apply to all tier contractors and subcontractors. All contractors/subcontractors are required to provide sufficient documentation that indicates origin of manufacturer and percentage of domestic manufactured product.
7. The bidder is hereby advised there is no implied or expressed guarantee that the Federal Aviation Administration (FAA) will approve any requested waiver. The FAA CANNOT concur with any waiver request for less than 60% US component participation.

Instructions for Section 50101(b)(4) Waiver:

1. This waiver is rarely applied. Consult Owner before making this request.
2. Prepare detailed proposal costs using domestic product(s) and the overall project cost. Prepare detailed alternate proposal costs of the non-domestic product(s) and the overall project cost. If the proposal with domestic product(s) is more than 25% of the proposal with non-domestic product(s), the bidder may request a waiver under 50101(b)(4).
3. Bidder must attach adequate documentation that supports the use of domestic products results in an increase in the overall project costs that exceeds 25%. The bidder must certify under signature and date that the submittal information is correct and accurate.

North America Free Trade Act (NAFTA)

The NAFTA **does not** apply to the AIP. Products and material made in Canada or Mexico must be considered as foreign made products.

COMPONENT COST CALCULATION TABLE

- *In lieu of completing this table, bidder may prepare a spreadsheet that addresses the same information and calculations as presented herein.*
- *An authorized person shall attest under signature and date that the submitted information is accurate and complete*
- *The bidder/contractor shall submit the signed component cost calculation table to the Owner as an attachment to the waiver request*
- *The component breakout shall be along major elements of the equipment. Inadequate breakout of components is cause for owner rejection of the waiver request*

Component/Subcomponents	Name of Manufacturer	Country of Origin	Cost of Foreign Manufactured Components/Subcomponents	Cost of USA Manufactured Components/Subcomponents
(See Attached)				

Sum of US Manufactured Component/Subcomponent Costs: _____

Sum of all Equipment Components and Subcomponents: _____

Percentage of Equipment Components Manufactured in the United States: _____

Place of Final Assembly: _____

Certification Signature

I hereby certify the above information is accurate and complete.

M-B Companies, Inc. 8/22/19

Bidder's Firm Name *Date*

Stephen D Mueller

Signature Stephen D. Mueller

M-B Companies, Inc.
MB4 Chassis, Blower, Broom and Plow
Snow Removal Equipment for Flagstaff Airport
Prepared for Flagstaff Airport, City of Flagstaff
AIP Grant Number: 3-04-0015-043

Buy American

Country	MB4	Quantity	Manufacturer	Sell Price Each
China	Cummins QSG chassis engine	1	Cummins	$ 98,907.69
Indeterminable	Tires	5	Goodyear	$ 4,570.42
Sweden	Frame rails	2	GE Mathis Corp	$ 3,025.64
Czech Republic	Blower caster tires	2	Continental	$ 599.06
Czech Republic	Broom caster tires	5	Continental	$ 2,295.13
Italy	Broom drive gear boxes	2	Brevini	$ 4,798.51
Sweden	Air blower motors	2	SunFab	$ 3,111.44
Czech Republic	Plow caster tires	2	Continental	$ 918.05
Indeterminable	Electrical controllers, lights, modules	1	Indeterminable	$ 4,312.05
Indeterminable	Operating control screen	1	Indeterminable	$ 2,501.28
Indeterminable	Electrical Harnesses	1	Indeterminable	$ 3,265.38
Indeterminable	Nuts, bolts, fittings	1	Indeterminable	$ 1,445.96
			Non-USA sell price	$ 129,750.61
	Sell price less final assembly, warranty, freight, training		Each	$ 548,702.94
	Non-USA components		Each	$ 129,750.61
	USA components		Each	$ 418,952.33
	Percent USA components			76.4%

Final Assembly takes place in Chilton, Wisconsin

M-B Companies, Inc. 8/21/19

Stephen D. Mueller
Technical Sales Manager

FAA
Office of Airports Planning and Programming

AIP Grant Number: 3-04-0015-043
Airport Sponsor: Flagstaff Airport, City of Flagstaff, AZ
MB4 Chassis and Snow Blower

Buy American Preferences - Final Assembly Questionnaire

To assist the Federal Aviation Administration (FAA) in making the determination of whether final assembly of the product occurs in the United States, please complete and submit this questionnaire when requesting a Buy American Waiver under 49 U.S.C. 50101(b)(3)(A).

1. Please provide a description of the assembly process occurring at the specified final location in the United States?

Please describe the final assembly process and its various operations?
M-B Companies manufactures most of the components used on the proposed product in Chilton, Wisconsin. These components, plus those purchased are brought to the Chilton final assembly area where they are painted as needed, and assembled into the final product. Final assembly includes building the frame assembly, chassis engine assembly, building and installing the cab assembly, the blower assembly, the broom assembly, auxiliary engine assembly, hydraulic system, electrical system including lighting, etc.

How long does the final assembly process take to complete?
Because this information is confidential, we will state that it takes over 600 man-hours for final assembly.

2. Please provide a description of the resources used to conduct the assembly of the product at the specified location in the United States?

How many employees are involved in the final assembly process and what is the general skill level of those employees?
The number of employees in the final assembly process is based on how many units we are assembling at a given time. The work is divided among the painters, cab assemblers, electrical workers, and final assemblers. Approximately 7-9 employees work on any given unit during assembly.

What type of equipment is used during the final assembly process?
Painting equipment, power and hand tools, hoists and cranes.

What is a rough estimate of the associated cost to conduct final assembly of the product at the specified location in the United States?
Final assembly labor costs represent between 10% and 15% of the total bid price.

Buy America Waiver Request

Title 49 U.S.C Section 50101 (b)

For Equipment and Vehicles (ARFF and SRE) Procured under the Airport Improvement Program

(MB1 Chassis / Spreader / Plow

Type of Waiver Request:

The bidder may request a waiver subject to the provisions of Section 50101 (b)(1), Section 50101 (b)(2), Section 50101(b)(3) or Section 50101(b)(4). The Owner's approval of the bidders request is contingent upon Federal Aviation Administration (FAA) approval with the waiver request. The bidder must select one of the following applicable waiver provisions:

- ☐ Section 50101(b)(1): Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(1). Applying subsection 50101 (a) *Preference*, would be inconsistent with the public interest. (See approval level below).

- ☐ Section 50101(b)(2): Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(2). The steel and goods produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality. (See approval level below).

- ☒ Section 50101(b)(3): Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(3). The bidder further certifies 57.1 % of the cost of components and subcomponents comprising the facility are produced in the United States and that final assembly occurs with the United States. *(Bidder must attach a copy of the component cost calculation table).*

- ☐ Section 50101(b)(4). Bidder hereby requests a waiver to Buy America preferences based upon Section 50101(b)(4). The bidder asserts provision of domestic material increases the cost of the overall project by more than 25%.

Certification Signature

In accordance with Section 50101(b), we request a waiver to the Buy America provisions based on the above certification and attached documentation.

M-B Companies, Inc.
Bidder's Firm Name

8/22/19
Date

Stephen D. Mueller
Signature Stephen D. Mueller

Approval level for Waivers:

Please note that approval of waivers listed under (b)(1) & (2), can only be approved by the FAA Office of Airports in Washington DC and approval is rare. Waivers listed under (b) (3) & (4) may be approved by FAA Regional or District Offices.

Instructions for Section 50101(b)(3) Waiver:

1. "Equipment" in Section 50101 shall mean AIP-funded vehicle or single piece of equipment.
2. The bidder must base the U.S. percentage upon the value that results from completing a component cost calculation table similar to the attached format. Bidder shall avoid mere pro forma efforts to establish the waiver request percentage. The Bidder must submit the component cost calculation table as an attachment to the waiver request. The component breakout shall be along major elements/systems of the equipment.
3. Components are the material and products directly incorporated into the "vehicle" at the place of final assembly.
4. The final assembly of the AIP-funded "equipment" must be within the USA *(Section 50101(b)(3)(B))*. Final assembly is the substantial transformation of the components and subcomponents into the end product.
5. All steel used in the "Equipment" must be produced in the USA. FAA will not approve a waiver for products made with non-domestic steel.
6. The Buy American requirements apply to all tier contractors and subcontractors. All contractors/subcontractors are required to provide sufficient documentation that indicates origin of manufacturer and percentage of domestic manufactured product.
7. The bidder is hereby advised there is no implied or expressed guarantee that the Federal Aviation Administration (FAA) will approve any requested waiver. The FAA CANNOT concur with any waiver request for less than 60% US component participation.

Instructions for Section 50101(b)(4) Waiver:

1. This waiver is rarely applied. Consult Owner before making this request.
2. Prepare detailed proposal costs using domestic product(s) and the overall project cost. Prepare detailed alternate proposal costs of the non-domestic product(s) and the overall project cost. If the proposal with domestic product(s) is more than 25% of the proposal with non-domestic product(s), the bidder may request a waiver under 50101(b)(4).
3. Bidder must attach adequate documentation that supports the use of domestic products results in an increase in the overall project costs that exceeds 25%. The bidder must certify under signature and date that the submittal information is correct and accurate.

North America Free Trade Act (NAFTA)

The NAFTA **does not** apply to the AIP. Products and material made in Canada or Mexico must be considered as foreign made products.

COMPONENT COST CALCULATION TABLE

- *In lieu of completing this table, bidder may prepare a spreadsheet that addresses the same information and calculations as presented herein.*
- *An authorized person shall attest under signature and date that the submitted information is accurate and complete*
- *The bidder/contractor shall submit the signed component cost calculation table to the Owner as an attachment to the waiver request*
- *The component breakout shall be along major elements of the equipment. Inadequate breakout of components is cause for owner rejection of the waiver request*

Component/Subcomponents	Name of Manufacturer	Country of Origin	Cost of Foreign Manufactured Components/Subcomponents	Cost of USA Manufactured Components/Subcomponents
(See Attached)				

Sum of US Manufactured Component/Subcomponent Costs: _____

Sum of all Equipment Components and Subcomponents: _____

Percentage of Equipment Components Manufactured in the United States: _____

Place of Final Assembly: _____

Certification Signature

I hereby certify the above information is accurate and complete.

M-B Companies, Inc. 8/22/19

Bidder's Firm Name *Date*

Stephen O Mueller

Signature Stephen D. Mueller

M-B Companies, Inc.
MB1 Chassis, Spreader and Plow
Snow Removal Equipment for Flagstaff Airport
Prepared for Flagstaff Airport, City of Flagstaff
AIP Grant Number: 3-04-0015-043

Buy American

Country	MB1	Quantity	Manufacturer	Sell Price Each
Japan	International Chassis	1	International	$ 30,498.93
US and others	Tires	6	Goodyear	$ 5,233.08
Czech Republic	Plow caster tires	2	Continental	$ 994.56
Indeterminable	Electrical controllers, lights, modules	1	Indeterminable	$ 2,917.06
Indeterminable	Electrical Harnesses	1	Indeterminable	$ 1,090.75
Indeterminable	Nuts, bolts, fittings	1	Indeterminable	$ 890.04
			Non-USA sell price	$ 41,624.42
	Sell price less final assembly, warranty, freight, training		Each	$ 323,347.07
	Non-USA components		Each	$ 41,624.42
	USA components		Each	$ 281,722.65
	Percent USA components			87.1%

Final Assembly takes place in Chilton, Wisconsin

M-B Companies, Inc. 8/21/2019



Stephen D. Mueller
Technical Sales Manager

Buy America Certification
Navistar, Inc.
International Truck and Engine Brand
HV51300~7600 SFA

Component/Sub-component	Manufacturer	Origin	Content
ENGINES	INTERNATIONAL TRUCK AND ENGINE CORP.	US	25.63%
TRANSMISSIONS	ALLISON TRANSMISSION	US	12.66%
AXELS, PARTS	ARVINMERITOR INC	US	5.25%
ENGINES, PARTS	INTERNATIONAL TRUCK AND ENGINE CORP	US	4.87%
AFTERTREATMENTS	CUMMINS EMISSION SOLUTIONS	US	3.58%
OTH PARTS FOR SUSPENSION	HENDRICKSON SUSPENSION CO	US	2.88%
TIRES, HOSES	GOODYEAR TIRE & RUBBER COMPANY	US	2.33%
TIRES	CONTINENTAL TIRE NORTH AMERICA INC	US	1.37%
FUEL TANK	PROFORM GROUP INC.	US	1.28%
TUBE/PIPE AND OTHER PARTS	OPTIMAS OE SOLUTIONS	US	1.12%
TANK	NEWSTREAM ENTERPRISES	US	1.10%
AXELS, PARTS	ARVINMERITOR INC	US	0.94%
STEERING GEAR	R. H. SHEPPARD COMPANY	US	0.93%
PROPSHAFTS	DANA CORPORATION	US	0.82%
SUPPORT PARTS	RENAISSANCE MFG GROUP -WAUKESHA , LLC	US	0.64%
HUB WHEELS	CONSOLIDATED METCO, INC.	US	0.62%
Other Components	Various Suppliers	US	9.06%
Sub-Total			**75.10%**

Final Assembly Labor

Springfield Assembly Plant
6125 Urbana Road
Springfield, OH 45502 USA

This certificate is based on the Buy America provision 49 C.F.R. Part 661

FAA
Office of Airports Planning and Programming

AIP Grant Number 3-04-0015-043
Airport Sponsor: Flagstaff Airport, City of Flagstaff, AZ
M-B Companies, Inc. – MB1

Buy American Preferences - Final Assembly Questionnaire

To assist the Federal Aviation Administration (FAA) in making the determination of whether final assembly of the product occurs in the United States, please complete and submit this questionnaire when requesting a Buy American Waiver under 49 U.S.C. 50101(b)(3)(A).

1. Please provide a description of the assembly process occurring at the specified final location in the United States? **M-B Companies, 1200 Park Street, Chilton, WI 53014. Final assembly occurs at this location.**

Please describe the final assembly process and its various operations?
After all fabricated and painted parts (Plow, Plow Hydraulics, Spreader Installation, Plow Hitch, Drive Axles, Transfer Case, and Cab Controls) have been staged in our assembly bay workers begin the conversion of the chassis to meet the customer's specifications. Frame and drivetrain modifications are done followed by; plow/hitch and related hydraulic components installed, dump body and related hydraulics are installed, any required additions or modifications to the chassis cab and cab interior are completed. An in house test for performance is done followed by road test. After completion of all testing the unit is made ready for shipment.

How long does the final assembly process take to complete?
On average 150 hours for final assembly

2. Please provide a description of the resources used to conduct the assembly of the product at the specified location in the United States?

How many employees are involved in the final assembly process and what is the general skill level of those employees?
8-12 people; basic to advanced assembly and testing skill levels

What type of equipment is used during the final assembly process?
Various hand and power tools, hydraulic jacks, overhead crane, torque wrenches, chassis wheel alignment tools, forklift

What is a rough estimate of the associated cost to conduct final assembly of the product at the specified location in the United States?
$50,000.00

Russel Metals
WILLIAMS BAHCALL

January 10, 2017

Russell Thiel
PIC Manager
M-B Companies – Airport Maintenance Products
1200 Park St. Chilton, WI 53014

Russ:

The purpose of this letter is to confirm that if M-B Companies requests USA Mill sourced materials, we will provide only USA sourced materials, along with Mill Certs for the materials purchased. All purchases are subject to Russel Metals Williams Bahcall Inc. terms and conditions.

Regards,

Steve DeBot
Controller

WISCONSIN STEEL & TUBE CORPORATION

1555 N. Mayfair Road
Milwaukee, WI 53226
Telephone 414.453.4441 | 800.279.8335
Fax 414.453.0789

January 10th, 2017

Christopher Stutzman
Senior Buyer/Production Planner
M-B Companies – Airport Maintenance Products
1200 Park Street
Chilton, WI 53014

RE: FAA "Buy American" Requirements

Dear Mr. Stutzman,

In response to your request that Wisconsin Steel and Tube Corporation (WS&T) be able to provide steel products from only US sources when specified by the Purchase Order, we are able to comply. WS&T does currently maintain records for the country of origin for the stock we distribute.

Orders will be reviewed at time of entry for the requirement, and the COO of the stock on-hand. The sales representative will inform M-B via conformation that WS&T has US stock to fill the order or if there will be a delay while US stock if procured is it not currently in stock.

Please direct any further questions to Steve Lewis.

Regards,

Michele Jashinski

Michele Jashinski
Sales Manager
Wisconsin Steel & Tube Corporation



Michele Jashinski
Sales Manager

Direct 414-256-8142
Cell 414-840-1204
Main 414-453-4441
Fax 414-453-0789
Toll Free 800-279-8335

MicheleJ@wisteeltube.com
wisteeltube.com

LAPHAM-HICKEY STEEL

YOUR PARTNER IN PRODUCTION

2.9.17

Chris Stutzman

Senior Buyer/Production Planner

M-B Companies-Airport Maintenance Products

1200 Park Street Chilton, WI 53014

Good Morning Chris,

Lapham-Hickey Steel will adhere to the request from M-B Companies to supply American or US Steel Products when requested. Lapham-Hickey reserves the right to review any and all orders that require to have a specific Country of Origin to verify stock is available at time of order. Lapham-Hickey will let M-B Company know if there are any concerns with a Purchase Order and the Country of Origin. All orders and quotes from Lapham-Hickey are subject to the Lapham-Hickey Steel terms and conditions.

Best Regards,

Steve Ford Jr

Account Manager

920-376-0964

A11 - CERTIFICATION OF LOWER TIER CONTRACTORS REGRADING DEBAREMENT

PULLIAM AIRPORT
FLAGSTAFF, ARIZONA

SNOW REMOVAL EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-43
ADOT Grant Numbers: XXXXXX

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offerer /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

8/20/19
Date

Doug Blada
Signature Doug Blada

M-B Companies, Inc.
Company Name

Business Unit Director
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A12 - ASSURANCE OF DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

PULLIAM AIRPORT
FLAGSTAFF, ARIZONA

SNOW REMOVAL EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-43
ADOT Grant Numbers: XXXXXX

To meet the mandated requirements of the United States Department of Transportation, 49 CFR Part 26, the assurance below shall be signed by the bidder and submitted with the bid.

BIDDER'S ASSURANCE OF COMPLIANCE WITH TITLE 49 CFR PART 26 RELATING TO DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in its commitment **within five days after bid opening**.

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the City of Flagstaff to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the prime contractor receives from City of Flagstaff. The prime contractor agrees further to return retainage payments to each subcontractor within seven (7) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Flagstaff. This clause applies to both DBE and non-DBE subcontractors.

The bidder hereby gives assurance pursuant to the requirements of Title 49 CFR Part 26 that bidder has made a reasonable effort to meet the goals for Disadvantaged Business Enterprise participation specified for the contract for which this proposal is submitted and that bidder, if the contract is awarded to bidder, will have a **DBE participation of** zero **percent** of the amount of this bid. Bidder further gives assurance that bidder has submitted the documentation required by said Regulations and the contract specifications, including the Listing of Disadvantaged Business Enterprises with which the bidder will subcontract if the contract is awarded and if bidder is unable to meet the contract goals for DBE participation, and the steps bidder has taken to obtain DBE participation.

The Overall Current DBE Goal is 4.87% **Race Conscious 0% / Race Neutral 4.87%**

8/20/19
Date

Doug Blada
Signature Doug Blada

M-B Companies, Inc.
Company Name

Business Unit Director
Title

NOTE: Bidder shall insert the percentage for DBE participation even if the percentage is less than the contract goal. A bid that fails to meet these requirements may be considered grounds for rejecting the bid.

aebi schmidt group

M-B Companies, Inc.
Airport Maintenance Products Division
1200 Park Street
Chilton, WI 53014

Phone 800 558 5800
Fax 920 849 2629
www.m-bco.com

Flagstaff Airport, City of Flagstaff, AZ,
SOLICITATION NO.: 2019-121, AIP Grant Number: 3-04-0015-043,
Snow Removal Equipment for Flagstaff Airport,
Bid Opening: August 22, 2019, 3:00PM, Local Time

M-B Companies, Inc. DBE Participation Plan

The M-B Companies has over the past several years sent out solicitations to our supply base inquiring and encouraging our suppliers to participate in the Disadvantaged Business Enterprise (DBE) program.

87 M-B suppliers have been contacted through email and follow up phone calls. Evidence of this is detailed on our attached Good Faith Effort listing.

The solicitation directs the suppliers to the following websites:

Out of state suppliers are directed to: http://www.dot.gov/osdbu/disadvantaged-business-enterprise/state-dot-and-dbe-program-websites,

Wisconsin Suppliers are directed to: http://wisconsindot.gov/Pages/doing-bus/civil-rights/dbe/default.aspx

As of this date, we have not found a certified DBE supplier for the equipment in this bid.

M-B continues to search for certified DBE's for future opportunities.

M-B Companies - AMP

06/20/19 - Bill Hecker

Good Faith Effort for:
WBE-MBE-DBE-SBE-VBE

Supplier	Supplier Contact Info	N/A	WBE	MBE	DBE	SBE	VEB	GRS
Metals Engineering	Metals Engineering 1800 South Broadway Green Bay, WI 54304 (920) 339-8590 Phone (920) 339-8592 Fax Rhonda Rusch	X						1
Lenz Inc.	Lenz Inc. 3301 Klepinger Road Dayton, OH 45406 phone 678-641-2852 fax 770-529-1472 Richard Brown	X						1
Kelburn	Kelburn Engineering Company 851 N. Industrial Drive, Elmhurst, IL 60126 P 630-832-8383 x209 F 630-832-8515 Ron Johnson	X						1
Henderson products	Henderson Products Inc. 1085 South Third Street Manchester, IA 52057 563-927-7236 Dennis Meisgeier	X						1
Monarch Ind.	Monarch Industries Limited Phone: 204-786-7921 Ext 219 Fax: 204-772-9496 Toll free: 800-665-0247 Fred Morgan	X						1
J&D Tube Benders	J & D TUBE BENDERS, INC. 8951 Enterprise Way Schofield, WI 54476 1-800-283-8302 1-715-359-8687 FAX Tom Felch	X						1
Falcon Ind.	Falcon Industries, Inc. 901 Astro Blvd. East Cosmos, MN 56228 Telephone: 320-877-7713 Fax: 320-877-7715 Rhonda J. Gass	X						1
Power Systems	Power Systems, LLC 3026C Highway 145 Richfield, WI 53076 p. 262-677-4567 f. 262-677-4655 Donna Peterleus	X						2
Prop Shaft Supply	Prop Shaft Supply 969 Koopman Lane Elkhorn, WI 53121 Office 262-743-1606 Cell 262-492-7799 Joe Kinney		X					1

Arntzen Corp.	Arntzen Corporation 14600 W. Washington St. Woodstock, IL 60098 Ph: 800.957.7655 ext: 221 Fax: 815.334.0778 Ryan D. Moyer	X						1
Northern Iron and Machine	Northern Iron & Machine 867 Forest Street St. Paul, MN 55106 651-778-3320, phone 651-778-3380, fax 763-300-9563, cell Mark Amland	X						1
McNeilus Steel	McNeilus Steel - Fond du Lac, WI 123 East Larsen Drive Fond du Lac, WI 54937 920-923-1778 ext. 5026 Zachary J Todd	X						1
Aurelius MFG.	Aurelius Mfg. Co. Inc. 220 SW 8th Street Braham, MN 55006 Phone - 320-396-3343 Fax - 320-396-3346 Laura Keppler	X						1
Trimark Corp.	Trimark Corp. 510 Bailey Avenue New Hampton, IA 50659 800-431-8616 Terri Troutner	X						1
Gemini Plastics	Gemini Plastics, Inc. 1333 Viking Lane Green Bay, WI 54115 Phone: 800-236-3333 Ken Curry	X						1
Waytek Wire	Waytek Inc. PO Box 81 Chaska, MN 55318 Phone (800)328-2724 X111 Fax (800)858-0319 Travis Dhein	X						1
Cross MFG.	Cross Manufacturing, Inc. 100 James H. Cross Blvd. Lewis, KS 67552 620-324-5525 Mike Worley	X						1
Diesel Components Inc.	Diesel Components Inc. 1500 E Cliff Road Burnsville, MN 55337 PH 952-890-2885 FX 952-890-2920 Nick Fiddle	X						1
Burns Industrial	Burns Industrial W8622 Willis Ray Road Whitewater, WI 53190 414-587-8214 Jim Robinette	X						1

Jay MFG.	Jay Manufacturing Oshkosh, Inc. 2045 West 20th Avenue Oshkosh, WI 54903-3064 Phone: (920) 235-1770 ext. 32 Cell: (920) 573-9151 Fax: (920) 235-2383 John Bores						X	1
Fuel Systems	Fuel Systems Inc. 12730 Robin Lane Brookfield, WI 53005 800-236-3835 Jeff Koppelman	X						1
Therma-Tech	A.R Lintern-Therma-Tech 24900 Capitol Redford, Mi (313)537-5330 ext. 204 Jim Geagan	X						1
Safety Vision	Safety Vision/ICOP 6100 West Sam Houston Parkway North Houston, Texas 77041-5113 800.880.8855 TOLL 713.929.1151 DIRECT 713.896.6600 MAIN 713.896.6640 FAX Terri Molina	X						1
Arrowhead Plastic Engineering	Arrowhead Plastic Engineering, Inc. P.O. Box 75 Eaton, IN 47338 Phone: 765-396-9647 Fax: 765-396-9649 Faith Adair	X						1
Russel Metals	Russel Metals Williams Bahcall PO BOX 210380 Milwaukee, WI 53221 office 414-481-7100 direct 414-982-6666 cell 414-750-2876 Steve DeBot	X						2
Enginaire Inc.	Enginaire Inc. 122 South River Street Janesville, WI 53548 608-755-5466 Ginny Allbee	X						1
Dana Corp.	Dana Holding Corporation Commercial Vehicle Products Group One Village Center Drive Van Buren Twp, MI 48111-5711 Ph: (269) 779-4478 Mark Jeffrey	X						2
Sawbrook Steel	Sawbrook Steel 425 Shepherd Avenue Cincinnati, OH 45215 513-554-1700 Mary Simpson	X						2

Schofield Enterprises	Schofield Enterprises, Inc. 8405 Enterprise Way Schofield, WI 54476 (715)359-2497 Tami Holmes	X						1
Durst	Durst-Regal 5560 E. Buss Road Clinton, WI 53525 D: 608-361-5526 O: 800.356.0775 F: 608.365.6812 Al Bower	X						1
HED	HED Inc. 2120 Constitution Avenue Hartford, WI 53027 (262) 670-2980 Direct (262) 673-9455 Fax Michelle Schmitt	X						1
Weimer Bearing	Weimer Bearing & Transmission 2051 Progress Way Kaukauna, WI 54130 920-766-5463 920-766-5725 fax Ben Cleveland	X						1
Nott Company	Nott Company 3100 East Frontage Road Kaukauna, WI 54130 800-456-0152 x 110 Brian Genke	X						1
NM Transfer Company Inc	NM Transfer Co., Inc. NM Expedited 630 Muttart Road Neenah, WI 54956 800-236-4463 C 920-427-5786 Mark Winter	X						1
IAP Inc	IAP Inc W6905 Paradise Lane Phillips, WI 54555 715-339-3024 Scott Woldt	X						1
Dufeck Wood	Dufeck Wood Products Mfg. 210 Maple Street Denmark, WI 54208 Jodi Weier	X						1
Road Equipment	Road Equipment Parts Center 801 N Bluemound Drive Appleton, WI 54914 920-731-5393 fax 920-731-1712 Bob Momberg	X						1
Knopf	OE Sales div. of Knopf Automotive 600 Corporation Dr. Pendleton, IN 46064 office: 1-765-778-6483 mobile: 1-989-295-3618 Jim Nadolny	X						1

Motion Ind.	Motion Industries-WI09 3669 Enterprise Drive Sheboygan, WI 53083 P 920-208-5600 F 920-208-5618 Torren Nicholas	X						1
Hentzen Coatings, Inc.	Hentzen Coatings, Inc. 6937 West Mill Road Milwaukee, WI 53218-1225 Office: (414) 353-4200 Ex. 5687I Fax: (414) 353-0286 I Mobile: (414) 704-4534 Kevin Sehmer	X						1
GS Global Resources, Inc.	GS Hydraulics Sales Inc. 926 PERKINS DRIVE MUKWONAGO, WI 53149 Direct Phone: 262-901-1071 GS Main Fax: 262-786-6787 Jay Stoll	X						1
Industrial Nameplate	Industrial Nameplate,Inc. W6251 Neubert Rd. Appleton, WI 54913 920.731.9105 John Schuldes		X		Applied			1
JTD Enterprises Inc.	JTD Enterprises Inc. 44 Walnut Street Chilton, WI 53014 920-849-2900 Tom Hoban		X		Applied			2
S. Sterling	S. Sterling Company 102 International Drive Peachtree City, GA 30269 770-632-8755 770-632-8756 fax Amanda Collier	X						1
Machine Service Inc	Machine Service Inc 1000 Ashwaubenon Street Green Bay, WI 54304 920-339-3000 x 139 Eric Caelwaerts	X						1
Endries International	Endries International 714 Ryan Street Brillion, WI 54110 T: (920) 756-4584 Todd Marsicek	X						1
Ray's Tire	Ray's Tire 1614 7th Street Green Bay, WI 54304 800-810-5177 David Ellis	X						1
Rychtik Welding & Mfg	Rychtik Welding & Mfg 818 Beech Street Grafton, WI 53024 262-377-1592 Greg Rychtik	X						1

Images on Metal Inc	Images on Metal Inc 105 S Mantorville Avenue Kasson, MN 55944 507-634-1210 Carol Benner	X						1
Hotstart Inc.	Hotstart Inc. E 5723 Alki Avenue Spokane, WA 99212 Ph: 509.536.8669 Cell: 509.954.1000 Jason Cook	X						1
Actia	ACTIA 2809 Bridger Court Elkhart, IN 46514 Ph: 574-266-2640 Fax: 574-266-2740 Lisa Foster	X						1
Flambeau	Flambeau 801 Lynn Ave Baraboo, WI 53913 Phone: 608-355-6568 6568 Fax: 608-355-2245 Katy Morehouse	X						1
Interstate Power Systems	Interstate Power Systems 13015 W. Custer Avenue Butler, WI 53007-0500 Phone 262-783-8702 Mobile 262-441-0884 Fax 262-783-8981 Steve Fredrick	X						2
Fleet Pride	Fleet Pride 743 North Keyser Avenue Scranton, PA 18504 (920) 499-4522 Aaron	X						1
OTR Wheel Engineering, INC.	OTR Wheel Engineering, INC. PO Box 732068 Dallas, TX 75373 706-235-9781 Charles Jackson	X						1
Purosil LLC	Purosil LLC PO Box 1839 Corona, CA 92878 951-271-3900 ext 413 951-271-3901 fax Annie Dinh	X						1
Connector Concepts Inc	Connector Concepts Inc 1530 McCormick Blvd. Mundelein, IL 60060 847-541-4020 Tony Doctor						X	1
Packer City International	Packer City International 611 Hansen Road Green Bay, WI 54306 920-499-0879 Michelle Burt	X						2

ESCO Corp. (Bucyrus)	ESCO Bucyrus 260 E. Beal Avenue Bucyrus, OH 44820 Office: +1 419.563.2673 Toll Free: +1 800.446.3726 Fax: +1 800.642.4542 Brad Timmer	X						1
Olson Trailer & Body	Olson Trailer & Body PO Box 12586 Green Bay, WI 54307 920-499-0881 Tom Johnson	X						1
R. H. Sheppard Co. Inc.	R. H. Sheppard Co. Inc. PO BOX 7383 Lancaster, PA 17604 717-633-4155 Tony Noble	X						1
Commercial Vehicle Group	Commercial Vehicle Group 527 West US Highway 20, Michigan City, IN 46360 Office: (219) 861-2540 | Fax: | Mobile: (219) 363-6493 | Voice IP: 62540 Carla Leake	X						1
SunSource	SunSource 23851 Network Place Chicago, IL 60673 Phone: 952.563.1710 Fax: 800.548.0541 Wendy Sorter	X						1
United Rotary Brush Corp.	United Rotary Brush Corp. PO Box 219911 Kansas City, MO 64121 800-851-5108 Rob Hill	X						1
American Cooling Systems, LLC	American Cooling Systems 3099 Wilson Drive NW Grand Rapids, MI 49544 Office 248-332-7200 Mobile 248-762-1399 Dave Solomon	X						1
Appleton Packing & Gasket	Appleton Packing & Gasket 2809 North Conkey Street Phone - 920-731-4487 Fax - 920-731-6622 Barry Prosser	X						1
Brunner Enterprises								1
Dexter Axle	Dexter Axle 26656 Network Place Chicago, IL 60673 260-636-3033 Vicky Metzer	X						1
Engman-Taylor	Engman-Taylor 3311 E. Capitol Drive Appleton, WI 54912 800-236-3820 Michael West	X						1

Faster Inc.	FASTER INC. 6560 Weatherfield Ct. Maumee, OH 43537 Main Office: 1-800-231-2501 Fax: 1-888-316-2695 Rachel Hake	X						1
Fertilizer Dealer Supply	Fertilizer Dealer Supply PO Box 500 Philo, IL 61864 800-462-6670 Chris Blakeney	X						1
Guenther Supply	Guenther Supply Inc 429 W 11th Street Fond du Lac, WI 54935 Phone - 920-921-0821 Fax - 920-921-5409 Steve Wojahn	X						1
Jagemann Plating Co.	Jagemann Plating Co. 1324 So. 26th Street Manitowoc, WI 54221 920-682-6883 Joe Denor	X						1
Kahlenberg Indusrtries Inc.	Kahlenberg Industries, Inc. P.O. Box 358, 1700 12th St. Two Rivers, WI 54241 Ph: 920-793-4507 x116 Fx: 920-793-1346 Erick Kahlenberg	X						1
Kaman Industrial Technologies Corporation	Kaman Industrial Technologies Corporation 4736 South Taylor Drive, Sheboygan, WI 53081 O: 920-395-7178 | F: 920-458-2645 Kelly Kilmartin	X						1
Kundinger Fluid Power								1
Lisowe Fab Weld & Machine LLC	Lisowe Fab, Weld & Machine LLC N2280 Hayton Road New Holstein, WI 53061 920-450-8591 Tel 920-898-5976 Fax Todd Lisowe	X						1
Logan Clutch Corporation	Logan Clutch Corporation Manufacturers of Industrial Clutches and Brakes Tel: (440) 808-4258 Toll Free: (800) 525-8824 Fax: (440) 808-0003 Elyse (Lisa) Logan	X						1
Milcut	Milcut Incorporated N50 W13400 Overview Dr Menomonee Falls, WI 53051 Direct: 262.252.1508 Cell: 262-212-9806 Fax: 262.783.7678 Karl O. Johnson, Veteran USMC	X						1

Molded Dimensions	Molded Dimensions 701 Sunset Road Port Washington, WI 53074 P: 262/284-9455 x 129 F: 262/284-0696 Sarah Post		X					1
MSC Industrial Supply	MSC Industrial Supply 75 Maxess Road Melville, NY 11747 800-645-7270	X						1
Spies Painting, Inc.	Spies Painting, Inc. N8003 Highway 151 Fond du Lac, WI 54937 Ph: (920) 921-7107 Fax: (920) 921-5608 Lisa Schreiber	X						1
Steelwind Ind.								1
Baum Machining	Baum Machine Inc. N253 Stoney Brook Rd. Appleton, WI 54915 Phone 920-738-6613 Cell 920-716-3358 Fax 920-738-0571 Duane Felton	X						1
Centerline Machining and Grinding	Centerline Machining & Grinding, LLC 760 Centerline Drive Hobart, WI 54155 920-544-0825 920-544-0576 - Fax Sara L. Dietzen	X						1
Note: Suppliers highlighted yellow have not responded.								
Note: Suppliers who have certification.								

A18 – LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

PULLIAM AIRPORT
FLAGSTAFF, ARIZONA

SNOW REMOVAL EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-43
ADOT Grant Numbers: XXXXXX

The Bidder or Offeror certifies by signing and submitting this bid or proposal, 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 Bidder or Offeror, 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 influencing or attempting to influence 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.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 section 1352, title 31, U.S. Code. 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.

8/20/19
Date

Doug Blade
Signature Doug Blade

M-B Companies, INC.
Company Name

Business Unit Director
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A26 - TRADE RESTRICTION CERTIFICATE TO BE INCLUDED IN ALL SOLICITATIONS, CONTRACTS, AND SUBCONTRACTS

PULLIAM AIRPORT
FLAGSTAFF, ARIZONA

SNOW REMOVAL EQUPMENT

FAA AIP Project Numbers: 3-04-0015-43
ADOT Grant Numbers: XXXXXX

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

8/20/19
Date

Signature Doug Blada

M-B Companies, INC.
Company Name

Business Unit Director
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

(See Grant Provisions Following Addendum 3)

EXHIBIT B

GRANT PROVISIONS

GRANT PROVISIONS

Sponsor:	**City of Flagstaff, Flagstaff Airport**
Funding Agency:	**U.S. Department of Transportation, Federal Aviation Administration**
Grant Project Title:	**Aircraft Rescue Fire Fighting Vehicle - Ancillary Equipment**
AIP Grant Number:	**3-04-0015-042**

APPENDIX A – CONTRACT PROVISIONS

A1 ACCESS TO RECORDS AND REPORTS

A1.1 CONTRACT CLAUSE

ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

A2 AFFIRMATIVE ACTION REQUIREMENT – NOT APPLICABLE

A3 BREACH OF CONTRACT TERMS

A3.1 CONTRACT CLAUSE

BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the Contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Contractor written notice that describes the nature of the breach and corrective actions the Contractor must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Contractor must correct the breach. Owner may proceed with termination of the contract if the Contractor fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

A4 BUY AMERICAN PREFERENCE

A4.1 SOLICITATION CLAUSE

A4.1.1 Buy American Preference Statement

BUY AMERICAN PREFERENCE

The Contractor agrees to comply with 49 USC § 50101, which provides that Federal funds may not be obligated unless all steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

A bidder or offeror must complete and submit the Buy America certification included herein with their bid or offer. The Owner will reject as nonresponsive any bid or offer that does not include a completed Certificate of Buy American Compliance.

A4.1.2 Certificate of Buy American Compliance – Manufactured Product

Certificate of Buy American Compliance for Manufactured Products

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☐ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:

a) Only installing steel and manufactured products produced in the United States;

b) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or

c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing U.S. domestic product.
3. To furnish U.S. domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

☐ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that supports the type of waiver being requested.

2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more that 60 percent of the cost of all components and subcomponents of the "item". The required documentation for a Type 3 waiver is:

a) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
c) Percentage of non-domestic component and subcomponent cost as compared to total "item" component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using U.S. domestic source product exceeds the total project cost using non-domestic product by 25 percent. The required documentation for a Type 4 of waiver is:

a) Detailed cost information for total project using U.S. domestic product
b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

A5 CIVIL RIGHTS - GENERAL

A5.1.1 Clause that is used for Contracts

GENERAL CIVIL RIGHTS PROVISIONS

The Contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

A6 CIVIL RIGHTS – TITLE VI ASSURANCE

A6.1 SOLICITATION CLAUSE

The sponsor must include this clause in:

1) All AIP funded solicitations for bids, requests for proposals, or any work subject to Title VI regulations; and
2) All sponsor proposals for negotiated agreements **regardless of funding source.**

A6.1.1 Title VI Solicitation Notice

Title VI Solicitation Notice:

The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, [select disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

A6.2 CONTRACT CLAUSES

A6.2.1 Title VI Clauses for Compliance with Nondiscrimination Requirements

The sponsor must include this contract clause in:

1) Every contract or agreement (unless the sponsor has determined, and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities); and

2) Service contracts with utility companies that are already subject to nondiscrimination requirements.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
    a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
    b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

A6.2.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities

Insert this list in every contract or agreement, unless the sponsor has determined and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities. This list can

be omitted if the FAA has determined that the contractor or company is already subject to nondiscrimination requirements.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

A7 CLEAN AIR AND WATER POLLUTION CONTROL

A7.1 CONTRACT CLAUSE

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC § 740-7671q) and the Federal Water Pollution Control Act as amended (33 USC § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds $150,000.

A8 CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS – NOT APPLICABLE

A9 COPELAND "ANTI-KICKBACK" ACT – NOT APPLICABLE

A10 DAVIS-BACON REQUIREMENTS – NOT APPLICABLE

A11 DEBARMENT AND SUSPENSION

A11.1 SOLICITATION CLAUSE

A11.1.1 Bidder or Offeror Certification

CERTIFICATION OF OFFERER/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

A11.1.2 Lower Tier Contract Certification

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offerer /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

A12 DISADVANTAGED BUSINESS ENTERPRISE

A12.1 REQUIRED PROVISIONS

A12.1.1 Solicitation Language (Solicitations that include a Project Goal)

Information Submitted as a matter of bidder responsiveness:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

As a condition of bid responsiveness, the Bidder or Offeror must submit the following information with its proposal on the forms provided herein:

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

Information submitted as a matter of bidder responsibility:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in its commitment within five days after bid opening.

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

A12.1.2 Solicitation Language (Race/Gender Neutral Means)

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the **City of Flagstaff** to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

A12.1.3 Prime Contracts (Projects Covered by a DBE Program)

DISADVANTAGED BUSINESS ENTERPRISES

Contract Assurance (§ 26.13) –

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the prime contractor receives from **City of Flagstaff**. The prime contractor agrees further to return retainage payments to each subcontractor within seven (7) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the **City of Flagstaff**. This clause applies to both DBE and non-DBE subcontractors.

A13 DISTRACTED DRIVING

A13.1 CONTRACT CLAUSE

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding $3,500 that involve driving a motor vehicle in performance of work activities associated with the project.

A14 ENERGY CONSERVATION REQUIREMENTS

A14.1 CONTRACT CLAUSE

ENERGY CONSERVATION REQUIREMENTS

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC 6201*et seq*).

A15 DRUG FREE WORKPLACE REQUIREMENTS – NOT APPLICABLE

A16 EQUAL EMPLOYEMENT OPPORTUNITY (EEO) – NOT APPLICABLE

A17 FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

A17.1 SOLICITATION CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The Contractor has full responsibility to monitor compliance to the referenced statute or regulation. The Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

A18 LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

A18.1 CONTRACT CLAUSE

CERTIFICATION REGARDING LOBBYING

The Bidder or Offeror certifies by signing and submitting this bid or proposal, 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 Bidder or Offeror, 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 influencing or attempting to influence 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.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 section 1352, title 31, U.S. Code. 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.

A19 PROHIBITION of SEGREGATED FACILITIES – NOT APPLICABLE

A20 OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

A20.1 CONTRACT CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act

of 1970 (20 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

A21 PROCUREMENT OF RECOVERED MATERIALS

A21.1 CONTRACT CLAUSE

PROCUREMENT OF RECOVERED MATERIALS

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

1) The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or
2) The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b) Fails to meet reasonable contract performance requirements; or
c) Is only available at an unreasonable price.

A22 RIGHT TO INVENTIONS – NOT APPLICABLE

A23 SEISMIC SAFETY – NOT APPLICABLE

A24 TAX DELINQUENCY AND FELONY CONVICTIONS

A24.1 CONTRACT CLAUSE

CERTIFICATION OF OFFERER/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

1) The applicant represents that it is ( ) is not ( ) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2) The applicant represents that it is ( ) is not ( ) is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twentyfour (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

A25 TERMINATION OF CONTRACT

A25.1 CONTRACT CLAUSE

A25.1.1 Termination for Convenience

TERMINATION FOR CONVENIENCE (CONSTRUCTION & EQUIPMENT CONTRACTS)

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.

2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.
4. Deliver to the Owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work, and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.
6. Take action as directed by the Owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

1) completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;

2) documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;

3) reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and

4) reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

A25.1.2 Termination for Default

TERMINATION FOR DEFAULT (EQUIPMENT)

The Owner may, by written notice of default to the Contractor, terminate all or part of this Contract if the Contractor:

1. Fails to commence the Work under the Contract within the time specified in the Notice- to-Proceed;
2. Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;
3. Fails to make delivery of the equipment within the time specified in the Contract, including any Owner approved extensions;
4. Fails to comply with material provisions of the Contract;
5. Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements; or

6. Becomes insolvent or declares bankruptcy.

If one or more of the stated events occur, the Owner will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Owner's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within [10] days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Owner, the Owner has authority to acquire equipment by other procurement action. The Contractor will be liable to the Owner for any excess costs the Owner incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Owner shall be at the Contract price. The Owner may withhold from amounts otherwise due the Contractor for such completed equipment, such sum as the Owner determines to be necessary to protect the Owner against loss because of Contractor default.

Owner will not terminate the Contractor's right to proceed with the Work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Owner determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Owner issued the termination for the convenience the Owner.

The rights and remedies of the Owner in this clause are in addition to any other rights and remedies provided by law or under this contract.

A26 TRADE RESTRICTION CERTIFICATION

A26.1 SOLICITATION CLAUSE

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

A27 VETERAN'S PREFERENCE

A27.1 CONTRACT CLAUSE

VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

FEDERAL CERTIFICATIONS

- A4 - Buy American Preference - Title 49 U.S.C., § 501101
- A11 - Suspension and Debarment Requirement For All Contracts Over $25,000 – 2 CFR part 180 (Subpart C), 2 CFR part 1200, DOT Order 4200.5
- A12 - Disadvantaged Business Enterprise Participation – 49 CFR part 26
- A18 – Lobbying and Influencing Federal Employees – 31 USC § 1352 Byrd Anti-Lobbying Amendment, 2 CFR part 200, Appendix II(J), 49 CFR part 20, Appendix A
- A26 - Trade Restriction Certification – 49 USC § 50104, 49 CFR part 30

A4 - CERTIFICATE OF BUY AMERNCIAN COMPLIANCE- MANUFACTURED PRODUCTS

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☐ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:

a) Only installing steel and manufactured products produced in the United States;
b) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing U.S. domestic product.
3. To furnish U.S. domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

☐ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that supports the type of waiver being requested.
2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more that 60 percent of the cost of all components and subcomponents of the "item". The required documentation for a Type 3 waiver is:

a) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
c) Percentage of non-domestic component and subcomponent cost as compared to total "item" component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using U.S. domestic source product exceeds the total project cost using non-domestic product by 25 percent. The required documentation for a Type 4 of waiver is:

a) Detailed cost information for total project using U.S. domestic product
b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

Date	Signature
Company Name	Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A11 - CERTIFICATION OF LOWER TIER CONTRACTORS REGRADING DEBAREMENT

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offerer /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

_____	_____
Date	Signature
_____	_____
Company Name	Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A12 - ASSURANCE OF DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

To meet the mandated requirements of the United States Department of Transportation, 49 CFR Part 26, the assurance below shall be signed by the bidder and submitted with the bid.

BIDDER'S ASSURANCE OF COMPLIANCE WITH TITLE 49 CFR PART 26 RELATING TO DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in its commitment **within five days after bid opening**.

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the City of Flagstaff to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the prime contractor receives from City of Flagstaff. The prime contractor agrees further to return retainage payments to each subcontractor within seven (7) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Flagstaff. This clause applies to both DBE and non-DBE subcontractors.

The bidder hereby gives assurance pursuant to the requirements of Title 49 CFR Part 26 that bidder has made a reasonable effort to meet the goals for Disadvantaged Business Enterprise participation specified for the contract for which this proposal is submitted and that bidder, if the contract is awarded to bidder, will have a **DBE participation of _____ percent** of the amount of this bid. Bidder further gives assurance that bidder has submitted the documentation required by said Regulations and the contract specifications, including the Listing of Disadvantaged Business Enterprises with which the bidder will subcontract if the contract is awarded and if bidder is unable to meet the contract goals for DBE participation, and the steps bidder has taken to obtain DBE participation.

The Overall Current DBE Goal is 4.87% **Race Conscious 0% / Race Neutral 4.87%**

_____	_____
Date	Signature
_____	_____
Company Name	Title

NOTE: Bidder shall insert the percentage for DBE participation even if the percentage is less than the contract goal. A bid that fails to meet these requirements may be considered grounds for rejecting the bid.

A18 – LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

The Bidder or Offeror certifies by signing and submitting this bid or proposal, 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 Bidder or Offeror, 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 influencing or attempting to influence 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.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 section 1352, title 31, U.S. Code. 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.

_____	_____
Date	Signature
_____	_____
Company Name	Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A26 - TRADE RESTRICTION CERTIFICATE TO BE INCLUDED IN ALL SOLICITATIONS, CONTRACTS, AND SUBCONTRACTS

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

_____	_____
Date	Signature
_____	_____
Company Name	Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

EXHIBIT C

STANDARD TERMS AND CONDITIONS

IN GENERAL

1. **NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.

2. **LICENSES AND PERMITS:** Contractor its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.

3. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.

4. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, this Contract is non-exclusive and the City reserves the right to contract with others for materials or services.

5. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

6. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

7. **QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

8. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.

9. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturers' Warranties to City upon City's acceptance of the materials.

10. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

11. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City receives the material at the point of delivery, and the City has completed inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

12. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.

13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.

14. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

15. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

16. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

17. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

18. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

19. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

    Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by

the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

20. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

21. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.

22. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.

23. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.

24. **OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

25. **INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

26. **CONTROL:** Contractor shall be responsible for the control of the work.

27. **WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

28. **SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.

29. **QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.

30. **ACCEPTANCE:** If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

INSPECTION, RECORDS, ADMINISTRATION

31. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

32. **RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

33. **PUBLIC RECORDS:** This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

34. **CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City's Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

35. **GENERAL INDEMNIFICATION:** Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney's fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City's Specific Terms and Conditions.

36. **INSURANCE:** Contractor shall maintain all insurance coverage required by the City, including public liability and worker's compensation.

37. **INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of Contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorney's fees and costs resulting from such proceedings or settlement thereof. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

38. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.

39. **COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the parties.

40. **AMENDMENTS:** This Contract may be amended by written agreement of the parties.

41. **SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.

42. **NO WAIVER:** Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

43. **ASSIGNMENT:** This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.

44. **BINDING EFFECT:** This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

45. **SUBCONTRACTING:** Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.

47. **NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition, Contractor shall comply with the City Code, Chapter 14-02 Civil Rights which prohibits discrimination based on sexual orientation, or gender identity or expression.

48. **DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.

49. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all state and federal Immigration laws and regulations that relate to its 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 City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor

agrees to assist the City in any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor if 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(A).

DEFAULT AND TERMINATION

50. **TERMINATION FOR DEFAULT:** Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days, unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches, the non-defaulting party may elect to terminate this Contract by written notice, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law, in addition to the remedies provided in this Contract.

51. **CITY REMEDIES:** In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

52. **CONTRACTOR REMEDIES:** In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.

53. **SPECIAL DAMAGES:** In the event of default, neither party shall be liable for incidental, special, or consequential damages.

54. **TERMINATION FOR NONAPPROPRIATION OF FUNDS:** The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

55. **TERMINATION FOR CONVENIENCE:** Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.

56. **TERMINATION DUE TO INSOLVENCY:** If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

57. **PAYMENT UPON TERMINATION:** Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

58. **CANCELLATION FOR GRATUITIES:** The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with award or performance of the Contract.

59. **CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511):** The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City without the prior written consent of the City.

61. **NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. A Notice may be sent by email as a secondary form of notice.

62. **THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

63. **GOVERNING LAW:** This Contract shall be construed in accordance with the laws of Arizona.

64. **FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

65. **ATTORNEYS' FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees and expenses.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. **WARRANTY:** Contractor expressly warrants that all goods and services covered by this Contract shall conform to the specifications, drawings, samples or other description in this Invitation for Bids, shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect and that goods and services of Contractor's design be free from defect in design. Inspection, test, acceptance or use of the goods furnished hereunder shall not affect Contractor's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Contractor agrees to replace or to correct defects of any goods or services not conforming to the foregoing warranty promptly, without any expense to the City including shipping and transportation costs, when notified of such nonconformity by the City. In the event of failure by Contractor to correct defects in or replace nonconforming goods or services promptly, City, after reasonable notice to Contractor, may make such corrections or replace such goods and services and charge Contractor for the cost incurred by the City thereby.

   Contractor's product, service, and facilities shall be in full compliance with all applicable federal, state and local laws, statutes, ordinances, regulations, and standards, regardless of whether or not they are expressly referred to by the City.

   Unless otherwise specified, the minimum warranty period shall be one (1) year from Contractor's installation or delivery of the warranted item. Contractor shall provide the City with a copy of the complete manufacturer's warranty information.

   Contractor guarantees that the equipment offered shall be warranted as follows:

   A. Contractor must send a copy of the warranty explaining clearly what parts and labor are warranted and the time period involved. Contractor is to state the name of the firm where warranty work is to be performed and the maximum number of hours to respond to a service request by a qualified technician arriving at the City of Flagstaff shop.

2. **COMPLIANCE WITH THE SCOPE OF WORK AND GRANT PROVISIONS:** It is agreed that Contractor shall be fully responsible for making any corrections, replacements, or modifications necessary for specification or legal compliance. Contractor agrees that if the product or service offered does not comply with the terms and conditions of this Contract, the Purchasing Director has the right to cancel at any time with full refund within sixty (60) calendar days after notice of non-compliance and Contractor further agrees to be fully responsible for any incidental and/or consequential damages suffered by the City.

3. **INTENT:** These specifications cover the furnishing of the latest production model that has been proven and in field service for a minimum time period of one (1) year. All components are to be manufacturer's standard and no prototype units will be considered.

   These specifications require the doing of all things necessary, or proper for, or incidental to the furnishings and delivery of said unit and associated equipment. All things not expressly mentioned in these specifications but involved in carrying out their intent are required by these specifications, and the Contractor shall perform the same as though they were specifically mentioned, described, and delineated.

The Contractor is to submit a user list with in-service date, phone number, and person to contact that are currently using the equipment offered in this bid for consideration, so that if necessary, the City can view the equipment in operation.

4. **CONTRACT TYPE:** Firm Fixed Price.

5. **CONTRACT RENEWAL:** The City reserves the right to unilaterally extend the period of the contract for ninety (90) days beyond the stated expiration date.

6. **SUBSEQUENT PURCHASES:** The City, with the consent of the successful Contractor(s), reserves the right to purchase additional items as listed in this bid, if Contractor is willing to offer the same terms and conditions as submitted in this bid, for a period of twelve (12) months from the date of City Council approval.

7. **MISCELLANEOUS CHARGES**: If any other charges are applied to the unit, such charges shall be as stated on the bid form under "Miscellaneous Charges". No other charges shall be considered later.

8. **LIQUIDATED DAMAGES:** Liquidated damages shall be charged when the Contractor fails to deliver the specified equipment, fully operational as per the stated delivery date as provided on the Bid Form and as per the City of Flagstaff's delivery terms. Liquidated damages will be assessed at the rate of $200 per calendar day to commence after the agreed upon delivery date has expired.

9. **CONTRACT ADMINISTRATOR:** The Contract Administrator for the City shall be the Airport Operations Supervisor or designee. The Contract Administrator shall audit billings, approve payments, establish schedules, and generally be responsible for overseeing execution and the delivery of this Contract.

10. **INSPECTION AND PERFORMANCE TESTS:** Inspection of workmanship, materials, design and performance of the unit may be made at the Contractor's factory at the sole discretion of the City. The City will pay all expenses of its inspectors. However, the entire unit specified shall be subject to final inspection and acceptance by the City upon delivery at the City facility designated on the purchase order. The complete unit will be required to undergo a performance test before final acceptance. Any defects or failure to comply with any requirements of these specifications shall be immediately remedied by the Contractor at the Contractor's own expense before final acceptance.

11. **ACCESSIBILITY OF COMPONENTS:** All parts of the unit and auxiliary equipment shall be easily accessible for inspection, operation, and maintenance. All components shall be readily removable and replaceable. These features are considered mandatory and the unit will be closely inspected to assure conformance with this requirement.

    If, in the opinion of the City, any part or component is not readily accessible, or removable, the City may require the Contractor to correct the deficiencies at the Contractor's own expense, before acceptance.

12. **MARKING OF CONTROLS**: All operating controls, light switches, and controls for auxiliary equipment that may be installed on the vehicle, or at any other location on the unit shall be clearly and permanently marked and identified by means of identification plates.

13. **RECOMMENDED SPARE PARTS:** The Contractor shall furnish with each service manual a list of recommended spare parts. The list shall include all necessary data for ordering the parts. Parts furnished by other manufacturers shall be identified by the ordering data of the actual manufacturer.

14. **ACCEPTANCE:** Each item delivered shall be subject to a complete inspection prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. Thirty (30)-calendar days shall be allowed for this process. If delivered equipment is returned to the Contractor prior to acceptance for any reason, additional periods of thirty (30)-calendar working days shall be allowed for inspection when subsequent deliveries occur. Any defects or failures to comply with any requirements of these specifications shall be immediately remedied; otherwise liquidated damages would be applicable as referenced herein.

15. **WEATHER CONDITIONS:** This product will be used at elevations from near sea level to 10,000 feet and ambient temperatures as high as 120 degrees and as low as – 40 degrees F. The product shall remain operational under these conditions. Each component of the complete unit shall be adequate for and compatible with all structural and performance demands placed upon it as a part of the complete unit.

16. **OPERATION MAINTENANCE AND REPAIR DATA:** Prior to the delivery of the unit and associated equipment, the Proposer shall forward directly to the City, operating, maintenance repair manuals. All manuals shall be in the form of neatly bound books, with durable covers and shall be properly identified with manufacturer's name, model and serial number of the equipment.

    The operating and maintenance or shop manual shall be the latest manufacturer's handbook covering in detail the recommended operating maintenance and service procedures.

    The repair or shop manual shall include detailed drawings, schematics, electrical and hydraulic or other piping diagrams and complete parts lists for all components of the unit and associated equipment.

    Where components or equipment of several manufacturers' have been used in assembling the unit, the manuals shall include operating, maintenance repair and parts lists of all manufacturers' covering all of the components.

    The manuals shall be furnished in sets. Each set (four sets total) shall include an operator's manual, parts catalog and shop repair manual. The books and manuals shall be delivered to the City of Flagstaff Fleet Superintendent at the time the equipment is delivered. Delivery shall not be considered complete and payment shall not be made until all required manuals and books are received. Two sets of all manuals maybe submitted in CD format.

17. **SITE VISIT:** At any time during the term of the Contract, the City, at their sole option, may request a visit and inspection of the Contractor's facility to ensure that the Contractor has the necessary equipment and qualifications to perform the requirements of this Invitation for Bid.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 07/24/2019

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 have ADDITIONAL INSURED provisions or 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. Six PPG Place, Suite 300 Pittsburgh, PA 15222 CN117013730--GAXW-19-19	**CONTACT NAME:** Bill Tomlinson **PHONE (A/C, No, Ext):** 866-966-4664 **FAX (A/C, No):** 212-948-0836 **E-MAIL ADDRESS:** pittsburgh.certrequest@marsh.com
INSURED ASH North America Inc. (*See Attached) 874 Walker Road Suite C Dover, DE 19904	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** XL Insurance America, Inc. — 24554 **INSURER B :** Zurich American Insurance Company — 16535 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** CLE-006462594-01 **REVISION NUMBER:** 4

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [X] PRO-JECT [ ] LOC OTHER:			US00092615LI19A	07/01/2019	01/01/2020	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY			BAP 0158388-02	07/01/2019	08/01/2019	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	UMBRELLA LIAB [X] OCCUR X EXCESS LIAB [ ] CLAIMS-MADE DED RETENTION $			US00092613LI19A	07/01/2019	01/01/2020	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [N] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC 0158387-02	07/01/2019	08/01/2019	X PER STATUTE / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

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

Re: SOLICITATION NO.: 2019-121, AIP Grant Number: 3-04-0015-042, Snow Removal Equipment for Flagstaff Airport. *M-B Companies, Inc. is an Insured under this program.

Certificate Holder, City of Flagstaff, AZ, its council, boards and commissions, officers, and employees is/are included as Additional Insured where required by written contract with respect to General Liability and Auto Liability. This insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured subject to policy terms and conditions.

CERTIFICATE HOLDER

City of Flagstaff
City Hall
211 West Aspen Avenue
Flagstaff, AZ 86001

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.

Manashi Mukherjee Manashi Mukherjee

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M-B Companies, Inc.
Airport Maintenance Products Division
1200 Park Street
Chilton, WI 53014

Phone 800 558 5800
Fax 920 849 2629
www.m-bco.com

Limited Warranty

Limited Warranty: Subject to the limitations set forth herein, M-B Companies, Inc. Airport Maintenance Products division ("M-B") warrants its products to be free from defects in material and workmanship for one year from the date of delivery of the product to its original owner. Parts used for warranty repairs shall be warranted to the end of the Limited Warranty period or ninety days, whichever is longer. This warranty is not transferable without the written consent of M-B.

Notice: M-B's obligations under this Limited Warranty are conditioned on M-B receiving, within the warranty period, written notice from Buyer specifying the nature of any alleged defect and requesting corrective action by Seller.

Remedies: M-B, at its option, will repair or replace, or provide a credit to the buyer for defective warranted items. If requested by M-B, products or parts for which a warranty claim is made shall be returned, transportation prepaid by M-B, to M-B's factory. Buyer shall not return any product for repair, replacement or credit without M-B's advance written consent.

Other Manufacturer's Warranty: On products furnished by M-B, but manufactured by any other manufacturer, the warranty of said manufacturer, if any, will be assigned to the buyer, if the said warranty is assignable. This includes any portion of said manufacturer's warranty which is longer than the M-B standard warranty. However, M-B does not represent or guarantee that the other manufacturer will comply with any of the terms of their warranty.

Exclusions: Any improper use, operation beyond capacity, or substitution of parts not approved by M-B, or alteration or repair by others in such a manner as in M-B's judgment materially and/or adversely affects the product shall void this warranty. This warranty does not apply to defects caused by damage or unreasonable use while in the possession of the owner, including but not limited to: failure to provide reasonable and necessary maintenance, normal wear, routine tune-ups or adjustments, improper handling or accidents, operation at speed or load conditions contrary to published specifications, improper or insufficient lubrication, or improper storage.

The batteries, tires, rubber materials, brushes and material normally consumed in operation, are excluded from this warranty

Limitations of liability: M-B shall not be liable for any incidental, consequential, punitive or special damages of any kind, including, but not limited to, consequential labor costs, transportation charges, and rental costs, in connection with the repair or replacement of defective parts, or lost time or lost profits or expense which may have accrued because of said defect.

M-B disclaims all other warranties, whether expressed or implied, including but not limited to any implied warranty of merchantability or fitness for a particular purpose. This warranty is the exclusive remedy of buyer. This warranty cannot be extended, broadened or changed in any respect except in writing by an authorized officer of M-B.

Notwithstanding anything in this warranty to the contrary, in no event shall M-B's total liability hereunder exceed the purchased price of the particular product.

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Airport Maintenance Products Division
1200 Park Street
Chilton, WI 53014

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Warranty Repair Policy

M-B Companies, Inc. Airport Snow Removal Products division ("M-B") warrants its products to be free of defects in material and workmanship as described in the M-B Warranty Policy. The following rules and limitations apply to warranty work and charges performed on behalf of M-B Companies.

Pre-authorization: All warranty work must be pre-authorized by the M-B Service Manager. Claims that are not pre-authorized will be rejected. At the time of pre-authorization, an estimate of labor time will be made by the M-B Service Manager and a pre-authorized limit of charges will be established. If the repair will run over the pre-authorized limit, the organization responsible for doing the work must contact the Service Manager for further approval.

Rates: When warranty repairs are performed by an organization other than M-B, M-B will pay 75% of the organization's standard hourly shop rate or as negotiated.. M-B will not pay overtime rates or special road rates. Reimbursement for mileage will be at United States IRS standard rates.

Shop: If M-B personnel or contractor are performing the warranty work, buyer shall supply an adequate, heated, indoor, facility at no charge to M-B. M-B will not pay to rent service shop facilities. Necessary lifting devises, power and hand tools shall also be supplied by the buyer at no charge to M-B.

Parts: M-B reserves the right to review the failed parts to determine warrantability. All parts removed or replaced shall be kept for disposition as directed by M-B. If requested parts are not returned for examination, the warranty claim may be rejected. Warranty work will be performed with parts provided by M-B only, unless arrangements have been made and an agreement reached prior to the repairs. If parts are consumed from a buyer's stock, M-B will credit the buyer what the buyer paid M-B for the parts.

Warranty Claim: Warranty claims will be accepted only if filed within 30 days of the warranty repair. They must be made using the M-B "Warranty Claim Form". Claims for warranty are independent and distinct from other business between M-B and the buyer and/or customer. Payment for warranty will be made by issuance of a credit memo to the account of the buyer. Unauthorized deduction of warranty claims from other amounts owed to M-B will not be recognized.

Warranty Claim Form

Submit Claim to:	M-B Companies Inc., of Wisconsin 1200 S. Park Street Chilton, WI 53014-0148 (920) 849-2313	M-B Repair Order #	
		Cust Work Order #	

Dealer Company Information	Customer Company Information
Co. Name	Co. Name
Address	Address
Contact	Contact
Phone#	Phone#

Failure Date	Repair Date
Product Model	Serial #
Hours ____ Miles ____	Customer Unit #

Reason For Claim

Corrective Action Taken

QTY	Part #	Description	Invoice #	Net Price

Dealer/Customer Authorization

Signature

Title

Total Labor

Hours ____ @ ____ per hr

Total Parts	
Warranty Claim Total	

Return First & Second Copy to M-B. *Retain* Third copy for your Records.

M-B Form #013

mb
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MB4
Front Mount Snow Blower Chassis



Reference Only

- Chassis with four wheel Tru-Trac™ 4 x 4 drive.
- 164-inch wheel base standard for small turning circles
- Butterfly type hood enclosures for auxiliary and chassis engines cover maintenance catwalks
- All hoods rotate upward to allow maintenance and repair access to engine and accessories
- All hoods open with power assist
- 500 HP electronic turbocharged diesel chassis engine, T4F EPA emission certified
- Allison RDS 4000, 6 speed transmission
- M-B Torque Flow single speed transfer case featuring the Eaton Tru-Trac™ differential provides low speed torque plus speeds up to 45 mph
  - Automatically and constantly proportions torque delivery between front and rear axles
  - Helical gears for positive and smooth torque transmission.
- M-B 29,000-pound front drive/steer axle with limited slip differential
- M-B 27,000-pound rear drive/steer axle with limited slip differential
- Tapered spring suspension for smoother ride and increased driver control
- ABS air brake control system (4-channel) with automatic traction control
- Dual 125 gallon fuel tanks for drive and broom engines for up to12 hours of operation
- 445/65R22.5 LR L traction tread front and rear tires
- Includes battery disconnect switch and centrally located fluid drain lines
- M-B two-man cab
  - Panoramic view. All flat glass for easy and local replacement. Forward slope windshield
  - Four windshield wipers with three motor system for reduced linkage issues and provide better snow removal from windshield
  - Air-ride driver and passenger seats with adjustable lumbar supports
  - Includes many standard features such as side light bars, heated windshield, high capacity cab heater, heated power mirrors, power windows

M-B Companies, Inc. | Airport Maintenance Products
1200 Park Street | Chilton, WI 53014
1 800 558 5800 | Fax: 920 849 2629 | sales@m-bco.com | www.m-bco.com
In the interest of continuous product improvement, M-B reserves the right to change specifications without notice.

Verisys Registrars
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- Operator friendly, cab integrated microprocessor CAN bus controls with MDC (Monitor, Diagnose, Control) color screen display and CAN joystick for chassis, snowblower, broom and plow

MB4 High Performance Airport Snow Blower Package

- More than 750 HP available to power snow blower head
- 500 HP electronic turbocharged diesel T4F emission certified auxiliary engine
  - delivers all 500 HP to the impeller
  - Ribbon powered by chassis engine
  - More than 300 HP available from chassis engine to drive ribbon as needed
- Capacity over 4000 tons per hour
- Cast distance in excess of 100 feet
- Cutting height of 58 inches, cutting width of 102 inches
- 52.5" diameter hydrostatic drive ribbon
  - Variable speed ribbon automatically adjusts to ground speed
  - Independently reversible ribbon to free obstructions and clogs
- 59" diameter impeller with replaceable blades, mechanical drive
  - Shear bolts to protect impeller and impeller drive
- Rotating impeller housing and discharge chute for adjustable cast direction
  - 140 degree counterclockwise rotation from flat cast right
- Poly cutting edge
- Pneumatic casters
- Integrated carbide skid shoes

Includes Chassis Options:

- Engine block heater, immersion type, both engines
- Battery trickle charger, 1.5 amp
- Air intake grid heater, both engines
- Rear bumper chevron striping
- 8 inch reflective stripe
- Auto lube system
- Rear mounted pintle hook
- One spare chassis tire and wheel

Cab Options:

- Deluge System
- Pre-wired for two way radios

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4600 Pivot Lift Airport Broom Head



For Reference Only



For Reference Only: J-hook multipurpose style hitch

- J-hook Hitch Standard
- 46" diameter @ 22-foot length.
- Free floating, shock absorbing, weight transfer broom head hitch for improved tractive effort, braking, steerability and overall handling of the broom chassis
- Broom oscillation of 8 degrees (+4, -4) permitting broom head tilt independent of truck to compensate for surface variations to minimize brush pattern variation during operation.
- Power transmitted to the broom core via gearboxes utilizing keyed tapered hubs to prevent any looseness in the connection for vibration concerns. Molded urethane drive cogs for torque transmission. Hardened steel pilot plates and core sprockets to support the radial loads
- Utilizes integrated controls in chassis for broom and forced air blowers.
- Poly and wire alternating wafer type bristles, with spacers

Includes Broom General Options:

- Broom head marker lights

Includes Broom Spare Parts Options:

- One set of broom cores
- One set of four broom carts, non-adjustable
- One set of poly and wire wafers with spacers (ship loose)
- One spare caster tire and wheel, nitrogen filled

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P5000
Airport Reversible Plow



24 foot plow shown with option flared end, optional poly edge



Plow with option flared end, optional poly edge

- J-hook hitch to plow.
- Fully reversible angle left and right up to 32 degrees
- 50 inch moldboard height
  - 65, 75, or 85 degree adjustable moldboard angle
  - High visibility green polyethylene lined moldboard
- Flared moldboard blade
- 22-foot length
- Lift, and swing uses chassis hydraulic system
  - Requires two auxiliary hydraulic circuits on chassis
  - Required: Integral float in chassis hydraulics to allow plow to follow pavement independently
- Moldboard oscillation to follow angled (sway) pavement independent of chassis
- Two heavy duty single casters. Single casters minimize shimmy and vibration, increase tire life
- Front mounted rubber deflector to reduce overspray for optimum operator visibility
- Poly cutting edge

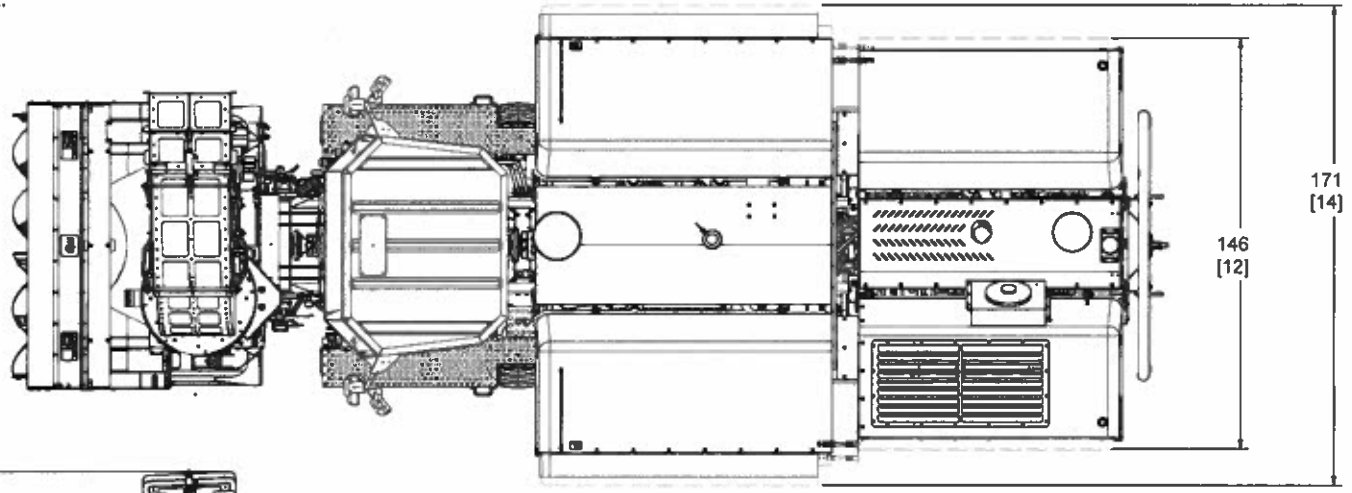
Includes Reversible Plow Spare Parts Options:

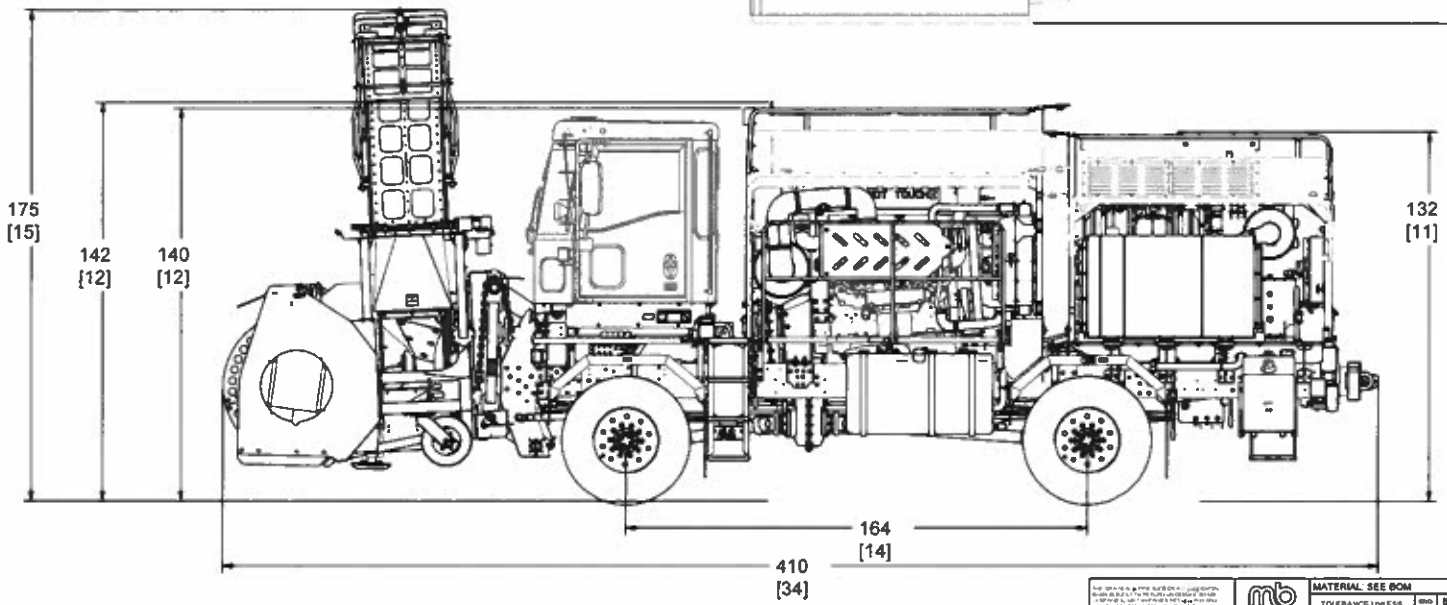
- One spare poly cutting edge.

M-B Companies, Inc. | Airport Maintenance Products
1200 Park Street | Chilton, WI 53014
1 800 558 5800 | Fax: 920 849 2629 | sales@m-bco.com | www.m-bco.com
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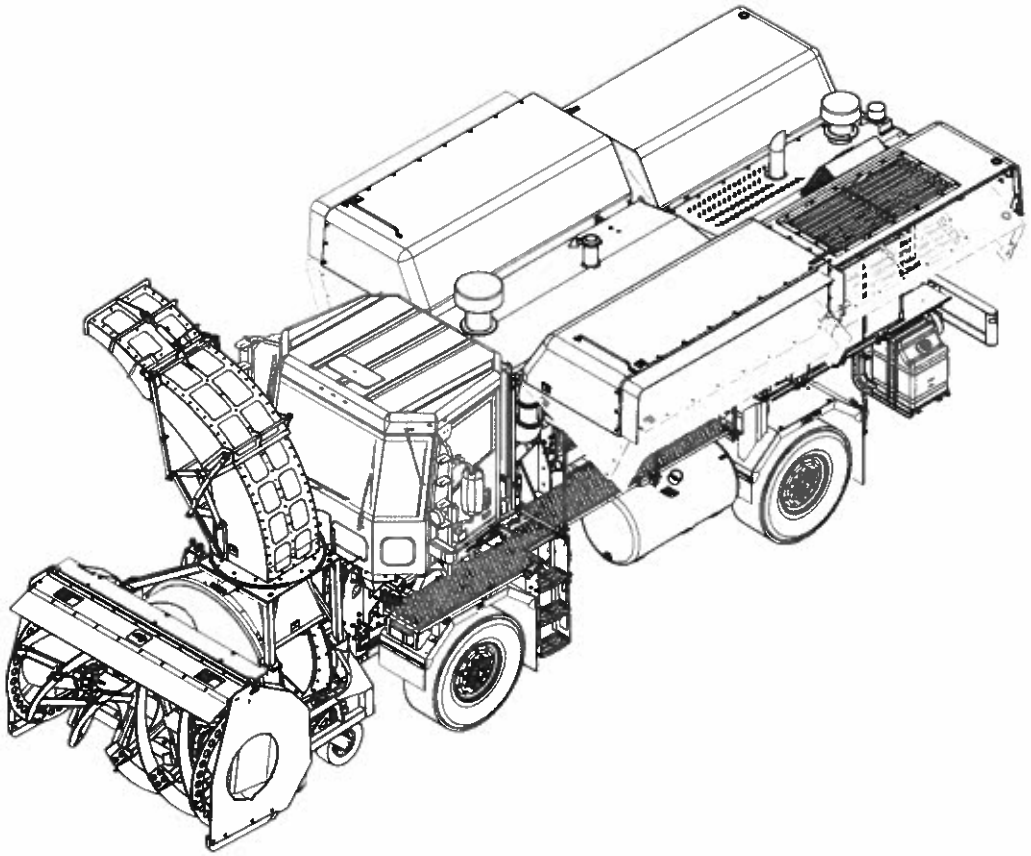
REPRESENTATIVE DRAWING ONLY.
DIMENSIONS SUBJECT TO CHANGE.



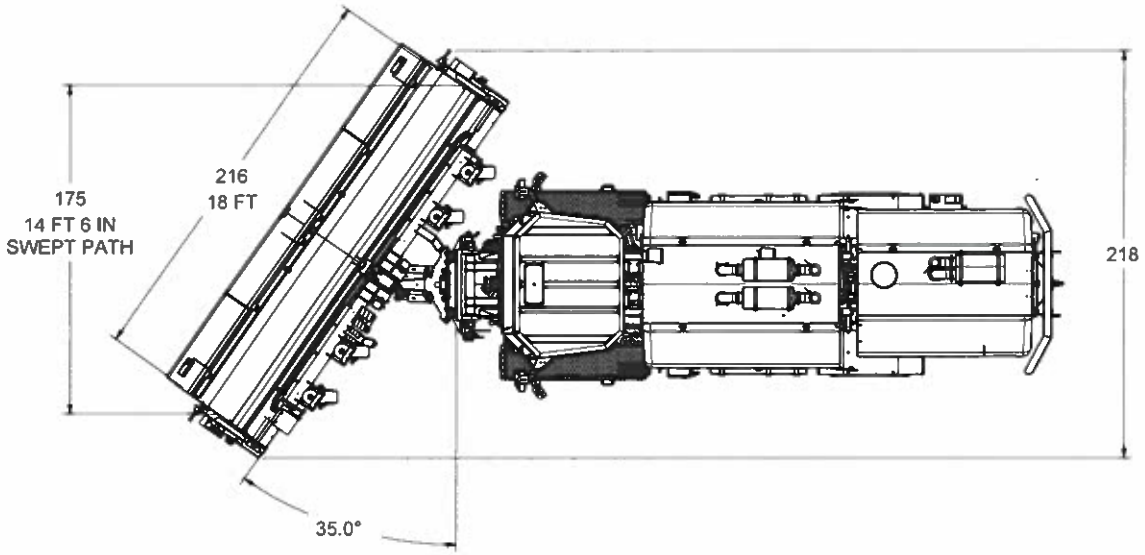


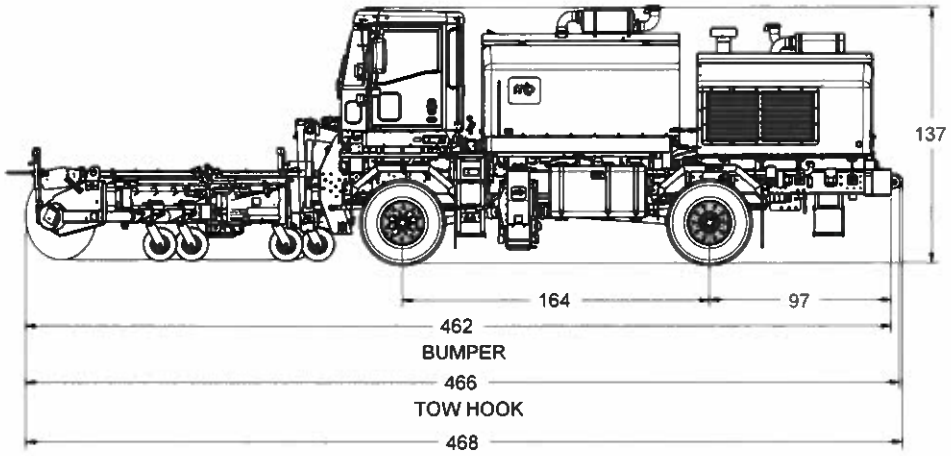
MATERIAL: SEE BOM
TOLERANCE UNLESS OTHERWISE SPECIFIED
DRN BRR 19-Feb-18
CHK BRR 19-Feb-18
DESCRIPTION: MB4 SNOWBLOWER CHASSIS
SCALE 0.047
SIZE X
PART NUMBER MB4-164WB-QSG-C1B
REV 0

REPRESENTATIVE DRAWING ONLY.
DIMENSIONS SUBJECT TO CHANGE.



MATERIAL SEE BOM
TOLERANCE UNLESS OTHERWISE SPECIFIED
DESCRIPTION: MB4 SNOWBLOWER CHASSIS
SIZE: X
PART NUMBER: MB4-164WB-OSG-C1B
REV: 0

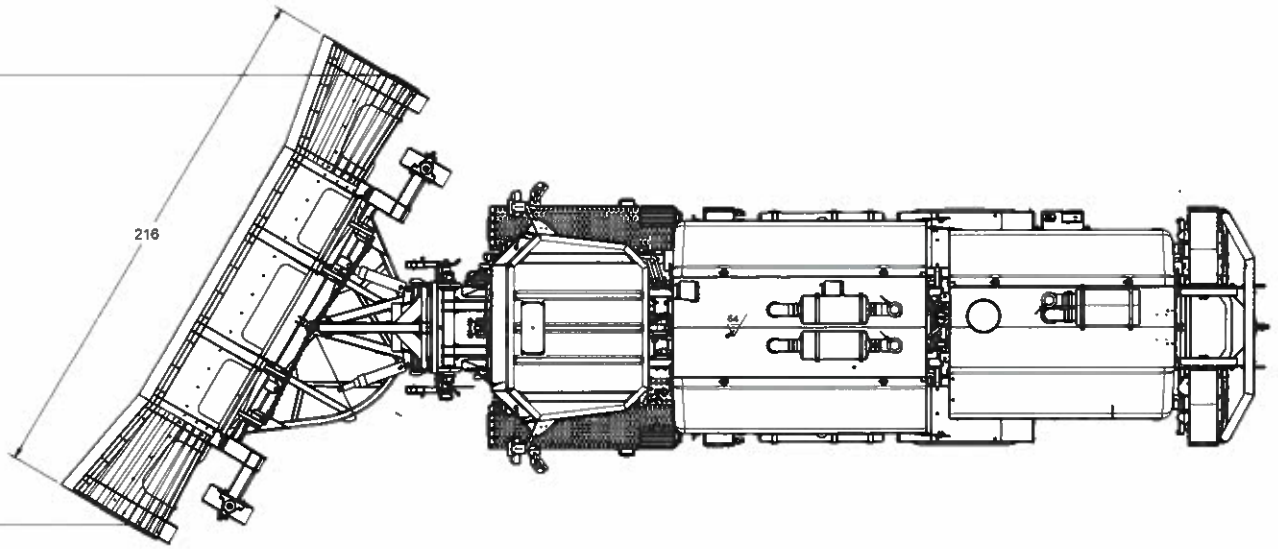


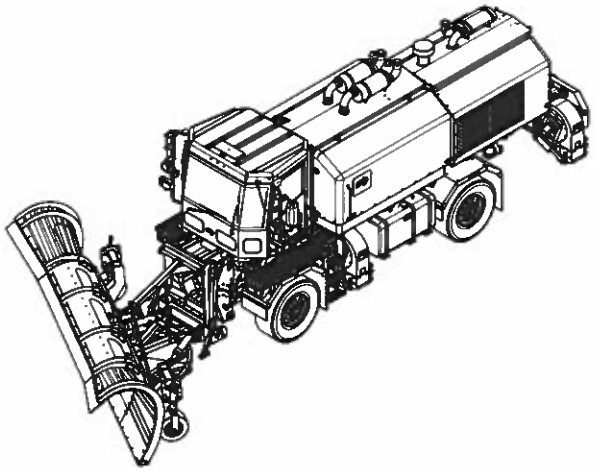


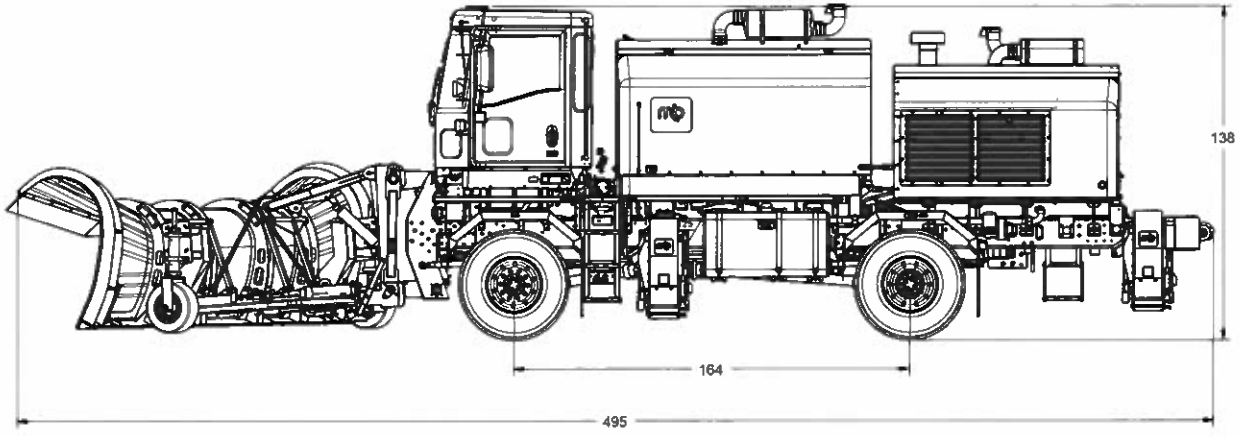
FOR REFERENCE ONLY

MB4-4618-BRM

REPRESENTATIVE CONCEPT
DRAWING ONLY.
SUBJECT TO CHANGE







SCALE 0.025

MATERIAL SEE BOM				DESCRIPTION: MB4 SNOWBLOWER CHASSIS	
TOLERANCE UNLESS OTHERWISE SPECIFIED	DRN	JJP	DATE 13-Jan-15	SIZE 0.040	SHEET 1 OF 1
	CHKD		DATE	SIZE X	PART NUMBER MB4-164WB
	APPVD		DATE		REV 0

MB4-164WB

Verisys Registrars®

Helpful Auditing

International Accreditation Board

IAB Accreditation #7C558984

Certificate of Registration

The Management System of

M-B Companies, Inc.

1200 Park Street Chilton, Wisconsin 53014 USA

has been assessed and certified by Verisys Registrars as meeting the requirements of

ISO 9001:2015

for the following scope of registration:

M-B Airport Maintenance Products Business Unit designs, provides fabricated parts, assembles supplies, and supports snow removal attachments and vehicles with which airports and other entities maintain transportation infrastructure.

Certificate Number:

M020314

Original Approval	2/3/2014
Certificate Issued	1/13/2017
Certificate Expires	2/12/2020

The use of this certification mark indicates accreditation in respect to those activities covered by registration Certificate Number: M020314

Rick Breden

On behalf of Verisys Registrars – Rick Breden, President

This certificate is valid only if the company maintains its management system to the required standard and to conditions and schedules established by Verisys Registrars. In issuing this certificate Verisys Registrars assumes no liability to any party.

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M-B Companies, Inc.
Airport Maintenance Products Division
1200 Park Street
Chilton, WI 53014

Phone 800 558 5800
Fax 920 849 2629
www.m-bco.com

5/28/19

FAA Vehicle Test Certification

M-B Companies, Inc. hereby certifies that the MB1 Series chassis fully complies with the Carrier Vehicle Tests as described in Chapter 7, Section 46 of the FAA Advisory Circular Number 150/5220-20A.

These tests were conducted using our early production models and verified the results obtained during our prototype testing.

The Service Brake and the Emergency Brake Tests were conducted during the Federal Motor Vehicle Safety Standard #121 air brake performance certification.

Certification includes:

1) Cold Weather Operations at temperatures to -40 degrees F
2) Hot Weather Operations at temperatures up to 70 degrees F
3) Verification of sufficient power to perform all operational functions simultaneously.
4) Ten miles driven over hard surface roads with no perceived problems when loaded to its rated GVW
5) One hour at 5 mph over airport terrain when loaded to its rated GVW
6) Service Brake Test conducted when loaded to its rated GVW. Vehicle stopped within 35 feet from 20 mph and within 131 feet from 40 mph without steering correction. The tests were run twice in each direction.
7) Emergency Brake Test was conducted when loaded to its rated GVW. From 40 mph, the vehicle stopped in under 288 feet using only the emergency brake. No steering corrections were needed and the brakes were able to hold the vehicle without fade for five minutes.

Sincerely,

James Steiner
Director and Chief Engineer
M-B Companies, Inc.

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Airport Maintenance Products Division
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Chilton, WI 53014

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5-28-19

FAA Advisory Circular 150/5520-20A Certification

To: Airport Snow Removal Products Marketing

SUBJECT: FAA Advisory Circular 150/5220-20A Testing Certification for M-B Chassis

M-B Companies Engineering certifies that the following M-B manufactured chassis lines meet the operational standards and testing requirements found in FAA Advisory Circular 150/5220-20A:

MB1 All wheel drive conversion
MB2 Tractor / Plow chassis
MB3 Front-mount broom / plow chassis
MB4 Snow blower chassis
MB5 Mid-mount broom multi-tasking chassis

James Steiner
Director and Chief Engineer
M-B Companies, Inc.

aebi schmidt group

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Chilton, WI 53014

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5-28-19

M-B Companies, Inc herby certifies that the model MB series chassis complies with all applicable requirements and regulations that the Federal Motor Vehicle Safety Standards (FMVSS) CFR title 49 part 571

FMVSS 571-101: Controls and Displays

FMVSS 571-102: Transmission Shift Lever Sequence, Starter Interlock, and Transmission Braking

FMVSS 571-103: Windshield Defrosting and Defogging Systems

FMVSS 571-104: Windshield Wiping and Washing Systems

FMVSS 571-105: Hydraulic & Electric Brake Systems (Not applicable on M-B Chassis)

FMVSS 571-106: Brake Hoses

FMVSS 571-108: Lamps, Reflective Devices, and Associated Equipment

FMVSS 571-111: Rearview Mirrors

FMVSS 571-113: Hood Latch Systems (Not applicable on M-B Chassis)

FMVSS 571-116: Motor Vehicle Brake Fluids (Not applicable on M-B Chassis)

FMVSS 571-119: New Pneumatic Tires for Vehicles Other Than Passenger Cars

FMVSS 571-120: Tire Selection and Rims

FMVSS 571-121: Air Brake Systems

FMVSS 571-124: Accelerator Control Systems

FMVSS 571-201: Occupant Protection in Interior Impacts (Not applicable on M-B Chassis)

FMVSS 571-205 (FMCSR 205): Glazing Materials

FMVSS 571-206: Door Locks and Door Retention Components

FMVSS 571-207: Seating Systems

FMVSS 571-208: Occupant Crash Protection

FMVSS 571-209: Seat Belt Assemblies

FMVSS 571-210: Seat Belt Assembly Anchorages

FMVSS 571-302 (FMCSR 302): Flammability of Interior Materials

FMCSR 393.94: Interior Noise Levels in Power Units

FMCSR 393.65: All Fuel Systems

James Steiner
Director and Chief Engineer
M-B Companies, Inc.

aebi schmidt group

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Chilton, WI 53014

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5-28-19

Drive Components Certification

To: Airport Snow Removal Products Marketing

SUBJECT: MB1, MB2, MB3, MB4, MB5 Series Components Rating Removal

M-B Companies Engineering certifies that the following MB manufactured components installed in the subject vehicles are rated for these vehicles as delivered.

Front Drive/Steer Axles
27K drive/steer axle w/S-cam brakes
29K drive/steer axle w/S-cam brakes

Single Rear Drive/ Steer Axles (Rear steer axle)
27K drive/steer axle w/S-cam brakes

Transfer Cases
MB Nose box assembly 1.63 ratio
MB Up/Down transfer box 1:1
MB Transfer case w/Trutrac differential

Snow Blower Drive Gearbox
MB4 series single speed clutch/drop box
MB4 series single speed impeller drive

James Steiner
Director and Chief Engineer
M-B Companies, Inc.

aebi schmidt group

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5/28/19

Subject: Snow Broom Testing Letter from Peer Associates, Inc.

To whom it may concern:

The following attached third party certification dated June 29, 2007, states M-B Companies unit tested and passed all specifications required by the FAA at that time.

Unit was tested with a Tier 3 Industrial engine. 475 horsepower engine, 500 RPM broom rotation with 4,828 ft-lbs of available torque at the broom shaft at 5,075 psi maximum working pressure.

New units manufactured after January 2018, pass all AC 150/5220-20A and SAE ARP5564 requirements with, more horsepower and the same hydraulic components. Tier 4 EPA certified units have a 500 horsepower engine, 500 RPM broom rotation with 4,828 ft-lbs of available torque at the broom shaft at 5,075 psi maximum working pressure.

Sincerely,

James Steiner
Director and Chief Engineer
M-B Companies, Inc.

PEER ASSOCIATES, INC.
1051 Miller Street
Shakopee, MN 55379

Office: 952-445-4151
E-mail:moriartyjd@msn.com

June 29, 2007

To whom it may concern:

This letter serves as a confirmation that the M-B Companies have tested runway broom performance to increase the snow moving capacity of a broom. I witnessed this testing. The results are shown on the enclosed graph. Tons per hour of snow moving capacity is directly proportional to the available torque on the broom shaft.

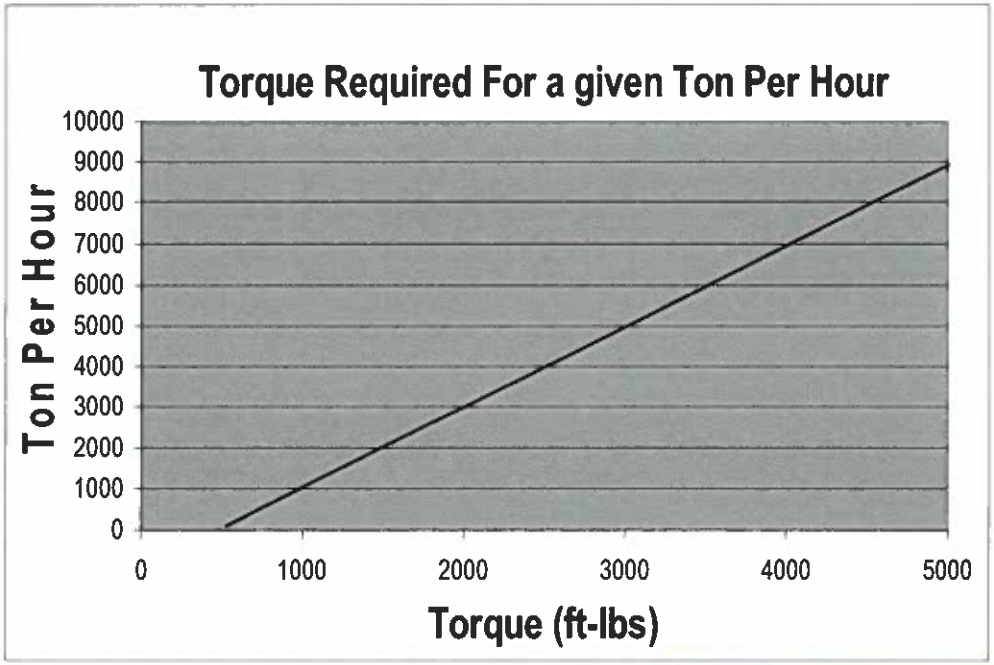
M-B maximizes the torque on the broom shaft and have proven capacity and capability of the airport snow removal and cleaning operations at speeds of up to 40mph (64 kph).



Jim Moriarty
Peer Associates, Inc.
1051 Miller St.
Shakopee, MN 55379

4600-HP3 Runway Brooms

Performance Testing: Broom Torque (Ft-Lbs)



Use to predict how fast you can go for a given:
- Snow density
- Snow depth
- Swept path

STD: 2656 Ft-Lbs = 4284 Tons / Hr
HP2: 3117 Ft-Lbs = 5195 Tons / Hr
HP3: 4828 Ft-Lbs = 8575 Tons / Hr

Fairbanks International Airport
AeroNexus®

Alaska International Airport System
Ted Stevens Anchorage International Airport
Fairbanks International Airport

6450 Airport Way, Suite 1
Fairbanks, Alaska 99709
Main: 907.474.2500
Fax: 907.474.2513
Website: www.fai.alaska.gov

3-12-15

To whom it may concern:

This letter serves as a confirmation that the M-B Companies has tested the P5000, Airport Reversible Plow performance to increase the snow moving capacity. I witnessed the testing that was conducted at Fairbanks International Airport.

This certifies that the Snow Plow Testing conducted by the M-B Companies and Fairbanks International Airport complies with the requirements and procedure as outlined in the following:

a. Sustain a speed of 25 mph on level pavement with a snow plow cutting edge angle at 32 degrees while negotiating a 3 to 6 inch snow accumulation having a density of approximately 25 lbs/cu/ft. throughout a test section of at least 500 feet.
b. Discharge snow to either side of the carrier vehicle while moving
c. Minimize snow spillover to 5 percent of total snow displaced
d. Produce a clear swath that is even, regular and non-skipping
e. Have the cutting edge (blade) free of vibration during operation
f. Carrier vehicles must be all-wheel drive

Further, this certifies that Snow Plow Testing conducted by the M-B Companies and Fairbanks International Airport complies with the requirements and procedures outlined in SAE ARP (Society of Automotive Engineers Aerospace Recommended Practice) #5943, "Snowplows and Hitches."

John C.A. Moutrey

Fairbanks International Airport

Equipment Manager/Shop Foreman

5801 Airport industrial road

Fairbanks, AK 99709

Phone 907-474-2545

john.moutrey@alaska.gov

GEMINI PLASTICS
INC.

07.09.18

To whom it may concern:
Gemini Plastics, Inc. certifies that 3/8" thick, smooth/smooth, lime green, HMWPE, UVI meets the customer requirements and specifications of M-B Companies, Inc.

By: Joseph Beausoleil
Title: President
Gemini Plastics, Inc.

Gemini Plastics, Inc.
1333 Viking Lane
De Pere, WI
54115
www.gplastics.com

HMW Sheet:
Typical Properties

Property*	ASTM Test Method	Typical Values	
		English Units	Metric Units
Density	D1505	59.2 lbs/ft^3	0.948 glee
Melt Flow Rate (HLMI), Condition 190 °C / 21.6 kg	D1238	—	10 g / 10 min
Polyethylene Classification	D4976	Group 2, Class 3, Grade 5	Group 2, Class 3, Grade 5
Potable Water Standards	NSF International	Meets Standards 14 & 61	Meets Standards 14 & 61
Tensile Strength@ Yield	D638	3,600 psi	24.8 MPa
Elongation at Break	D638	700%	700%
Flexural Modulus	D790	175,000 psi	1207 MPa
ESCR, Condition A & B (100% Igepal), F_{50}	D1693	> 600 hours	> 600 hours
Durometer Hardness	D2240	68 Shore D	68 Shore D
Vicat Softening Temperature	D1525	258 °F	126 °C
Heat Deflection Temperature@ 66 psi	D648	173 °F	78 °C
Brittleness Temperature	D746	< -103 °F	< -75 °C
Tensile Impact Strength	D1822	90 ft-lbf/in^2	190 KJ/m^2
Fire Rating	—	UL94HB	UL94 HB

*The nominal properties reported herein are typical of the product but do not reflect normal testing variance and therefore should not be used for specification purposes.
Typical Properties reported herein were determined on compression molded samples prepared in accordance with Procedure C of ASTM D4703, Annex A1.

SUNSOURCE
Mobile Hydraulic Systems

11928 West Silver Spring Drive
Milwaukee, WI 53225

Date: July 7, 2016

M-B Company
1200 Park street
Chilton, WI 53014

Subject: M-B model 4600 High speed runway broom hydrostatic drive(s) installation approval.

After review of documented testing Sunsource is satisfied that M-B has met all the manufacture's (Danfoss) specifications in the application of their hydrostatic pumps and motors. The two circuits are 1) Hydrostatic broom drive. 2) Hydrostatic blower drive.

Best regards,

Dave Breister

Dave Breister
Sunsource account manager, Milwaukee branch



MB4 Two Engine Chassis Mounted Snowblower

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Date Delivered	Customer	State	Name	email	phone	Comments
May-12	Cleveland Hopkins Int'l Airport	OH	Rob Roberts	rroberts@clevelandairport.com	216-265-6125	7500 TPH
Nov-12	Thief River Falls Regional	MN	Joe Hedrick	trfairport@mncable.net	218-681-7680	7500 TPH
May-13	Niagara Falls Int'l Airport	NY	Bill Walsh	bill.walsh@nfta.com	716-297-4494	7500 TPH
Jul-13	Cleveland Hopkins Int'l Airport	OH	Rob Roberts	rroberts@clevelandairport.com	216-265-6125	7500 TPH
Jul-13	Natrona County Airport	WY	Glen Januska	gjanuska@iflycasper.com	307-472-6688	Loading chute, 22 ft broom, forced air blower
Sep-13	Pierre Regional Airport	SD	Mike Isaacs	mike.isaacs@ci.pierre.sd.us	605-773-7447	7500 TPH
Nov-13	AK DOT Skagway	AK	Missy Tyson	missy.tyson@alaska.gov	907-983-2322	7500 TPH
Jan-14	Sheridan County Airport	WY	John Stopka	jstopka@sheridancountyairport.com	307-674-4222	loading chute, 22 ft front broom and forced air blower
Apr-14	Kansas City Int'l Airport	MO	Kenny Williams	kenneth.williams@kcmo.org	816-243-5055	Left hand cast; loading chute
Apr-14	Kansas City Int'l Airport	MO	Kenny Williams	kenneth.williams@kcmo.org	816-243-5055	Left hand cast; loading chute
May-14	BWI Airport	MD	Bill Danel	wdanel@bwiairport.com	410-859-7824	7500 TPH
May-14	Xinjiang Airports-Demo	CN	Wang Jun	blueridgeequipment@yahoo.com	703-231-3096	7500 TPH
Aug-14	Billings Logan Int'l Airport	MT	Scott Stopple	airmech@ci.billings.mt.us	406-237-6299	7500 TPH
Aug-14	Helena Int'l Airport	MT	Jeff Wadekamper	jwadekamper@helenaairport.com	406-442-2821	22 ft interchange front broom; forced air blowers
Nov-14	Brainerd Crow Wing Airport	MN	Jeff Wig	jeffwig@brainerdairport.com	218-825-2166	7500 TPH
Dec-14	Waterloo Regional Airport	IA	Rusty Zey	rzey@flyalo.com	319-291-4483	7500 TPH
Dec-14	Indianapolis Int'l Airport	IN	Mike Medvescek	mmedvescek@indianapolisairport.com	317-487-5024	7500 TPH
Dec-14	Indianapolis Int'l Airport	IN	Mike Medvescek	mmedvescek@indianapolisairport.com	317-487-5024	7500 TPH
Dec-14	BWI Airport	MD	Bill Danel	wdanel@bwiairport.com	410-859-7824	7500 TPH; Ansul Fire Suppression System
Feb-15	Wayne County Int'l Airport	MI	Ken Masiarczyk	ken.masiarczyk@wcaa.com	734-942-3584	7500 TPH
Apr-15	Anchorage Int'l Airport	AK	Phil Petri	phil.petri@alaska.gov	907-266-2427	7500 TPH
May-15	Grand Forks Int'l Airport	ND	Richard Audette	raudett@gfkairport.com	701-795-6979	7500 TPH



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Jun-15	Ketchikan Int'l Airport	AK	Jeff Langkau	jeffl@kgbank.us	907-254-6691	4622 Broom with air blower system, 7500 TPH
Jun-15	Cincinnati/N Kentucky Int'l	KY	Matt Gabbert	mgabbert@cvgairport.com	859-767-3191	7500 TPH
Jun-15	Cincinnati/N Kentucky Int'l	KY	Matt Gabbert	mgabbert@cvgairport.com	859-767-3191	7500 TPH
Jul-15	Deadhorse Airport	AK	Tim Parault	tim.parault@alaska.gov	907-659-2553	Loading chute, front broom. Forced air blowers
Jul-15	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	7500 TPH
Jul-15	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	7500 TPH
Jul-15	Coles County Airport	IL	Andrew Fearn	andrewfearn@colescountyairport.com	217-234-7120	Spotcasting / Loading chute, 7500 TPH
Oct-15	Detroit Wayne Co Int'l Airport	MI	Ken Masiarczyk	ken.masiarczyk@wcaa.com	734-942-3584	7500 TPH
Feb-16	Portland Int'l Jetport	ME	Artie Sewall	ams@portlandmaine.gov	207-233-1733	Flat cast to the left, 7500 TPH
May-16	Raleigh County Airport	WV	Tom Cochrane	tomcochran@suddenlinkmail.com	304-890-4615	Spot casting loading chute, 7500 TPH
Sep-16	Missoula Int'l Airport	MT	Nate Coles	ncole@flymissoula.com	406-370-2206	7500 tph, 22 ft front broom and forced air blower
Sep-16	Whiteman Air Force Base	MO	Benny Benedyk	preston.benedyk@us.af.mil	850-283-6411	3000 TPH
Sep-16	Worcester Regional Airport	MA	Jim Person	jperson@massport.com	508-799-1351	7500 TPH
Sep-16	Des Moines Int'l Airport	IA	Randy Craig	rpcraig@dsmairport.com	515-256-5044	7500 TPH
Oct-16	Dulles Int'l Airport	VA	James Brill	james.brill@mwaa.com	703-572-2880	7500 TPH
Nov-16	Anchorage Int'l Airport	AK	Phil Petri	phil.petri@alaska.gov	907-266-2427	7500 TPH
Nov-16	Anchorage Int'l Airport	AK	Phil Petri	phil.petri@alaska.gov	907-266-2427	7500 TPH
Dec-16	Oceana, Virginia Beach	VA	Warren Dockey	warren.dockey@navy.mil	757-636-7159	7500 TPH, 14 ft plow
Dec-16	Garden City Regional Airport	KS	Rachelle Powell	Rachelle.Powell@gardencityks.us	620-276-1190	22 ft front broom, forced air blower, 22 ft plow, 7500 TPH, Spot casting loading chute
Dec-16	Southern Wisconsin Regional Airport	WI	Ron Burdick	ron.burdick@jvlairport.com	608-757-5768	7500 TPH
Jan-17	Detroit Wayne Co Int'l Airport	MI	Ken Masiarczyk	ken.masiarczyk@wcaa.com	734-942-3584	7500 TPH



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Jan-17	Detroit Wayne Co Int'l Airport	MI	Ken Masiarczyk	ken.masiarczyk@wcaa.com	734-942-3584	7500 TPH
Jan-17	Burlington Int'l Airport	VT	Chip French	cfrench@btv.aero	802-316-2525	Spot casting loading chute, 7500 TPH
Jan-17	Lewiston Nez-Perce Co Airport	ID	Chris Hayes	chrishayes@golws.com	208-746-4471	4622 front broom with air blower system, FOD Box
Feb-17	Fairbanks Int'l Airport	AK	John Moutrey	john.moutrey@alaska.gov	907-474-2545	Spot casting loading chute, 7500 TPH
Mar-17	Grand Forks AFB	ND	SMSGT David Jackson	david.jackson.17@us.af.mil	701-747-4342	Spot casting loading chute, 7500 TPH
Apr-17	Yampa Valley Regional Airport	CO	Kevin Booth	kbooth@co.routt.co.us	970-276-5004	7500 TPH
Apr-17	Washington Dulles International Airport	VA	James Brill	jame.brill@mwaa.com	703-572-2880	7500 TPH
May-17	Washington Dulles International Airport	VA	James Brill	jame.brill@mwaa.com	703-572-2880	7500 TPH
May-17	Dallas Love Field	TX	Dennis Wykes	dennis.wykes@dallascityhall.com	972-213-2772	7500 TPH, 20' front broom, 24' plow
May-17	Lynchburg Regional Aiport	VA	Rick Stein		434-455-6088	7500 TPH, 22' front broom, 22' plow
Jul-17	Anchorage Int'l Airport	AK	Phil Petri	phil.petri@alaska.gov	907-266-2427	7500 TPH
Oct-17	Buffalo Niagara International Airport	NY	Peter Robbins	peter.robbins@nfta.com	716-345-4552	7500 TPH
Jan-18	Westchester County Airport	NY	John Starace	jss0@westchestergov.com	914-995-8226	3500 TPH
Mar-18	Lambert St Louis Int'l Airport	MO	Mike Bernich	mabernich@flystl.org	314-426-8062	7500 TPH
Jun-18	City of Colorado Springs	CO	Kelly Thompson	kthompson@springsgov.com	719-385-7701	7500 TPH, Aux Eng 800HP
Jun-18	Dulles Int'l Airport	VA	James Brill	james.brill@mwaa.com	703-572-2880	7500 TPH, Aux Eng 800HP
Jul-18	Terre Haute Regional Airport	IN	Shaun Baker	sbaker@huf.com	812-877-3344	3500 TPH
Jul-18	Yakima Air Terminal	WA	Rob Peterson	rob.peterson@yakimaairterminal.com	509-833-0898	7500 TPH
Jul-18	Central Wisconsin Airport	WI	Mark Cihlar	mchihlar@fly-cwa.org	715-781-7208	7500 TPH
Sep-18	Northern Maine Regional Airport	ME	Scott Wardell	swardwell@presqueisleme.us	207-764-2551	7500 TPH, 20' front broom, 20' FOD Box
Dec-18	BWI Airport	MD	Shawn Powell	spowell2@bwiairport.com	443-995-8468	7500 TPH
Dec-18	Trenton Mercer Airport	NJ	Gene Pucci	gpucci@mercercounty.org	609-847-2720	7500 TPH, Aux Eng 800HP, 20' front broom
Feb-19	La Crosse Regional Airport	WI	Jason Gillett	gillettjj@lseairport.com	608-780-4087	7500 TPH, 18' front broom



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Jul-19	Liberal Municipal Airport	KS				4000 TPH, 18' front broom, 18' FOD Box
TBD	Trenton Mercer Airport	NJ	Gene Pucci	gpucci@mercercounty.org	609-847-2720	7500 TPH, Aux Eng 800HP, 20' front broom
TBD	Detroit Wayne Co Int'l Airport	MI	Ken Masiarczyk	ken.masiarczyk@wcaa.com	734-942-3584	7500 TPH
TBD	Detroit Wayne Co Int'l Airport	MI	Ken Masiarczyk	ken.masiarczyk@wcaa.com	734-942-3584	7500 TPH
TBD	Lambert St Louis Int'l Airport	MO	Mike Bernich	mabernich@flystl.org	314-426-8062	7500 TPH



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Date Delivered	Customer	State	Name	email	phone	Comments
Feb-11	Great Falls Int'l Airport	MT	Rod Hall	rod@flygtf.com	406-727-3404	20' TTOWV, 22' plow F-HF, Trip, Under Body Scraper, Dump Body 10'
Apr-12	Jamestown Regional	ND	Sam Seafeldt	jmsairport@daktel.com	701-252-6466	AWS, 18 ft front mt dedicated broom w/ air blast, ballast
Oct-12	Dallas Love Field	TX	Tim Smith	timothy.smith3@dallascityhall.com	214-670-6174	AWS, 22' plow F-HF, Trip, Under Body Scraper, Dump Body 10'
Oct-12	Dallas Love Field	TX	Tim Smith	timothy.smith3@dallascityhall.com	214-670-6174	AWS, 22' plow F-HF, Trip, Under Body Scraper, Dump Body 10'
Oct-12	Dallas Love Field	TX	Tim Smith	timothy.smith3@dallascityhall.com	214-670-6174	AWS, 22' plow F-HF, Trip, Under Body Scraper, Dump Body 10'
Oct-12	Dallas Love Field	TX	Tim Smith	timothy.smith3@dallascityhall.com	214-670-6174	AWS, 22' plow F-HF, Trip, Under Body Scraper, Dump Body 10'
Jan-13	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Jan-13	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Jan-13	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Jan-13	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom



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Feb-13	Spokane Int'l Airport	WA	Ryan Sheehan	rsheehan@spokaneairports.net	509-455-6418	24' front plow-F-HF trip, Epoke Spreader
Feb-13	Spokane Int'l Airport	WA	Ryan Sheehan	rsheehan@spokaneairports.net	509-455-6418	24' front plow-F-HF trip; Epoke Spreader
Feb-13	Los Alamos Airport	NM	David Ploeger	david.ploeger@lacnm.us	505-662-8420	22' front plow-F-HF-Rubber, dump body 10'
Mar-13	Lambert St Louis	MO	Mike Bernich	mabernich@flystl.org	314-426-8062	6 x 6, dry material spreader; 14 ft front plow
Dec-13	Cordova Municipal Airport	AK	Robert Mattson	robert.mattson@alaska.gov	907-424-3202	AWS 6x6; 14 ft front plow; 12 ft UB; Material spreader with
Oct-14	Oakland County Int'l	MI	Gordon Marshall	marshallg@oakgov.com	248-721-0109	AWS, 22' front plow-F-HF, dump body 10', spreader, under body
Jan-15	Grand Coulee Dam	WA	Bob Babler	bobndian@gmail.com	509-633-3018	14' front plow-f-HF Joma, Dump Body 10'
Jan-15	Lansing Capital City	MI	Kevin Miller	kmiller@craa.com	517-886-3725	AWS, 18' front plow-F-HF, steel, dump body 11', under body
Mar-15	Sloulin Field Int'l Airport	ND	Steve Kjergaard	skjergaard@ci.williston.nd.us	701-774-8594	AWS 4x4, 24 ft front plow; dump and material spreader
Jun-15	Truckee Tahoe Airport	CA	Phred Stoner	phred@fly2trk.com	530-587-8993	AWS 4x4; 14 Ft front plow, 12 ft wing; dump body
Aug-15	Sloulin Field Int'l Airport	ND	Steve Kjergaard	skjergaard@ci.williston.nd.us	701-774-8594	AWS 6x6 24 ft front plow; Material spreader with prewet
Dec-15	Pullman Moscow Regional	WA	Tony Bean	tony.bean@pullman-wa.gov	509-338-3223	AWS, 24' front plow-F-HF, tungsten carbide, spreader 8'



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May-16	Birmingham Int'l Airport	AL	Tom Wesley	twesley@flybirmingham.com	205-639-9577	AWS, 22' front plow-F-HF, ploy, 22' TTOWV, dump bpdy 11'
Sep-16	Missoula Int'l Airport	MT	Nate Cole	ncole@flymissoula.com	406-532-8654	21' cupping ramp plow, Joma, dump body 11'
Oct-16	Bozeman Yellowstone Int'l	MT	Chuck Rasnick	chuck.rasnick@bozemanairport.com	406-388-6632	AWS, 14' front plow-F-H, carbide, spreader 11'
Nov-16	Huntsville-Madison Co Airport	AL	Eric Cates	ECates@hsvairport.org	256-258-1963	AWS, 18' front plow-F-HF, rubber, 16' TTOWV, dump body 11'
Nov-16	Huntsville-Madison Co Airport	AL	Eric Cates	ECates@hsvairport.org	256-258-1963	AWS, 18' front plow-F-HF, rubber, 16' TTOWV, dump body 11'
Apr-17	McCall Municipal Airport	ID	Jay Scherer	jscherer@mccall.id.us	208-634-1488	AWS 6x6, 20' front plow-F-HF, Joma, dump body 14'
Mar-17	Shenandoah Valley Airport	VA	Greg Campbell	gcampbell@flyshd.com	540-234-8304	AWS, 20' front plow-F-HF, poly, 18' TTB, dump body 11'
Apr-17	Shenandoah Valley Airport	VA	Greg Campbell	gcampbell@flyshd.com	540-234-8304	AWS, 20' front plow-F-HF, poly, 18' TTB, dump body 11'
Feb-17	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Feb-17	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Feb-17	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Mar-17	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom



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Mar-17	SEATAC Int'l Airport	WA	Benny Austin	austin.b@portseattle.org	206-248-6884	5th wheel, 22 ft front plow; 20 ft tow broom
Nov-17	Ogden-Hinckley Airport	UT	Jon Griener	jongreiner@ogdencity.com	801-663-3660	22 ft front plow; 20 ft ttowv broom
Jan-18	FT Techno of America, Inc.	MI	Jeff LeVanseler	jima@ahequipment.com	734-679-6859	20' front broom (FMDC)
Jan-18	Fergus Falls	MN	Bob Hanson	bob.hansen@ci.fergus-falls.mn.us	218-332-5880	H2000, 24' front plow
Jan-18	Pangborn Municipal Airport	WA	Ron Russ	ron@flyeat.org	509-670-8038	AWS, 20' front plow-F-D, poly
Feb-18	Norfolk International Airport	VA	Everett M. Stieff	estieff@norfolkairport.com	757-647-2298	AWS 4x4, 22' front plow-F-HF, poly, spreader
Feb-18	Norfolk International Airport	VA	Everett M. Stieff	estieff@norfolkairport.com	757-647-2298	AWS 4x4, 22' front plow-F-HF, poly, spreader
Feb-18	Norfolk International Airport	VA	Everett M. Stieff	estieff@norfolkairport.com	757-647-2298	AWS 4x4, 22' front plow-F-HF, poly, spreader
Jun-18	Gerald R. Ford International Airport	MI	Keith Brock	kbrock@grr.org	616-233-6080	AWS, 16' front plow-F-HF, poly, dump body 10', under body
Aug-18	Rhinelander-Oneida County Airport	WI	Joseph Brauer	jbrauer@fly-rhi.org	715-365-3418	AWS, 16' front plow-F-HF, poly, Spreader 15', under body
Feb-19	Westchester County	NY	John Starace	jss0@westchestergov.com	914-995-8226	AWS 6x6, 18' front plow-F-HF, JOMA, dump body 14'
Jul-19	Minot International Airport	ND				AWS 6 x6, Integration, Spreader
TBD	Watertown Int'l Airport	NY	Grant Sussey	gsussey@co.jefferson.ny.us	315-786-6002	AWS 4x4, 22' front plow-F-HF, poly, spreader, underbody scraper
TBD	Watertown Int'l Airport	NY	Grant Sussey	gsussey@co.jefferson.ny.us	315-786-6002	AWS 4x4, 22' front plow-F-HF, poly, spreader



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TBD	Roanoke Regional Airport	VA				AWS 4x4, 20' TTOWV, Dump Body
TBD	Mason City Municipal Airport	IA				AWS 4x4, 14' front plow-F-D, Carbide, spreader

WRITTEN CONSENT
OF THE BOARD OF DIRECTORS
OF
M-B COMPANIES, INC.

THE UNDERSIGNED, being all the members of the board of directors (the "Board") of **M-B Companies, Inc.**, a Wisconsin corporation (the "Corporation"), acting without a meeting pursuant to Section 180.0821 of the Business Corporation Law of the State of Wisconsin, as amended, hereby adopt, by this written consent (this "Written Consent"), the following resolutions with the same force and effect as if they had been adopted at a duly convened meeting of the Board and direct that this Written Consent be filed with the minutes of the proceedings of the Corporation:

WHEREAS, the Board deems it advisable and in the best interests of the Corporation that the Board adopts the resolutions set forth below.

NOW, THEREFORE, BE IT,

I. Removal, Resignation and Election of Officers

RESOLVED, that the resignation of Thomas Schenkirsch as Chief Financial Officer of the Corporation, effective as of June 3, 2019, pursuant to the resignation letter attached hereto as Exhibit A, be, and it hereby is, acknowledged by the Board; and it is further

RESOLVED, that the removal of Scott A. Morris as Assistant Secretary of the Corporation, effective as of June 3, 2019 be, and it hereby is, approved and authorized by the Board; and it is further

RESOLVED, that the following individuals be, and each of them hereby is, elected/re-elected to the offices set forth below opposite his/her respective name, each to hold office until his/her successor shall have been duly elected and qualified, or until his/her earlier resignation or removal:

Name	**Title**
Barend Fruithof	Chairman of the Board
Thomas Schenkirsch	Vice Chairman of the Board
Jochen Schneider	Chief Executive Officer and President
Szymon Orlowski	Chief Financial Officer
Susan A. Torrison	Senior Vice President and Treasurer
Daniel A. Wuersch	Secretary
Connie J. Loose	Assistant Secretary
James G. Hartjes	Assistant Secretary
Douglas H. Blada	Assistant Secretary
Stephen D. Mueller	Assistant Secretary
Marcus M Anicelli	Assistant Secretary
Elizabeth J. Fry	Assistant Secretary;

and it is further

II. Limited Authority of Assistant Secretaries

RESOLVED, that each of the individual appointed as Assistant Secretary in the foregoing resolution shall have limited authority to facilitate the Corporation's execution and delivery of legal instruments in connection with bids for public customer contracts (the "Public Customer Bids"), such instruments include bid documents for public tenders, bid bonds, performance bonds, payment bonds and, in the event of a successful bid, contracts of sale and service (the "Bid Instruments"), and vehicle certificates of origin; and it is further

RESOLVED, that the appointments set forth in this Written Consent shall supersede the Assistant Secretary appointments set forth in the written consent of the Corporation, dated January 17, 2019; and it is further

III. General Authorization

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, under its corporate seal, or otherwise, to execute and deliver, submit and file any and all resolutions, forms, instruments, certificates and other documents, and to do any and all other acts and things that each of them shall deem necessary, desirable or appropriate in order to carry out the intent and accomplish the purposes of the foregoing resolutions; and it is further

RESOLVED, that this Written Consent may be executed in one or more counterparts, all of which shall constitute one and the same instrument.

[*signature page follows*]

IN WITNESS WHEREOF, the undersigned have executed this written consent as of June 3, 2019.

Thomas Schenkirsch

Barend Fruithof

aebi schmidt group

M-B Companies, Inc.
Airport Maintenance Products Division
1200 Park Street
Chilton, WI 53014

Phone 800 558 5800
Fax 920 849 2629
www.m-bco.com

M-B Companies Airport Maintenance Products Capabilities

M-B Companies has been in business since 1907. M-B is a privately held company with four manufacturing facilities in the US and a remote service facility in Alaska. A complete history can be accessed on our web site at: www.m-bco.com.

The M-B Airport Maintenance Products manufacturing facility is located in Chilton, WI approximately 40 miles south of Green Bay. The main plant was built in 1974 and has 45,000 square feet devoted to fabrication and assembly. An 11,250 square foot cold storage facility was added in 2007. Both facilities are situated on 20 acres of land. All aspects of manufacturing are completed in house. Raw steel flows into the fabrication end of the main building and operational completed specialized vehicles and equipment roll out the assembly end.



Photo of the M-B Chilton plant

M-B has successfully filled many large and small orders of snow removal equipment for all sizes of airports around the world. M-B boasts a full line of airport maintenance equipment with only a small reliance on outside OEM supplier support. M-B offers six models of heavy duty truck chassis featuring blowers, plows, brooms (tow behind and truck mounted), sanders, spreaders, deicers, multipurpose and multi-tasking configurations to satisfy your snow removal needs.

Our experienced engineering staff is housed in the same building as manufacturing and can quickly address any needed changes. They work hand in hand with our assembly and fabrication work centers to assure that the best quality product is delivered to you. A sample location and listing of our deliveries can be found on our web site or can be sent to you upon request.

Enclosed is a list of our key personnel indicating years of industry experience. All M-B employees are available to serve your needs and achieve our main goal – your satisfaction with M-B equipment.

Due to the nature of your business, we realize your equipment is time critical. We will respond to your needs with a sense of urgency second to none. Our goal is to stock most critical parts during snow season. We have procedures in place to ship counter to counter next day when necessary.

aebi schmidt group

M-B Companies, Inc.
Airport Maintenance Products Division
1200 Park Street
Chilton, WI 53014

Phone 800 558 5800
Fax 920 849 2629
www.m-bco.com

M-B maintains a crew of dedicated factory trained field service technicians available for deployment to your airport when needed, usually within 24 hours. Our technicians conduct all deliveries and training on the new equipment. We provide operator training and different levels of technician training as needed to provide optimum performance of your equipment throughout its service life cycle.

M-B has been designing, building, and servicing quality specialty snow removal equipment for many years. M-B will continue to grow as our products continue to prove themselves and penetrate world airports, and we receive many repeat sales orders from our satisfied customers. It takes experience and dedication to provide reliable, high performing equipment with a proven track record for over 100 years. M-B….. “Leadership Through Listening”

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Fax 920 849 2629
www.m-bco.com

Key Personnel Airport Maintenance Products

Doug Blada (31 years of industry experience)
Business Unit Director
Direct Line: 920-898-1005 | Fax: 920-849-2629
dblada@m-bco.com

Steve Mueller (33 years of industry experience)
Technical Sales Manager
Direct Line: 920-898-1077 | Fax: 920-849-2629
steve.mueller@m-bco.com

Scott Scharinger (31 years of industry experience)
Western Region Sales and Service Manager
Cell: 920-242-4134 | Fax: 920-849-2629
scott.scharinger@m-bco.com

Alan Luke (31 years of industry experience)
Eastern Region and Federal Government Sales Manager
Cell: 804-306-5550 | Fax: 920-849-2629
alan.luke@m-bco.com

Aaron Schulz (20 years of industry experience)
Product Support/Parts Manager
Direct Line: 920-898-1022 | Fax: 920-849-2629
aaron.schulz@m-bco.com

Ernie Thorp (12 years of industry experience)
Aftermarket Service & Training Manager
Cell: 920-522-2094 | Fax: 920-849-2629
ethorp@m-bco.com

Dean Grantz (7 years of industry experience)
Field Service Technician
Cell: 920-522-3347 | Fax: 920-849-2629
dgrantz@m-bco.com

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Field Service Technician (Alaska)
Cell: 907-707-8325
smartin@m-bco.com

Mike Marshall (35 years of industry experience)
Field Service Technician
Cell: 920-268-3115 | Fax: 920-849-2629
mmarshall@m-bco.com

Scott Shook (10 years of industry experience)
Field Service Technician
Cell: 920-483-0288 | Fax: 920-849-2629
sshook@m-bco.com

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Lucas Shook (3 years of industry experience)
Field Service Technician
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Sam Mallman (3 years of industry experience)
Field Service Technician
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smallman@m-bco.com

Bill Hecker (37 years of industry experience)
Technical Sales Coordinator
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bhecker@m-bco.com

James L. Steiner (28 years of industry experience)
Chief Engineer
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Cell: 920-254-9582
jim.steiner@m-bco.com

Brian Rasmussen (16 years of industry experience)
Engineering Manager
Direct Line: 920-898-1042 | Fax: 920-849-2629 | Cell: 920-254-9581
brian.rasmussen@m-bco.com

Chris Wallander (22 years of Assembly experience)
Assembly Supervisor
Direct Line: 920-570-6536 | Cell: 920-483-0141
cwallander@m-bco.com

David Woelfel (29 years of Quality experience)
Quality Manager
Direct Line: 920-898-1095 | Fax: 920-849-2629
david.woelfel@m-bco.com

CONTRACT

CONTRACT FOR PURCHASE OF SNOW REMOVAL EQUIPMENT FOR FLAGSTAFF AIRPORT

Contract No. 2019-121

This Contract is entered into this _____ day of _____, 2019 by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City"), and Quality Truck Care Center, Inc., a Wisconsin Corporation ("Contractor").

WHEREAS, the City desires to receive, and Contractor is able to provide materials and/or services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Scope of Work: Contractor shall provide **TWO (2) MATERIAL SPREADERS AND VEHICLES FOR FLAGSTAFF AIRPORT**, subject to all terms, conditions, and specifications provided in the response to this Solicitation and in the Scope of Work attached hereto as *Exhibit A.*

2. Compensation: In consideration for the Contractor's satisfactory performance, City shall pay Contractor six-hundred eighty-six thousand two hundred thirty-four dollars and forty-eight cents ($686,234.48) Any price adjustment must be approved in writing and approved by the parties. The City Manager or his designee (the Purchasing Director) may approve an adjustment if the Contract price is less than $50,000; otherwise City Council approval is required.

3. Grant Provisions: The parties agree to comply to the Grant Provisions attached hereto as *Exhibit B.*

4. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as *Exhibit C* are hereby incorporated in this Contract by reference and shall apply to performance of this Contract, except to the extent modified in *Exhibit A*.

5. Special Terms and Conditions: The City of Flagstaff Special Terms and Conditions, attached hereto as *Exhibit D* are hereby incorporated in this Contract by reference and shall apply to performance of this Contract, except to the extent modified in *Exhibit A*.

6. Contract Term: The Contract term will be for one (1) year from the date the Contract is signed. This one-year term will allow for additional purchases by the Fleet Committee if needed within the term.

7. Notice: Any formal notice required under this Contract shall be in writing and sent by certified mail and email as follows:

To the City:	To Contractor:
Timothy Skinner	Shaun Flemming
Airport Operations/ARFF Manager	Sales Professional
City of Flagstaff	Quality Truck Care Center, Inc.
211 W. Aspen Ave.	5725 Green Valley Roud
Flagstaff, Arizona 86001	Oshkosh, Wisconsin 54904

With a copy to:

Matthew Luhman
Senior Procurement Specialist
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, Arizona 86001
Email: mluhman@flagstaffaz.gov

With a copy to:

8. Authority: Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

CONTRACTOR

_____

Print name: _____

Title: _____

CITY OF FLAGSTAFF

_____

Print name: _____

Title: _____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney's Office

COOPERATIVE PURCHASES (FORM)

The City is a member of Flagstaff Alliance for the Second Century, along with the Coconino County Community College District, Northern Arizona University, Coconino County and Flagstaff Unified School District.

The City is also a member of S.A.V.E. (Strategic Alliance for Volume Expenditures), which consists of numerous municipalities, counties, universities, colleges, schools and other Arizona State agencies.

Cooperative purchasing arrangements such as the above are sanctioned by state law and allow a Bidder to sell services and materials to any member of a cooperative group under the same pricing, terms and conditions of contract awarded to the Bidder by any other member, following a competitive procurement process.

Is your company willing to offer the goods and services solicited under the terms and conditions of this solicitation to other members of the Flagstaff Alliance for the Second Century and S.A.V.E. under the same pricing, terms and conditions?

SF Yes _____ No (INITIAL ONE)

If you answered No, that is acceptable. The City will not reject your offer or consider it to be non-responsive.

If you answered Yes, and a Contract is approved, others may seek to do business with you under the same terms and conditions, subject to your approval.

BID (FORM)

TO THE CITY OF FLAGSTAFF: The undersigned Bidder hereby offers and agrees to furnish materials and/or services in compliance with the Solicitation, including any Addenda, and as described in this Bid made to the City, including the attached manufacturer's specifications and dimension sheet.

SOLICITATION NUMBER: 2019-121

U.S. Department of Transportation Federal Aviation Administration
Grant Agreement No. 3-04-0015-043-2019

DESCRIPTION OF UNIT: Material Spreader and Vehicle for Flagstaff Airport

UNIT PRICE $300,068.00

FREIGHT $15,500.00

TAX (9.18) % $27,549.24

TOTAL UNIT PRICE $343,117.24

OPTIONS (Please state additional cost from "Total Unit Price" or "base price")

(1) TPT Tax for the City of Flagstaff $_____

(2) Total Amount Due including all taxes $343,117.24

Any other specifications not standard, but being requested by City, must be included here, with price.

Miscellaneous charges:_____

_____

(All charges must be included; no extra charges will be considered at a later date. Miscellaneous charges will be considered in determining the low bid)

DELIVERY:

Maximum number of calendar days to deliver after receipt of a purchase order and start of production 180 Days.

_____ Sales Professional
Signature of Person Authorized to Sign Bid — Title

Shawn Fleming 8/22/2019
Printed Name — Date

EXHIBIT A

SCOPE OF WORK

Material Spreader and Vehicle Specifications

1. Conventional carrier vehicle with all-wheel drive
2. Must meet minimum Performance Requirements from SAE ARP 6059 Paragraph 3.2:

   3.2 Minimum Performance Requirements

   The nominal hopper capacity as stated by the manufacturer shall be within a range of -2% to + 1% of the actual hopper capacity when filled to a water level load.

   The hopper shall be constructed of material selected to provide structural strength and long life when exposed to the specified chemicals used in snow and ice control. The hopper shall have a 10 year guarantee from the manufacturer against structural failure and corrosion that significantly reduces structural integrity or the hopper's ability to contain a full load of material without leakage. The airport sponsor may specify acceptable materials for the hopper. The hopper shall be provided with four lifting hooks, one at each corner of the body for installing and removing the spreader.

   The material spreader shall be capable of dispensing materials in a controlled manner at various speeds from a minimum of 5-mph through 40-mph or more. Material flow shall be continuous in both forward and reverse motion, but shall automatically stop when the vehicle is not moving. The operator shall also have the ability to override the automatic rate when stationary for testing, off loading, demonstration purposes, or to temporarily increase the rate of material deposition
   to address specific pavement needs through the use of a switch or button that overrides the metering function and applies extra material.

   The unit shall have a maximum material spreading width of not less than 40 feet, or as specified by the airport sponsor.
   The spreader manufacturer shall provide the airport sponsor with the hydraulic power requirements, including pressure, volume, and fluid cooling needs that must be supplied by the carrier vehicle for proper operation of hydraulic spreaders.
   Similar information to allow the airport sponsor to determine other power sources shall be provided in cases where the spreader is driven by a system other than carrier vehicle hydraulics. The calculations must be comprehendible, complete,
   logical, and in a mathematical order per SAE and the Fluid Power Society standard formulas and practices. Downloaded from SAE International by Christopher Magnan, Thursday, May 16, 2019 SAE ARP6059 Page 11 of 20

Written installation and/or application approval from the manufacturers of hydraulic components must be provided. This shall include hydraulic pumps, motors and valves. Hydraulic pressure, flow and temperature parameters must be within the limits prescribed by the component manufacturer for this installation while the vehicle or subsystem is operated normal duty cycle in the maximum or minimum ambient temperature conditions specified. These approvals shall be delivered with the material spreader.

The airport sponsor may accept data resulting from a manufacturer's performance test or may request an independent performance test or may elect to conduct a performance test to ensure compliance with the requirements prior to acceptance.

3. Must comply with SAE ARP 6059 Paragraph 3.3.1:

3.3.1 Information to be Provided for Carrier Vehicle Selection

The material spreader manufacturer shall provide complete information on weights and centers of gravity to facilitate selection of an appropriate carrier vehicle. This shall specifically include:

• Empty weight of the complete material spreader including all accessories, fluids, tie-downs, and everything except the material.

• Shipping weight of the material spreader and the center of gravity location of the unit as delivered to facilitate material handling requirements.

• Gross weight, longitudinal center of gravity location, and vertical center of gravity location of the unit when filled to rated capacity (water level load unless otherwise specified) with each of the chemicals specified in this standard, and those specified by the airport sponsor.

• Gross weight, longitudinal center of gravity location, and vertical center of gravity location of the unit when filled to maximum heaped capacity with each of the chemicals specified in this standard, and those specified by the airport sponsor.

• Height from the base of the spreader to the highest point of the spreader, including top grates or other accessories to allow determination of loading height of the unit when mounted.

For new carrier vehicle applications, at the request of the airport sponsor, the spreader manufacturer shall work with the carrier vehicle manufacturer to assure the completed material spreader/carrier vehicle combination will not exceed any GAWR, the vehicle GVWR and that the weight distribution meets industry standards and recommendations. CG heights will also be verified for the completed material spreader/carrier vehicle to assure CG heights are within the carrier vehicle manufacturer and industry standards. This data is to be presented to the airport sponsor in the form of a diagram depicting key dimensions and

weights. In addition, certification of the intended application will be provided by both the material spreader manufacturer and the carrier vehicle manufacturer detailing their approval of the configuration for the intended functions. When required by the airport sponsor, the completed unit shall be weighed at a certified scale in both the nominally empty configuration, and the fully laden (rated) capacity using the highest density liquid and dry materials specified by the airport sponsor. The material type, and specific gravities or density of the materials, and certified weight tickets showing gross and axle loadings shall be provided to the airport sponsor. Should the unit exceed any axle GAWR or the GVW it shall be cause for rejection of the unit.

4. Must comply with SAE ARP 6059 Paragraph 3.9:

   3.9 Distribution Control System The unit must be equipped with a distribution control system to regulate the discharge of material onto the airport surfaces in a uniform and controlled fashion, allowing the operator to select the degree of material disbursement, and providing automatic disbursement at the selected regulated amount at any speed from stopped to maximum vehicle speed. The control system shall allow the operator to select distribution rates from as little as 1 pound of material per 1000 square feet to as much as 40 pounds per 1000 square feet. An intermittent over-ride control to enable an operator to apply added material to selected spots or areas shall be provided. The distribution control system shall be of the type specified by the airport operator:

   Type 1 - Ground speed controlled distribution system in which the system uses information from the carrier vehicle's tires, axle, transmission or other data source to adjust material dispersal rate based on the speed of the carrier vehicle.

5. Must comply with SAE ARP 6059 Paragraph 3.16:

   3.16 Airport Specific Equipment

   3.16.4 Infrared pavement temperature sensor complete with ambient temperature sensor and dew point indicator to be provided on chassis.

   3.16.9 Stability augmentation system for carrier vehicle to reduce the chance of loss of control or vehicle rollover.

   3.16.10 Weatherproof tarpaulin system to cover top of hopper body and prevent entry of rain or snow into stored material and to prevent blowing of stored materials onto roadway or other vehicles. Airport sponsor should specify whether manual or power driven cover is required.

   3.16.11 Hopper fire hose connection point to allow flushing and cleanout of residual materials from the material spreader. The hose connection point shall be located in a position to facilitate flushing the material spreader of residual

chemicals. The connection point shall be readily accessible from the ground, and shall have female swivel threads appropriate to the airports water system. The swivel connection shall be equipped with a plug secured by a chain to prevent loss. Airport sponsor to specify size and fire connection thread, and if bracket for on-vehicle hose storage and or hydrant wrench is required.

3.16.12 Detachable or retractable spreader mechanism to allow the distribution mechanism to be removed or stowed so as to protect the unit from damage during non-material spreading uses.

3.16.15 Rear bumper or crash guards to prevent or minimize damage to the spreader mechanism in backing operations, or from contact with following vehicles.

3.16.16 Ladder
The unit will be equipped with a bolt-on or other easily removable ladder or access system mounted on the unit. The ladder or access system shall be mounted in a mutually agreed location, and shall conform to the most recent edition of,SAE J185 using the "preferred" dimensions offered in this standard.

3.16.17 Off-vehicle storage stand to hang or support spreader during off-season, or if the unit is to be used for other snow operations such as snow hauling. The airport sponsor may specify stands or supports for slip in type spreaders for off-storage. Type and configuration to be specified by airport sponsor. The time required to install or remove the spreader should be no more than 30 minutes with one person using hand tools.

3.16.18 Centralized Automatic Lubrication System
To provide automatic and periodic lubrication, a system shall be designed to utilize lubricants of Grades NLGI 00 or NLGI,000, or other lubricant that may be deemed appropriate by the spreader manufacturer, and to lubricate all points requiring periodic greasing, except those where rotation or other dynamic considerations preclude automatic lubrication. The system shall include a pump, grease reservoir, control module, and distribution lines and fittings, properly installed in the material spreader. The system shall be designed to select and adjust the rate of lubricant application for each lubrication point, and failure at any lubricant point, either through blockage or loss of pressure, shall not affect other lubrication points. Grease reservoir level shall be directly observable, or if not directly observable shall include a low grease level warning light to illuminate at about 25% of reservoir capacity to indicate servicing is needed.

6. Must comply with SAE ARP 6059 Paragraph 3.18:

3.18 Operation, Parts, and Maintenance Manuals

Manuals shall be provided to cover the diagnosis and repair of all material spreader systems and components. Manuals shall be provided electronically on computer disks, flash drives, on microfiche, or as bound "hard" copies. Paper manuals shall be bound and assembled. The manuals shall include detail drawings, schematic electric and hydraulic or other piping diagrams, and complete parts lists for all components of the unit and associated equipment furnished. Where components or equipment of several manufacturers have been used in assembling the unit, the manuals shall include operating, maintenance, and repair manuals and parts lists of all manufacturers, covering all of the components used. Downloaded from SAE International by Christopher Magnan, Thursday, May 16, 2019 In addition to the manuals, any proprietary diagnostic tools, equipment, software, and programs (those solely available from the manufacturer and not available as an aftermarket product) shall be provided for diagnostics and maintenance of the unit(s). When such diagnostic tools, equipment, software, and programs require updating, maintenance contracts, or subscriptions, the vendor shall offer such services to the airport sponsor as though the airport sponsor was a dealer or distributer, at dealer or distributer pricing, for as long as the material spreaders are owned by the airport sponsor. The total number of sets of manuals, diagnostic tools, equipment, software and programs furnished under these specifications shall be as specified by the airport sponsor.

7. Solid material spreader hopper size of 6 cy w/ a variable application rate

8. All aspects of the Solid material spreader must be accordance with all Eligible aspects of SAE ARP 6059, Solid Deicing/Anti-icing Material Spreader for Airport Application.by FAA Advisory Circular 150/5220-20A.

9. Carrier vehicle will be equipped with an Intermediate, power reversible snow plow

2018 WESTERN STAR 4900XD RUNWAY SNOW PLOW CHASSIS

VIN 5KKDALCK3JPJY2510



Creighton Pritzlaff
262-894-0511
cpritzlaff@wausauequipment.com

O V E R V I E W

WESTERN STAR 4900XD CHASSIS

SET BACK AXLE – TRUCK 4X4
DDC 60-14.0L 425 HP @ 1800 RPM; 2100 GOV RPM, 1475 LB/FT @ 1350 RPM
ALLISON 4000 RDS AUTOMATIC TRANSMISSION WITH PTO PROVISION
RS-30-185 30,000# U-SERIES SINGLE REAR AXLE
REYCO 79 KB 31,000# REAR SUSPENSION
MT-22 22,000# SINGLE FRONT DRIVE AXLE
23,000# FLAT LEAF FRONT SUSPENSION
123 INCH BBC STEEL CONVENTIONAL CAB
4200MM (165 INCH) WHEELBASE
NO FIFTH WHEEL
3/8X3-7/8X11-5/8 INCH STEEL FRAME 120KSI
1050MM (41 INCH) REAR FRAME OVERHANG
1/4 INCH (6MM) C-CHANNEL INSERT AT REAR SUSPENSION ONLY

Creighton Pritzlaff
262-894-0511
cpritzlaff@wausauequipment.com

S P E C I F I C A T I O N S

	Data Code	Description	Weight Front	Weight Rear
Vehicle Configuration				
	001-424	WESTERN STAR 4900SA CHASSIS	9,674	6,846
	004-218	2018 MODEL YEAR SPECIFIED		
	002-004	SET BACK AXLE - TRUCK	-10	
	019-001	TRAILER TOWING PROVISION AT END OF FRAME FOR TRUCK	10	10
	003-001	LH PRIMARY STEERING LOCATION		
General Service				
	AA1-003	TRUCK/TRAILER CONFIGURATION		
	AA6-002	DOMICILED, USA (EXCLUDING CALIFORNIA AND CARB OPT-IN STATES)		
	A85-015	AIRPORT SERVICE		
	A84-1GM	AIRPORT SNOW REMOVAL SEGMENT		
	AA4-011	FIXED LOAD COMMODITY		
	AA5-010	TERRAIN/DUTY: NO PUBLIC STREETS, ROADS OR HIGHWAYS		
	AB1-008	MAXIMUM 8% EXPECTED GRADE		
N	AB5-001	SMOOTH CONCRETE OR ASPHALT PAVEMENT - MOST SEVERE IN-TRANSIT (BETWEEN SITES) ROAD SURFACE		
	995-1A6	WESTERN STAR SEVERE SERVICE WARRANTY		
	A66-99D	EXPECTED FRONT AXLE(S) LOAD : 23000.0 lbs		
	A68-99D	EXPECTED REAR DRIVE AXLE(S) LOAD : 25000.0 lbs		
	A63-99D	EXPECTED GROSS VEHICLE WEIGHT CAPACITY : 48000.0 lbs		
	A70-99D	EXPECTED GROSS COMBINATION WEIGHT : 80000.0 lbs		
Truck Service				

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cpritzlaff@wausauequipment.com

Data Code	Description	Weight Front	Weight Rear
AA3-018	FRONT PLOW/END DUMP BODY		
AF4-99D	EXPECTED EMPTY BODY WEIGHT : 4300.0 lbs		
A88-99D	EXPECTED TRUCK BODY LENGTH : 11.0 ft		
AE2-99D	EXPECTED TRUCK BODY WIDTH : 96.0 in		
AF6-99D	EXP EMPTY BODY CG LOC FROM BODY FRT(A89) : 5.9 ft		
A89-99D	BRAKING-EXPECTED CAB TO BODY CLEARANCE : 9.0 in		
AF7-99D	EXPECTED BODY/PAYLOAD CG HEIGHT ABOVE FRAME "XX" INCHES : 32.0 in		
Tractor Service			
AA2-001	PINTLE HITCH EQUIPMENT TRAILER		
AH6-001	SINGLE (1) TRAILER		
Engine			
101-2JK	DDC 60-14.0L 425 HP @ 1800 RPM; 2100 GOV RPM, 1475 LB/FT @ 1350 RPM	-50	
Electronic Parameters			
EE1-002	DDC/MBE IDLE TIMER SHUTDOWN ENABLE - N		
EE2-002	DDC/MBE PTO SHUTDOWN DISABLE		
EF1-002	PTO WITH CC SWITCHES - N		
EH1-002	PROGRESSIVE SHIFTING ENABLE - N		
Engine Equipment			
99C-902	TIER 3 EPA OFF-HIGHWAY EMISSION CERTIFICATION	-400	
13E-005	OIL PAN FOR AWD		
105-011	OIL CHECK MOUNTED RH SIDE OF ENGINE WITH EXTENDED TUBE	2	
133-009	TWO PIECE VALVE COVER WITH OIL FILL IN TOP		
014-1CH	DUAL INSIDE/OUTSIDE AIR INTAKE WITH DONALDSON STAINLESS STEEL COWL MOUNTED AIR CLEANERS AND STAINLESS STEEL CAPS AND BANDS	40	
124-1E8	DR 12V 240 AMP 40-SI BRUSHLESS PAD ALTERNATOR WITH REMOTE BATTERY VOLTAGE SENSE	10	
292-071	(3) ALLIANCE MODEL 1231, GROUP 31, 12 VOLT MAINTENANCE FREE 3375 CCA THREADED STUD BATTERIES		
290-1AR	(1) ALUMINUM BATTERY BOX FOR UP TO (4) BATTERIES, LONG SIDE TO RAIL	-45	-15
282-002	SINGLE BATTERY BOX FRAME MOUNTED RH SIDE UNDER CAB		

Creighton Pritzlaff
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cpritzlaff@wausauequipment.com

	Data Code	Description	Weight Front	Weight Rear
	291-017	WIRE GROUND RETURN FOR BATTERY CABLES WITH ADDITIONAL FRAME GROUND RETURN		
	289-001	NON-POLISHED BATTERY BOX COVER		
	293-031	POSITIVE CAB POWER SHUTOFF SWITCH IN CAB OUTBOARD OF DRIVER SEAT (EXCLUDES ENGINE ECM; DATASTAR AND RADIO MEMORY POWER)		
	107-016	BW SERIES 750 16.5 CFM AIR COMPRESSOR		
	131-002	TEFLON COMPRESSOR DISCHARGE LINE		
	152-040	ELECTRONIC ENGINE INTEGRAL WARNING AND DERATE PROTECTION SYSTEM		
	128-998	NO RETARDER	-60	
	016-011	STATIONARY CAB MOUNTED SINGLE RH VERTICAL EXHAUST	-205	-205
	239-032	11 FOOT 00 INCH (132 INCH+0/-5.9 INCH) EXHAUST SYSTEM HEIGHT		
	233-001	BRIGHT UPPER STACK(S)		
	237-051	VERTICAL CURVED TAILPIPE(S), RH (SINGLE EXHAUST) OR RH AND LH SIDES (DUAL EXHAUST)		
	23U-998	NO DIESEL EXHAUST FLUID TANK	-75	-30
	23Z-998	NO DIESEL EXHAUST FLUID TANK COVER	-35	-15
	242-016	ROUND PERFORATED SINGLE STAINLESS STEEL MUFFLER/TAILPIPE SHIELD		
	273-036	BORG WARNER (KYSOR) REAR AIR ON/OFF ENGINE FAN CLUTCH		
	276-002	AUTOMATIC FAN CONTROL WITH DASH SWITCH AND INDICATOR LIGHT, NON ENGINE MOUNTED		
	110-014	OMIT PRIMARY FUEL FILTER		
	118-001	FULL FLOW OIL FILTER		
	120-033	POWERCOOL PLAIN COOLANT FILTER	10	
*	266-058	1450 SQUARE INCH RADIATOR	-40	
	267-001	REMOTE MOUNTED SURGE TANK		
	103-039	ANTIFREEZE TO -34F, OAT (NITRITE AND SILICATE FREE) EXTENDED LIFE COOLANT		
	171-007	GATES BLUE STRIPE COOLANT HOSES OR EQUIVALENT		
	172-010	CONSTANT TENSION HOSE CLAMPS FOR COOLANT HOSES AND AIR INTAKE SYSTEM		
	270-013	RADIATOR DRAIN PLUG		
	360-013	1350 ADAPTER FLANGE FOR FRONT PTO PROVISION	40	
	138-005	PHILLIPS-TEMRO 1500 WATT/115 VOLT BLOCK HEATER	4	

Creighton Pritzlaff
262-894-0511
cpritzlaff@wausauequipment.com

	Data Code	Description	Weight Front	Weight Rear
	140-022	CHROME ENGINE HEATER RECEPTACLE MOUNTED UNDER LH DOOR		
	155-015	DELCO 12V 50MT 400 STARTER	20	
	109-007	CAST IRON FRONT AND REAR ENGINE SUPPORTS		
Transmission				
	342-1M1	ALLISON 4000 RDS AUTOMATIC TRANSMISSION WITH PTO PROVISION	170	50
Transmission Equipment				
	343-339	ALLISON VOCATIONAL PACKAGE 223 - AVAILABLE ON 3000/4000 PRODUCT FAMILIES WITH VOCATIONAL MODELS RDS, HS, MH AND TRV		
	84B-012	ALLISON VOCATIONAL RATING FOR ON/OFF HIGHWAY APPLICATIONS AVAILABLE WITH ALL PRODUCT FAMILIES		
	84C-023	PRIMARY MODE GEARS, LOWEST GEAR 1, START GEAR 1, HIGHEST GEAR 6, AVAILABLE FOR 3000/4000 PRODUCT FAMILIES ONLY		
	84D-023	SECONDARY MODE GEARS, LOWEST GEAR 1, START GEAR 1, HIGHEST GEAR 6, AVAILABLE FOR 3000/4000 PRODUCT FAMILIES ONLY		
	34C-001	ELECTRONIC TRANSMISSION CUSTOMER ACCESS CONNECTOR FIREWALL MOUNTED		
	362-035	CUSTOMER INSTALLED CHELSEA 277 SERIES PTO		
	363-007	PTO MOUNTING, TOP RH SIDE OF MAIN TRANSMISSION		
	345-003	PUSH BUTTON ELECTRONIC SHIFT CONTROL, DASH MOUNTED		
	97G-004	TRANSMISSION PROGNOSTICS - ENABLED 2013		
	370-006	WATER TO OIL TRANSMISSION COOLER	10	
	346-003	TRANSMISSION OIL CHECK AND FILL WITH ELECTRONIC OIL LEVEL CHECK		
	373-026	MARMON-HERRINGTON MVG-1600 2- LONG DROP TRANSFER CASE SPEED with plantetary torque proportioning interaxle differential	500	200
	376-001	TRANSFER CASE SHIFT CONTROLS WITH TRANSFER CASE PTO ON/OFF SWITCH WHEN APPLICABLE		
	374-002	STEEL FRONT AND REAR PTO/TRANSFER CASE SUPPORTS WITH RUBBER MOUNTS		
	35T-001	SYNTHETIC TRANSMISSION FLUID (TES-295 COMPLIANT)		
Front Axle and Equipment				
N	400-040	MT-22 22,000# SINGLE FRONT DRIVE AXLE	2,080	

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	Data Code	Description	Weight Front	Weight Rear
	398-611	6.11 FRONT AXLE RATIO		
	389-076	MXL 17N MERITOR EXTENDED LUBE FRONT STEERING AXLE DRIVELINE WITH FULL ROUND YOKES	10	
*	45E-001	DRIVER CONTROLLED TRACTION FRONT DIFFERENTIAL		
	402-027	MARMON-HERRINGTON 16.5X7 CAM FRONT BRAKES		
	403-002	NON-ASBESTOS FRONT BRAKE LINING		
	419-019	MARMON-HERRINGTON CAST IRON FRONT BRAKE DRUMS		
	427-001	FRONT BRAKE DUST SHIELDS	5	
	409-006	FRONT OIL SEALS		
	416-022	STANDARD SPINDLE NUTS FOR ALL AXLES		
	405-013	MARMON-HERRINGTON AUTOMATIC FRONT SLACK ADJUSTERS		
N	536-028	TRW TAS-65 POWER STEERING WITH RCS65 AUXILIARY GEAR		
	539-003	POWER STEERING PUMP		
	534-003	4 QUART POWER STEERING RESERVOIR		
	533-001	OIL/AIR POWER STEERING COOLER		
	40T-002	SYNTHETIC 75W-90 FRONT AXLE LUBE		
Front Suspension				
	620-068	23,000# FLAT LEAF FRONT SUSPENSION	350	
	619-002	THREADED SPRING PINS AND BUSHINGS - FRONT SUSPENSION		
	410-001	FRONT SHOCK ABSORBERS		
Rear Axle and Equipment				
	420-024	RS-30-185 30,000# U-SERIES SINGLE REAR AXLE		-2,020
	421-614	6.14 REAR AXLE RATIO		
	424-001	IRON REAR AXLE CARRIER WITH STANDARD AXLE HOUSING		
	386-078	MXL 18N MERITOR EXTENDED LUBE MAIN DRIVELINE WITH FULL ROUND YOKES		
	382-078	MXL 18N MERITOR EXTENDED LUBE INTERTRANSMISSION DRIVELINE WITH FULL ROUND YOKES	20	
*	452-001	DRIVER CONTROLLED TRACTION DIFFERENTIAL - SINGLE REAR AXLE		20
	878-018	(1) DRIVER CONTROLLED DIFFERENTIAL LOCK REAR VALVE FOR SINGLE DRIVE AXLE		
	87B-008	INDICATOR LIGHT FOR EACH DRIVER CONTROLLED TRACTION DEVICE SWITCH		

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	Data Code	Description	Weight Front	Weight Rear
	423-010	MERITOR 16.5X7 P CAM REAR BRAKES, DOUBLE ANCHOR, CAST SHOES		20
	433-002	NON-ASBESTOS REAR BRAKE LINING		
	434-011	BRAKE CAMS AND CHAMBERS ON FORWARD SIDE OF DRIVE AXLE(S)		
*	451-015	MERITOR CAST IRON REAR BRAKE DRUMS		60
	425-002	REAR BRAKE DUST SHIELDS		10
	440-006	REAR OIL SEALS		
	426-074	HALDEX GOLDSEAL LONGSTROKE 1-DRIVE AXLE SPRING PARKING CHAMBERS		-20
	428-007	BENDIX VERSAJUST AUTOMATIC REAR SLACK ADJUSTERS		
	41T-002	SYNTHETIC 75W-90 REAR AXLE LUBE		
	42T-001	STANDARD REAR AXLE BREATHER(S)		
Rear Suspension				
	622-079	REYCO 79 KB 31,000# REAR SUSPENSION		220
	621-1AY	REYCO 79 KB - 1.00 INCH SPACERS WITH 4.50 INCH EXTENDED HANGER BRACKET		
	431-001	STANDARD AXLE SEATS IN AXLE CLAMP GROUP		
	623-005	FORE/AFT CONTROL RODS		
Brake System				
N	490-101	WABCO 4S/4M ABS WITH TRACTION CONTROL		
	871-002	WIRE BRAID CHASSIS LINES	5	5
	904-001	FIBER BRAID PARKING BRAKE HOSE		
	412-001	STANDARD BRAKE SYSTEM VALVES		
	432-017	COMBINATION ABS/SERVICE BRAKE VALVE WITH ATC, 5.5 PSI CRACK PRESSURE		
	480-009	BW AD-9 BRAKE LINE AIR DRYER WITH HEATER	20	
	479-003	AIR DRYER MOUNTED INBOARD ON LH RAIL		
	460-040	STEEL AIR BRAKE RESERVOIRS MOUNTED PERPENDICULAR TO OUTSIDE RAIL	20	20
	477-019	BW DV-2 AUTO DRAIN VALVE WITH HEATER TO WET TANK; DRAIN VALVE CABLES ON ALL OTHER TANKS		
Trailer Connections				
	481-998	NO TRAILER AIR HOSE	-10	
	914-001	AIR CONNECTIONS TO END OF FRAME WITH GLAD HANDS FOR TRUCK AND NO DUST COVERS	5	5
	296-010	PRIMARY CONNECTOR/RECEPTACLE WIRED FOR SEPARATE STOP/TURN, ABS CENTER PIN POWERED THROUGH IGNITION		

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	Data Code	Description	Weight Front	Weight Rear
	297-001	SAE J560 7-WAY PRIMARY TRAILER CABLE RECEPTACLE MOUNTED END OF FRAME		
	310-998	NO TRAILER ELECTRICAL CABLE	-10	
Wheelbase & Frame				
	545-420	4200MM (165 INCH) WHEELBASE		
	546-090	3/8X3-7/8X11-5/8 INCH STEEL FRAME 120KSI	110	150
	547-019	1/4 INCH (6MM) C-CHANNEL INSERT AT REAR SUSPENSION ONLY		150
	552-134	1050MM (90 INCH) REAR FRAME OVERHANG		
	55W-004	FRAME OVERHANG RANGE: 41 INCH TO 50 INCH	20	-60
	549-049	29 INCH INTEGRAL FRONT FRAME EXTENSION	120	-10
	AC8-99D	CALC'D BACK OF CAB TO REAR SUSP C/L (CA) : 92.0 in		
	AE8-99D	CALCULATED EFFECTIVE BACK OF CAB TO REAR SUSPENSION C/L (CA) : 83.0 in		
	AE4-99D	CALC'D FRAME LENGTH - OVERALL : 285		
	AM6-99D	CALC'D SPACE AVAILABLE FOR DECKPLATE : 92.0 in		
	FSS-0LH	CALCULATED FRAME SPACE LH SIDE : 74.23 in		
	FSS-0RH	CALCULATED FRAME SPACE RH SIDE : 70.88 in		
	553-001	SQUARE END OF FRAME		
	587-003	REAR TOW HOOKS		10
	550-002	HEAVY DUTY FRONT CLOSING CROSSMEMBER	120	
	561-007	HEAVY DUTY BACK OF TRANSMISSION CROSSMEMBER	-10	
	562-022	EXTRA HEAVY DUTY STEEL C-CHANNEL BOLTED CONSTRUCTION MIDSHIP #1 CROSSMEMBER	5	5
N	572-046	3/8 INCH STEEL C-CHANNEL CROSSMEMBER WITHOUT A-FRAME, NON-TOWING		70
	56C-001	STANDARD WEIGHT REAR SUSPENSION FORWARD CROSSMEMBER		
	565-001	STANDARD SUSPENSION CROSSMEMBER		
	568-006	EXTRA HEAVY DUTY STEEL C-CHANNEL BOLTED CONSTRUCTION REAR MOUNTED SUSPENSION CROSSMEMBER		
Chassis Equipment				
	674-998	NO LH OR RH BACK OF CAB ACCESS	-5	-5
	592-998	NO DECK PLATE	-5	-5
*	556-997	OMIT FRONT BUMPER, CUSTOMER INSTALLED SPECIAL FRONT BUMPER, DOES NOT COMPLY WITH FMCSR 393.203		

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	Data Code	Description	Weight Front	Weight Rear
	558-998	NO FRONT TOW HOOKS	-25	
	574-001	BUMPER MOUNTING FOR SINGLE LICENSE PLATE		
	585-998	NO MUDFLAP BRACKETS		-25
	590-998	NO REAR MUDFLAPS		-15
	586-002	FENDER MOUNTED FRONT MUDFLAPS		
	551-021	GRADE 8 THREADED HEX HEADED FRAME FASTENERS UPGRADED TO 5/8 INCH AT CRITICAL LOCATIONS		
	605-043	1/2 INCH T1 STEEL OUTER FULL FRONT FRAME EXTENSION REINFORCEMENT	220	-20
Fifth Wheel				
	578-998	NO FIFTH WHEEL	-30	-480
Fuel Tanks				
	204-000	100 GALLON ALUMINUM FUEL TANK - LH	-10	-5
	218-001	25 INCH DIAMETER FUEL TANK(S)		
	215-007	PLAIN ALUMINUM/PAINTED STEEL FUEL/HYDRAULIC TANK(S) WITH POLISHED STAINLESS STEEL BANDS		
	212-007	FUEL TANK(S) FORWARD	30	-30
	67J-003	LH FULL LENGTH FUEL TANK STEPS		
	664-001	PLAIN STEP FINISH		
	205-001	FUEL TANK CAP(S)		
	122-077	ALLIANCE FUEL FILTER/WATER SEPARATOR WITH HEATED BOWL AND PRIMER PUMP	15	
	216-020	EQUIFLO INBOARD FUEL SYSTEM		
	202-002	BRAIDED WIRE REINFORCED FUEL HOSE		
	221-998	NO FUEL COOLER	-10	
	847-002	IN TANK FUEL LEVEL SENDER(S)		
Tires				
*	093-2K0	BRIDGESTONE L315 445/65R22.5 20 PLY RADIAL FRONT TIRES	220	
	094-2K0	BRIDGESTONE L315 445/65R22.5 20 PLY RADIAL REAR TIRES		-6
*	510-2KO	BRIDGESTONE L315 445/65R22.5 20 PLY SPARE TIRE		211
Hubs				
N	418-022	MARMON-HERRINGTON IRON FRONT HUBS		
*	450-015	MERITOR IRON REAR HUBS		140
Wheels				

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	Data Code	Description	Weight Front	Weight Rear
N	502-580	OTR 22.5X13.00 335 HUB-PILOT 5.25 INSET STEEL DISC FRONT WHEELS	140	
*	505-1J9	OTR 22.5X13.00 335 HUB-PILOT 5.88 OUTSET STEEL DISC REAR WHEELS		208
*	511-580	OTR 22.5X13.00 335 HUB-PILOT 5.25 INSET STEEL DISC SPARE WHEEL		71
	496-011	FRONT WHEEL MOUNTING NUTS		
	497-011	REAR WHEEL MOUNTING NUTS		
Cab Exterior				
	829-1AB	123 INCH BBC STEEL CONVENTIONAL CAB		
*	82A-008	WESTERN STAR STAINLESS STEEL CAB SKIRT		
*	650-029	AIR CAB MOUNTS WITH RAISED CAB	30	
*	648-001	FRONT-REMOVABLE GRILLE MOUNTED BUGSCREEN		
*	667-102	105 INCH OAW PAINTED ALUMINUM FRONT FENDERS	10	
	678-061	LH AND RH EXTENDED EXTERIOR GRAB HANDLES WITH RUBBER INSERTS AND LH AND RH INTERIOR GRAB HANDLES MOUNTED TO A POST		
	645-004	STAINLESS STEEL RADIATOR SHELL/HOOD BEZEL WITH STYLIZED TILT HOOD HANDLE		
	646-002	RADIATOR MOUNTED GRILLE		
	640-008	GALVANEALED STEEL SEVERE SERVICE CAB	50	
N	644-037	FIBERGLASS HOOD WITH LH AND RH FULL LENGTH BUTTERFLY OPENINGS	250	
	643-002	HEAVY DUTY HOOD MOUNTING		
	727-096	DUAL ROUND AIR HORNS, SINGLE BASE, MOUNTED UNDER CAB	4	
	726-001	SINGLE ELECTRIC HORN		
	657-1AF	DOORS AND IGNITION KEYED THE SAME (3 KEYS)		
*	327-010	SWITCH AND WIRING WITH STAINLESS STEEL BRACKETS MOUNTED OUTBOARD ROOF FOR (2) CUSTOMER FURNISHED BEACONS	2	
	312-003	DUAL RECTANGULAR HALOGEN HEADLIGHTS		
	302-022	LED MARKER LAMPS		
	311-001	DAYTIME RUNNING LIGHTS		
	294-079	LED STOP/TAIL/TURN WITH INCANDESCENT BACKUP LIGHTS MOUNTED IN BOXES OUTBOARD OF RAILS		15
	300-015	STANDARD FRONT TURN SIGNAL LAMPS		
	31K-1A1	(2) CHROME INCANDESCENT UTILITY LIGHTS WITH STAINLESS STEEL ANTI-GLARE SHIELDS MOUNTED ON MIRROR ARMS	6	

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	Data Code	Description	Weight Front	Weight Rear
*	31J-002	(2) SWITCHES WITH INDICATORS AND WIRING FOR CUSTOMER FURNISHED UTILITY LAMPS MOUNTED BACK OF CAB/SLEEPER WITH 10 FOOT COILED CABLE		
	744-089	DUAL GROTE STAINLESS STEEL HEATED GRID TYPE MIRRORS WITH REINFORCED UPPER BRACKET		
	797-001	DOOR MOUNTED MIRRORS		
	796-001	102 INCH EQUIPMENT WIDTH		
	743-1AA	LH AND RH SUREPLUS 574 8 INCH BRIGHT FINISH HEATED CONVEX MIRRORS WITH SEPARATE ADJUSTMENT, MOUNTED BELOW MIRROR		
	74A-001	RH DOWN VIEW MIRROR		
*				
	729-001	STANDARD SIDE/REAR REFLECTORS		
	677-016	DUAL LEVEL CAB ENTRY STEPS ON BOTH SIDES		
*	764-002	STAINLESS STEEL EXTERIOR SUN VISOR	28	
	768-050	17.5X35 INCH LAMINATED SAFETY GLASS TINTED REAR WINDOW		
	661-006	TINTED DOOR GLASS		
	654-011	RH AND LH ELECTRIC POWERED WINDOWS		
	769-002	LOWER RH DOOR WINDOW WITH FRESNEL LENS	7	
	663-023	2-PIECE TINTED CURVED GASKET MOUNTED HEATED WINDSHIELD		
	659-016	1.5 GALLON WINDSHIELD WASHER RESERVOIR MOUNTED UNDER CAB WITH REMOTE FILL		
	647-001	WHITE WINTERFRONT	2	
Cab Interior				
	707-1D4	SMOKY MOUNTAIN GRAY VINYL PREMIUM INTERIOR		
	70K-005	BLACK HARD TRIM		
	706-048	PREMIUM LEFT HAND DOOR TRIM WITH CHERRY ACCENT		
	708-048	PREMIUM RIGHT HAND DOOR TRIM WITH CHERRY ACCENT		
	772-007	BLACK MATS WITH DOUBLE INSULATION		
	785-019	NO DASH MOUNTED ASH TRAY, POWER RECEPTACLE IN LIEU OF LIGHTER		
	691-001	FORWARD ROOF MOUNTED CONSOLE		
	694-009	PASSENGER SIDE WING DASH MOUNTED GLOVE BOX WITH LOCKING DOOR		
	693-025	LH AND RH DOOR MAP POCKETS		

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	Data Code	Description	Weight Front	Weight Rear
	741-029	COAT HOOK ON RH BACKWALL OF CAB		
	742-032	(1) DOUBLE CUP HOLDER WITH CELL PHONE HOLDER LH OR RH DASH		
	680-033	BLACK SOFT TOUCH WING DASH WITH DRIVER SIDE COSMETIC UNDER DASH COVER		
	320-004	STANDARD WIRING		
*	716-012	(1) DASH MOUNTED WINDSHIELD FAN		
	720-067	5 LB. FIRE EXTINGUISHER MOUNTED INBOARD OF PASSENGER SEAT	10	
	700-015	HEATER, DEFROSTER AND AIR CONDITIONER WITH COSMETIC COVER		
	701-002	HVAC DUCTING WITH MAIN FRESH AIR FILTER		
	170-016	STANDARD PLUMBING WITH SHUTOFF VALVES		
	130-003	SANDEN COMPACT AIR CONDITIONER COMPRESSOR		
	698-001	RADIATOR MOUNTED AIR CONDITIONER CONDENSER		
	739-002	ADDITIONAL CAB SIDEWALL INSULATION	60	10
	285-019	AUTOMATIC SELF-RESET CIRCUIT BREAKER IN MAIN DASH POWER DISTRIBUTION BOX AND CIRCUIT BREAKER/FUSE IN AUXILIARY POWER DISTRIBUTION BOXES		
	324-076	DOOR ACTIVATED DOME LIGHT, UNDER DASH LIGHT WITH LH AND RH DOOR MOUNTED COURTESY LIGHTS AND LH AND RH READING LIGHTS		
	655-001	CAB DOOR LATCHES WITH MANUAL DOOR LOCKS		
	64C-002	BRIGHT DOOR HANDLES		
	284-045	(2) 12 VOLT POWER RECEPTACLES MOUNTED IN DASH		
	756-1D9	PREMIUM HIGH BACK AIR SUSPENSION DRIVER SEAT, HEATED WITH 3 CHAMBER AIR LUMBAR, INTEGRATED CUSHION EXTENSION, FORWARD AND REAR CUSHION TILT, ADJUSTABLE SHOCK ABSORBER	40	
	760-1D9	PREMIUM HIGH BACK AIR SUSPENSION PASSENGER SEAT WITH 3 CHAMBER AIR LUMBAR, INTEGRATED CUSHION EXTENSION,FORWARD AND REAR CUSHION TILT, ADJUSTABLE SHOCK ABSORBER	40	
	759-005	DUAL DRIVER AND PASSENGER SEAT ARMRESTS	8	
	758-014	BLACK CORDURA PLUS CLOTH DRIVER SEAT COVER		
	761-014	BLACK CORDURA PLUS CLOTH PASSENGER SEAT COVER		

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Data Code	Description	Weight Front	Weight Rear
763-012	3 POINT HIGH VISIBILITY ORANGE RETRACTOR DRIVER AND PASSENGER SEAT BELTS		
532-002	ADJUSTABLE TILT AND TELESCOPING STEERING COLUMN		
540-067	2-SPOKE 18 INCH (450MM) CHERRY WOOD LEATHER WRAPPED		
765-002	DRIVER AND PASSENGER INTERIOR SUN VISORS		
Instruments & Controls			
185-002	NON-ADJUSTABLE SUSPENDED PEDALS		
732-047	FIGURED CHERRY WOODGRAIN ULTRA GLOSS FINISH DRIVER INSTRUMENT PANEL		
734-047	FIGURED CHERRY WOODGRAIN ULTRA GLOSS FINISH CENTER INSTRUMENT PANEL		
870-005	STAR GAUGES WITH BRIGHT BEZELS		
840-002	2 INCH PRIMARY AND SECONDARY AIR PRESSURE GAUGES		
198-024	FILTERMINDER DASH MOUNTED AIR RESTRICTION GAUGE	2	
721-021	87 DB TO 112 DB SELF-ADJUSTING BACKUP ALARM		3
149-012	CRUISE CONTROL SWITCHES IN THE CENTER PANEL		
156-024	KEY OPERATED IGNITION SWITCH WITH INTEGRAL START POSITION AND TRANSMISSION NEUTRAL INTERLOCK		
811-001	WARNING LAMP/LIGHT BAR DISPLAY, NON-DATA LINKED		
160-012	DIAGNOSTIC INTERFACE CONNECTOR, 9 PIN, SAE J1587/1708/1939, LOCATED BELOW DASH		
844-001	2 INCH ELECTRIC FUEL GAUGE		
148-003	PROGRAMMABLE RPM CONTROL - ELECTRONIC ENGINE		
856-001	ELECTRICAL ENGINE COOLANT TEMPERATURE GAUGE		
854-001	ENGINE OIL TEMPERATURE GAUGE		
864-008	ALLISON AUTOMATIC TRANSMISSION TEMPERATURE GAUGE WITH TRI-COLOR CODING AND 300 DEGREE FAHRENHEIT REDLINE		
867-017	OUTSIDE AIR TEMPERATURE GAUGE WITH FAHRENHEIT AND CELSIUS DISPLAY MOUNTED IN DASH		
852-002	ELECTRIC ENGINE OIL PRESSURE GAUGE		
858-002	STANDARD SMALL FACE PYROMETER	2	

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	Data Code	Description	Weight Front	Weight Rear
	746-1B4	AM/FM/WB WORLD TUNER RADIO WITH CD PLAYER, BLUETOOTH, IPOD INTERFACE, USB AND AUXILIARY INPUTS, J1939	10	
	747-002	ROOF/OVERHEAD CONSOLE MOUNTED RADIO		
	750-004	(4) RADIO SPEAKERS IN CAB		
	753-019	AM/FM ANTENNA MOUNTED ON RH FRONT A-PILLAR		
	748-040	POWER AND GROUND WIRING AND BRACKET FOR CUSTOMER FURNISHED COBRA 29 CB RADIO IN OVERHEAD CONSOLE	2	
	752-018	MULTI-BAND AM/FM/WB/CB DUAL MIRROR MOUNTED ANTENNA SYSTEM	4	
*	75A-800	PREP KIT FOR UNDER DASH MOUNTED VHF RADIO		
		PREP KIT FOR 2 UNDER DASH MOUNTED VHF RADIOS		
*	75B-101	RH MIRROR MOUNTED UHF/VHF RADIO ANTENNA		
		QTY 2, ONE LH MIRROR MOUNTED AND ONE RH MIRROR MOUNTED		
	810-042	ELECTRONIC MPH SPEEDOMETER WITH SECONDARY KPH SCALE, WITH ODOMETER		
	812-003	ELECTRONIC 3000 RPM TACHOMETER WITH HOUR METER		
	813-998	NO VEHICLE PERFORMANCE MONITOR	-5	
	162-002	IGNITION SWITCH CONTROLLED ENGINE STOP		
	329-010	TWO ON/OFF ROCKER SWITCHES IN THE DASH WITH INDICATOR LIGHTS AND WIRE ROUTED TO CHASSIS AT BACK OF CAB, LABEL OPT		
	482-001	BW TRACTOR PROTECTION VALVE		
*	883-001	TRAILER HAND CONTROL BRAKE VALVE		
		OMIT TRAILER HAND BRAKE CONTROL		
	842-001	2 INCH TURBO AIR PRESSURE GAUGE		
	836-001	2 INCH VOLTMETER		
	660-001	SINGLE ELECTRIC WINDSHIELD WIPER MOTOR WITH DELAY AND ARCTIC TYPE BLADES		
	304-026	CAB MARKER LIGHT AND HEADLIGHT SWITCH WITH SEPARATE SWITCH AND TERMINALS FOR CUSTOMER FURNISHED SNOW PLOW LIGHTS AND TURN SIGNALS		
	882-004	TWO VALVE PARKING BRAKE SYSTEM WITH WARNING INDICATOR		
	299-032	VSM NON CANCELING TURN SIGNAL SWITCH WITH INTEGRAL HEADLAMP DIMMER WITHOUT BRAKE OVERRIDE		
	298-036	PACIFIC INSIGHT ELECTRONIC FLASHER		

Design

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	Data Code	Description	Weight Front	Weight Rear
*	065-000	PAINT: ONE SOLID COLOR –WITH FLAT BLACK HOOD		
Color				
*	980-UG3	FAA CHROME YELLOW		
	96J-001	CAB INTERIOR PAINTED SAME AS CAB COLOR		
	986-020	BLACK, HIGH SOLIDS POLYURETHANE CHASSIS PAINT		
*	962-UL9	FRONT WHEEL PAINT: HST921896 BORAL YELLOW PPG SINGLE STG		
*	966-UL9	REAR WHEEL PAINT: HST921896 BORAL YELLOW PPG SINGLE STG		
*	96F-998	NO SPARE WHEEL PAINT		
		SPARE WHEEL PAINT 96F-UL9		
	963-006	FENDER, UNDER CAB AND INTERIOR CAB FLOOR UNDERCOATING		
Certification / Compliance				
	996-017	U.S. FMVSS CERTIFICATION-NON ROAD		

T O T A L V E H I C L E S U M M A R Y

Weight Summary

	Weight Front	Weight Rear	Total Weight
Factory Weight+	13532 lbs	5543 lbs	19075 lbs
Total Weight+	13532 lbs	5543 lbs	19075 lbs





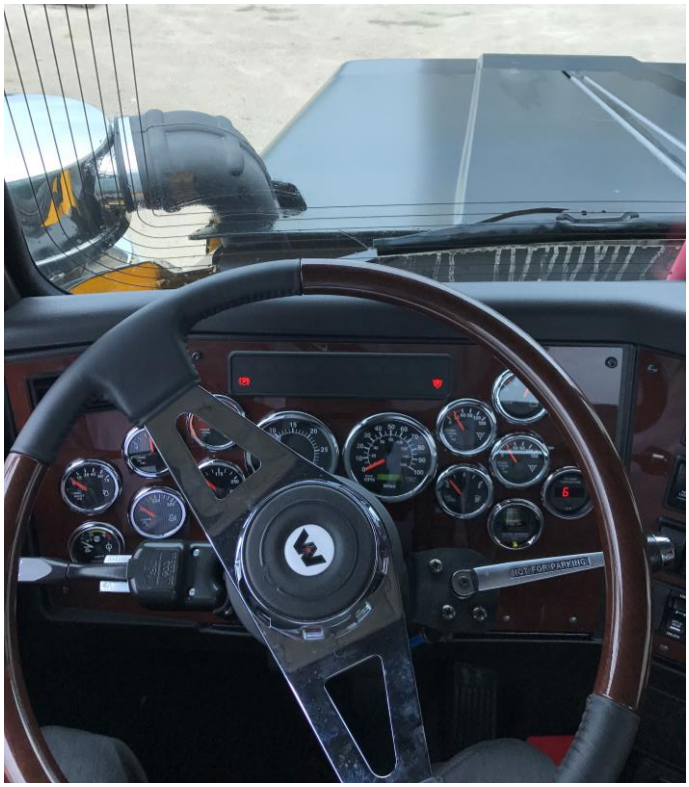












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SISTER UNITS TO CHASSIS VIN 5KKDALCK3JPJY2510



VIN 5KKDALCK1HPJD3599- 1 OF 6 UNITS DELIVERED TO TF GREEN AIRPORT PROVIDENCE, R.I. JAN. 2017



TF GREEN AIRPORT UNITS



VIN 5KKDALCK0JPJV6379 DELIVERED TO ROANOKEREGIONAL AIRPORT MARCH 2018

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EXHIBIT B

GRANT PROVISIONS

(attached)

GRANT PROVISIONS

Sponsor:	**City of Flagstaff, Flagstaff Airport**
Funding Agency:	**U.S. Department of Transportation, Federal Aviation Administration**
Grant Project Title:	**Aircraft Rescue Fire Fighting Vehicle - Ancillary Equipment**
AIP Grant Number:	**3-04-0015-042**

APPENDIX A – CONTRACT PROVISIONS

A1 ACCESS TO RECORDS AND REPORTS

A1.1 CONTRACT CLAUSE

ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

A2 AFFIRMATIVE ACTION REQUIREMENT – NOT APPLICABLE

A3 BREACH OF CONTRACT TERMS

A3.1 CONTRACT CLAUSE

BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the Contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Contractor written notice that describes the nature of the breach and corrective actions the Contractor must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Contractor must correct the breach. Owner may proceed with termination of the contract if the Contractor fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

A4 BUY AMERICAN PREFERENCE

A4.1 SOLICITATION CLAUSE

A4.1.1 Buy American Preference Statement

BUY AMERICAN PREFERENCE

The Contractor agrees to comply with 49 USC § 50101, which provides that Federal funds may not be obligated unless all steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

A bidder or offeror must complete and submit the Buy America certification included herein with their bid or offer. The Owner will reject as nonresponsive any bid or offer that does not include a completed Certificate of Buy American Compliance.

A4.1.2 Certificate of Buy American Compliance – Manufactured Product

Certificate of Buy American Compliance for Manufactured Products

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☐ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:

a) Only installing steel and manufactured products produced in the United States;
b) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing U.S. domestic product.
3. To furnish U.S. domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

☒ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that supports the type of waiver being requested.

2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more that 60 percent of the cost of all components and subcomponents of the "item". The required documentation for a Type 3 waiver is:

a) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
c) Percentage of non-domestic component and subcomponent cost as compared to total "item" component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using U.S. domestic source product exceeds the total project cost using non-domestic product by 25 percent. The required documentation for a Type 4 of waiver is:

a) Detailed cost information for total project using U.S. domestic product
b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

A5 CIVIL RIGHTS - GENERAL

A5.1.1 Clause that is used for Contracts

GENERAL CIVIL RIGHTS PROVISIONS

The Contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

A6 CIVIL RIGHTS – TITLE VI ASSURANCE

A6.1 SOLICITATION CLAUSE

The sponsor must include this clause in:

1) All AIP funded solicitations for bids, requests for proposals, or any work subject to Title VI regulations; and
2) All sponsor proposals for negotiated agreements **regardless of funding source.**

A6.1.1 Title VI Solicitation Notice

Title VI Solicitation Notice:

The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, [select disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

A6.2 CONTRACT CLAUSES

A6.2.1 Title VI Clauses for Compliance with Nondiscrimination Requirements

The sponsor must include this contract clause in:

1) Every contract or agreement (unless the sponsor has determined, and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities); and

2) Service contracts with utility companies that are already subject to nondiscrimination requirements.

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
    a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
    b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

A6.2.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities

Insert this list in every contract or agreement, unless the sponsor has determined and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities. This list can

be omitted if the FAA has determined that the contractor or company is already subject to nondiscrimination requirements.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

A7 CLEAN AIR AND WATER POLLUTION CONTROL

A7.1 CONTRACT CLAUSE

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC § 740-7671q) and the Federal Water Pollution Control Act as amended (33 USC § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds $150,000.

A8 CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS – NOT APPLICABLE

A9 COPELAND "ANTI-KICKBACK" ACT – NOT APPLICABLE

A10 DAVIS-BACON REQUIREMENTS – NOT APPLICABLE

A11 DEBARMENT AND SUSPENSION

A11.1 SOLICITATION CLAUSE

A11.1.1 Bidder or Offeror Certification

CERTIFICATION OF OFFERER/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

A11.1.2 Lower Tier Contract Certification

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offerer /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

A12 DISADVANTAGED BUSINESS ENTERPRISE

A12.1 REQUIRED PROVISIONS

A12.1.1 Solicitation Language (Solicitations that include a Project Goal)

Information Submitted as a matter of bidder responsiveness:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

As a condition of bid responsiveness, the Bidder or Offeror must submit the following information with its proposal on the forms provided herein:

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

Information submitted as a matter of bidder responsibility:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in its commitment within five days after bid opening.

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

A12.1.2 Solicitation Language (Race/Gender Neutral Means)

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the **City of Flagstaff** to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

A12.1.3 Prime Contracts (Projects Covered by a DBE Program)

DISADVANTAGED BUSINESS ENTERPRISES

Contract Assurance (§ 26.13) –

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the prime contractor receives from **City of Flagstaff**. The prime contractor agrees further to return retainage payments to each subcontractor within seven (7) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the **City of Flagstaff**. This clause applies to both DBE and non-DBE subcontractors.

A13 DISTRACTED DRIVING

A13.1 CONTRACT CLAUSE

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding $3,500 that involve driving a motor vehicle in performance of work activities associated with the project.

A14 ENERGY CONSERVATION REQUIREMENTS

A14.1 CONTRACT CLAUSE

ENERGY CONSERVATION REQUIREMENTS

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC 6201*et seq*).

A15 DRUG FREE WORKPLACE REQUIREMENTS – NOT APPLICABLE

A16 EQUAL EMPLOYEMENT OPPORTUNITY (EEO) – NOT APPLICABLE

A17 FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

A17.1 SOLICITATION CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The Contractor has full responsibility to monitor compliance to the referenced statute or regulation. The Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

A18 LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

A18.1 CONTRACT CLAUSE

CERTIFICATION REGARDING LOBBYING

The Bidder or Offeror certifies by signing and submitting this bid or proposal, 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 Bidder or Offeror, 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 influencing or attempting to influence 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.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 section 1352, title 31, U.S. Code. 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.

A19 PROHIBITION of SEGREGATED FACILITIES – NOT APPLICABLE

A20 OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

A20.1 CONTRACT CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act

of 1970 (20 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

A21 PROCUREMENT OF RECOVERED MATERIALS

A21.1 CONTRACT CLAUSE

PROCUREMENT OF RECOVERED MATERIALS

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

1) The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or
2) The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b) Fails to meet reasonable contract performance requirements; or
c) Is only available at an unreasonable price.

A22 RIGHT TO INVENTIONS – NOT APPLICABLE

A23 SEISMIC SAFETY – NOT APPLICABLE

A24 TAX DELINQUENCY AND FELONY CONVICTIONS

A24.1 CONTRACT CLAUSE

CERTIFICATION OF OFFERER/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

1) The applicant represents that it is ( ) is not (X) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2) The applicant represents that it is ( ) is not (X) is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twentyfour (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

A25 TERMINATION OF CONTRACT

A25.1 CONTRACT CLAUSE

A25.1.1 Termination for Convenience

TERMINATION FOR CONVENIENCE (CONSTRUCTION & EQUIPMENT CONTRACTS)

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.

2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.
4. Deliver to the Owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work, and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.
6. Take action as directed by the Owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

1) completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;

2) documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;

3) reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and

4) reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

A25.1.2 Termination for Default

TERMINATION FOR DEFAULT (EQUIPMENT)

The Owner may, by written notice of default to the Contractor, terminate all or part of this Contract if the Contractor:

1. Fails to commence the Work under the Contract within the time specified in the Notice- to-Proceed;
2. Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;
3. Fails to make delivery of the equipment within the time specified in the Contract, including any Owner approved extensions;
4. Fails to comply with material provisions of the Contract;
5. Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements; or

6. Becomes insolvent or declares bankruptcy.

If one or more of the stated events occur, the Owner will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Owner's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within [10] days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Owner, the Owner has authority to acquire equipment by other procurement action. The Contractor will be liable to the Owner for any excess costs the Owner incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Owner shall be at the Contract price. The Owner may withhold from amounts otherwise due the Contractor for such completed equipment, such sum as the Owner determines to be necessary to protect the Owner against loss because of Contractor default.

Owner will not terminate the Contractor's right to proceed with the Work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Owner determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Owner issued the termination for the convenience the Owner.

The rights and remedies of the Owner in this clause are in addition to any other rights and remedies provided by law or under this contract.

A26 TRADE RESTRICTION CERTIFICATION

A26.1 SOLICITATION CLAUSE

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

A27 VETERAN'S PREFERENCE

A27.1 CONTRACT CLAUSE

VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 USC 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

FEDERAL CERTIFICATIONS

- A4 - Buy American Preference - Title 49 U.S.C., § 501101
- A11 - Suspension and Debarment Requirement For All Contracts Over $25,000 – 2 CFR part 180 (Subpart C), 2 CFR part 1200, DOT Order 4200.5
- A12 - Disadvantaged Business Enterprise Participation – 49 CFR part 26
- A18 – Lobbying and Influencing Federal Employees – 31 USC § 1352 Byrd Anti-Lobbying Amendment, 2 CFR part 200, Appendix II(J), 49 CFR part 20, Appendix A
- A26 - Trade Restriction Certification – 49 USC § 50104, 49 CFR part 30

A4 - CERTIFICATE OF BUY AMERNCIAN COMPLIANCE-MANUFACTURED PRODUCTS

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

☐ Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:

a) Only installing steel and manufactured products produced in the United States;
b) Installing manufactured products for which the Federal Aviation Administration (FAA) has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing U.S. domestic product.
3. To furnish U.S. domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

☒ The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that supports the type of waiver being requested.
2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more that 60 percent of the cost of all components and subcomponents of the "item". The required documentation for a Type 3 waiver is:

a) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
c) Percentage of non-domestic component and subcomponent cost as compared to total "item" component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using U.S. domestic source product exceeds the total project cost using non-domestic product by 25 percent. The required documentation for a Type 4 of waiver is:

a) Detailed cost information for total project using U.S. domestic product
b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

08/22/2019
Date

Signature

Quality Truck Care Center, Inc.
Company Name

Sales Professional
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A11 - CERTIFICATION OF LOWER TIER CONTRACTORS REGRADING DEBAREMENT

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

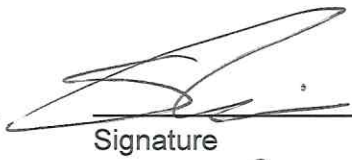
FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offerer /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

08/22/2019
Date


Signature

Quality Truck Care Center, Inc.
Company Name

Sales Professional
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A12 - ASSURANCE OF DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

To meet the mandated requirements of the United States Department of Transportation, 49 CFR Part 26, the assurance below shall be signed by the bidder and submitted with the bid.

BIDDER'S ASSURANCE OF COMPLIANCE WITH TITLE 49 CFR PART 26 RELATING TO DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in its commitment **within five days after bid opening**.

1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
2) A description of the work that each DBE firm will perform;
3) The dollar amount of the participation of each DBE firm listed under (1)
4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal; and
5) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26.

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the City of Flagstaff to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Owner deems appropriate, which may include, but is not limited to:

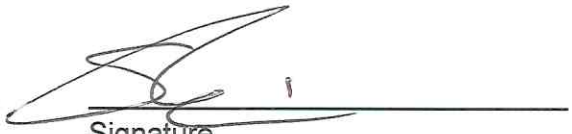
1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (§26.29) – The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than seven (7) days from the receipt of each payment the prime contractor receives from City of Flagstaff. The prime contractor agrees further to return retainage payments to each subcontractor within seven (7) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Flagstaff. This clause applies to both DBE and non-DBE subcontractors.

The bidder hereby gives assurance pursuant to the requirements of Title 49 CFR Part 26 that bidder has made a reasonable effort to meet the goals for Disadvantaged Business Enterprise participation specified for the contract for which this proposal is submitted and that bidder, if the contract is awarded to bidder, will have a **DBE participation of** 0 **percent** of the amount of this bid. Bidder further gives assurance that bidder has submitted the documentation required by said Regulations and the contract specifications, including the Listing of Disadvantaged Business Enterprises with which the bidder will subcontract if the contract is awarded and if bidder is unable to meet the contract goals for DBE participation, and the steps bidder has taken to obtain DBE participation.

The Overall Current DBE Goal is 4.87% **Race Conscious 0% / Race Neutral 4.87%**

08/22/2019
Date


Signature

Quality Truck Care Center, Inc.
Company Name

Sales Professional
Title

NOTE: Bidder shall insert the percentage for DBE participation even if the percentage is less than the contract goal. A bid that fails to meet these requirements may be considered grounds for rejecting the bid.

A18 – LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

The Bidder or Offeror certifies by signing and submitting this bid or proposal, 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 Bidder or Offeror, 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 influencing or attempting to influence 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.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 section 1352, title 31, U.S. Code. 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.

08/22/2019
Date

Signature

Quality Truck Care Center, Inc.
Company Name

Sales Professional
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

A26 - TRADE RESTRICTION CERTIFICATE TO BE INCLUDED IN ALL SOLICITATIONS, CONTRACTS, AND SUBCONTRACTS

CITY OF FLAGSTAFF
FLAGSTAFF AIRPORT

AIRCRAFT RESCUE FIRE FIGHTING VEHICLE – ANCILLARY EQUIPMENT

FAA AIP Project Numbers: 3-04-0015-42
ADOT Grant Numbers: XXXXXX

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);
2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and
3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

08/22/2019
Date

Signature

Quality Truck Care Center, Inc.
Company Name

Sales Professional
Title

NOTE: Failure to complete the blanks may be grounds for rejection of the bid.

EXHIBIT C

STANDARD TERMS AND CONDITIONS

IN GENERAL

1. **NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.

2. **LICENSES AND PERMITS:** Contractor its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.

3. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.

4. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, this Contract is non-exclusive and the City reserves the right to contract with others for materials or services.

5. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

6. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

7. **QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

8. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.

9. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturers' Warranties to City upon City's acceptance of the materials.

10. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

11. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City receives the material at the point of delivery, and the City has completed inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

12. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.

13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute a breach of the Contract as a whole.

14. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

15. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

16. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

17. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

18. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

19. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

    Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by

the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

20. FEDERAL EXCISE TAXES: The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

21. FUEL CHARGES: Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.

22. DISCOUNTS: If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.

23. AMOUNTS DUE TO THE CITY: Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.

24. OFAC: No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

25. INDEPENDENT CONTRACTOR: Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

26. CONTROL: Contractor shall be responsible for the control of the work.

27. WORK SITE: Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

28. SAFEGUARDING PROPERTY: Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.

29. QUALITY: All work shall be of good quality and free of defects, performed in a diligent and professional manner.

30. ACCEPTANCE: If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

INSPECTION, RECORDS, ADMINISTRATION

31. RECORDS: The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

32. RIGHT TO INSPECT BUSINESS: The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

33. PUBLIC RECORDS: This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

34. CONTRACT ADMINISTRATION: Contractor will be required to participate in the City's Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

35. GENERAL INDEMNIFICATION: Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney's fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City's Specific Terms and Conditions.

36. INSURANCE: Contractor shall maintain all insurance coverage required by the City, including public liability and worker's compensation.

37. INTELLECTUAL PROPERTY INDEMNIFICATION: Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of Contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorney's fees and costs resulting from such proceedings or settlement thereof. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

38. PRICE INCREASES: Except as expressly provided for in the Contract, no price increases will be approved.

39. COMPLETE AGREEMENT: The Contract is intended to be the complete and final agreement of the parties.

40. AMENDMENTS: This Contract may be amended by written agreement of the parties.

41. SEVERABILITY: If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.

42. NO WAIVER: Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

43. ASSIGNMENT: This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.

44. BINDING EFFECT: This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

45. SUBCONTRACTING: Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.

47. NONDISCRIMINATION: Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition, Contractor shall comply with the City Code, Chapter 14-02 Civil Rights which prohibits discrimination based on sexual orientation, or gender identity or expression.

48. DRUG FREE WORKPLACE: The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.

49. IMMIGRATION LAWS: Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all state and federal Immigration laws and regulations that relate to its 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 City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor

agrees to assist the City in any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor if 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(A).

DEFAULT AND TERMINATION

50. TERMINATION FOR DEFAULT: Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days, unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches, the non-defaulting party may elect to terminate this Contract by written notice, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law, in addition to the remedies provided in this Contract.

51. CITY REMEDIES: In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

52. CONTRACTOR REMEDIES: In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.

53. SPECIAL DAMAGES: In the event of default, neither party shall be liable for incidental, special, or consequential damages.

54. TERMINATION FOR NONAPPROPRIATION OF FUNDS: The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

55. TERMINATION FOR CONVENIENCE: Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.

56. TERMINATION DUE TO INSOLVENCY: If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

57. PAYMENT UPON TERMINATION: Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

58. CANCELLATION FOR GRATUITIES: The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with award or performance of the Contract.

59. CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511): The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. ADVERTISING: Contractor shall not advertise or publish information concerning its Contract with City without the prior written consent of the City.

61. NOTICES: All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. A Notice may be sent by email as a secondary form of notice.

62. THIRD PARTY BENEFICIARIES: This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

63. GOVERNING LAW: This Contract shall be construed in accordance with the laws of Arizona.

64. FORUM: In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

65. ATTORNEYS' FEES: If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees and expenses.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. WARRANTY: Contractor expressly warrants that all goods and services covered by this Contract shall conform to the specifications, drawings, samples or other description in this Invitation for Bids, shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect and that goods and services of Contractor's design be free from defect in design. Inspection, test, acceptance or use of the goods furnished hereunder shall not affect Contractor's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Contractor agrees to replace or to correct defects of any goods or services not conforming to the foregoing warranty promptly, without any expense to the City including shipping and transportation costs, when notified of such nonconformity by the City. In the event of failure by Contractor to correct defects in or replace nonconforming goods or services promptly, City, after reasonable notice to Contractor, may make such corrections or replace such goods and services and charge Contractor for the cost incurred by the City thereby.

Contractor's product, service, and facilities shall be in full compliance with all applicable federal, state and local laws, statutes, ordinances, regulations, and standards, regardless of whether or not they are expressly referred to by the City.

Unless otherwise specified, the minimum warranty period shall be one (1) year from Contractor's installation or delivery of the warranted item. Contractor shall provide the City with a copy of the complete manufacturer's warranty information.

Contractor guarantees that the equipment offered shall be warranted as follows:

A. Contractor must send a copy of the warranty explaining clearly what parts and labor are warranted and the time period involved. Contractor is to state the name of the firm where warranty work is to be performed and the maximum number of hours to respond to a service request by a qualified technician arriving at the City of Flagstaff shop.

2. COMPLIANCE WITH THE SCOPE OF WORK AND GRANT PROVISIONS: It is agreed that Contractor shall be fully responsible for making any corrections, replacements, or modifications necessary for specification or legal compliance. Contractor agrees that if the product or service offered does not comply with the terms and conditions of this Contract, the Purchasing Director has the right to cancel at any time with full refund within sixty (60) calendar days after notice of non-compliance and Contractor further agrees to be fully responsible for any incidental and/or consequential damages suffered by the City.

3. INTENT: These specifications cover the furnishing of the latest production model that has been proven and in field service for a minimum time period of one (1) year. All components are to be manufacturer's standard and no prototype units will be considered.

These specifications require the doing of all things necessary, or proper for, or incidental to the furnishings and delivery of said unit and associated equipment. All things not expressly mentioned in these specifications but involved in carrying out their intent are required by these specifications, and the Contractor shall perform the same as though they were specifically mentioned, described, and delineated.

The Contractor is to submit a user list with in-service date, phone number, and person to contact that are currently using the equipment offered in this bid for consideration, so that if necessary, the City can view the equipment in operation.

4. **CONTRACT TYPE:** Firm Fixed Price.

5. **CONTRACT RENEWAL:** The City reserves the right to unilaterally extend the period of the contract for ninety (90) days beyond the stated expiration date.

6. **SUBSEQUENT PURCHASES:** The City, with the consent of the successful Contractor(s), reserves the right to purchase additional items as listed in this bid, if Contractor is willing to offer the same terms and conditions as submitted in this bid, for a period of twelve (12) months from the date of City Council approval.

7. **MISCELLANEOUS CHARGES**: If any other charges are applied to the unit, such charges shall be as stated on the bid form under "Miscellaneous Charges". No other charges shall be considered later.

8. **LIQUIDATED DAMAGES:** Liquidated damages shall be charged when the Contractor fails to deliver the specified equipment, fully operational as per the stated delivery date as provided on the Bid Form and as per the City of Flagstaff's delivery terms. Liquidated damages will be assessed at the rate of $200 per calendar day to commence after the agreed upon delivery date has expired.

9. **CONTRACT ADMINISTRATOR:** The Contract Administrator for the City shall be the Airport Operations Supervisor or designee. The Contract Administrator shall audit billings, approve payments, establish schedules, and generally be responsible for overseeing execution and the delivery of this Contract.

10. **INSPECTION AND PERFORMANCE TESTS:** Inspection of workmanship, materials, design and performance of the unit may be made at the Contractor's factory at the sole discretion of the City. The City will pay all expenses of its inspectors. However, the entire unit specified shall be subject to final inspection and acceptance by the City upon delivery at the City facility designated on the purchase order. The complete unit will be required to undergo a performance test before final acceptance. Any defects or failure to comply with any requirements of these specifications shall be immediately remedied by the Contractor at the Contractor's own expense before final acceptance.

11. **ACCESSIBILITY OF COMPONENTS:** All parts of the unit and auxiliary equipment shall be easily accessible for inspection, operation, and maintenance. All components shall be readily removable and replaceable. These features are considered mandatory and the unit will be closely inspected to assure conformance with this requirement.

    If, in the opinion of the City, any part or component is not readily accessible, or removable, the City may require the Contractor to correct the deficiencies at the Contractor's own expense, before acceptance.

12. **MARKING OF CONTROLS**: All operating controls, light switches, and controls for auxiliary equipment that may be installed on the vehicle, or at any other location on the unit shall be clearly and permanently marked and identified by means of identification plates.

13. **RECOMMENDED SPARE PARTS:** The Contractor shall furnish with each service manual a list of recommended spare parts. The list shall include all necessary data for ordering the parts. Parts furnished by other manufacturers shall be identified by the ordering data of the actual manufacturer.

14. **ACCEPTANCE:** Each item delivered shall be subject to a complete inspection prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. Thirty (30)-calendar days shall be allowed for this process. If delivered equipment is returned to the Contractor prior to acceptance for any reason, additional periods of thirty (30)-calendar working days shall be allowed for inspection when subsequent deliveries occur. Any defects or failures to comply with any requirements of these specifications shall be immediately remedied; otherwise liquidated damages would be applicable as referenced herein.

15. **WEATHER CONDITIONS:** This product will be used at elevations from near sea level to 10,000 feet and ambient temperatures as high as 120 degrees and as low as – 40 degrees F. The product shall remain operational under these conditions. Each component of the complete unit shall be adequate for and compatible with all structural and performance demands placed upon it as a part of the complete unit.

16. **OPERATION MAINTENANCE AND REPAIR DATA:** Prior to the delivery of the unit and associated equipment, the Proposer shall forward directly to the City, operating, maintenance repair manuals. All manuals shall be in the form of neatly bound books, with durable covers and shall be properly identified with manufacturer's name, model and serial number of the equipment.

    The operating and maintenance or shop manual shall be the latest manufacturer's handbook covering in detail the recommended operating maintenance and service procedures.

    The repair or shop manual shall include detailed drawings, schematics, electrical and hydraulic or other piping diagrams and complete parts lists for all components of the unit and associated equipment.

    Where components or equipment of several manufacturers' have been used in assembling the unit, the manuals shall include operating, maintenance repair and parts lists of all manufacturers' covering all of the components.

    The manuals shall be furnished in sets. Each set (four sets total) shall include an operator's manual, parts catalog and shop repair manual. The books and manuals shall be delivered to the City of Flagstaff Fleet Superintendent at the time the equipment is delivered. Delivery shall not be considered complete and payment shall not be made until all required manuals and books are received. Two sets of all manuals maybe submitted in CD format.

17. **SITE VISIT:** At any time during the term of the Contract, the City, at their sole option, may request a visit and inspection of the Contractor's facility to ensure that the Contractor has the necessary equipment and qualifications to perform the requirements of this Invitation for Bid.



Snow Blower



Snow Plow



Material Spreader



Snow Broom

7. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Randall Groth, Project Manager
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Contract: Approve the construction contract with RTR Paving and Resurfacing, LLC in the amount of $1,246,470.00 for the Industrial Drive and Fanning Wash Improvement project.

STAFF RECOMMENDED ACTION:

1. Approve the construction contract with RTR Paving and Resurfacing, LLC in the amount of $1,246,470.00 and a contract duration of 275 calendar days;
2. Approve a contract allowance of $62,323.50, which is 5% of the lowest responsive bid;
3. Approve Change Order Authority to the City Manager in the amount of $124,647.00 which is 10% of the lowest responsive bid;
4. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Award of the construction contract to RTR Paving and Resurfacing, LLC will authorize the construction of the Industrial Drive and Fanning Wash Improvement project in accordance with the approved public improvement plans prepared by Shephard-Wesnitzer, Inc. (SWI).

The project will complete the third and final phase of the Industrial Drive transportation network improvements from Fanning Drive to Country Club Drive, as approved by voters in May 2000 (Transportation Tax).

The general project scope includes demolition work, installation of 1,050 LF of new water main and a water service, fire hydrants, retaining walls, fencing, dual 103” x 71” stormwater pipes and appurtenant improvements, headwalls, material import, 1,466 LF of a new 42’ wide pavement section, curb & gutter, street lighting, driveway approaches, sidewalk, communications conduit and pavement striping. Please see the attached context and vicinity maps.

Financial Impact:

The project is funded by Transportation Tax Revenues from the FY 20 authorized budget of $3,644,797. The budget accommodates construction cost, permitting, testing and inspection, chip seal fund payment, design, Capital Improvements project management costs and the final Letter of Map Revision (LOMR) required by FEMA following construction completion.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Council Goal – Transportation and Other Public Infrastructure
Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

Team Flagstaff Strategic Plan - Priority 3
Deliver outstanding services through a healthy environment, resources, and infrastructure.

Regional Plan – Policy WR2.2
Maintain and develop facilities to provide reliable, safe and cost-effective water, wastewater and reclaimed water services.

Has There Been Previous Council Decision on This:

Council has previously approved the FY 2020 Capital Improvement 5-year Plan and authorized the FY 2020 budget for this project.

The City Council authorized the needed property acquisition from Block-Lite and the associated cost-to-cure via Ordinance No. 2019-18. The property acquisition and cost-to-cure were $533,075.

1. First reading - June 18, 2019 Council meeting
2. Second reading – July 2, 2019 Council meeting

Options and Alternatives:

1. Approve the award for the construction contract as recommended. Approval will allow work on the project to move forward.
2. Reject all bids. This action would delay the project.
    1. If rejection occurs, possible options include;
        1. Re-advertise the project and open new bids or
        2. Suspend or cancel the project

Background/History:

The three-phased Industrial Drive improvement project has a general scope to upgrade sewer and water systems, construct new roadway pavement and the associated edge improvements. Phase I, from Fanning Drive to Eagle Mountain Drive, was completed in 2010. Phase II, from Nestle Purina Avenue to Huntington Drive, was completed in December 2015. Phase III will complete the connection between Huntington Drive and Eagle Mountain Drive with construction targeted for calendar 2019 and 2020.

The City has acquired approximately 84,114 square feet of the Block-Lite property for ROW and 13,922 square feet for a Temporary Construction Easement.

The Fanning Wash drainage improvement component will replace the existing high maintenance, low water crossing and will convey the 100-year storm frequency beneath the new

roadway and into an existing drainage course. Upon completion of construction, a Letter of Map Revision (LOMR) will be submitted to FEMA requesting an update to the Flood Insurance Rate Map (FIRM).

On August 22, 2019 the Purchasing Section posted an Invitation for Bids (IFB) solicitation for construction on the PlanetBids' website and advertised the IFB in the Arizona Daily Sun on August 25, and September 1, 2019. There were seven (7) bids received and opened electronically on September 24, 2019. A summary of the bids received are identified in the Key Considerations section below. RTR Paving and Resurfacing, LLC was determined to be the lowest responsive and responsible bidder.

Key Considerations:

On September 24, 2019, bids were received to construct the Industrial Drive and Fanning Wash Improvements. The summary results are listed below.

Company	Bid
Engineer's Estimate	*1,479,816.50*
RTR Paving & Resurfacing	1,246,470.00
Mountain High Excavating	1,406,990.00
LP's Excavating	1,407,402.20
Kinney Construction	1,436,125.00
Eagle Mountain Construction	1,739,000.00
Standard Construction (bid rejected as non-responsive)	2,241,021.00
Combs Construction	2,362,863.25
Allowance at 5% of the low bid	*62,323.50*

The **contract allowance** is established to address unanticipated items of work, unknown items of work and/or differing field conditions and with authorization will be included in the contract amount. The allowance is used only at the City's discretion.

Change Order Authority establishes a dollar amount (10% of the contract amount) and provides the City Manager, on behalf of the Council, administrative authority to amend the contract amount in response to unforeseen costs that are more than the contracted amount.

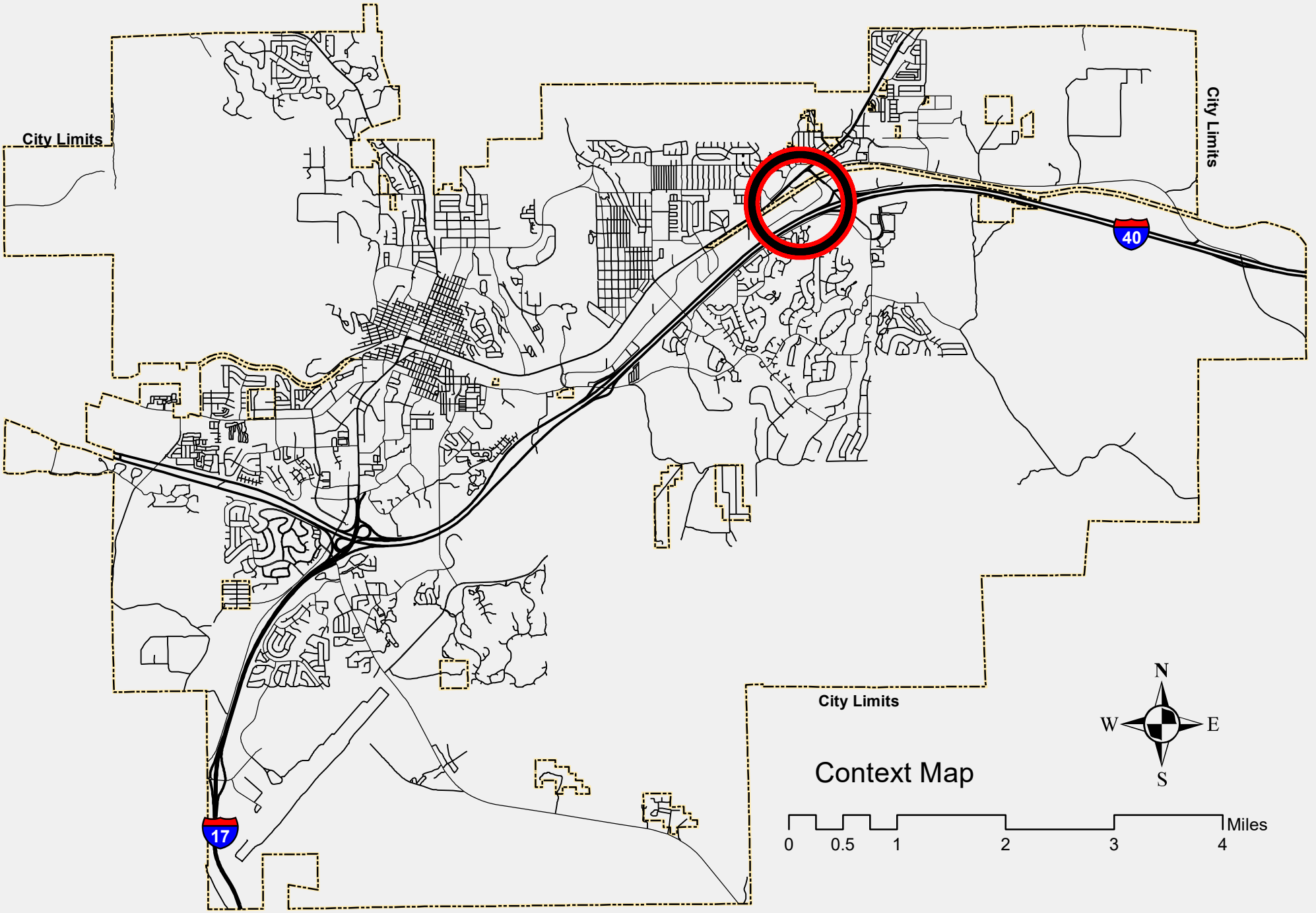
Community Benefits and Considerations:

The project will complete the missing segment of the Industrial Drive upgrade to meet the City's Engineering Standards for Industrial Drive's classification as a Minor Arterial, Truck Route.

Attachments:

Context Map
Vicinity Map
Allowance Justification
Construction Contract
Contract Exhibit A
Contract Exhibit B

Industrial Dr. & Fanning Wash Improvements





ROAD & UTILITY IMPROVEMENTS

FANNING WASH IMPROVEMENTS

Vicinity Map
Industrial Drive & Fanning Wash Improvements

0 60 120 240 360 480 Feet

N
W E
S

CITY OF FLAGSTAFF

CONTRACT SUPPLEMENTARY JUSTIFICATION

☒ CONTRACT ALLOWANCE

☒ ADMINISTRATIVE CHANGE ORDER

PROJECT NO.	ST 3056	**PROJECT NAME**	Industrial Dr. & Fanning Wash Imp.
FILE NO.	03-09008	**PROJECT MANAGER**	Randall E. Groth
CONTRACTOR / CONSULTANT	RTR Paving and Resurfacing, LLC		

PROJECT DESCRIPTON

The general project scope includes demolition work, installation of 1,050 LF of new water main and 1 water service, fire hydrants, streetlights, retaining walls, dual 103" x 71" storm water pipes and associated improvements, headwalls, material import, 1,466 LF of road prism construction and a new 42' wide pavement section, curb & gutter, driveway approaches, sidewalk, communications conduit and pavement striping. (Vicinity Map Attached)

JUSTIFICATION FOR USE & AMOUNT

Contract Allowance Amount	$ 62,323.50 (5%)	**Administrative Change Order Amount**	$124,647.00 (10%)

Justification

Request is to provide an allowance to accommodate unanticipated and/or unforeseen issues and for quantity adjustments. Plan quantities are considered accurate but final quantities are measured during construction. The contractor must be compensated for actual quantities of work (MAG 102.3). Quantities often change because of unknown and/or necessary field changes. Without an allowance, project work may need to be suspended until an agenda item can be brought before Council for consideration and approval. An allowance will provide needed flexibility in delivery of improvements, minimizing negative impacts to the community during construction. Any additional quantities needed do become an asset of the City and any unused fund allocation is returned to the program fund.

COST / BUDGET / FUNDING SOURCE ANALYSIS

Contract Allowance Amount	$ 62,323.50 (5%)	**Administrative Change Order Amount**	$124,647.00 (10%)

Justification

Allowance request is 5% and Change Order Amount is 10% of the $1,246,470.00 low bid from RTR Paving. Adequate funding is in the FY 20 authorized budget of $3,644,797. Funding is Transportation Tax Revenues. The budget accommodates design, property acquisition with cost-to-cure ($533,075), construction estimated cost, permitting, testing and inspection, chip seal fund payment, soft costs, Capital Improvements project management costs and the final Letter of Map Revision (LOMR) required by FEMA following construction completion.

APPROVALS

	Signature		Date
Project Manager	Randall E. Groth	Randall E. Groth	09.26.2019
Program Manager		Bret C. Petersen	10/8/19
Section Head		Richard A. Barrett	10/10/19
Division Head		Daniel Folke	10/11/19

CONSTRUCTION CONTRACT #2020-19

City of Flagstaff, Arizona
and
RTR Paving and Resurfacing, LLC

This Construction Contract ("Contract") is made and entered into this _____ day of _____ 2019, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Owner") and RTR Paving and Resurfacing, LLC, and Arizona limited liability company ("Contractor") with offices at 3602 N. Schevene Blvd, Flagstaff, Arizona. Contractor and the Owner may be referred to each individually as a "Party" and collectively as the "Parties."

RECITALS

A. Owner desires to obtain construction services; and

B. Contractor has available and offers to provide personnel and materials necessary to accomplish the work and complete the Project as described in the Scope of Work within the required time in accordance with the calendar days included in this Contract.

NOW, THEREFORE, the Owner and Contractor agree as follows:

1. Scope of Work. The Contractor shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities for the **Industrial Drive & Fanning Wash Improvements** (the "Project"). The Project scope is specific to the attached Special Provisions (Exhibit B). Contractor shall construct the Project for the Owner in a good, workmanlike and substantial manner and to the satisfaction of the Owner through its engineers and under the direction and supervision of the City Engineer, or his properly authorized agents including but not limited to project managers and project engineers. Contractor's work shall be strictly pursuant to and in conformity with the Contract.

1.1 A Pre-Construction Conference will be held with the successful Contractor after the Notice of Award is issued. The date and time of the Conference will be agreed upon between the Contractor and the Engineer. The meeting will be held at City Hall, 211 West Aspen Avenue, Flagstaff, AZ 86001. The purpose of the meeting is to outline specific construction items and procedures that the Owner feels require special attention on the part of the Contractor. The Contractor may also present any variations in procedures to improve the workability of the Project, reduce the cost, or reduce inconvenience to the public. The Contractor shall submit a written proposal at this conference outlining intended plans for pavement replacement, maintaining continuous access to residences and businesses along the construction site, and traffic control.

2. Contract; Ownership of Work. Contractor shall furnish and deliver all of the materials and perform all of the work in accordance with this Contract; Construction Plans; Special Provisions; the City of Flagstaff Engineering Design and Construction Standards and Specifications;

the latest version of the Maricopa Association of Governments ("MAG") Specifications for Public Works Construction and City revisions to the MAG Specifications for Public Works Construction ("Exhibit A"); and any Arizona Department of Transportation (A.D.O.T.) Standards that may be referenced on the Plans or in the specifications, incorporated in this Contract by reference, plans and associated documents. All provisions of the Invitation for Construction Bids, Performance Bond, Payment Bond, Certificates of Insurance, Addenda, Change Orders and Field Orders, if any, are hereby incorporated into this Contract. All materials, work, specifications and plans shall be the property of the Owner.

The following exhibits are incorporated by reference and are expressly made a part of this Contract:

2.1.1 Revisions of MAG Standard Specifications for Public Works Construction ("Flagstaff Addendum to MAG")	Exhibit A
2.1.2 Special Provisions	Exhibit B

3. Payments. In consideration of the faithful performance of the work described in this Contract, the Owner shall pay an amount not to exceed ***$1,246,470.00***, and ***$62,323.50*** contract allowance for a total amount of **$1,308,793.50** to the Contractor for work and materials provided in accordance with the bid schedule, which amount includes all federal, state, and local taxes, as applicable. This amount shall be payable through monthly progress payments, subject to the following conditions:

3.1 Contractor shall promptly submit to the Owner all proper invoices necessary for the determination of the prices of labor and materials;

3.2 Progress payments shall be made in the amount of ninety percent (90%) of the value of labor and materials incorporated in the work, based on the sum of the Contract prices of labor and material, and of materials stored at the worksite, on the basis of substantiating paid invoices, as estimated by the Owner, less the aggregate of all previous payments, until the work performed under this Contract is fifty percent (50%) complete. When and after such work is fifty (50%) complete, the ten percent (10%) of value previously retained may be reduced to five percent (5%) of value completed if Contractor is making satisfactory progress as determined by the Owner, and providing that there is no specific cause or claim requiring a greater amount to be retained. If at any time the Owner determines that satisfactory progress is not being made, the ten percent (10%) retention shall be reinstated for all subsequent progress payments made under this Contract;

3.3 The City Engineer shall have the right to finally determine the amount due to Contractor;

3.4 Monthly progress payments shall be made by the Owner, on or before fourteen (14) calendar days after the receipt by the Owner of an approved estimate of the work completed;

3.5 Contractor agrees that title to materials incorporated in the work, and stored at the site, shall vest with the Owner upon receipt of the corresponding progress payment;

3.6 The remainder of the Contract price, after deducting all such monthly payments and any retention, shall be paid within sixty (60) days after final acceptance of completed work by the Owner. The release of retention or alternate surety shall be made following the Owner's receipt and acceptance of: Contractor's Affidavit Regarding Settlement of Claims, Affidavit of Payment, Consent of Surety for Final Payment, and Unconditional Full and Final lien waivers from all subcontractors and suppliers who have filed an Arizona Preliminary 20 Day Lien Notice in accordance with A.R.S. §§ 33-992.01 and 33-992.02.

4. Time of Completion. Contractor agrees to complete all work as described in this Contract within **two hundred seventy-five (275) calendar days** from the date of the Owner's Notice to Proceed free of all liens, claims and demands of any kind for materials, equipment, supplies, services, labor, taxes and damages to property or persons, in the manner and under the conditions specified within the time or times specified in this Contract.

5. Performance of Work. All work covered by this Contract shall be done in accordance with the latest and best accepted practices of the trades involved. The Contractor shall use only skilled craftsmen experienced in their respective trades to prepare the materials and to perform the work.

6. Acceptance of Work; Non Waiver. No failure of the Owner during the progress of the work to discover or reject materials or work not in accordance with this Contract shall be deemed an acceptance of, or a waiver of, defects in work or materials. No payment shall be construed to be an acceptance of work or materials which are not strictly in accordance with the Contract.

7. Delay of Work. Any delay in the performance of this Contract due to strikes, lockouts, fires, or other unavoidable casualties beyond the control of the Contractor and not caused by any wrongful act or negligence of the Contractor shall entitle the Contractor to an extension of time equal to the delay so caused. The Contractor shall notify the Owner in writing specifying such cause within twenty-four (24) hours after its occurrence. In the event such delay is caused by strikes, lockouts, or inability to obtain workmen for any other cause, the Owner shall have the right but shall not be obligated to complete the work on the same basis as is provided for in Section 13 below (Contract Violations).

8. Failure to Complete Project in Timely Manner. If Contractor fails or refuses to execute this Contract within the time specified in Section 4 above, or such additional time as may be allowed, the proceeds of Contractor's performance guaranty shall become subject to deposit into the Treasury of the municipality as monies available to compensate the Owner for damages as provided by A.R.S. § 34-201 for the delay in the performance of work under this Contract, and the necessity of accepting a higher or less desirable bid from such failure or refusal to perform this Contract as required. If Contractor has submitted a certified check or cashier's check as a performance guaranty, the check shall be returned after the completion of this Contract.

9. Labor Demonstration. It is understood that the work covered by this Contract is for the Owner's business purposes and that any unfavorable publicity or demonstrations in connection with the work will have a negative effect upon the Owner. If Contractor's actions in performance of the Contract result in any public demonstration on behalf of the laborers or organized labor in the vicinity of the Owner's premises, whether such demonstration is in the form of picketing, posting of

placards or signs, violence, threats of violence or in any other form, which in the Owner's judgment, might convey to the public the impression that the Owner or the Contractor or any subcontractor is unfair to laborers or to organized labor, the Owner shall have the right to terminate this Contract immediately, unless the Contractor shall have caused such demonstration to be discontinued within two (2) days after request of the Owner to do so. In the event any such demonstration is attended by violence, the Owner may fix lesser time within which a discontinuance shall be accomplished. In the event of Contract termination, the Contractor agrees to remove from the Premises within twenty-four (24) hours of termination, all machinery, tools, and equipment belonging to it or to its subcontractors. All obligations or liabilities of the Owner to the Contractor shall be discharged by such termination, except the obligation to pay to the Contractor a portion of the Contract price representing the value based upon the Contract prices of labor and materials incorporated in the work as established by the Owner, less the aggregate of all previous payments, but subject to all of the conditions pertaining to payments generally.

10. Material Storage. During the progress of the work, the Contractor shall arrange for office facilities and for the orderly storage of materials and equipment. Contractor shall erect any temporary structures required for the work at his or her own expense. The Contractor shall at all times keep the premises reasonably free from debris and in a condition which will not increase fire hazards. Upon completion of the work, the Contractor shall remove all temporary buildings and facilities and all equipment, surplus materials and supplies belonging to the Contractor. Contractor shall leave the Premises in good order, clean, and ready to use by the Owner. The establishment of any temporary construction yard, material storage area or staging area to be located within City of Flagstaff limits and outside the public right-of-way or Project limits generally requires a Temporary Use Permit. (See Exhibit A, Section 107.2.1.)

11. Maintenance During Winter Suspension of Work. A "Winter Shutdown" is the period of time typically including December through March during which no Work will be performed by any person or entity (including but not limited to the Contractor) on the Project and Contractor shall shutdown, properly insulate and shelter the Project in a safe and workmanlike manner pursuant to local, state and federal laws. Although December through March is typically the time frame, the City reserves the right to initiate and terminate a Winter Shutdown at the City's sole discretion in the event of adverse weather conditions. A Winter Shutdown may be declared by the City despite delays, *for any reason,* on the Project. City retains the right to declare a Winter Shutdown. If work has been suspended due to winter weather, the Contractor shall be responsible for maintenance and protection of the improvements and of partially completed portions of the work until final acceptance of the project. Winter Shutdown shall be by field order, change order or original contract. If repairs and/or maintenance are needed during the Winter Shutdown, the Contractor is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The City shall provide snow removal operations on active traffic lanes only during the Winter Shutdown. All other snow removal and maintenance operations shall be the responsibility of the Contractor during the Winter Shutdown. All cost associated with snow removal and proper disposal

shall be considered incidental to the work including repair of temporary surface improvements due to normal wear and snow removal operations during the Winter Shutdown.

12. Assignment. Contractor shall not assign this Contract, in whole or in part, without the prior written consent of the Owner. No right or interest in this Agreement shall be assigned, in whole or in part, by Contractor without prior written permission of the City and no delegation of any duty of Contractor shall be made without prior written permission of the Owner. The Owner shall not unreasonably withhold consent to such assignment. Contractor agrees that any assignment agreement between Contractor and the Assignee shall include and subject to the assignee to all obligations, terms and conditions of this Contract and that Contractor shall also remain liable under all obligations, terms and conditions of this Contract.

13. Notices. Many notices or demands required to be given, pursuant to the terms of this Contract, may be given to the other Party in writing, delivered in person, sent by facsimile transmission, emailed, deposited in the United States mail, postage prepaid, or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph. However, notices of termination, notices of default and any notice regarding warranties shall be sent via registered or certified mail, return receipt requested at the address set forth below ***and*** to legal counsel for the party to whom the notice is being given.

If to Owner:	**If to Contractor:**
Patrick Brown, C.P.M. CPPB	Richard Walters
Purchasing Director	Owner
211 West Aspen Avenue	P.O. Box 30536
Flagstaff, AZ 86001	Flagstaff, AZ 86003

14. Contract Violations. In the event of any of the provisions of this Contract are violated by the Contractor or by any of Contractor's subcontractors, the Owner may serve written notice upon the Contractor and the Surety of its intention to terminate such Contract (the "Notice to Terminate"). The Contract shall terminate within five (5) days of the date Contractor receives the Notice to Terminate, unless the violation ceases and Contractor makes arrangements for correction satisfactory to the Owner. In the event of any such termination, the Owner shall immediately serve notice of the termination upon the Surety by registered mail, return receipt requested. The Surety shall have the right to take over and perform the Contract. If the Surety does not commence performance within ten (10) days from the date of receipt of the Owner's notice of termination, the Owner may complete the work at the expense of the Contractor, and the Contractor and his or her Surety shall be liable to the Owner for any excess cost incurred by the Owner to complete the work. If the Owner completes the work, the Owner may take possession of and utilize such materials, appliances and plants as may be on the worksite site and necessary for completion of the work.

15. Termination for Convenience. The Owner may terminate this contract at any time for any reason by giving at least **thirty (30) days** written notice to the Contractor. If termination occurs under this Section 15, the Contractor shall be paid fair market value for work completed by Contractor as of the date of termination. The parties agree that fair market value shall be determined

based on the Contractor's original bid price, less any work not yet completed by the Contractor as of the date the written notice of termination is given to the Contractor.

16. Contractor's Liability and Indemnification. To the fullest extent permitted by law, Provider shall indemnify, save and hold harmless the City of Flagstaff and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against liabilities, damages, losses and costs, including reasonable attorney fees, but only to the extent caused by the, recklessness or intentional wrongful conduct of the contractor, subcontractor or design professional or other persons employed or used by the contractor, subcontractor or design professional in the performance of the contract. The amount and type of insurance coverage requirements set forth in the Contract (Section 103.6 of Exhibit A) will in no way be construed as limiting the scope of the indemnity in this paragraph.

17. Non Appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the Owner to meet the Owner's obligations under this Contract, the Owner will notify Contractor in writing of such occurrence, and this Contract will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Contract are exhausted. No payments shall be made or due to the other party under this Contract beyond these amounts appropriated and budgeted by the Owner to fund the Owner's obligations under this Contract.

18. Amendment of Contract. This Contract may not be modified or altered except in writing and signed by duly authorized representatives of the parties.

19. Subcontracts. Contractor shall not enter into any subcontract, or issue any purchase order for the completed work, or any substantial part of the work, unless in each instance, prior written approval shall have been given by the Owner. Contractor shall be fully responsible to the Owner for acts and omissions of Contractor's subcontractors and all persons either directly or indirectly employed by them.

20. Cancellation for Conflict of Interest. This Contract is subject to the cancellation provisions of A.R.S. § 38-511.

21. Compliance with All Laws. Contractor shall comply with all applicable laws, statutes, ordinances, regulations and governmental requirements in the performance of this Contract.

22. Employment of Aliens. Contractor shall comply with A.R.S. § 34-301, which provides that a person who is not a citizen or ward of the United States shall not be employed upon or in connection with any state, county or municipal public works project.

23. Compliance with 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. Contractor acknowledges that pursuant to A.R.S. 41-4401 a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this contract, and that the City retains the legal right to inspect the papers of any employee who works on the contract to ensure compliance with this warranty.

24. Contractor's Warranty. 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, Verification of Employment Eligibility. Contractor shall not employ aliens in accordance with A.R.S. § 34-301, Employment of Aliens on Public Works Prohibited. Contractor acknowledges that pursuant to A.R.S. § 41-4401, Government Procurement; E-Verify Requirement; Definitions, a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this Contract, and that the Owner retains the legal right to inspect the papers of any employee who works on the Contract to ensure compliance with this warranty.

25. Jurisdiction and Venue. This Contract shall be administered and interpreted under the laws of the State of Arizona. The Contractor hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

26. Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Contract, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

27. Time is of the Essence. Contractor acknowledges that the completion of the Contract by the dates specified final completion is critical to the Owner, time being of the essence of this Contract.

28. No Third Party Beneficiaries. The Parties acknowledge and agree that the terms, provisions, conditions, and obligations of this Contract are for the sole benefit of, and may be enforceable solely by, the Parties to this Contract, and none of the terms, provisions, conditions, and obligations of this Contract are for the benefit of, or may be enforced by, any person or entity not a party to this Contract.

29. Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Contract.

30. Severability. If any part of this Contract is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Contract shall remain in full force and effect unless the stricken provision leaves the remaining Contract unenforceable.

IN WITNESS WHEREOF, the Owner and Contractor, by their duly authorized representatives, have executed this Contract as of the date written above.

(Please sign in blue ink. Submit original signatures – photocopies not accepted)

Owner, City of Flagstaff **RTR Paving and Resurfacing, LLC**

Greg Clifton, City Manager	Signature
Attest:	Printed Name
City Clerk	Title
Approved as to form:	
City Attorney	

CITY OF FLAGSTAFF
AMENDMENTS
to
MAG STANDARD SPECIFICATIONS
FOR PUBLIC WORKS CONSTRUCTION
(General Provisions)

Amended May 2019

The
MAG UNIFORM STANDARD SPECIFICATIONS
for
PUBLIC WORKS CONSTRUCTION
is hereby amended to include the following:

PART 100 - GENERAL CONDITIONS

SECTION 102 - BIDDING REQUIREMENTS AND CONDITIONS

102.1 ELIGIBILITY AND PREFERENCE:
(revise to include the following)

If requested by the City, a Bidder shall furnish satisfactory evidence of the Bidder's competency to perform the proposed work. Such evidence of competency, unless otherwise specified, shall consist of statements covering the Bidder's experience on similar work, a list of equipment that would be available for the work and a list of key personnel that would be available.

In addition, if requested, a Bidder shall furnish the City of Flagstaff with satisfactory evidence of the Bidder's financial responsibility. Such evidence of financial responsibility, unless otherwise specified, shall consist of a confidential statement or report of the Bidder's financial resources and liabilities as of the last calendar year or the contractor's last fiscal year. Such statements or reports shall be certified by a public accountant. At the time of submitting such financial statements or reports, the Bidder shall further certify whether the Bidder's financial responsibility is approximately the same as stated or reported by the public accountant. If the Bidder's financial responsibility has changed, the Bidder shall qualify the public accountant's statement or report to reflect the Bidder's true financial condition at the time such qualified statement or report is submitted to the City of Flagstaff.

The Bidder shall submit such "evidence of competency" and "evidence of financial responsibility" to the City of Flagstaff no later than five (5) working days after receipt of a written request by the City of Flagstaff.

Each bidder, contractor and subcontractor shall possess and maintain the appropriate contractor's license for the work included in this contract. The appropriate license shall be as required by the Arizona State Registrar of Contractors and as required by Arizona Revised Statutes Chapter 10, Title 32.

102.2 CONTENTS OF PROPOSAL PAMPHLET:
(revise to include the following)

The Plans, Specifications and other Documents designated in the Contract Documents shall be considered a part of the Contract whether attached or not.
The City of Flagstaff reserves the right to refuse to issue a proposal form or accept a proposal form from a prospective Bidder if they are in default for any of the following reasons:

(A) Failure to comply with any prequalification regulations of the City of Flagstaff, if such regulations are cited or otherwise included in the Proposal as a requirement for bidding;

(B) Failure to pay or satisfactorily settle all bills due for labor and materials on former contracts in force (with the City of Flagstaff) at the time the City of Flagstaff issues the Proposal to a prospective Bidder;

(C) Contractor, as a company owner, has defaulted under previous contract(s) with the City of Flagstaff in the prior five calendar years;

(D) Record of unsatisfactory work on previous contract(s) with the City of Flagstaff in the prior five calendar years.

102.2 CONTENTS OF PROPOSAL PAMPHLET:
(third paragraph, revise last sentence to read as follows)

In the case of conflict, the following order of precedence shall govern:

1. Construction Plans and Addenda
2. Special Provisions
3. General Provisions and MAG Revisions
4. City of Flagstaff Standards and Specifications
5. MAG Standards and Specifications
6. ADOT Standards and Specifications
7. FHWA Manual of Uniform Traffic Control Devices

102.4 EXAMINATION OF PLANS, SPECIAL PROVISIONS AND SITE OF WORK:
(revise to include the following)

Before submitting a bid, each bidder shall examine the site and obtain information that pertains to the physical conditions of the site that may affect the cost, progress or performance of the work. Any restrictions or difficulties relating to the completion of the work shall be considered in accordance with the terms and conditions of the contract documents.

102.7 IRREGULAR PROPOSALS:
(revise to include the following)

The City of Flagstaff reserves the right to reject any irregular Proposal and the right to waive technicalities for acceptance of Proposals, if such waiver is in the best interest of the City of Flagstaff and conforms to local laws and ordinances pertaining to the letting of construction contracts. Proposals shall be considered irregular for the following additional reasons:

(A) If the Proposal contains unit prices that are obviously unbalanced.

(B) If the Proposal is not accompanied by the proposal guaranty specified by the City.

102.12 DISQUALIFICATION OF BIDDERS:
(revise to include the following)

A Bidder shall also be considered disqualified if the Bidder is considered in default for any reason specified in Subsection 102.2 as amended by this MAG Amendment.

102.13 SUCCESSFUL BIDDERS:
(revise paragraph to read as follows)

The City of Flagstaff shall provide six (6) sets of plans and Contract Documents at no cost. A direct expense fee shall be charged for any additional copies.

SECTION 103 - AWARD AND EXECUTION OF CONTRACT

103.6 CONTRACTOR'S INSURANCE:

103.6.1 GENERAL:
(revise subsection to read as follows)

The Contractor and its Subcontractors, at Contractor's and Subcontractors' own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, 7, or approved by the City. The insurance company shall be licensed in the State of Arizona. Policies and forms shall be satisfactory to the City.

All insurance required herein shall be maintained in full force and effect until all work and/or services required to be performed, under the terms of the Contract, are satisfactorily completed and formally accepted. At the sole discretion of the City, failure to do so may constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the City. Any insurance or self-insurance maintained by the City shall not contribute to it.

Contractor shall not fail to comply with the claim reporting provisions of the insurance policies or cause a breach of any insurance policy warranty that would affect coverage afforded under insurance policies to protect the City.

The insurance policies (except Worker's Compensation) shall contain a waiver of transfer of rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retentions, and the City, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

Except for Worker's Compensation, the insurance policies, required by this Contract shall name the City, its agents, representatives, officers, directors, officials and employees as additional insureds.

Required Coverage

A. Commercial General Liability

The Contractor shall maintain Commercial General Liability insurance with a limit of not less than $1,000,000 for each occurrence with a $2,000,000 Products/Completed Operations Aggregate and a $2,000,000 General Aggregate Limit. The Policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage. Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision, which would serve to limit third party action

over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185, and shall include coverage for Contractor's operations and products and completed operations.

B. Owners and Contractor's Protective Liability

The Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Work or Contractor's operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than $1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

C. Automobile Liability

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to the Contractor's any auto, all owned autos, scheduled autos, hired autos, non-owned autos assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off-loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and $5,000,000 per accident limits for bodily injury and property damage shall apply.

D. Worker's Compensation

The Contractor shall carry Worker's Compensation insurance to cover obligations imposed by federal and state statues having jurisdiction of Consultant's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than $100,000 for each accident, $100,000 disease for each employee, and $500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of the Contractor.

E. Builder's Risk (Property) Insurance (As Required)

When the project includes construction of a new building, an addition to an existing building, modifications to an existing building, or as otherwise may be required by the contracting agency, the Contractor shall purchase and maintain, on a replacement cost basis, Builder's Risk insurance

in the amount of the initial Contract Amount as well as subsequent modifications thereto for the entire work at the site. At a minimum, the policy limits of such insurance shall be equal in face amount to the full Contract Amount. Such Builder's Risk insurance shall be maintained until final payment has been made or until no person or entity other than the City has an insurable interest in the property required to be covered, whichever is earlier. This insurance shall include interests of the City, the Contractor, and all Subcontractors and Sub-Subcontractors in the work during the life of the Contract and course of construction, and shall continue until the work is completed and accepted by the City. For new construction projects, the Contractor agrees to assume full responsibility for loss or damage to the work being performed and to the buildings under construction. For renovation construction projects, the Contractor agrees to assume responsibility for loss or damage to the work being performed at least up to the full Contract Amount, unless otherwise required by the Contract Documents or amendments thereto.

Builder's Risk insurance shall be on an all-risk policy form and shall cover false work and temporary buildings. Builder's Risk insurance shall insure against risk of direct physical loss or damage from external causes including debris removal, demolition occasioned by enforcement of any applicable legal requirements and shall cover reasonable compensation for Architect's service and expenses required as a result of such insured loss and other "soft costs" as required by the Contract.

Builder's Risk insurance must provide coverage from the time any covered property becomes Contractor's control and/or responsibility, and continue without interruption during construction or renovation or installation, including any time during which the covered property is being transported to the construction installation site, and while on the construction or installation site awaiting installation. The policy will provide coverage while the covered premises or any part thereof is occupied. Builder's Risk insurance shall be primary and not contributory.
If the Contract requires testing of equipment or other similar operations, at the option of the City, the Contractor will be responsible for providing property insurance for these exposures under a Boiler Machinery insurance policy.

Required coverage may be modified by an amendment to the Contract Documents.

Certificates of Insurance

Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, or formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policies required by this contract are written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid/project number and project name. A $25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

Cancellation and Expiration Notice

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days written notice to the City.

SECTION 104 - SCOPE OF WORK

104.1.3 WATER SUPPLY:
(revise to include the following)

The Contractor is advised that the use of fire hydrants as a source of construction water is not guaranteed and is subject to the restrictions, terms and conditions of the City of Flagstaff Utilities Department. Prior to submitting a bid, the Contractor shall determine such restrictions, terms and conditions and shall incorporate the costs thereof into his or her proposal.

If hydrants are not available as a source of construction water, reclaimed water is available at the Wildcat Hill Wastewater Treatment plant on East Highway 66 and at the south end of Babbitt Drive at the Rio De Flag Water Reclamation Plant. Additional reclaimed water bulk loading sites are located in other areas of the city. The contractor should obtain current locations from the Utilities Department. **Current rates for the reclaimed water shall apply**.

Prior to loading, hauling and applying reclaim water, the Contractor shall be required to obtain the necessary no fee permit at the Wildcat Hill Wastewater Treatment Plant or from the Rio De Flag plant and shall be responsible for complying with all permit and ADEQ requirements regarding the use of reclaim water.

104.2 ALTERATION OF THE WORK:

104.2.3 DUE TO EXTRA WORK:
(revise to include the following)

When Allowance and/or Contingency items are provided for in the contract, the funds are encumbered for use at the discretion of the Project Manager. The funds are to cover unanticipated costs to complete items of work not included in the Contract Documents or may be applied to any

work deemed necessary by the Owner. Work would include, but not limited to, unanticipated conditions, scope changes, addressing errors or omissions, and/or construction changes that are warranted for project completion consistent with the purpose of the work. The amount of the allowance item is determined by the City and is not subject to individual bid pricing. All bidders shall incorporate the amount pre-entered in the bid proposal and shall reflect the same in the total amount bid for the project.

The allowance item provides an estimated funding to cover unforeseen changes that may be encountered and corresponding extra work needed to complete the contract. Any work which is to be paid out of this allowance shall be authorized in writing and approved by Field Order prior to proceeding with the work. Extra work shall be paid for in the following order of precedence: 1.) by extension of unit bid prices, 2.) by negotiated price or 3.) by a time and materials basis in accordance with MAG Section 109.5.

It shall be understood that the amount for this item in the proposal is an estimate only and no guarantee is given that the full amount or any portion thereof will actually be utilized. It shall not be utilized without first obtaining an approved Field Order signed by the Contractor and the Project Manager.

105.2.1 RECORD DRAWING PREPARATION AND COORDINATION
(revise to include new subsection as follows)

Record drawing preparation shall be the obligation of the Contractor whose purpose is to accurately record and depict the as-built conditions. During the construction phase and prior to backfilling or covering of improvements, the Contractor shall have the work surveyed and recorded for record drawing preparation.

The Contractor shall maintain a redline working copy of the project plans which shall include changes made in construction of the project. The redline copy of the plans shall be updated weekly.

105.2.2 RECORD DRAWING (As-Built Plans)
(revise to include new subsection as follows)

The Contractor shall retain an Arizona licensed civil engineer to record as-built information per Arizona Revised Statute § 32-152. Water and sewer record drawing certification shall comply with ADEQ R18-5-508 (drinking water) and ADEQ R18-9-E301 (sewage collection) requirements for as-built drawings. Unless otherwise noted, the City will complete and submit the Engineer's Certificate of Completion to ADEQ.

Prior to the City's final approval and acceptance of public improvements (sanitary sewer, water, storm sewer, streets) as-built plans must be submitted to the City for review and acceptance per Engineering Standard Specifications.

Submittal shall be two sets of blue or black line paper sets, copied from the original mylar set. One set will be reviewed by the City and returned with applicable comments. Comments are to be addressed and two paper sets resubmitted for City's final approval. A reference checklist is available from the office of the City Engineer.

Upon City and ADEQ (when applicable) review and approval of the submittal, one set of mylars shall be submitted to the City as a permanent record. All record drawing plan sets shall contain a statement by a licensed professional engineer, currently registered to practice in Arizona, certifying that the drawings are per the as-built condition. The record set requires the seal and signature of the registrant.

Payment shall be lump sum for all work required to develop the necessary documents, including but not limited to coordination, field inspection, survey, drafting, printing and engineer's seal. The fee shall include as-built information for all record changes within the project area.

SECTION 105 - CONTROL OF WORK

105.8 CONSTRUCTION STAKES, LINES AND GRADES:
(revise entire subsection to read as follows)

The Contractor shall be responsible for all required construction staking, including preconstruction staking for relocation of existing utilities. All construction staking is to be done under the direct supervision of a Registered Land Surveyor or Civil Engineer. All costs associated with this work are to be included in the amount bid for the items of work to which it is incidental or appurtenant. No separate payment will be made for construction staking.

105.10 INSPECTION OF THE WORK
(revise to include the following)

The Contractor is responsible for Quality Control of the work. The City will perform Quality Assurance; frequency of testing will be determined by the City. The Contractor shall be responsible for coordinating and scheduling all inspections of the work and shall confirm that the required inspections and material testing are completed and accepted prior to proceeding with additional work. The Contractor is required to perform the work to a confidence level that the City's Quality Assurance will validate that the work meets specification(s).

105.11 REMOVAL OF UNACCEPTABLE AND UNAUTHORIZED WORK:
(revise to include the following)

Any work and/or materials condemned by the Project Manager as inferior or not in compliance with the Contract, Specifications and Plans shall be immediately removed by the Contractor. Materials and/or work so condemned shall be removed and promptly replaced and executed in accordance with the Contract, Specifications and Plans without any expense to the Owner. The Contractor shall bear the expense of making good on all work of other contractors destroyed or damaged by such removal and replacement.

105.12 MAINTENANCE DURING CONSTRUCTION:
(revise to include the following)

The Contractor is responsible to provide adequate drainage for the construction area at all times. Damage to any portion of the work caused by the Contractor's failure to provide adequate drainage of the construction area shall be repaired at the Contractor's expense. A contract time extension will not be granted for any additional time required to make such repairs.

The Contractor shall control open excavations and stockpiling in a manner to prevent water from running into excavations. Obstructions of surface drainage shall be avoided and means shall be provided whereby storm water and wastewater can flow uninterrupted in existing or established pipes, flow courses, other surface drains, temporary drains or channels.

Material for backfill or for protection of excavations within public roads or easements shall be placed and shaped to cause the least possible interference to public travel. In no event shall any flows be allowed to enter private property.

105.16 MAINTENANCE DURING WINTER SUSPENSION OF WORK
(revise to include new subsection as follows)

If work has been suspended due to winter weather, the Contractor shall be responsible for maintenance and protection of the improvements and of partially completed portions of the work until final acceptance of the project. Winter suspension shall be by field order, change order or original contract. City retains the right to declare a winter shutdown. If repairs and/or maintenance are needed during the suspension, the Contractor is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The City shall provide snow removal operations on active traffic lanes only. All other snow removal and maintenance operations shall be the responsibility of the Contractor. All cost associated with

snow removal and proper disposal shall be considered incidental to the work including the repair of temporary surface improvements due to normal wear and snow removal operations.

SECTION 107 - LEGAL REGULATIONS AND RESPONSIBILITY TO THE PUBLIC

107.1 LAWS TO BE OBSERVED:
(revise to include the following)

(G) TAX EXEMPTION: Certain material, machinery and equipment to be installed in this project is exempt from sales tax or use tax as allowed in Arizona Revised Statutes Section 42-5061, 42-5009 and Section 42-5159 and by the Administrative Rules and Regulations of the Arizona Department of Revenue; ACC R15-5-608, R15-5-120 and R15-5-2314.

The City wishes to rely upon the expertise of the contractor in the purchase of items that qualify for the tax exemption. With respect to purchase of the qualifying items, the Contractor is authorized to act as an agent for the City. This agency agreement is strictly limited to the purchase of the qualifying items to be used in the construction of the project and will not otherwise affect or alter the respective rights, responsibilities and remedies of the parties as specified under this contract. The contractor shall furnish the City a list of suppliers and the material, machinery and equipment to be furnished by each. The City will then issue the materials and equipment exemption certificate to each supplier pursuant to A.R.S. §42-5009 (A) (2). The contractor's applicable unit bid prices for items qualifying for this tax exemption should not include sales or use tax. The materials, machinery and equipment that are a part of this project and to which the exemption applies are listed below:

1. Pipes, valves and appurtenances four (4) inches in diameter or larger used to transport potable water,
2. Any additional material, machinery or equipment identified in the Special Provisions.

107.2 PERMITS:
(revise to include the following)

The City of Flagstaff shall issue a no fee permit for work in City right-of-way for this Contract. The City shall work with the Contractor to obtain a permit for work in State of Arizona right-of-way from the Arizona Department of Transportation. The Contractor may not commence work until these permits are issued.

107.2.1 TEMPORARY USE PERMITS:
(revise to include new subsection as follows)

A Temporary Use Permit (and Above Ground Fuel Storage Permit if applicable) is required prior to the establishment of any temporary construction yard, material storage area or staging area located

within City limits and outside the public right-of-way or project limits. The Contractor is responsible for obtaining the necessary Temporary Use Permit from the agency with jurisdictional authority.

The time required to process the Temporary Use Permit is approximately twelve (12) calendar days. The Contractor shall submit the necessary permit application no later than ten (10) calendar days following the Notice of Award. Any delays experienced by the Contractor in acquiring the Temporary Use Permit shall not necessarily be grounds for delaying the project Notice to Proceed.

107.2.2 DISPOSAL OF WASTE AND SURPLUS MATERIAL:
(revise to include the following)

All disposal costs, regardless of disposal site, shall be included in the bid unit price for the related item of work and no direct payment will be made for disposal of waste or surplus materials. This right of disposal does not apply to any substance or items that are regarded as toxic and/or hazardous by the City, the State of Arizona or the United States Government.

Alternate disposal sites may be proposed by the Contractor but are subject to all applicable local ordinances and codes. In addition to the property owner's written authorization, all disposal sites within the city limits are subject to review and approval by the Temporary Use Permit process. The disposal of material at alternate disposal sites will not be allowed without written authorization of the owner, approval of the appropriate jurisdictional authority, and the issuance of all necessary permits.

107.2.3 ABOVE GROUND FUEL STORAGE PERMIT:
(revise to include new subsection as follows)

If required, Above Ground Fuel Storage Permits may be obtained from the City of Flagstaff Fire Department, located at 211 West Aspen Avenue, Flagstaff, AZ. The Contractor is responsible for obtaining the permit.

107.5 SAFETY, HEALTH, AND SANITATION PROVISIONS:

107.5.4 HANDLING, REMOVAL AND DISPOSAL OF SURPLUS MATERIAL AND ASBESTOS CONTAINING MATERIALS (ACM)
(revise to include new subsection as follows)

The Contractor is responsible for handling, removal and disposal of all soil material generated by the project as described in the General Provisions.

The City requires compliance with Environmental Protection Agency (EPA), Arizona Department of Environmental Quality (ADEQ) and Occupational Safety and Health Administration (OSHA) asbestos regulations for all City projects.

Utility pipes constructed of materials other than metal or polyvinyl chloride (PVC) require testing prior to any disturbance of the pipes to determine if regulated levels of asbestos are present in the pipe material. Suspect pipe materials requiring testing typically include vitrified clay and cement pipe (transite). Asbestos testing is not required for metal pipes.

City Public Works/Sustainability & Environmental Management staff are available to collect samples and submit the samples for analyses. **The City of Flagstaff will provide testing free of charge.** If the pipe does not contain regulated levels of asbestos, the contractor may disturb and remove the piping. If utility piping contains regulated levels of asbestos, an asbestos abatement contractor must perform any disturbance/removal of the pipe materials. This is required to ensure workers are not exposed to any asbestos fibers.

Work may require the proper handling, removal and disposal of regulated asbestos piping and materials generated by cutting or breaking the pipe to remove it from the ground. If asbestos containing materials (ACM) removal is necessary on the project, the City of Flagstaff requirements for handling, removal and disposal are as follows:

- If an infrastructure or building material that is not either wood, glass or metal is encountered during the project and has not yet been either assumed or positively identified to be ACM then the material(s) must be sampled in accordance with regulations generated by the EPA Asbestos Hazard and Emergency Response Act (AHERA) 40 CFR 763 as well as OSHA 29 CFR 1910.1101, by a certified AHERA Building Inspector and sent to a National Voluntary Laboratory Accreditation Program (NVLAP) certified laboratory for analysis.

- Once materials of concern are assumed or properly identified to be ACM then material removal is required according to OSHA 29 CFR 1910-1926.1101 by a certified asbestos abatement worker, and NOT a general contractor (GC). However, if the GC holds the appropriate asbestos certifications (AHERA Asbestos Operations and Maintenance), which the City would need to verify is current, then the GC could perform the asbestos abatement.

The City requires the General Contractor arrange for abatement of assumed and/or identified ACM by a certified asbestos abatement contractor and to arrange area and/or clearance air monitoring by a third party certified asbestos consultant. If applicable to the project, copies of abatement activities and air monitoring shall be provided to City of Flagstaff Environmental Management staff.

In the event of large disturbances to ACM, compliance with the National Emission Standards for Hazardous Air Pollutants (NESHAP) 40 CFR 61, Subpart M shall be followed. Notification would be required the Arizona Department of Environmental Quality 10 working days in advance of the start of a large project. This notification is not typically required for utility pipe work, but could

be required for a very large project involving numerous saw cuts of utility pipes. http://www.azdeq.gov/environ/air/asbestos/

If ACM removal is necessary on the project, the City of Flagstaff requirements for ACM disposal at the City's Cinder Lake Landfill are as follows:

Only non-friable asbestos waste is accepted for disposal at Cinder Lake Landfill. PRIOR to disposal of non-friable ACM, obtain the necessary forms, which are:

- Non-Friable Asbestos Waste Acceptance Application and accompanying instructions
- Non-Friable Asbestos Waste Shipment Record (WSR)

The Asbestos Waste Acceptance Application is available at the City of Flagstaff's website or by contacting the City of Flagstaff Environmental Management staff. A Waste Shipment Record is required to accompany each load of non-friable asbestos waste taken to the Cinder Lake Landfill.

Assure the non-friable ACM is properly handled and wrapped. Non-friable ACM must be thoroughly wetted using amended water PRIOR to being wrapped in 6-millimeter poly and be tightly sealed with duct tape. If the material is heavy (such as transite pipe), has sharp edges, or may easily puncture the poly wrap, a double layer of poly will be necessary. The Cinder Lake Landfill scale house attendant will inspect the load to ensure it is properly wrapped. Containers holding non-friable ACM shall be carefully unloaded and placed in a designated location. Dumping using a hydraulically lifted bed of a truck is not permitted (dump truck), as the poly wrap may be torn open.

If using a large bin for disposal, attach a copy of the Waste Shipment Record to the disposal bin. If not using a City of Flagstaff disposal bin, make sure the delivery driver takes a copy of the SIGNED Non-Friable Asbestos Waste Acceptance Application and the Waste Shipment Record to the Cinder Lakes Landfill with the waste delivery.

If using a City of Flagstaff disposal bin call City Environmental Services at (928) 774-0668 to schedule a pick-up for the disposal bin. Please be sure to provide the driver with the SIGNED Non-Friable Asbestos Waste Acceptance Application and the Waste Shipment Record and be sure to clarify if you would like the disposal bin emptied and removed, or emptied and returned to the work site. When disposal is completed, the Landfill Manager will sign the Waste Shipment Record and landfill staff will provide or mail a copy of the Waste Shipment Record.

Cutting of utility pipes generates Regulated Asbestos Containing Material (dust from cutting) and breaking pipes may generate RACM. RACM requires disposal at the Joseph City Landfill or at other landfills located in southern Arizona.

All work relating to the removal and disposal of unknown and/or unanticipated hazardous materials as described above shall be paid per MAG 109.4.3.

107.8 107 USE OF EXPLOSIVES:

(first paragraph, revise second sentence to read as follows)

The Contractor shall submit a blasting plan for approval and obtain a Blasting Permit from the City of Flagstaff Fire Department, located at 211 W. Aspen Avenue, Flagstaff, Arizona.

(revise to include the following)

The Contractor shall submit a copy of the approved blasting plan to the Project Manager. The plan shall include as a minimum; safety layout, drilling pattern, size and depth of bore, weight and type of charge, delay sequence, contractor's anticipated peak particle velocity at the right-of-way line or nearest structure, and the proposed seismograph locations.

A record of each blast shall be kept and all records including seismograph reports shall be available for inspection. Each record shall provide as a minimum; location, date and time of blast, name of person in charge, number of holes burdened, spacing, diameter and depth of holes, boring logs to determine top of rock, type and total amount of explosives used, direction and distance to nearest building, type of detonators and delay periods used, and exact locations of seismographs.

When blasting operations are to be conducted within 200 feet of a water line, sewer line or other underground utility, the Contractor shall take additional precautionary measures. The Contractor shall notify the owner of the facility a minimum of two weeks in advance that such blasting operations are intended. At their discretion, the Owner may perform pre-blast, post-blast pressure tests or other inspection of the facility. If any damage occurs because of blasting operations, the Contractor shall be responsible for the restoration of the facility to pre-blast conditions.

107.9 PROTECTION AND RESTORATION OF PROPERTY AND LANDSCAPE:

(revise to include the following)

The Contractor is responsible for replacing and/or restoring the site, landscaping and owner's improvements associated with the project to the pre-existing condition using in-kind materials. All cost shall be included in the bid as incidental to the work, unless otherwise specified in the bid schedule or plans.

Within easements, the Contractor is responsible for removing existing improvements and salvaging items (not identified for removal) for relocation after the public improvements are completed. Close coordination between the Contractor and property owners and/or residents is required.

107.11 CONTRACTOR'S RESPONSIBILITY FOR UTILITY PROPERTY AND SERVICES:
(revise to include the following)

All power poles, pedestals, guy wires and underground facilities shall be removed and/or relocated by the respective owners of the facilities. The contractor is responsible for the notification and coordination with the utility companies to ensure that this work is accomplished in a manner consistent with the construction schedule. Payment for Franchise Utility coordination and location is incidental to the cost of the work.

The Contractor shall perform utility potholes and identify potential conflicts prior to trenching. The utility pothole information and identification of potential conflicts shall be provided to the Project Manager at least two weeks prior to performing trenching or pipeline construction.

SECTION 108 - COMMENCEMENT, PROSECUTION AND PROGRESS

108.1 NOTICE TO PROCEED:
(revise to include the following)

Time is of the essence in submitting the initial and revised construction schedule and traffic control plan. Each is a requirement that precedes the Contractor's right and the City's obligation to proceed with the agreement.

The Notice to Proceed shall be issued for a start date no later than twenty-seven (27) calendar days following receipt of the Notice of Award. The Contractor shall be required to submit a construction schedule and traffic control plan in accordance with the Contract Documents and the following:

The Contractor shall within seven (7) calendar days of receiving the Notice of Award, submit a construction schedule and traffic control plan to the Project Manager. The Project Manager shall promptly review the construction schedule and traffic control plan and either approve them, or provide a written list of the items that will require revision. The Contractor shall submit the revised construction schedule and traffic control plan within five (5) calendar days of receiving the Project Manager's list of required revisions. The corrected construction schedule and traffic control plan submittal shall address all comments from the Project Manager's list of required revisions.

If the Project Manager approves the second submission of the construction schedule and traffic control plan, a notice will be issued specifying the date on which the Contractor may proceed with the work. If it is determined that the construction schedule and/or traffic control plan are not adequate to manage the contract, the Contractor shall be notified in writing. Within three (3) full business days following receipt of the notice, the Contractor shall elect to:

1. Submit a revised final construction schedule and traffic control plan together with a cashier's check or bank draft in the amount of two and one half (2 1/2) percent of the contract price as liquidated damages for the delay time lost to that date; or
2. Do nothing, in which case this contract shall be deemed terminated at the Contractor's election. The Contractor shall then have no right or duty to continue performance and the City shall be released from all liability to the Contractor under this agreement.

In the event the Contractor elects the first alternative, the Project Manager shall approve the final construction schedule and traffic control plan if acceptable, in which case the City shall be entitled to the liquidated damages or shall reject the construction schedule and traffic control plan and return the check or draft. In the latter event, the contract shall be deemed terminated, the liquidated damages provision shall not apply, and the City shall be entitled to recover its actual damages incurred for the Contractor's breach of agreement.

108.3 CORRESPONDENCE TO THE CONTRACTOR:
(revise to include the following)

In addition to written communication to the Project Manager, the Contractor shall provide and maintain a contact located within ten miles of the job site at all times throughout the duration of the Contract. The designated contact shall be accessible by telephone at all times to respond to agency requirements and emergencies. The local location and phone number(s) shall be provided to the Project Manager prior to issuance of the Notice to Proceed. Any changes of the location or phone number(s) shall be reported immediately to the Project Manager.

If a response is needed, the Contractor is required to respond and perform the repairs and/or maintenance within two (2) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

108.4 CONTRACTOR'S CONSTRUCTION SCHEDULE:
(revise to include the following)

The Contractor’s schedule shall include, as a minimum, the following:

- Identification of project tasks with assigned dates and durations, which reflect anticipated sequencing of construction activities on scheduled working days;
- All anticipated subcontractors that will be used during the course of the work;
- The anticipated number of crews to expedite the progress and ensure prompt completion of the work;

  Definition of a crew;
  - personnel *(e.g. operator, laborer)*

- equipment *(e.g. Cat 325 Excavator, 950 Loader)*
- workdays anticipated or scheduled per week (*e.g. Monday through Friday)*
- work hours anticipated or scheduled per day *(e.g. 7:00 am to 3:30 pm)*

- Anticipated adverse weather days for weather dependent activities, weekends and holidays.
- Specific long lead times for delivery of equipment and materials;
- Critical path project schedules may be required as provided for by the Special Provisions or Project Addenda.

108.5 LIMITATION OF OPERATIONS:
(third paragraph, revise to read as follows)

Except in emergencies endangering life or property, written permission shall be obtained from the City prior to performing any work on weekends, legal holidays or after regular work hours (hereinafter defined as 7:00 a.m. to 5:00 p.m. - Monday through Friday). Inspection and testing will not be provided on Sundays or City legal holidays without prior approval from the Project Manager (72-hour advance notice) and total compensation by the Contractor for any necessary personnel, equipment and services.

Overtime compensation for City personnel shall be as follows:

Construction Supervisor @ $ 43.00/hour
Inspector II @ $ 35.00/hour
Inspector I @ $30.00/hour
Lab Tech I @ $ 25.00/hour
Vehicle @ $1.80/hour

108.7 DETERMINATION AND EXTENSION OF CONTRACT TIME:
(revise to include the following)

The contract time, including final clean-up of the project site and storage areas, may be extended because of weather conditions that cannot be reasonably anticipated. The number of actual days that the scheduled work is impacted by adverse weather shall be recorded weekly during the construction period.

The Contractor will be entitled to a contract time extension if the actual adverse weather days experienced during the work exceed the anticipated adverse weather days shown. The following is the monthly schedule of adverse weather days that shall be anticipated by the Contractor in scheduling the work:

TABLE 108.7 MONTHLY CALENDAR DAYS for ANTICIPATED ADVERSE WEATHER

MONTH	*JANUARY*	*FEBRUARY*	*MARCH*	*APRIL*	*MAY*	*JUNE*
Monthly Calendar Days for Anticipated Adverse Weather	7 Days	7 Days	8 Days	6 Days	4 Days	3 Days
Average Monthly Precipitation	1.98”	1.96”	2.05”	1.34”	0.68”	0.51”
MONTH	*JULY*	*AUGUST*	*SEPTEMBER*	*OCTOBER*	*NOVEMEBER*	*DECEMBER*
Monthly Calendar Days for Anticipated Adverse Weather	12 Days	11 Days	7 Days	5 Days	5 Days	6 Days
Average Monthly Precipitation	2.78”	2.68”	1.82”	1.52”	1.49”	1.90”

The above schedule of anticipated adverse weather days establishes the base line for the project's monthly weather impacts based on historical records, as recorded by the National Weather Service at Pulliam Airport, for precipitation in excess of 0.01 of an inch per calendar day.

The number of actual days that scheduled work is impacted by adverse weather as defined above shall be recorded weekly during the contract period. It is the Contractor's responsibility to request in writing any adverse weather delays experienced during the prior week no later than the normally scheduled weekly project meeting. Any adverse weather day requests that are not received, as stated above, shall neither be considered nor approved. Once the number of approved actual adverse weather days exceeds the number of anticipated adverse weather days in the schedule above, the Contractor is entitled to a contract time extension.

Actual adverse weather days must also prevent work for fifty (50) percent or more of the Contractor's work day and delay scheduled work critical to the timely completion of the project. The City will convert any delays meeting the above requirements to calendar days and extend the contract period as necessary. No additional compensation will be allowed for direct and indirect overhead expenses associated with any such contract time extensions. The Contractor's schedule must include the above anticipated adverse weather delays for all weather dependent activities and shall show all weekends and holidays.

108.8 GUARANTEE AND WARRANTY PROVISIONS:
(revise to include the following)

If requested by the City, the Contractor shall return to the project site eleven months after acceptance of the project and visually inspect, in the presence of the Owner's Representative, all accessible construction items and appurtenances. All defective materials and/or workmanship shall be satisfactorily repaired or replaced at the sole expense of the Contractor.

All costs for the 11-month inspection and repair shall be borne by the Contractor and in figuring his or her bid, the Contractor shall include an appropriate amount for such inspection and possible required repair, and no additional payment will be allowed.

108.10 FORFEITURE AND DEFAULT OF CONTRACT:
(revise to include new section)

Due to Failure to Prosecute the Work

If the Contractor fails to prosecute the work in accordance with the contract, including requirements of the progress schedule, the City may correct these deficiencies after three days after providing written notice to the Contractor. The cost of these remedies shall be charged against the Contractor. A change order may be issued to make the necessary changes in the contract and to make an appropriate reduction in the contract price. Such a change order shall not require the signature or approval of the Contractor. The remedy shall not prejudice the City's use of any other remedy, which the City may be entitled to use.

108.12 AUTHORIZED SIGNATURES:
(revise to include new section)

The Contractor shall provide a notarized list of all authorized signatures for project related documents. Only those individuals listed by the Contractor on the project Authorized Signature form shall be authorized to sign the contract, contract change orders, time extensions, bonds, securities, pay requests, certifications or other documents that affect the execution of the Contract.

108.13 SUBSTANTIAL COMPLETION:
(revise to include new section)

The project is substantially complete and liquidated damages will no longer be assessed when all of the following have occurred:

(A) All original bid items of work have been completed, accepted and pedestrian and vehicular traffic can move unimpeded through the project;

(B) The only work left for completion is incidental, causes no disruption to pedestrian and vehicular traffic, and does not affect the safety and convenience of the public;

The decision whether the project is substantially complete is within the sole discretion of the Project Manager.

Once substantial completion is granted, the Contractor shall actively work to achieve Final Acceptance of the construction phase of the Contract within 15-calendar days from the Substantial Completion date of that phase. Failure to prosecute the remaining work within this time-period will result in the resumption of time charges and the application of liquidated damages from the date scheduled for final acceptance.

The Contractor is responsible for maintenance and repairs of any project work until final acceptance, at which time the City will accept the improvements for operation and maintenance.

108.14 SUSPENSION and TERMINATION:
(revise to include new section)

City's Right to Stop Work

City may, at its discretion and without cause, order Contractor in writing to stop and suspend the Work. Such suspension shall not exceed one hundred and eighty (180) consecutive days.

Contractor may seek an adjustment of the Contract Price and/or Contract Time if its cost or time to perform the Work has been adversely impacted by any suspension or stoppage of Work by City.

Termination for Convenience

Upon receipt of written notice to Contractor, City may, at its discretion and without cause, elect to terminate this Agreement. In such event, City shall pay Contractor only the direct value of its completed Work and materials supplied as of the date of termination. Contractor shall be entitled to profit and overhead on completed Work only, but shall not be entitled to anticipated profit or anticipated overhead.

If the City suspends the Work for one hundred eighty-one (181) consecutive days or more, such suspension shall be deemed a termination for convenience.

Upon such termination, Contractor shall proceed with the following obligations.

1. Stop Work as specified in the notice.
2. Place no further subcontracts or orders.
3. Terminate all subcontracts to the extent they relate to the work terminated. Contractor shall ensure that all subcontracts contain this same termination for convenience provision.
4. At the City's sole discretion and if requested in writing by the City, assign to the City all right, title and interest of Contractor under the subcontracts subject to termination.
5. Take any action that may be necessary for the protection and preservation of the property related to this Agreement that is in the possession of Contractor and in which the City has or may acquire an interest.
6. Contractor shall submit complete termination inventory schedules no later than one hundred twenty (120) days from the date of the notice of termination.

The City shall pay Contractor the following:

1. The direct value of its completed Work and materials supplied as of the date of termination.
2. The reasonable and direct, actual costs and expenses attributable to such termination. Reasonable costs and expenses shall not include, among other things, anticipated profit, anticipated overhead, or costs arising from Contractor's failure to perform as required under this Agreement.
3. Contractor shall be entitled to profit and overhead on completed Work only, but shall not

be entitled to anticipated profit or anticipated overhead. If it is determined that Contractor would have sustained a loss on the entire Work had they been completed, Contractor shall not be allowed profit and the City shall reduce the settlement to reflect the indicated rate of loss.

Contractor shall maintain all records and documents for three (3) years after final settlement. These records shall be maintained and subject to auditing as prescribed in Section 7.7.

The City's Right to Perform and Terminate for Cause

If the City provides Contractor with a written order to provide adequate maintenance of traffic, adequate cleanup, adequate dust control or to correct deficiencies or damage resulting from abnormal weather conditions and Contractor fails to comply in a time frame specified, the City may have work accomplished by other sources at Contractor's sole expense.

If Contractor persistently fails to

1. provide a sufficient number of skilled workers,
2. supply the materials required by the Contract Documents,
3. comply with applicable Legal Requirements,
4. timely pay, without cause, sub-consultants and/or subcontractors,
5. prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time, as such times may be adjusted, or
6. perform material obligations under the Contract Documents, then the City, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth below.

Upon the occurrence of an event set forth above, City may provide written notice to Contractor that it intends to terminate this Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Contractor's receipt of such notice.

If Contractor fails to cure, or reasonably commence to cure, such problem, then City may give a second written notice to Contractor of its intent to terminate within an additional seven (7) day period.

If Contractor, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then City may declare this Agreement terminated for default by providing written notice to Contractor of such declaration.

Upon declaring this Agreement terminated and for the purpose of completing the Work, City may enter upon the premises and take possession of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work. Contractor hereby transfers, assigns and conveys all items, which have been purchased or provided for the performance of the Work to the City for such purpose and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items.

In the event of such termination, Contractor shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, Contractor shall be entitled to be paid only for Work performed and accepted by the City prior to its default.

If City's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Contractor shall be obligated to pay the difference to City. Such costs and expenses shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by City in connection with the re-procurement and defense of claims arising from Contractor's default.

If City improperly terminates the Agreement for cause, the termination for cause shall be converted to a termination for convenience in accordance with the provisions of 108.14

SECTION 109 - MEASUREMENTS AND PAYMENTS

109.1 MEASUREMENT OF QUANTITIES:
(revise to include the following)

It is the responsibility of the Contractor to conform to the Contract Documents, including plans, typical sections and specifications including but not be limited to dimensions, materials, application rates and densities. The Contractor shall take all actions necessary to ensure that the work conforms to the contract documents. The Contractor shall cooperate fully with the Project Manager or Project Manager's representative to correct any known nonconformity to the contract documents.

109.1 MEASUREMENT OF QUANTITIES:
(delete the second paragraph)

Unless otherwise specified, longitudinal and surface (plane) measurements will be made in a horizontal plane.

PART 200 - EARTHWORK

SECTION 201 - CLEARING AND GRUBBING

201.3 CONSTRUCTION METHODS:
(revise to include the following)

The Contractor shall make every effort possible to avoid damaging existing trees. In the event that any trees suffer limb damage, the Contractor shall cut branches to the nearest branch crotch or to the branch collar at the trunk.

No separate payment will be made for trimming trees. The cost shall be considered incidental to the work.

SECTION 205 – ROADWAY EXCAVATION

205.1 DESCRIPTION
(revise to include the following)

The bid schedule unit cost for excavation, backfill and embankment work shall include the cost of rock excavation, handling rock or disposing of rock and no separate measurement or payment shall be made. Rock shall be defined as any highly cemented or hard material that may require additional efforts for removal, handling or disposal.

205.2 UNSUITABLE MATERIAL:
(third paragraph, revise to read as follows)

Should unsuitable material be encountered at subgrade elevation in cut areas or at existing grade in fill areas, the unsuitable material shall be removed and replaced with suitable fill material in accordance with MAG Section 210 and MAG Section 211.

Determination of unsuitable material and the limits and depths of required removal and replacement shall be at the sole discretion of the Project Manager. In no case shall any unsuitable material be removed without prior written consent of the Project Manager.

Measurement and payment for removal and replacement of unsuitable material will be by the cubic yard as shown in the proposal. Payment shall be compensation in full for the work complete and in-place including any borrow, permits, pit royalties, all excavation, hauling, placing, compacting, conditioning, watering and proper disposal, together with all appurtenant costs.

205.3 MEASUREMENT
(revise to include the following)
Earthwork is incidental to the roadway construction and no additional payment will be made for roadway excavation. The Contractor shall be responsible for estimating and accounting for earthwork import and haul off. It is recommended that the Contractor review the report on geotechnical investigation and sampling results.

PART 300 -- STREETS AND RELATED WORK

SECTION 301 - SUB-GRADE PREPARATION

301.1 DESCRIPTION:
(revise to include the following)
The untreated base or prepared subgrade shall be test rolled in the presence of the Project Manager prior to the placement of asphalt paving materials. The equipment used to perform the

test roll shall be approved by the Project Manager. The Contractor shall be responsible for scheduling this test roll with the Inspector during regularly scheduled work. All costs associated with the test roll shall be considered incidental to and included in the cost of sub-grade preparation.

SECTION 336 - PAVEMENT MATCHING AND SURFACING REPLACEMENT

336.1 DESCRIPTION:
(first paragraph, revise to include the following)

The exact points of pavement matching shall be determined in the field by the Project Manager.

336.2 MATERIALS AND CONSTRUCTION METHODS:

336.2.1 PAVEMENT WIDENING OR EXTENSIONS:
(first paragraph, revise second sentence to read as follows)

The minimum depth of cut shall be four (4) inches or Depth/4, whichever is greater.

PART 400 -- RIGHT-OF-WAY AND TRAFFIC CONTROL

SECTION 401 - TRAFFIC CONTROL

401.5 GENERAL TRAFFIC REGULATIONS:
(revise to include the following)

Within seven (7) calendar days following receipt of the Notice of Award and in accordance with Section 108.1 of these General Provisions, the Contractor shall submit to the Project Manager a traffic control plan that shows the control of traffic in accordance with Part VI of the FHWA Manual on Uniform Traffic Control Devices for all phases of the work. The plan should include nights, weekends, shut down periods and an approximate schedule of street closures and detours.

The Traffic Control Plan is to detail the Contractor's proposal for routing traffic and pedestrians around the areas of construction. The Plan shall be coordinated with the proposed construction schedule and show how the locations of the various traffic and pedestrian control devices will change as construction progresses. The Plan shall allow for complete detours around the work areas.

Private and commercial driveways shall not be closed for any period exceeding eight hours during any twenty-four-hour period. The affected resident and the City shall be notified 48 hours in advance of any closure. Convenient access to driveways, houses and buildings along the line of work shall be maintained and temporary crossings or alternate access shall be provided and maintained in good condition, except during that period mentioned above. **Business access shall be maintained at all times by at least one driveway.**

(eleventh paragraph, revise to read as follows)

The Contractor will reinstall all permanent traffic control devices as required by the approved construction plans and specifications.

(twelfth paragraph, delete the last sentence)

Delete - The Traffic Engineering Department will reinstall all traffic signs.

401.7 PAYMENT:
(revise paragraph to read as follows)

Payment for all work and materials required to prepare a traffic control plan and provide traffic control during construction shall be made at the lump sum price shown on the Bid Schedule. Full compensation for any required traffic control devices, flaggers, uniformed off-duty law enforcement officers, pilot cars and drivers shall be included in the lump sum contract price and no additional payment shall be allowed. Progress payments shall be made based on the Contractor's estimate for percent complete as approved by the Owner.

SECTION 425 TOPSOIL

425.2 MATERIALS:
(revise to read as follows)

Overburden topsoil shall be salvaged and reused when possible. All topsoil, whether overburden or imported, shall be free of roots, heavy clay, clods, noxious weed seeds, coarse sand, large rocks, sticks, brush, litter and other deleterious material and meet the requirements of MAG Section 795. The Project Manager's approval of the proposed topsoil shall be obtained before delivery to the project.

425.4 MEASUREMENT:
(revise paragraph to read as follows)

Topsoil shall be measured lump sum, complete and in place unless indicated otherwise by the bid schedule.

425.5 PAYMENT:
(revise to read as follows)

Topsoil will be paid for in accordance with the contracted price for furnishing and placing topsoil, as described and specified. Progress payment shall be made based on the Contractor's estimate for percent complete as approved by the Owner.

SECTION 431 – EROSION CONTROL
(revise to include new section as follows)

431.1 DESCRIPTION

Erosion control applies to improvements within the city and as part of the erosion control section of a Storm Water Pollution Prevention Plan (SWPPP). Materials, means and methods for erosion control and stabilization, Best Management Practices (BMPs), Erosion Control Plans (ECPs) and SWPPPs are described in the City of Flagstaff Stormwater Design Manual.

The Contractor shall stabilize all disturbed areas within the project site and as shown on the plans. Work shall be performed according to the provisions of this Section and shall include but not be limited to the furnishing, hauling, placement and application of erosion control materials.

The Contractor is responsible for complying with the requirements of the National Pollutant Discharge Elimination System (NPDES) permit program. This generally includes submittal of a Notice of Intent to the Arizona Department of Environmental Quality (ADEQ) and Notice of Termination to ADEQ for the project. Preparation and implementation of a Storm Water Pollution Prevention Plan (SWPPP) for the site is required per ADEQ and City of Flagstaff standards.

The cost for complying with the NPDES permit and the SWPPP, including the erosion control devices, shall be included in the NPDES & SWPPP Requirements portion of the Contractor's bid. It is recommended that contractors see the ADEQ Smart NOI (Notice of Intent) program website (http://az.gov/webapp/noi/main.do) for information and processes.

Progress payment shall be made based on the Contractor's estimate for percent complete as approved by the Owner.

432.1 NATIVE SEEDING

All areas to be seeded that are accessible to machinery shall be tilled to a minimum depth of four (4) inches. Areas inaccessible to machinery shall be hand tilled and prepared to a minimum depth

of two (2) inches. Cut slopes of 2:1 or steeper do not require tilling. Cultivation on sloping terrain shall run perpendicular to the direction to the slope. If weeds or herbaceous plant material interferes with proper seedbed preparation, the contractor shall remove them from the seedbed.

Contractor shall remove and dispose of all debris and other objectionable material that may interfere with seeding operations.

The area to be seeded shall be relatively smooth and all surface irregularities (e.g. rills, tire marks) shall be filled and firmed to conform to the desired cross sections. The seedbed shall be rolled both before and after the seeding operation with a minimum of one pass of a cultipacker or drag harrow.

Seed shall be sown when conditions will promote germination and growth. Normal non-irrigated permanent native seed application dates are between April 1 and June 15, between August 15 and September 20 and after the first frost (recurring overnight temperature of 28 degrees F) until snowfall. Seeding work shall be performed only after planting and other work affecting ground surface is complete.

To assist in establishment of the permanent seed mix, a nurse crop shall be used for this work. Preapproved nurse crop seed shall be one of the following, incorporated with the specified permanent seed mix;

Annual ryegrass	*(Lolium multiflorum)*	30 lbs/acre
Oats	(*Avena sativa)*	60 lbs/acre
Regreen©	(*Triticum aestivum x Elytrigia elongata)*	30 lbs/acre

Alternative species may be acceptable but are subject to prior approval from the City Project Manager or duly authorized representative.

When cut or fill slopes are greater than six (6) feet in height and steeper than 3H:1V, the seeded area shall be covered with American Excelsior Company straw/coconut blanket or an approved equal. Installation shall be per the manufacturer's written directions.

440.10. (D) SEQUENCING
(add the following section)

The irrigation system shall be installed, inspected, approved and operable prior to the installation of plant materials, landscape fabric and ground plane treatments (*decomposed granite, landscape rock, mulch, etc.)*

PART 600 - WATER AND SEWER

SECTION 601 - TRENCH EXCAVATION, BACKFILLING AND COMPACTION

601.2 EXCAVATION:

601.2.1 GENERAL:
(revise to include the following)

All excavation, including trench excavation, shall be performed in any substance and material encountered. The cost is considered incidental to and is to be included in the price for the bid item to be constructed or installed. No special payment shall be made for trench excavation other than rock excavation as specified under Trench Rock Excavation.

Trench Rock Excavation
Trench rock is defined as consolidated igneous, metamorphic and/or sedimentary material in the original bed and/or in well-defined ledges that cannot be removed by a mechanical method and therefore requires pneumatic hammering, drilling or blasting for removal. Example of mechanical methods include hand tools, trenching machine, backhoe, ≥195 horsepower hydraulic excavator with ripping teeth or equivalent.

Boulders and pieces of rock having a volume of more than 27 cubic feet (1 cubic yard) shall be considered rock.

For projects where trench rock excavation is anticipated, the estimated contingent quantity is shown in the proposal under the applicable bid item. The contingency quantity is an estimate only and no guaranty is given that any portion will be utilized. Trench rock excavation will be paid for separately at the unit price bid per cubic yard for Trench Rock Excavation.

Measurement of Trench Rock Excavation shall be per cubic yard in place. This volume of rock will be measured by the City representative, using the maximum trench width allowed in accordance with MAG Table 601-1, the lineal footage of actual rock excavation required and the actual depth of rock as determined by inspection of the trench after rock excavation and before backfilling.

SECTION 710 - ASPHALT CONCRETE

710.1 GENERAL:
(revise to include the following)

The asphaltic concrete designation shall be 3/4 inch, except as required by the project plans or Special Provisions.

End of Document

City of Flagstaff, AZ

Special Provisions

Industrial Drive & Fanning Wash Improvements

N. Eagle Mountain Dr. to Huntington Drive

Project # ST 3056 / 03-09008

April 2019

PART 000 – INTRODUCTION

The plans, the standard specifications, the standard details, the special provisions, the contracting agency's supplements and all supplementary documents are essential parts of the contract and a requirement occurring in one is as binding as though occurring in all. They are intended to be complementary and to be described and provide for a complete work.

SPECIFICATIONS
The work shall be performed in accordance with the most recent version of the Construction Plans, this Contract Document, the Maricopa Association of Governments (MAG) Uniform Standard Specifications and Details for Public Works Construction and the following engineering standards and specifications:

City of Flagstaff Engineering Design Standards and Specifications for New Infrastructure

City of Flagstaff Revisions to the MAG Uniform Standard Specifications and Standard Details

City of Flagstaff General Provisions

City of Flagstaff Stormwater Management Design Manual

Arizona Department of Transportation Standard Specifications and Details, most recent editions that Apply to the project

U.S. Department of Transportation, Federal Highway Administration, Manual on Uniform Traffic Control Devices for Streets and Highways

Arizona Department of Environmental Quality Engineering Bulletin No. 10

American Water Works Association Standards

The Contractor is responsible for obtaining, at his/her own expense, a copy of each of the specifications and details listed above.

MAG UNIFORM SPECIFICATIONS FOR PUBLIC WORKS AND CONSTRUCTION

AND
CITY OF FLAGSTAFF ENGINEERING DESIGN STANDARDS AND SPECIFICATONS FOR NEW INFRASTRUCTURE & CoF GENERAL PROVISIONS
ARE HEREBY AMENDED TO INCLUDE THE FOLLOWING:

SECTION 102 – BIDDING REQUIREMENTS AND CONDITIONS
102.4 EXAMINATION OF PLANS, SPECIAL PROVISIONS AND SITE WORK:
(Revise the second paragraph to read)

The bidder shall examine the site of the proposed work and all documents pertaining to the work. It is mutually agreed that the submission of a proposal shall be considered prima facie evidence that the bidder has made such examination and is familiar with the character, quality and quantity of the work to be performed and material to be furnished *to complete the project as intended.*

SECTION 104 – SCOPE OF WORK
104.1.1 GENERAL
(Revise MAG to include the following)

The Industrial Drive Improvements project is the third phase of the City of Flagstaff's overall project to improve the roadway at Industrial Drive. Surface improvements include: roadway reconstruction and widening between Eagle Mountain Drive and Huntington Drive. This will require new curbing, gutter & sidewalks along with a new pavement section, pavement milling & overlay, retaining walls, driveways and street lights. Utility improvements include the replacement of a water line and construction of a culvert crossing at Fanning Drive Wash.

104.1.2 MAINTENANCE OF TRAFFIC
(Revise MAG to include the following)

The Contractor shall prepare and submit a detailed traffic control plan to the City for review and approval.

Detailed traffic control plans shall include provisions for business access the adjacent private property within the project area. The Contractor may temporarily limit vehicular and pedestrian traffic to properties, through advance written notice and coordination with the City's project manager, the affected property owners and the City Engineer. The Contractor shall be required to provide at least one (1) week advance written notice of seven (7) calendar days of all street closures and traffic restrictions. The notice shall include the projected date, and duration of the closure and alternate detour routes. Each notice shall include the Contractor's name, contact person and local telephone number as well as the Owner's name and telephone number. Detour routes shall remain open for the duration of the project. Access shall be provided during nonworking hours.

Existing pedestrian and bicycle facilities shall be routed around the construction zone. The Contractor is responsible for securing the construction site and maintaining safe passage for pedestrian and bicycle traffic.

Special Access Requirements:
The Contractor shall maintain access to all side streets, access roads, driveways, parking lots and to adjacent businesses at all times during their hours of operation. In the event that construction work for the project is not occurring during Block-Lite business hours, access to Block-Lite driveways shall be still be maintained.

Should it be necessary to close access to private property, business, or driveways, the closure must be for as short a time as possible and be restored at the end of the work shift. If primary business access cannot be restored, the Contractor shall provide an alternate access, which will be coordinated with the business and pre-approved by the Owner prior to any restrictions being implemented consistent with previous provisions.

BNSF Right-of-Way (ROW):
The BNSF railroad ROW is only accessible to BNSF and its approved agents. The BNSF ROW is not accessible to the contractor, franchise utilities, or to the City of Flagstaff. The Contractor shall take measures including surveying and marking ROW boundaries if appropriate to ensure that no equipment or personnel from the construction team enter the BNSF ROW.

Sanitation Pickup:
In the project area, trash pickup is scheduled every Friday and recycle pickup is scheduled every Wednesday. When construction activity interferes with pickup, the Contractor shall provide for sanitation vehicle access to the affected properties or relocate the trash containers where access is acceptable. The Environmental Division of the Public Works Department contact is (928) 774-0668.

Traffic Control and Safety:
At the time of the Pre-construction Conference, the Contractor shall designate an employee, other than the Project Superintendent, who is well qualified and experienced in construction traffic control and safety, to be available on the project site during all periods of construction to coordinate and maintain safe barricading whenever construction restricts traffic. The Contractor shall designate and provide the contact information of one person who shall be available during non-construction hours in case any traffic control and/or safety items need to be handled in an urgent manner. This representative must be within 20 minutes response time from the project area and must be able to operate equipment. Traffic control shall include pedestrian as well as vehicle traffic.

Emergency Access:
Street closure information shall be submitted to the City's Project Manager who will forward the information to the Fire Department and Police Department. All notices shall be submitted at least 72 hours in advance of the closures.

U.S. Postal Service Access:
The Contractor shall be responsible for maintaining access for Postal Service within the project area at all times. The Contractor shall coordinate this work to avoid interruption of mail service. Mailboxes shall be protected in place. Should an existing mailbox be damaged by construction activity, the Contractor shall promptly remove and replace the damaged mailbox with like kind, including post and foundation, at no cost to the resident or the City. Placement of any mailbox shall be in accordance with USPS requirements.

SECTION 105 – CONTROL OF WORK

105.6 COOPERATION WITH UTILITIES
(Revise MAG to include the following)

Existing utilities have been shown on the plans to the greatest extent possible, but there is no guarantee that all utility conflicts have been identified. The Contractor shall notify all utility companies, the City of Flagstaff, the Flagstaff Police Department and other emergency services agencies (ambulance, fire, etc.) of his/her intent to begin work. The Contractor shall contact the Blue Stake service by calling 8-1-1 or 1-800-STAKE-IT at least 2 working days before beginning work. The Contractor shall exercise all care to avoid damaging utilities whether shown on the plans, staked in the field, or not.

The project includes work over and around the Unisource gas line. The Contractor is notified that the gas line depth has not been located within the project boundaries and is likely shallow with respect to the proposed grades. The Contractor shall locate the gas line prior to demolition, trenching or grading.

Block-Lite uses water in its manufacturing processes and maintenance processes. **The Contractor shall plan the work so that Block-Lite has a continuous supply of water during its manufacturing and maintenance processes during the project construction**. However, Block-Lite does not have a continuous process and experiences periods where water may not be essential. The Contractor is responsible for scheduling the water service switch over so that work is not interrupted. The water service connection shall be coordinated through the City of Flagstaff Engineering Inspector.

105.8 CONSTRUCTION STAKES, LINES AND GRADES
(Revise MAG to include the following)

Unless noted otherwise in the contract documents, the Contractor shall layout the work from the lines, grades and dimensions shown on the drawings. The Contractor shall be responsible for all such work for the duration of the project. The Contractor shall immediately notify the City in writing of any dimension or grade errors, before proceeding with the work.

105.12 MAINTENANCE DURING CONSTRUCTION
(Revise MAG to include the following)

The Contractor is required to protect work during inclement weather. Adequate drainage of the construction area shall always be provided. Construction drains shall be provided as needed to enable water to drain from the construction area rapidly and without damaging work in progress or adjacent properties. To further promote good drainage of the site, drainage channels, culverts, and structures, shall be constructed from downstream to upstream in such a way that, during construction, they do not impede the flow of water from the construction area. The Contractor shall utilize pumps to remove ponding water immediately during all stages of construction including working and non-working hours. Damage to any portion of the work caused by the Contractor's failure to provide adequate drainage of the construction area, or to sequence the work to minimize the possible extent of such damage, shall be repaired at the Contractor's expense. No extension of time shall be granted because of the time required to make such repairs.

SECTION 106 – CONTROL OF MATERIALS

106.2 SAMPLES AND TESTS OF MATERIALS

(Revise MAG to include the following)

Contractor Quality Control:

The Contractor is responsible for quality control measures necessary to provide acceptable quality in the production, handling, and placement of all materials. No payment will be made for such measures, the cost being considered as included in contract items.

SECTION 107 – LEGAL REGULATIONS AND RESPONSIBILITY TO PUBLIC

107.9 PROTECTION AND RESTORATION OF PROPERTY AND LANDSCAPE

(Revise MAG to include the following)

The Contractor shall take special care to control construction-related dust and noise and to keep the project site cleaned up to the greatest extent possible.

Survey monuments and property corners shall be protected and not disturbed unless specifically called out on the plans for replacement. All costs associated with protecting or re-establishing disturbed survey monuments and property corners shall be borne solely by the Contractor.

The Contractor is responsible for replacing and/or restoring, to the pre-existing condition, all owner improvements and landscaping (including but not limited to fences, retaining walls, landscape walls, pavers, aggregate rock ground cover, plantings, sod) impacted by the project. All cost shall be included in the bid as incidental to the work, unless specified in the bid schedule or plans.

The Contractor is responsible for removing existing improvements and salvaging items for relocation after the public improvements are finished, unless otherwise specified in the construction plans. This may necessitate close coordination with property owners. The Contractor is responsible for replacing materials in like kind. All cost shall be included in the bid as incidental to the work.

107.11 CONTRACTOR'S RESPONSIBILITY FOR UTILITY PROPERTY AND SERVICES

(Revise MAG to include the following)

The Contractor is responsible for providing written notification to each affected property owner/resident at least 48 hours prior to any disruption to water service in the construction area. The notice must include the exact time of the disruption of service and the expected duration of the loss of service.

Not all service lines are shown on the plans and it is the Contractor's responsibility to determine their location in the field at the beginning of the project. The Contractor shall coordinate all necessary utility relocations directly with the appropriate utility franchise and provide sufficient time for response prior to construction of the improvements.

Protection or repair of existing service lines not in conflict with the work is also considered incidental. If there is a physical conflict between an existing service line and the proposed work, the Contractor shall immediately notify the Engineer of the conflict. The Owner will decide as to how the conflict will be resolved. Any extra work required because of an unforeseen service conflict will be ordered and paid for in accordance with General Provision Section 104.2.3.

Locations of underground utilities shown on the plans are to be regarded as approximate only. Locating existing utility conflicts in advance of the utility relocations is an important element of this project. Failure of the Contractor to locate utility conflicts at least two weeks in advance of the construction activities will diminish the Contractor's ability to make a claim for delays for utility relocations.

107.12 FURNISHING RIGHT-OF-WAY
(Revise MAG to include the following)

The Contractor shall ensure that all employees of the Contractor, subcontractors, agents or invitees are clearly informed regarding the proximity of private property boundaries that UNDER NO CIRCUMSTANCES shall any worker cross that boundary into private property, exceptions described below.

Temporary Rights-of-Entry have been obtained from the property owners adjacent to Industrial Drive to allow for grading, sidewalks, driveway connection, utility connections and fence locations.

SECTION 108 – COMMENCEMENT, PROSECUTION AND PROGRESS
108.4.1 WEEKLY CONSTRUCTION MEETING:
(Revise MAG to include the following)
The Contractor's Project Manager and Project Superintendent shall attend weekly construction progress meetings. The Contractor shall be prepared to discuss schedule, construction activities planned for the upcoming two weeks (submit proposed two week schedule), issues, concerns, any information required by the City's Project Representative, construction staking, business/residence/citizen complaints, safety, traffic control and pedestrian access requirements, weather delays experienced during the previous week, disposal of native materials, access/construction coordination with businesses/residences, inspection/testing, overtime worked previous week, payments, water/sewer service disruption, submittals, field orders/field changes and any other business as necessary. The Contractor shall prepare meeting agendas and meeting minutes. Meeting agendas shall be prepared two working days prior to the meeting. Minutes shall be distributed within four working days after the meeting.

108.5 LIMITATIONS OF OPERATIONS:
(Revise MAG to include the following)

All work should be completed during normal work hours (Monday-Friday, 7:00 AM – 5:00 PM). Work on Saturdays will be permitted, as necessary, as approved by the City's Public Works Inspection Supervisor and will require a 72-hour notice. Work on Sundays and legal City holidays will not be permitted except in emergencies.

108.7 DETERMINATION AND EXTENSION OF CONTRACT TIME:

The contract time, including final clean-up of the project site and storage areas, may be extended because of weather conditions that cannot be reasonably anticipated. The number of actual days that the scheduled work is impacted by adverse weather shall be recorded weekly during the construction period.

The Contractor will be entitled to a contract time extension if the actual adverse weather days experienced during the work exceed the anticipated adverse weather days shown. The following is the monthly schedule of adverse weather days that shall be anticipated by the Contractor in scheduling the work:

TABLE 108.7 MONTHLY CALENDAR DAYS for ANTICIPATED ADVERSE WEATHER

MONTH	*JANUARY*	*FEBRUARY*	*MARCH*	*APRIL*	*MAY*	*JUNE*
Monthly Calendar Days for Anticipated Adverse Weather	7 Days	7 Days	8 Days	6 Days	4 Days	3 Days
Average Monthly Precipitation	1.98”	1.96”	2.05”	1.34”	0.68”	0.51”
MONTH	*JULY*	*AUGUST*	*SEPTEMBER*	*OCTOBER*	*NOVEMEBER*	*DECEMBER*
Monthly Calendar Days for Anticipated Adverse Weather	12 Days	11 Days	7 Days	5 Days	5 Days	6 Days
Average Monthly Precipitation	2.78”	2.68”	1.82”	1.52”	1.49”	1.90”

The above schedule of anticipated adverse weather days establishes the base line for the project's monthly weather impacts based on historical records, as recorded by the National Weather Service at Pulliam Airport, for precipitation in excess of 0.01 of an inch per calendar day.

The number of actual days that scheduled work is impacted by adverse weather as defined above shall be recorded weekly during the contract period. It is the Contractor's responsibility to request in writing any adverse weather delays experienced during the prior week no later than the normally scheduled weekly project meeting. Any adverse weather day requests that are not received, as stated above, shall neither be considered nor approved. Once the number of approved actual adverse weather days exceeds the number of anticipated adverse weather days in the schedule above, the Contractor is entitled to a contract time extension.

Actual adverse weather days must also prevent work for fifty (50) percent or more of the Contractor's work day and delay scheduled work critical to the timely completion of the project. The City will convert any delays meeting the above requirements to calendar days and extend the contract period as necessary. No additional compensation will be allowed for direct and indirect overhead expenses associated with any such contract time extensions. The Contractor's schedule must include the above anticipated adverse weather delays for all weather dependent activities and shall show all weekends and holidays.

PART 300 – STREETS AND RELATED WORK

SECTION 301 – SUBGRADE PREPARATION

301.1 DESCRIPTION
(Revise the second paragraph to read)

The work under this section shall be in accordance with Section 301 of the MAG Standard Specifications and the Geotechnical Investigation.

301.8 PAYMENT
No separate payment for the work under this section will be made. Payment for the work under this section shall be included with the Asphalt Pavement Section in Section 321 of these specifications.

SECTION 317 – ASPHALT MILLING

317.2 CONSTRUCTION REQUIREMENTS

(Revise the second paragraph to read)

The milling cut depth shall be the depth indicated on the Plans plus or minus 1/8 inch. Milling adjacent to curb and gutter shall be to a depth of 2" below the lip of the gutter. If the existing pavement adjacent to the curb and gutter is higher than the lip of gutter, this may result in milling more than the nominal 2" milling depth. The milling machine shall have electronic grade controls. Contractor shall remove the milled material and sweep the roadway clean with a power pick-up broom to the satisfaction of the Engineer.

(Revise the fifth paragraph to read)

Prior to milling, the Contractor shall be responsible for verifying that the existing asphalt is at least 4" thick at 25' stations along the length of the mill and overlay section. The Contractor shall use a method approved by the Engineer. The Contractor shall immediately notify the Engineer when:

- The existing pavement thickness is less than 4".
- Breaking of the underlying material occurs during milling.
- Delamination of underlying material occurs during milling.

SECTION 321 – PLACEMENT AND CONSTRUCTION OF ASPHALT CONCRETE PAVEMENT

321.3 WEATHER AND MOISTURE CONDITIONS:

(Revised to read)

Asphalt concrete shall be placed only when the surface is dry, and when the ambient temperature in the shade is 40 degrees F and rising, or above 50 degrees F if falling. No asphalt concrete shall be placed when the weather is foggy, or rainy or when the base on which the material is placed is unstable, is in a wet condition (more than optimum) or in a frozen condition. Asphalt concrete shall be placed only when the Engineer determines that weather conditions are suitable.

The determination by the Engineer of unsuitable weather conditions for paving operations shall not be the cause for extension of the contract time. The Contractor must show that such weather conditions were not reasonably anticipated. Any request for an extension of the contract time shall be in accordance with Section 108.7 of the MAG Standard Specifications and Section 108.7 of these Special Provisions.

321.7 TRANSPORTATION

(Revise MAG to include the following)

Sufficient trucks shall be available to enable continuous paving. Failure to provide a sufficient number of trucks may be considered a failure of the Contractor's responsibilities under Section 108.6 of the MAG Standards Specifications.

321.8.2 JOINTS

(Revised the third sentence of the first paragraph to read)

The surface in the area of the joint shall not deviate more than ¼ inch from a 10-foot straightedge, when tested with the straightedge placed across the joint, parallel to the centerline.

321.8.4 COMPACTION: ASPHALT BASE COURSE AND SURFACE COURSE
(Revise the fourth paragraph to read)

Achieving the required compaction is the responsibility of the Contractor. The Contractor shall determine the equipment pattern of rolling that will provide the proper compaction, at his/her expense. The Engineer will determine the acceptability of the pavement compaction in accordance with Section 321.10 of the MAG Standard Specifications.

321.8.5 SMOOTHNESS
(Revise MAG to read)

The completed surfacing shall be thoroughly compacted, smooth, true to grade and cross-section, of uniform texture and appearance, and free of ruts, humps, roller marks, depressions or irregularities. An acceptable surface shall not vary more than one-fourth (1/4) inch from the lower edge of a 10-foot straightedge when the straightedge is placed parallel to the centerline of the roadway.

321.8.6 ASPHALT CONCRETE OVERLAY:
(Revise Subsection (b) of the third paragraph to read)

(b) Before placing asphalt concrete overlay, milling shall be done as shown on the plans or specified in the special provisions and shall be in accordance with Section 317. After completion of the asphalt milling, the Contractor and the Engineer shall inspect the milled pavement surface to determine the extent of existing pavement cracks and repairs.

SECTION 337 – CRACK SEALING
337.1 DESCRIPTION
(Revise MAG to read)

Crack sealing shall consist of blowing out loose material and sealing all cracks wider than 1/4 inch and narrower than 1-3/4" with an approved crack sealant.

337.2 MATERIALS
(Revise MAG to include the following)

The crack sealant shall be composed of asphalt, reclaimed and or virgin synthetic rubber and polymer modifiers. The material shall be approved by the Engineer prior to the notice to proceed and shall meet the following requirements:

TEST	METHOD	REQUIREMENT
Softening Point	ASTM D-36	200° F Minimum
Cone Penetration @ 77° F	ASTM D-3407	30 Minimum
Resilience @ 77° F	ASTM D-3407	40% Minimum
Flow	ASTM D-3407	3 mm Maximum
Safe Heating Temperature		410° F Minimum

Crack sealant shall be applied in accordance with manufacturer's recommendation.

337.8 MEASUREMENT:
(Revise MAG to include the following)

No separate measurement or payment will be made for crack sealing. The cost of crack sealing shall be considered incidental and included in the unit price bid for milling and asphalt overlay.

SECTION 340 – CONCRETE CURB, GUTTER, SIDEWALK, SIDEWALK RAMPS, DRIVEWAY AND ALLEY ENTRANCE
340.1 DESCRIPTION
(Revise MAG to read)

The various types of concrete curb, gutter, sidewalk and driveways shall be constructed to the dimensions indicated on the plans and MAG Standard Details with all applicable modifications as per the City of Flagstaff Standard Details as referenced on the plans.

All curb and gutter, sidewalk and driveways shall be constructed on a minimum 3 inches of aggregate base course (ABC). The ABC shall be compacted to 95% relative density.

Unless otherwise noted for removal and replacement, the Contractor shall protect all curb and gutter that is to remain in place. Removals outside the plan limits not approved by the Owner shall be replaced at the Contractor's expense.

The Contractor shall take extra precaution to protect all freshly poured concrete from vandalism. The Contractor shall coordinate placement of all new concrete with businesses a minimum of 48 hours in advance of the work. Night work, admixtures to accelerate hydration and setting of concrete and protective coverings should be considered by the Contractor to ensure that the finished concrete is free from any defects. Refer to MAG Spec. Section 107.10.

340.2 MATERIALS
(Revise the first paragraph to read)

Concrete shall be Class A, containing 5 to 7 percent air entrainment and conform to the applicable requirements of Section 725.

340.5 MEASUREMENT
(Revise to include the following)

No separate measurement or payment will be made for the saw cutting necessary for removal of pavement, curb, or sidewalk. No separate measurement or payment will be made for 3" ABC under curbs, sidewalks or sidewalk ramps. The cost of saw cutting and ABC is to be included in the related work items shown on the Bid Schedule.

SECTION 350 - REMOVAL OF EXISTING IMPROVEMENTS
350.2 CONSTRUCTION METHODS
(Revise to include the following)

The work under this section shall be in accordance with Section 350 of the MAG Standard Specifications, Section 201 of the MAG Standard Specifications and as modified herein. The Contractor has the option to mill or sawcut the existing asphalt for the water or gas line trench cut.

Sidewalks and curbs shall be removed to the nearest joint.

All excess materials removed shall become the property of the Contractor unless designated otherwise and shall be disposed of off the project site at no additional cost to the Owner.

SECTION 390 - PAVEMENT MARKINGS
390.1 PAYMENT
(Revise MAG to include new section)

Payment for pavement markings will be a lump sum price.

PART 600 – WATER, SEWER, STORM DRAIN AND IRRIGATION

SECTION 601 – TRENCH EXCAVATION, BACKFILLING AND COMPACTION
601.2.3 TRENCH GRADE
(Revise the first paragraph to read)

Alignment and elevation stakes shall be furnished by the Contractor at set intervals and agreed upon offsets. On water mains, cut stakes will be furnished only when deemed necessary by the Engineer. In all cases where elevation stakes are furnished, the Contractor shall also furnish the Engineer with cut sheets.

601.4.2 BEDDING
(Revise the first paragraph to read)

Bedding shall consist of granular material containing no pieces larger than ¾ inch and free of broken concrete, broken pavement, wood or other deleterious material. Aggregate base course in accordance with Section 702 of the MAG Standard Specifications shall also be acceptable as bedding material. Volcanic cinders in any form are not acceptable as bedding or backfill material for water lines.

SECTION 610 – WATER LINE CONSTRUCTION
610.3 MATERIALS
(Revise Paragraph (A) to read)

1. Water lines shall be constructed in conformance with Section 9-06-010, Paragraph 2, of the City of Flagstaff Engineering Design and Construction Standards and Specifications, 2009 edition. Polyvinyl chloride (PVC) plastic pipe for water lines shall conform to the requirements of Section 9-06-050 of the same publication.

PART 700 – MATERIALS

SECTION 760 – COATING CORRUGATED METAL PIPE AND ARCHES
760.2 MATERIALS
(Revise MAG to include the following)

Corrugated metal products covered by this section shall be Aluminized steel (type 2), 12 gauge, 5”x1” helically corrugated conforming to the requirements of AASHTO M-36.

SECTION 772 – CHAIN LINK FENCE
772.3 CHAIN LINK FABRIC
(Revise MAG to include the following)

The chain link fabric shall be twisted selvage top and bottom, incorporate factory inserted, integral slats in gray and as manufactured by Privacylink or approved equal.

SECTION 775 – BRICK AND CONCRETE MASONRY UNITS (BLOCKS)
775.2 CONCRETE MASONRY UNITS
(Revise MAG to include the following)

All visible surfaces of the retaining walls that are exposed to the view of the traveling public shall be split face block, color to be determined.

7. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Amy Hagin, Public Works - Parks Manager

Co-Submitter: Emily Markel

Date: 11/13/2019

Meeting Date: 11/19/2019

TITLE:

Consideration and Approval through a Cooperative Purchase Contract: To purchase one (1) 2019 Caterpillar 416F2 4ECP Backhoe Loader Standard Equipment

STAFF RECOMMENDED ACTION:

1. Approve the equipment purchase for one (1) 2019 Caterpillar 416F2 4ECP Backhoe Loader Standard Equipment from Empire Machinery through a cooperative purchase contract #161534 in the amount of $115,198.00; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Public Works - Parks Section is responsible for the operations at the Citizens Cemetery. Staff also perform digging operations at a private cemetery nearby (Calvary), resulting in over 150 digs per calendar year. Response to burial services is critical to maintaining customer service and expectations at the cemetery 365 days of the year. This equipment purchase will enable the existing cemetery backhoe to be utilized onsite as a backup during equipment maintenance as well as for the composting operation located in the cemetery storage yard.

Financial Impact:

This equipment purchase is budgeted in the fiscal year 2019-2020 budget and is funded with Rolling Stock Fleet in Account 001-06-155-0571-5-4401 for a budgeted amount of $115,000.00. The additional necessary $198.00 for the purchase will be funded through account 001-06-155-0571-5-4313.

Policy Impact:

Burial operations are the core services the staff at Citizen's Cemetery perform. Equipment and operators perform interments and exhumation upon request at the City's Citizens Cemetery and the privately owned Calvary Cemetery. Scheduling of the digging requires knowledge and consideration of cultural and other considerations which can require staff to respond in as little as 24 hours. Reliable equipment is essential to meeting the expectations of the public and this purchase will ensure staff is able to continue providing a high level of customer service.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Team Flagstaff Strategic Plan - Strategic Priority #1 - Provide Exceptional Customer Service

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

1. Approve the equipment purchase for one (1) 2019 Caterpillar 416F2 4ECP Backhoe Loader Standard Equipment from Empire Machinery through a cooperative purchase contract #161534 in the amount of $115,198.00;
2. Do not approve the purchase; or
3. Direct staff to re-evaluate the procurement and return with alternatives of new direction.

Background/History:

N/A

Key Considerations:

The purchase of this equipment is critical for Public Works - Parks to perform operations at the Citizens Cemetery and for the private cemetery (Calvary).

Expanded Financial Considerations:

This equipment purchase was included in the fiscal year 2019-2020 budget allocation and is funded in account 001-6-155-0571-5-4401 with a budgeted amount of $115,000. The additional necessary $198.00 for the purchase will be funded by account 001-06-155-0571-5-4313.

Community Benefits and Considerations:

On an annual basis the Citizens Cemetery in conjunction with the private cemetery (Calvary) performs in upwards of 150 burial services. Parks staff utilize equipment and perform burial services any day of the week with the expectation of excellent customer service and in a timely fashion. Housing onsite capable equipment is vital to this operation.

Community Involvement:

N/A

Expanded Options and Alternatives:

N/A

Attachments:

Cooperative Purchase Agreement
Empire Proposal
Picture
Tucson Signed Contract
Tucson Contract Extension

COOPERATIVE PURCHASE CONTRACT
Contract No. 2020-49

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 20_____by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Empire Machinery, an Arizona Limited Liability Company ("Contractor").

RECITALS:

A. The Contractor is a fully authorized dealer of Caterpillar Inc. products;

B. Caterpillar Inc. holds a Local Government Purchasing Cooperative Contract #161534-01 with the City of Tucson Procurement Department, Public Sector to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process; and

C. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Materials Purchased: Contractor shall provide to the City the materials, as specified in the Purchase Order(s) submitted by the City in accordance with the Agency Contract. The materials being purchased through the Agency Contract are as follows:

2019 CATERPILLAR 416F2 4ECP BACKHOE LOADER

2. Specific Requirements of: Contractor shall comply with all specific purchase and delivery requirements and/or options selected by the City for each vehicle, as specified in the Purchase Order(s) submitted to Contractor, and *Exhibit A* ("Scope of Work and Fee"), attached hereto and incorporated by reference.

3. Payment: Payment to the Contractor for the materials provided shall be one hundred and fifteen thousand, one hundred and ninety-eight dollars **($115,198)** made in accordance with the price list and terms set forth in the Agency Contract.

4. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract document, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. The Agency Contract documents attached as Exhibit *B* are incorporated by reference. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract.

5. Certificates of Insurance: All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

6. Term: This Cooperative Purchase Contract shall commence upon execution by both parties.

EMPIRE POWER SYSTEMS:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney’s Office

EXHIBIT A

SCOPE OF WORK and FEE (attached)

EXHIBIT B
AGENCY CONTRACT

City of Tucson Procurement Department Cooperative Contract #161534-01 (attached)

Emry
CITY OF FLAGSTAFF
211 W ASPEN AVE
FLAGSTAFF, AZ 86001-5399

10/30/2019

Dear Emry, On behalf of Empire Machinery and Caterpillar Inc., we are pleased to quote the following Caterpillar 416F2 HRC. Empire guarantees the wain roy coupler will work with the City of Flagstaffs attachments. We will just need to change the hydraulic fittings.

2019 New Caterpillar 416F2 4ECP Backhoe Loader
Standard Equipment

BOOMS, STICKS, AND LINKAGES
14'4" Center pivot excavator style backhoe with 2-lever control
Boom transport lock
Swing transport lock
Street type stabilizer shoes
Bucket level indicator
Lift cylinder brace
Return-to-dig
(automatic bucket positioner)
Self-leveling loader with single lever control
Transmission neutralizer switch
Single Tilt Loader

POWERTRAIN
Cat C4.4, 70KW (Net 87HP / 65kW)
- Direct Injection Turbo Charged Engine,
- with ACERT technology.
- US EPA Tier4 FinalEmissions Compliant
- Selective Catalytic Reduction (SCR)
Water separator
Thermal starting aid system
A dry type axial seal air cleaner with integral precleaner, automatic dust ejection system, and filter condition indicator
Hydraulically boosted multi-plate wet disk brake with dual pedals & interlock
Differential lock
Drive-line parking brake
Torque converter
Transmission-four speed manual shift with power shuttle and neutral safety switch
Spin-on fuel, engine oil, and transmission oil filters
Outboard Planetary Rear Axles

HYDRAULICS
Load sensing, variable flow system with 35 gpm axial piston pump
6 micron hydraulic filter
Hydraulic oil cooler
Flow-Sharing Hydraulic Valves

ELECTRICAL
12 volt electrical start
100 ampere alternator
Horn
Backup alarm
Hazard flashers/turn signals
Halogen head lights (2)
Halogen rear flood lights (2)
Stop and tail lights
Audible system fault alarm
Key start/stop system
880 CCA maintenance free battery
Battery disconnect switch
External Power Receptacle (12v)
Remote jump start connector

OPERATOR ENVIRONMENT
Lighted gauge group
Interior rearview mirror
Rear fenders
ROPS canopy
2-inch retractable seat belt
Hand and foot throttle
Air suspension seat
Coat Strap

FLUIDS
Antifreeze - Extended Life Coolant
-30C (-20F)

OTHER STANDARD EQUIPMENT
Hydrostatic power steering
Standard Storage Box
Transport tie-down points
Ground line fill fuel tank with 44 gallon capacity
Rubber impact strips on radiator guards
Bumper
CD-ROM Parts Manual
Backhoe Safety Manual

O-ring face seal hydraulic fittings
HYDRAULICS (Continued)
Caterpillar XT-3 hose
Operations and Maintenance Manual
Lockable hood
Tire Valve Stem Protection

Configured as Follows

Ref #	Description
4508445	416F2 HRC
0P9003	LANE 3 ORDER
4508728	STICK, EXTENDABLE, 14FT, PILOT
4508640	PT, 4WD, STD SHIFT, PILOT
4508754	ENGINE, 70KW, C4.4 ACERT, T4F
4508522	HYDRAULICS MP, 6FCN/8BNK, PT
4508680	CAB, STANDARD
4916734	WORKLIGHTS (8) HALOGEN LAMPS
4334805	SEAT, FABRIC
2061748	SEAT BELT, 3" SUSPENSION
4508711	AIR CONDITIONER, T4
5811781	PRODUCT LINK, CELLULAR PL641
3792161	TIRES, 12.5 80/19.5L-24, GY
3379696	COUNTERWEIGHT, 1015 LBS
9R6007	STABILIZER PADS, FLIP-OVER
3377436	BUCKET-MP, 1.3 YD3, PO
9R5321	CUTTING EDGE, TWO PIECE
5441901	COUPLER, PIN LOCK, BL F
2471950	BUCKET-HD, 24", 7.3 FT3, PL
4309944	INSTRUCTIONS, ANSI
4218926	SERIALIZED TECHNICAL MEDIA KIT
3982680	RIDE CONTROL
4563390	COUPLING,QD,THREADED WITH CAPS
4508772	LINES, COMB AUX, PILOT, E-STK
2114292	BEACON, MAGNETIC MOUNT
5402298	RADIO, FM BLUETOOTH
4572797	BATTERY, HEAVY DUTY
4237607	PLATE GROUP - BOOM WEAR
0P0210	PACK, DOMESTIC TRUCK
4616839	SHIPPING/STORAGE PROTECTION
4621033	RUST PREVENTATIVE APPLICATOR
	4 Hooks and Forks

Warranty

5 Yr 3000 Hr Gov PT Hyd + Tech

Powertrain+Hydraulic ESC Coverage includes Powertrain components (see below), as well as specified hydraulic system parts and components. Hydraulic components are associated with steering and implement control. COVERED Hydraulic/steering hoses & lines Hydraulic quick-couplers & swivels Hydraulic tanks/oil filter base Hydraulic pumps & motors Hydraulic values & controls Hydraulic cylinders EXCLUDED Winch pumps & valves Hydraulic brake system parts Hydraulic actuated worktools & attachments

Pricing Summary

Sale Price:	$105,783
Sales Tax:	$9,415
Net Total:	**$115,198**

Thank you for your consideration of this proposal and we look forward to the continued business partnership with CITY OF FLAGSTAFF.

Sincerely,

Todd Owen
Account Manager

This quote is good for thirty days and prices are subject to change. All finance options are subject to credit approval. By purchasing goods or services from Empire, you agree to Empire's Terms (www.empire-cat.com/salesserviceterms), which are incorporated into this quote. Due to market issues outside of Empire's control, any tires listed on this quote may not be available at time of shipment. All tire makes, models and costs are subject to change.


CAT
416F2

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) 837-4123 / FAX: (520) 791-4735
Jeffrey.Whiting@tucsonaz.gov
ISSUE DATE: DECEMBER 5, 2017

CONTRACT #161534-01
CONTRACT AMENDMENT NUMBER: ONE (1)

JW/lr
CONTRACT OFFICER: JEFFREY WHITING

HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

ITEM NO. ONE (1): CONTRACT RENEWAL
Pursuant to Contract No. 161534, Special Terms and Conditions, Term and Renewal, the City is hereby exercising its option to renew the contract for the period of May 01, 2018 through April 30, 2019.

ITEM NO. TWO (2): PRICING
Pursuant to Contract No. 161534, Scope of Work, Pricing, shall be **replaced** in its entirety with the Attached Price Page dated January 01, 2018 and shall become effective January 01, 2018.

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

CONTRACTOR: Caterpillar Inc.

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

Patty A Redfath 12/11/17
Signature of person authorized to sign Date

PATTY REDFATH, GOVERNMENT ACCOUNT MANAGER
Name and Title (typed or printed legibly)

CATERPILLAR INC.
Company Name

100 NE ADAMS ST. PEORIA, IL 61629
Address

REDFATH_PATTY@CAT.COM
Email Address

PEORIA IL 61629
City State Zip

Contact information for Sales/Account Representative for daily business operations:

PATTY REDFATH, GOVT ACCOUNT MANAGER
Name and Title (typed or printed legibly)

309-494-4578
Phone Number

REDFATH_PATTY@CAT.COM
Email Address

CITY OF TUCSON:

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS 14 DAY OF Dec, 2017, AT TUCSON, ARIZONA.

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

2018 Caterpillar Coop Contract Discounts v1

Cooperative Contracts -- Effective January 1, 2018

Machine Model*	New Equipment
2018	Discount to Customer (Off List Price)
Pavers	
AP255	18.00%
AP300	18.00%
AP355	18.00%
AP500	18.00%
AP555	18.00%
AP600	18.00%
AP655	18.00%
AP1000	18.00%
AP1055	18.00%
Rollers	
CB1.7	19.00%
CB1.8	19.00%
CB7	19.00%
CB8	19.00%
CB10	19.00%
CB13	19.00%
CB14	19.00%
CB15	19.00%
CB16	19.00%
CB22	19.00%
CB24	19.00%
CB32	19.00%
CB34	19.00%
CB36	19.00%
CB44	19.00%
CB46	19.00%
CB54	19.00%
CB64	19.00%
CB66	19.00%
CB68	19.00%
CC24	19.00%
CC34	19.00%
CCS7	19.00%
CCS9	19.00%
CD8	19.00%
CD10	19.00%
CD44	19.00%
CD54	19.00%
CP34	19.00%
CP44	19.00%
CP54	19.00%
CP56	19.00%
CP68	19.00%
CP74	19.00%
CS34	19.00%
CS44	19.00%
CS54	19.00%
CS56	19.00%
CS64	19.00%
CS68	19.00%
CS78	19.00%
CW16	19.00%
CW34	19.00%

***Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.**

2018 Caterpillar Coop Contract Discounts v1

Track Type Tractors

D3	23.00%
D4	23.00%
D5	23.00%
D6	21.00%
D7	19.00%
D8	19.00%
D9	10.00%

Wheeled Excavators

M314F	26.00%
M315F	26.00%
M316F	26.00%
M317F	26.00%
M318F	26.00%
M320F	26.00%
M322F	26.00%

Material Handlers

MH3022	26.00%
MH3024	26.00%
MH3026	26.00%

Cold Planers

PM310	20.00%
PM312	20.00%
PM313	20.00%
PM620	20.00%
PM622	20.00%
PM820	20.00%
PM822	20.00%
PM825	20.00%

Reclaimers

RM300	20.00%
RM500	20.00%

Telehandlers

TH255	23.00%
TH3510	24.00%
TH357	24.00%
TH408	24.00%
TH514	24.00%
TL642	24.00%
TL943	24.00%
TL1055	24.00%
TL1255	24.00%

Motor Graders

12	30.00%
120	34.00%
140	30.00%
160	30.00%
14	19.00%

Skid Steer Loaders

226	21.00%
232	21.00%
236	21.00%
242	21.00%
246	21.00%
262	21.00%
272	21.00%

Multi-Terrain Loaders

257	21.00%
277	21.00%
287	21.00%
297	21.00%

2018 Caterpillar Coop Contract Discounts v1

Compact Track Loaders

239	21.00%
249	21.00%
259	21.00%
279	21.00%
289	21.00%
299	21.00%

Excavators

300.9	20.00%
301.4	20.00%
301.7	20.00%
302.4	20.00%
302.7	20.00%
303	20.00%
303.5	20.00%
304	20.00%
304.5	20.00%
305	20.00%
305.5	20.00%
307	20.00%
308	20.00%
311	18.00%
313	15.00%
313GC	16.00%
315	19.00%
316	19.00%
318	16.00%
320	15.00%
320GC	16.00%
323	15.00%
325	15.00%
326	15.00%
330	15.00%
335	15.00%
336	15.00%
349	10.00%
352	10.00%
374	10.00%

Backhoe Loaders

415	22.00%
416	22.00%
420	22.00%
430	22.00%
450	22.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	18.00%
623	18.00%
627	18.00%

Articulated Trucks

725	17.00%
730	17.00%
735	17.00%
745	17.00%

Rigid Frame Trucks

770	3.00%
773	3.00%

2018 Caterpillar Coop Contract Discounts v1

Landfill Compactors

816	12.00%
826	12.00%
836	12.00%

Wheel Dozers and Soil Compactors

814	15.00%
815	13.00%
824	15.00%
825	13.00%

Wheel Loaders

903	23.00%
906	23.00%
907	23.00%
908	23.00%
910	23.00%
914	23.00%
918	24.00%
924	24.00%
926	24.00%
930	24.00%
938	24.00%
950GC	20.00%
950M	18.00%
962	18.00%
966	15.00%
972	11.00%
980	11.00%
982	11.00%

Track Loaders

953	19.00%
963	22.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

2018 Caterpillar Model List – Change Summary from 2017 - 2018

Add Models	Customer Discount
CB1.7	19
CB1.8	19
CB13	19
CB15	19
CB16	19
CCS7	19
CCS9	19
MH3022	26
MH3024	26
MH3026	26
PM310	20
PM312	20
PM313	20
PM820	20
PM822	20
PM825	20
TH357	24
TH408	24
320GC	16

Delete Discontinued Models

CW14
CT660, CT680, CT681 (Caterpillar exited Vocational Truck business)
PM102
TH306
TH406
TH407
312
321
329
740

City of Tucson, AZ

Contract 161534

for

Heavy Equipment, Parts, Accessories, Supplies and Related Services

with

Caterpillar, Inc

Effective: May 1, 2017

The following documents comprise the executed contract between the City of Tucson, AZ and Caterpillar Inc., effective May 1, 2017

I. Signed Contract
II. Summary of Negotiated Items
III. Caterpillar, Inc Original Response
IV. Original Request for Proposal

CITY OF TUCSON

DEPARTMENT OF PROCUREMENT

April 26, 2017

Sent via electronic mail, this day

Patty Redpath, Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL 61629
redpath_patty@cat.com

Re: Contract No.: **161534-01**
Contract Title: **Heavy Equipment, Parts, Accessories, Supplies and Related Services**

Dear Ms. Redpath:

The City of Tucson has awarded your firm the contract for furnishing the City's requirements for **Heavy Equipment, Parts, Accessories, Supplies and Related Services** during the time period of May 1, 2017 through April 30, 2018.

Please find attached your pdf copy of the contract, purchase order and the Designation of Contract Representative Memorandum outlining the duties and responsibilities of the representative as they relate to this contract. If you have any questions concerning this award, please contact me at (520) 837-4123.

The City wishes to thank you for your interest and proposal.

Sincerely,

Jeffrey Whiting
Senior Contract Officer

JW/lr

Attachments

Cc: File 161534

CITY OF
TUCSON
DEPARTMENT OF
PROCUREMENT

April 04, 2017

Patty Redpath
Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL, 61629
Email: redpath_patty@ cat.com

Sent this day via electronic mail

RE: City of Tucson Request for Proposal # 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services -Summary of Negotiated Items

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

> **8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.
> However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

> **5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

> **6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

> **3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.
>
> For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
> (a) contacting Caterpillar's GCI Government Contracts group or
> (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

1.b Maintenance Services: The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

2. Subcontractors: As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor 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. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

9. Modification of Terms: A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

20.Indemnification: To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

28. Payment: The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. 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 or other means 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 invoice shall not be dated prior to the receipt of goods or completion of services.

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.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

39. 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, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. 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 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.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

6. Term of Agreement

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

10. Exceptions to Contract Provisions

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

11. Public Record

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

12. Confidential Information

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
(a) contacting Caterpillar's GCI Government Contracts group or
(b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.
The City and the appropriate contract manager agrees that it shall not publish such price pages , for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

21. City of Tucson Business License

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

4. Insurance:

The Applicable Dealer agrees to:

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 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 Applicable Dealer, 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. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	$ 500,000
Each Occurrence	$1,000,000

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 Applicable Dealer (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 Applicable Dealer 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 Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

F. **ACCEPTABILITY OF INSURERS:** The Applicable Dealer's 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 Applicable Dealer from potential insurer insolvency.

G. **VERIFICATION OF COVERAGE:** The Applicable Dealer 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:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies **or** Dealer 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 Dealer 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.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

38. Subcontracts: Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, 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.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to Jeffrey.Whiting@tucsonaz.gov. If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting
Contract Officer

Concurrence: Patty A Redsath Date: April 6, 2017

Name: PATTY KESMATH Title: GOVERNMENT ACCOUNT MANAGER

Contract #161534

Heavy Equipment, Parts, Accessories, Supplies, and Related Services

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4. Caterpillar's Response to RFP 161534

1. Caterpillar's Response to Summary of Negotiated Items

CITY OF
TUCSON
DEPARTMENT OF
PROCUREMENT

April 04, 2017

Patty Redpath
Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL, 61629
Email: redpath_patty@ cat.com

Sent this day via electronic mail

RE: City of Tucson Request for Proposal # 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services -Summary of Negotiated Items

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

> **8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.
> However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

> **5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

> **6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

> **3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.
>
> For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
> (a) contacting Caterpillar's GCI Government Contracts group or
> (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

1.b Maintenance Services: The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

2. Subcontractors: As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor 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. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

9. Modification of Terms: A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

20.Indemnification: To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

28. Payment: The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. 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 or other means 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 invoice shall not be dated prior to the receipt of goods or completion of services.

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.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

39. 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, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. 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;

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

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

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17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

4. Insurance:

The Applicable Dealer agrees to:

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 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 Applicable Dealer, 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. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	$ 500,000
Each Occurrence	$1,000,000

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 Applicable Dealer (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 Applicable Dealer 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 Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

F. **ACCEPTABILITY OF INSURERS:** The Applicable Dealer's 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 Applicable Dealer from potential insurer insolvency.

G. **VERIFICATION OF COVERAGE:** The Applicable Dealer 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:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies **or** Dealer 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 Dealer 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.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

38. Subcontracts: Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, 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.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to Jeffrey.Whiting@tucsonaz.gov. If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting
Contract Officer

Concurrence: Patty A Redsmith Date: April 6, 2017

Name: PATTY REDSMITH Title: GOVERNMENT ACCOUNT MANAGER

2. Caterpillar's Response to BAFO

From: Patty Redpath <Redpath_Patty@cat.com>
To: "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>
Date: 3/8/2017 1:40 PM
Subject: Re: RFP 161534 - Heavy Equipment
Attachments: 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017.xls; Caterpillar National IPA 2017 Update Gen - Eff 1-9-2017.xlsx

Hello Jeff -

Thank you for the opportunity to respond. Attached is our Best and Final Offer, which is consistent with what we provided with our original RFP Response.

Thanks!

Patty Redpath
Government Account Manager
Caterpillar Inc.
Global Construction & Infrastructure ? Count on Us
100 NE Adams St. | Peoria, IL | USA | 61629
Tel: +1 (309) 494-4578 | C: (309) 370-0775

From: "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>
To: <Redpath_Patty@cat.com>
Date: 03/07/2017 02:14 PM
Subject: Re: RFP 161534 - Heavy Equipment

Hi Patty,
Please see the attached document, and let me know if you have any additional questions. Thanks

Jeffrey Whiting
Senior Contract Officer
Department of Procurement
255 W Alameda, 6th Floor
Tucson, AZ 85726
520-837-4123
520-791-4735 Fax

[attachment "BAFO-CAT.docx" deleted by Patty Redpath/0A/Caterpillar]

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Cooperative Contracts -- March 8, 2017

Machine Model*	New Equipment
2017	Discount to Customer (Off List Price)
Pavers	
AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%
Rollers	
CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

Reclaimers

RM300	14.00%
RM500	14.00%

Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

Rigid Frame Trucks

770	10.00%
773	10.00%

Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

Caterpillar January 9th, 2017 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	NIPA Participant Discount
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)*	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)*	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
60 HZ, 40 - 60 kW *(Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)*	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW *(Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)*	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW *(Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)*	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW *(Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)*	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List) *(EPA & CARB Tier 4 Interim Emissions Certified)*	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List) *(EPA & CARB Tier 4 Final Emissions Certified)*	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGAG" Caterpillar Price List)	
750 kW	36%
800 kW	36%

C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
(Reference the "PSNA-EPG-F_C32PGBG" Caterpillar Price List)	
1000 kW	38%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3512PGFL" Caterpillar Price List)	
Standby Rating Only - 1600 kW	37%
Standby Rating Only - 1750 kW	35%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516-PGDL" Caterpillar Price List)	
Standby Rating Only - 2000 kW	40%
Standby Rating Only - 2500 kW	38%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	34%
High Voltage - Standby Rating Only - 2000 kW	34%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	34%
High Voltage - Standby Rating Only - 2250 kW	34%
G3412, 60 HZ, 375kW, 450kW, 500kW	
(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Available by Design To Order Only)	17%
G3512 Stationary Certified 750kW, 1000kW	17%
(Reference the "PSNA-EPG-F_G3512NL" Caterpillar Price List)	
G3516 1040 kW Standby	17%
(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
G3516	
(Reference the "PSNA-EPG-F_G3516AEPL" Caterpillar Price List)	17%
G3516C, 1475kW, 1600kW	17%
(Reference the "PSNA-EPG-F_G3516CTPL" Caterpillar Price List)	
G3516H 1966kW	17%
(Reference the "PSNA-EPG-F_G3516HNL" Caterpillar Price List)	
G3520H 2469kW	17%
(Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	
G3520C 1800kW, 1900kW, 2055kW	17%
(Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	
CG132, CG170, CG260 (custom)	15%
Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	
C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)	
(Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)	
4000 kW (with Fan Rating)	24%
C175, 60 HZ, 3000 kW (EPA Tier 4)	
(Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	19%
C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)	
(Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	30%
3100 kW (without Fan Rating)	30%
G30PGAN, 30kW	31%
G80PGAN, 50kW, 60kW, 80kW	31%
G150PGAN, 100kW, 125kW, 150kW	35%
Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW	
(Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%

G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) *(Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List)*	
20 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) *(Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List)*	
30 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)*	23%
XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) *(Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List)*	
60 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)*	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)*	
320 kW* (3 phase or 1 phase)	23%
XQ425BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ425BN" Caterpillar Price List)*	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)*	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)*	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) *(Reference the "XQ2000N" Caterpillar Price List)*	
1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
*Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a **12% discount** off of the configured list price from each member's local dealer.*	
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Contol Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

3. City's Request for BAFO

Date March 7, 2017 ***Sent via electronic mail, this day***

Patty Redpath, Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL, 61629
Email: redpath_patty@cat.com

Subject: Request for Proposal No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services – Request for Best and Final Price

Dear **Mrs. Redpath**:

The City of Tucson is in receipt of Caterpillar's signed Summary of Negotiated Items for RFP No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services. In order for the evaluation committee to proceed with the evaluation of your proposal, it is requested that you submit a revised offer.

Attached you will find your firms original discount off list, provided with the original offer. Please review this document, and determine if any additional discounts can be offered to the City and its participating partners. If you decide to keep your firm's pricing the same, you will still need to provide a revised discount off offer, and return it to me.

If there are other areas in your offer that you wish to revise, please also do so at this time.

Please provide a written response to me no later than **Wednesday, March 08, 2017 at 4:00PM.** You may e-mail your response to Jeffrey.Whiting@tucsonaz.gov.

The City of Tucson appreciates your attention to this request.. If you should have any questions, please contact me at (520) 837-4123.

Sincerely,

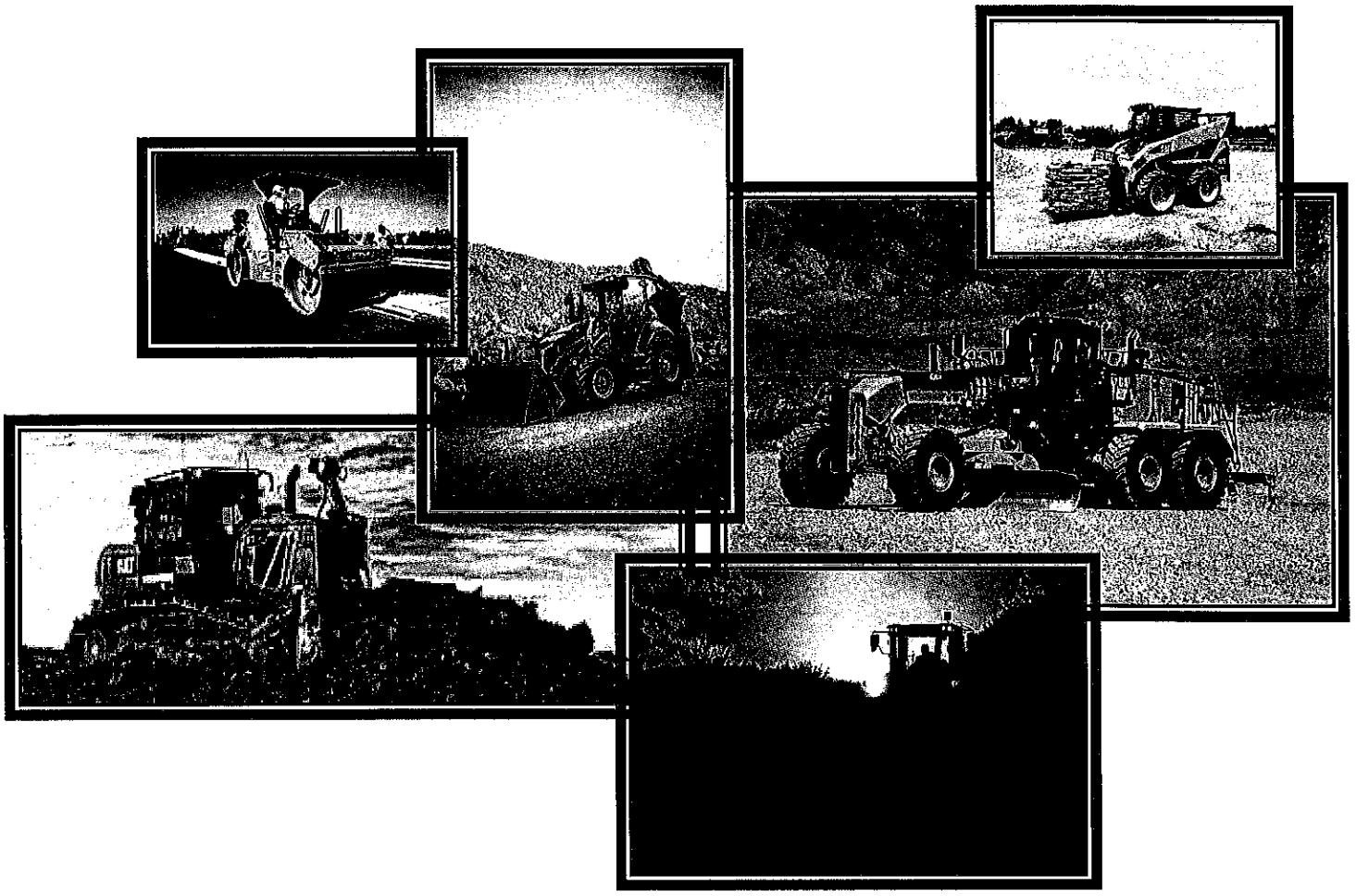
Jeffrey Whiting
Contract Officer

4. Caterpillar's Response to RFP 161534

ORIGINAL

CITY OF TUCSON

Request for Proposal
#161534
Heavy Equipment, Parts, Accessories, Supplies and Related Services



Submitted by:

Caterpillar Inc. / Empire Machinery

November 14, 2016

Table of Contents

1. Introductory Letter
   Signed Offer and Acceptance Form
   RFP #161534 As Issued
2. City of Tucson Proposal Evaluation Questionnaire Response – Caterpillar Inc.
3. National IPA Supplier Qualification Questionnaire Response – Caterpillar Inc.
4. Proposed Exceptions to RFP #161534 – Caterpillar Inc.
5. Empire Machinery Proposal and Exceptions
6. Price Proposal / Discounts
   Machines
   Electric Power
7. Example Price Lists
8. 2015 Executive Summary: Year in Review and Sustainability Report
9. Caterpillar Dun & Bradstreet Report
10. City of Tucson Business License
11. Example Warranty Statements
12. Insurance Certificates
13. Payment Letter

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Department of Procurement
Contract Officer
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:
1) Questionnaire Responses to the City of Tucson;
2) Questionnaire Responses to National IPA;
3) Proposed Exceptions;
4) Empire Machinery Responses;
5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

Ann Schreifels

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-338-5976

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

Caterpillar Inc.
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

Signature of Person Authorized to Sign

Brian Foster
Printed Name

North American Sales Manager
Title

For clarification of this offer, contact:

Name: Patty Redpath

Title: Governmental Account Manager

Phone: 309-494-4578

Fax: 309-675-4301

E-mail: redpath_patty@cat.com

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-01.

Approved as to form this 25th day of April, 2017.

As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this 24th day of April, 2017.

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

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534
RFP AMENDMENT NO. ONE (1)
PAGE NO. 1 OF 1
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

Heavy Equipment, Parts, Accessories, Supplies and Related Services

ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1st Floor Conference Room, 255 W. Alameda, Tucson AZ 85701.**

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Ann Schreifels 11/11/16
Signature Date

Ann Schreifels Governmental Sales Manager
Print Name and Title

Caterpillar Inc
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over $1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	
Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

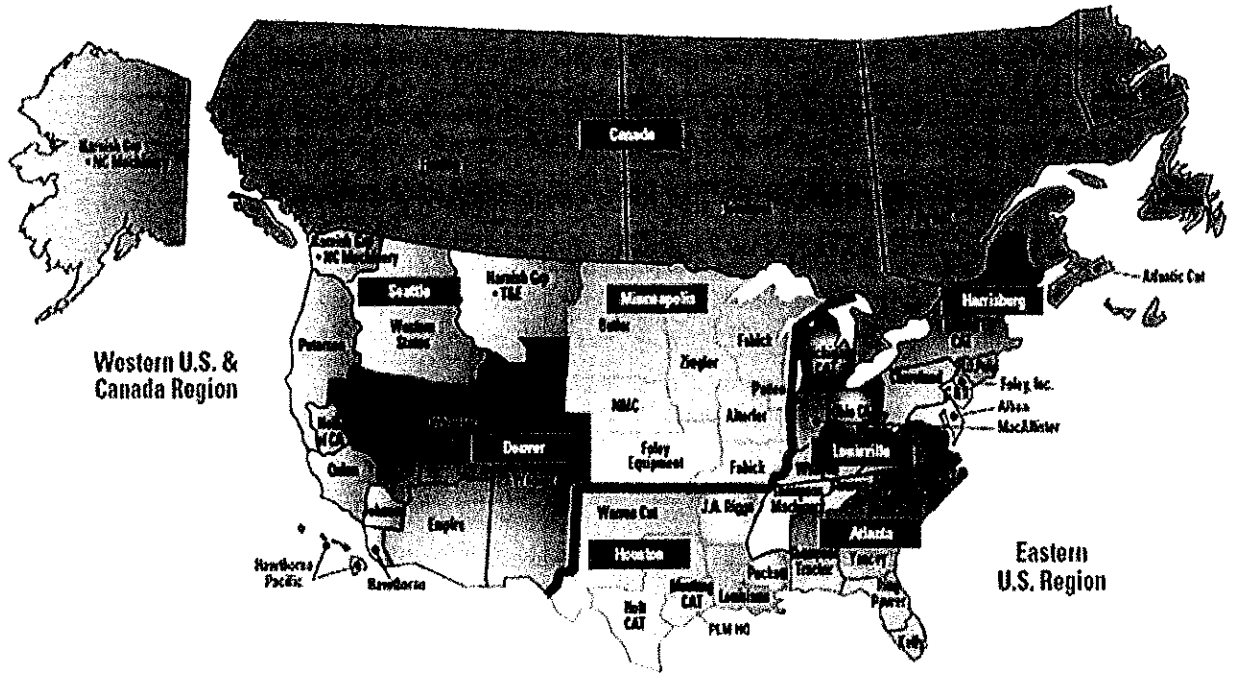


Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment
As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers)	Fuso Trucks
Broce Brooms	Mac Trailers
JLG (Man lifts)	Maintainer (Service Bodies)
Mega (Water tanks, Towers and Trailers)	Murray Trailers (Heavy Haul)
Genie (Man lifts and Telehandlers)	Trail King (Small to Heavy Haul)
Progressive Solar (Solar Power Light Plants)	UTB (Service Bodies)
Multiquip Power	Fleming Trailers
Sullair Air Compressors	
Rockland (Buckets and Dozer Blades)	
Paladin (Couplers and Attachments)	
CE Attachments (Attachments)	
Dymax (Attachments)	
Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners)	
Wain-Roy	
Agriculture	**Technology**
Challenger Tractors	Spectra Precision (Survey Instruments)
Massey Ferguson Tractors	Trimble (2D and 3D Grading Systems)
Rome (Construction Grade Discs and Plows)	Accugrade (Caterpillar Grade Control)
Woods (Scrapers and Mowers)	Seco (Surveying and Site Prep)
Gearmore (Attachments)	Laserline (Laser Controls)
Reynolds (Scrapers)	Apache (Grade Control, GPS and Lasers)
TG Schmeiser (Box blades, Land Levelers)	Level Best (Laser Grading Box)
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

Caterpillar Response

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

   i. Major Component Failures
   ii. Engineering Deficiencies
   iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

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Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

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Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

Past and Future Price Increases

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? _X_Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be

successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

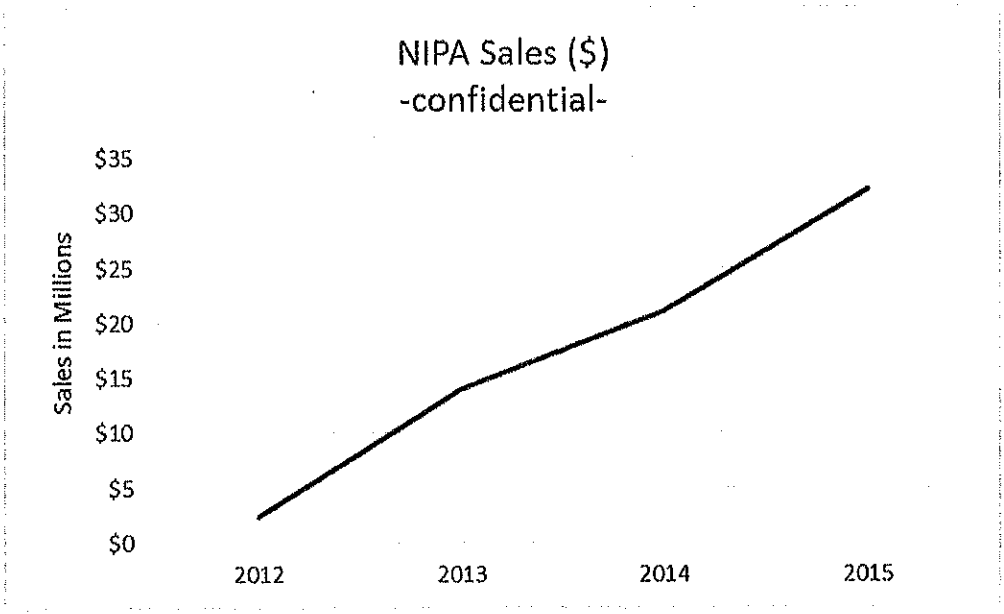
Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

National IPA Exhibit A – National IPA Response for National Cooperative Contract

3. SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

A. Brief history and description of your company.

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

B. Total number and location of sales persons employed by your company.

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.



Image 1, Caterpillar Dealer Brach Operations

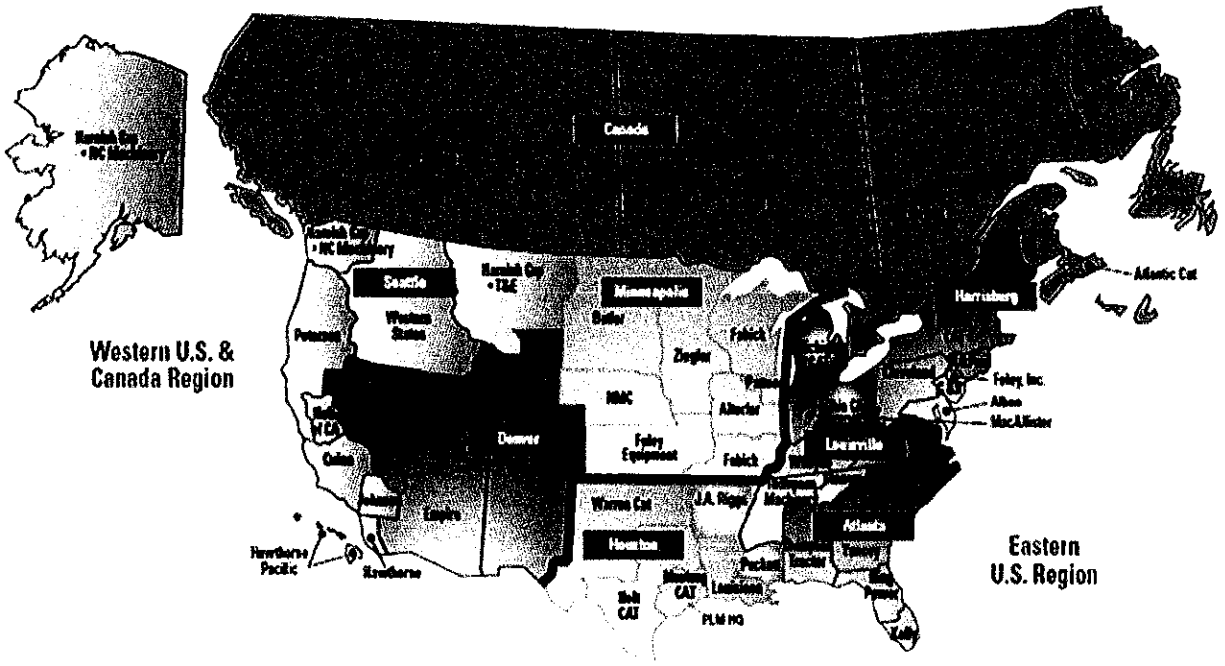


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – $55.6B
2014 – $55.1B
2015 - $47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
Construction Industries	**Arkansas:** North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang, Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallar **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong

Resource Industries	**Illinois:** Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Denison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuna, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
Energy & Transportation	**Alabama:** Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

3.3 Marketing and Sales

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:

i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.
Agree.

ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Pubic Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:

i. Creation and distribution of a co-branded press release to trade publications
Agreed.

ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
Agreed.

iii. Design, publication and distribution of co-branded marketing materials within first 90 days
Agreed.

iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
Agreed as calendars and budgets allow.

v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
Agreed as calendars and budgets allow.

vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
Agreed as budgets allow.

vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
Agreed.

viii. Dedicated National IPA internet web-based homepage on Supplier website with:
- National IPA standard logo;
- Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson

C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
   i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
   ii. Best government pricing
   iii. No cost to participate
   iv. Non-exclusive contract

   Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
   i. Key features of Master Agreement
   ii. Working knowledge of the solicitation process
   iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
   iv. Knowledge of benefits of the use of cooperative contracts

   Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:
   i. Marketing
   ii. Sales
   iii. Sales Support
   iv. Financial Reporting
   v. Contracts

   Patty Redpath
   Governmental Sales
   100 NE Adams St, Peoria, IL 61629
   Office: 309-494-4578
   Redpath_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

   Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

   Brian Foster
   Americas North Sales Manager
   309-675-5181
   FOSTER_BRIAN_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

   Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

   Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set- up, etc.

   The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

Caterpillar's governmental sales in 2015 were $900M+ from 5,000+ units.

Customers who purchase Caterpillar equipment are ultimately the customers of the local Dealers who serve them. As such Caterpillar does not have all the contact information for customers requested here. Caterpillar also regards all customer transaction information as confidential and reserves the right to withhold such information.

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

$ .00 in year one
$ .00 in year two
$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.

i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).

ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.

iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).

iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Contract Officer
City of Tucson
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the ~~T~~training material ~~shall be presented~~ in a quality suitable for videotaping. Dealer and Contractor~~The City~~ reserves the right to allow or reject videotapinge part or all of the training provided at no additional cost to the agency.

6. REPAIRS. The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response.~~If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.~~

INSTRUCTIONS TO OFFERORS

10. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. ~~the contract provisions contained in the City's Request for Proposal shall prevail.~~

11. PUBLIC RECORD: All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

12. CONFIDENTIAL INFORMATION: The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the Oefferor submits a formal written objection.

21. CITY OF TUCSON BUSINESS LICENSE: It is the responsibility of the applicable ~~Contractor~~ Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 7914566 or email at tax-license@tucsonaz.gov.

SPECIAL TERMS AND CONDITIONS

2. **SUBCONTRACTORS:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

   City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

~~No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement.~~ All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor 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. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.

9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor~~ Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION**: To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of ~~caused in whole or part by~~ Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. ~~any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.~~

29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted t~~T~~he City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, 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 invoice shall not be dated prior to the receipt of goods or completion of services.

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.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. 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.

40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~Any party, 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, which failure the contractor has not commeneed to remedy within thirty days of receipt of notice of such failure. ~~T~~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 reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

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

In the reasonable 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 reasonable 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.

ATTACHMENT A

EXHIBIT A

1.2 Marketing, Sales and Administrative Support

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to~~of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under~~ this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and ~~the Supplier~~local authorized dealer (Contract Sales are reported to National IPA).

EXHIBIT B

NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT

TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by ~~the Supplier~~Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

MONTHLY REPORTING & FEES

10. Supplier shall pay National IPA an administrative fee in the amount of ~~—%~~1% of the total new machine purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of new machines to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including

any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. On the 10th day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee ~~payment~~ in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee is~~are~~ to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer. ~~.~~

November 14, 2016

Jeffrey Whiting
Department of Procurement
Contract Officer
255 W. Alameda, 6th Floor
Tucson, AZ 85701

RE: Request for Proposal Number 161534
Heavy Equipment, Parts, Accessories, Supplies and Related Services

On behalf of Caterpillar Inc. and Empire Machinery, we sincerely appreciate the opportunity to participate in RFP #161534 from the City of Tucson. We believe the current contract, #120377, is a very successful contract for all parties; City of Tucson, National IPA, National IPA Member Agencies, Caterpillar and CAT Dealers.

We believe Caterpillar's offer in RFP #161534, if awarded, has three major benefits to all parties that are currently utilizing Contract #120377.

One – Capitalizing On the Momentum of Contract #120377
Contract #120377 has grown more than 1700% since 2012, and has increased more than 50% every year through 2015.

Two – Caterpillar's Product Offering Far Exceeds Any Other Manufacturer
CAT offers 159 more individual machine models to the governmental market than our next closest competitor. The depth and breadth of these additional units represents three times more machines to service your needs, and results in potential multiples of higher revenue through the contract.

Three – CAT Dealers' Larger Infrastructure in Both Stores and People to Serving the US
Cat Dealers have the infrastructure in stores and people in numbers, greater than all our competitors combined. More and more CAT Dealer Sales Managers and Salespersons are discovering two major benefits of the City of Tucson/National IPA contract.

1. A nationally recognized municipality as the Lead Agency and,
2. A single award

When these features are presented, procurement staff and operating departments have much higher confidence and trust in the co-op bid process. U.S. Cat dealers continue to increase their presentations and visibility of the contract and thus secure the adoption by new and/or existing National IPA members. At Empire, we are experiencing an increased level of engagement, with our counterparts at other dealerships who are requesting our guidance and best practice suggestions- especially over the last 18 months as capital budgets have improved across the country.

The response will be separated into two sections. Section 3 and 4 is Cat only and Section 6 is a combined response, which will include the responses from both Caterpillar and Empire Machinery. This allows responses to be viewed together.

Caterpillar's response was prepared by Patty Redpath, Governmental Sales Account Manager based in Peoria, Illinois. Patty's response pertains to the scope of Caterpillar's responsibility, while remaining cognizant that each dealership and respective territory has their own business rules and local regulations. Caterpillar is not at liberty to make commitments in this response on behalf of all Cat dealers. Caterpillar's commitment is the pricing discount from their published list price on machines they manufacture. These will be available to every Caterpillar dealer in the United States in the event that a local agency requests to purchase from this contract, and that specific Caterpillar dealer agrees with both the pricing level offered and agrees to accept any additional terms the agency requires.

The dealer response is from Empire Machinery, referred to as "Dealer Response". Empire approached our submission as if we were preparing our proposal solely for the City of Tucson. Empire's business relationship with the City of Tucson is highly valued and is our primary focus. The Empire Machinery section should only be considered as a commitment of what Empire will provide the City of Tucson and other agencies in our Cat territory. If this submission provides particular value, it may be used in the NIPA marketing effort to potential agencies in understanding what a Caterpillar dealership is capable of, but in no way is meant to imply or represent that any other dealers can or will provide the exact scope or elements that Empire offers the City of Tucson.

In addition, Empire represents several products that Caterpillar does not manufacture, but were requested in the RFP. We refer to non-Caterpillar products at Empire as "Allied" products. These help enhance or complete the machines for applications our customers need. Additional information is included in the Empire section entitled "Allied Products".

Thank you for the opportunity to participate in this solicitation for the City of Tucson.

Sincerely,

Clinton Swapp
Sales Account Manager
520-240-8213
Clinton.Swapp@empire-cat.com

Mark McGee
Governmental Industry Manager
520-240-8292
Mark.McGee@empire-cat.com

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response (only)

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local

customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over $1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium;

Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	
Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

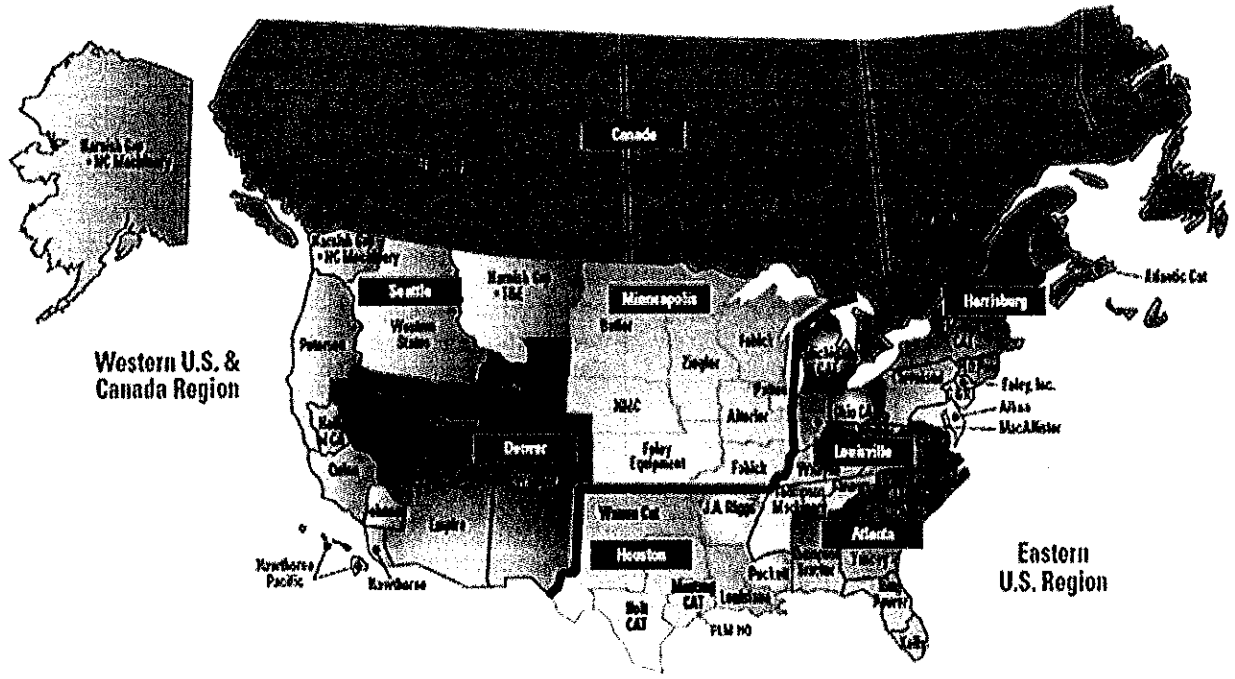


Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

Dealer Response

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar's response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as "Allied" products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment
As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions
Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving
Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools
In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied
There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

Number of unique machines by Manufacturer (Excludes Mining Products)	Caterpillar	John Deere	Komatsu	Volvo	Case	Bobcat
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers -- Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
Breadth of Caterpillar machines covering Governmental Market	239	77	45	80	62	39

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The "Allied" products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response (only)

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

Empire Exclusives:

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- $93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the "success rate" are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

Manufacturer and Dealer	Website
Caterpillar	www.cat.com
Empire Southwest	www.empire-cat.com
North America Caterpillar Dealers	http://www.cat.com/en_US/support/dealer-locator.html
Construction and Mining	**Website**
Allmand (Light Towers)	www.allmand.com
Broce Brooms	www.brocebroom.com
JLG (Man lifts)	www.jlg.com
Mega (Water tanks, Towers and Trailers)	www.megacorpinc.com
Genie (Man lifts and Telehandlers)	www.genielift.com
Progressive Solar (Solar Power Light Plants)	www.progressivesolarsolutions
Multiquip Power	www.multiquip.com
Sullair Air Compressors	www.sullair.com
Rockland (Buckets and Dozer Blades)	www.rocklandmfg.com
Paladin (Couplers and Attachments)	www.paladin.com
CE Attachments (Attachments)	www.ceattachments.com
Dymax (Attachments)	www.dymaxinc.com
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	www.weilerproducts.com
Wain-Roy	www.woodsequipment.com
Agriculture	**Website**
Challenger Tractors	www.challenger-ag.com
Massey Ferguson Tractors	www.masseyferguson.com
Rome (Construction Grade Discs & Plows)	www.romeplow.com
Woods (Scrapers and Mowers)	www.woodsequipment.com
Gearmore (Attachments)	www.gearmore.com
Reynolds (Scrapers)	www.reynoldsinternational.com
TG Schmeiser (Box blades, land levelers)	www.tgschmeiser.com
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	www.wilcoxap.com
On Road Industrial	**Website**
Fuso Trucks	www.mitfuso.com
Mac Trailers	www.mactrailers.com
Maintainer (Service Bodies)	www.maintainer.com
Murray Trailers (Heavy Haul)	www.murrytrailer.com
Trail King (Small to Heavy Haul)	www.trailking.com/trailers
UTB (Service Bodies)	www.unitedtruckbodies.com
Fleming Trailers	www.flemingtrailers.com
Technology	**Website**
Spectra Precision (Survey Instruments)	www.spectraprecision.com
Trimble (2D and 3D Grading Systems)	www.trimble.com
Accugrade (Caterpillar Grade Control)	www.Caterpillar.com/en
Seco (Surveying and Site Prep)	www.surveying.com
Laserline (Laser Controls)	www.laserlinemfg.com
Apache (Grade Control, GPS and Lasers)	www.apache-laser.com
Level Best (Laser Grading Box)	www.level-best.com

6. Do you offer color choices for each product listed?

Caterpillar Response (only)

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire/Caterpillar Warranty Offerings:

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- Caterpillar Standard Warranty - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- Caterpillar Extended Warranty – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- Powertrain Only – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- Powertrain and Hydraulics – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- Premier – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

General Warranty Information

Coverage - Inclusions, Exclusions

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

✓ Represents covered items in their respective category

** Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories	Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount **	✓	✓	✓
Turbocharger	✓	✓	✓
Pulleys **	✓	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages **	✓	✓	✓
Fuel Lines **	✓	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
Transmission/Hydrostatic/Driveline	**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors **		✓	✓
Linkage/Lines Connected to Hystat Pump **		✓	✓
Drive (pilot/eh) Control Valves **	✓	✓	✓
Senders/Sensors **		✓	✓

Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Differentials		✓	✓	✓
Hydraulic Systems		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Chassis/Implement Frames	**			✓
Weldment	**			✓

Allied Product Warranty:

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:

    i. Major Component Failures
    ii. Engineering Deficiencies
    iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations

- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.



Image 2: US Dealer Locations

Dealer Response

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91st Ave.	85345
Phoenix	602-333-5600	801 N. 44th Ave.	85009
Phoenix	602-627-5700	840 N. 43rd Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365

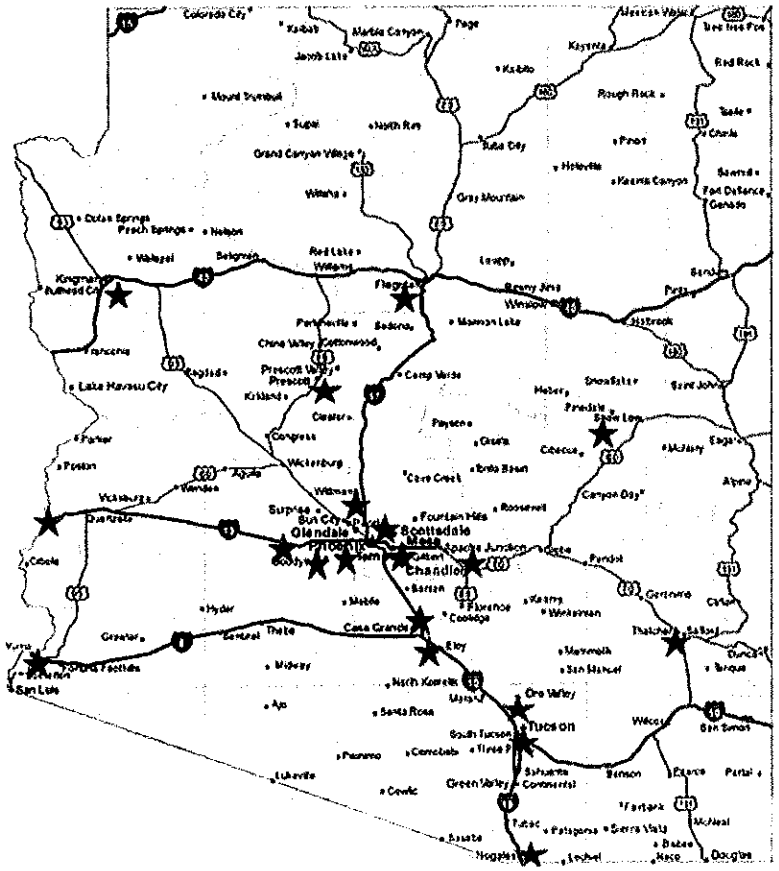


Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- PM (Preventative Maintenance) Services

  PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

  - PM1 – Services the manufacturer recommends at 250 hours
  - PM2 – Services the manufacturer recommends at 500 hours
  - PM3 – Services the manufacturer recommends at 1,000 hours
  - PM4 – Services the manufacturer recommends at 2,000 hours
  - PM5 – Services the manufacturer recommends at 4,000 hours

  Empire and participating dealers can offer different options for these hour intervals including:

  - Parts only agreements
  - Parts and fluids only agreements
  - Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1 250 hours	PM2 500 hours	PM3 1000 hours	PM4 2000 hours	PM5 4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	X	X	X	X	X
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	X	X	X	X	X
Check all fluids levels such as Transmissions, Differentials, Tandems, Hydraulic, Steering, Coolant	X	X	X	X	X
Change fuel filters and fuel /water separators, clean fuel bowl screen (replace if neccessary)	X	X	X	X	X
Change Primary Air Filters	X	X	X	X	X
Check Coolant Condition - Freeze point	X	X	X	X	X
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (cen), ripper shanks)	X	X	X	X	X
Change cab A/C filters	X	X	X	X	X
Lubricate all grease points	X	X	X	X	X
Inspect and test all visible and safety systems	X	X	X	X	X
Change all filters this includes hydraulic filters, transmission filters, differentials filters if applicable		X	X	X	X
Change rear differential oil (Backhoe Loaders only on A.D. Models)		X	X	X	X
Change front wheel oil on off highway trucks		X	X	X	X
Change the Transmission oils, clean transmission screens and magnetic			X	X	X
Change swing drives oils on excavators, change differential and finals oils on backhoes			X	X	X
Change hydraulic oils on AG tractors, telehandlers, vibratory compactors only, change chain case oils on skid steer loaders			X	X	X
Change circle drive oil on motor graders			X	X	X
Change axle differential and final oils				X	X
Change tandem oil drive oils on motor graders				X	X
Change circle drive oils on motor graders according to OEM				X	X
Change hydraulic system oil					X

- **Total Maintenance and Repair (TM&R):**

  In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

  TM&R's can be customized by the customer, including the following:

  - With/without travel
  - With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

  This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

  Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

  The technician will usually perform:

  - Running repairs
  - Preventative maintenance services

  Other onsite services could include:

  - Daily inspections
  - Cleanings
  - Operational checks

  The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

  Additional "man on site" Inclusions or exclusions in most cases include the following:

  - Housing (when applicable)
  - Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

  Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

  Inclusions and exclusions in most cases include:

  - With/Without daily cleanings.
  - With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained

technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly $3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.

ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

iii. Describe the training curriculum for the service technicians.

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
    a. Walk around inspection
    b. Daily service points/lubrication
    c. Cab and controls
    d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
    a. Operator's station

b. Engine
c. Electrical system
d. Power train
e. Implement and steering hydraulic systems
f. Auxiliary hydraulic lines
g. Thumbs
h. Buckets
i. Couplers

5. Post Test
6. Review Maintenance Section of Operation and Maintenance Manual
   a. Lubricants and fluids
   b. Towing
   c. Review PM checklist and procedures
      - 250 Hour
      - 500 Hour
      - 1000 Hour
      - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our "on order" inventory. In other words, we give more than we take. These outstanding "chits" help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be "Ready to Ship" within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

Parts – Hours of Operation

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire's Parts Stores are:

  Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store's main number. (Provided in section 4, subsection 2 under "Dealer Response") This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Historically, Empire's most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history

Additional options available from www.empire-cat.com are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vison Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

Dealer Response

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response (only)

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response (only)

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

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Empire Machinery and other dealers across North America, who choose to participate, offer the following parts, service, rental, and accessories discounts as part of RFP#161534.

Dealer Related Parts, Service, Rentals and Accessories	Minimum List/Card Discount
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Freight is calculated in three different manners, depending on model, for Caterpillar:

- Caterpillar Included in Price: On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.

- Caterpillar Managed Freight: On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.

- Empire Quoted: Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.

- Allied Products: Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

  Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

CONFIDENTIAL – Request confidential treatment –

Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

Past and Future Price Increases

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

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Empire will honor our discount from Caterpillar list prices to the City of Tucson for the term of the awarded contract. However, as a dealer we have no control over when the manufacturer announces price increases or how much those increases will be. Over the last three years, the prices have changed hundreds of times. To avoid overwhelming this proposal with hundreds of example price increases, Empire will provide examples of the price increases associated with the seven Caterpillar models we have included below.

Typically, in September, Caterpillar announces an annual price increase that will affect machines and work tools shipping after January 1st of the following year. This is not based on order date, but ship date. If a tractor is ordered in August and is not going to ship until January, the tractor would be subject to the price increase for that model announced in September.

The price increase sheet is detailed by model and Empire has experienced price increases ranging from -1% to +8% over the past three years. In this time frame, Caterpillar has announced one mid-year price increase. It was announced approximately 90 days before taking effect and was rolled out as described above.

In regards to price list changes, Caterpillar modifies the price pages often. These adjustments affect base price, configuration item price, internal vendor change causing a reference number change, etc.

Listed below is the number of times Caterpillar made price adjustments between 01/01/2016 and 08/10/2016:

120M:	22 Price List changes
M316D:	15 Price List changes
D6K:	19 Price List changes
308E:	23 Price List changes
930:	36 Price List changes
12M2 AWD:	6 Price List changes
CB22:	11 Price List changes

Prior to 2006, most price increases followed the commodities markets of primarily oil and iron. Historically, this was a predictable 2%-3% per year. The most significant changes in pricing since 2006 have been the expense of manufacturers adding EPA emissions compliance packages. Some machines experience as much as +8% in 12 months.

We expect Caterpillar will return to a more stable range of price increases that more generally follow the U.S. inflation rate. The long range indicators/indices for predicting construction machinery will continue to be U.S. labor rates, and energy and steel. As one of the largest steel consumers in the world, Caterpillar blends long and short term contracts on steel and other commodities to help absorb shocks to these markets, in an effort to help its dealers and customers adjust. At the time of this writing, Empire does not anticipate significant changes that would affect the expected return to standard 2%-3% annual price increases.

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when "current" pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as "incentives" and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: "Occasionally" means we are successful at securing extensions fewer times than not.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response (only)

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response (only)

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? __X__Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

Dealer Response

References:

City of Phoenix
Contact: Bonnie Shockley, Equipment Control Specialist
2441 S. 22nd Ave., Phoenix, AZ 85009
602-534-2129
bonnie.shockley@phoenix.gov

Maricopa County
Contact: Gidget Vigil, Equipment Manager
3325 W Durango St. Phoenix, AZ 85009
602-506-4674
gidgetvigil@mail.maricopa.gov

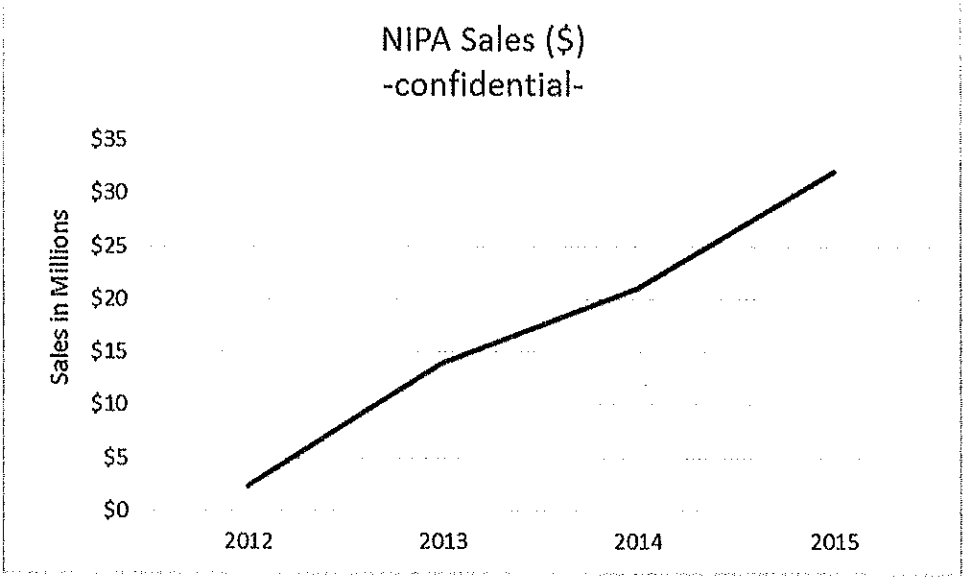
Cochise County
Contact: Ruben Miranda, Internal Services Administrator
1151 W Hereford Road. Bisbee, AZ 85603
520-432-8391
rmiranda@cochise.az.gov

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

Additional Services Information

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

Value Added Support Services

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency

- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response (only)

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

Account : CATERPILLAR INC.

D-U-N-S® Number: 00-507-0479 - CATERPILLAR INC.
Account Number: CAT1
Trade Names: CATERPILLAR
Endorsement/Billing Reference: Wilson_Alex_D@cat.com

D&B Address	
Address	100 Ne Adams St Peoria, IL, US - 61629
Phone	309 675-1000
Fax	309-675-1076
Location Type	Headquarters
Web	www.caterpillar.com

Account Address	
Address	100 NE ADAMS ST PEORIA, IL, US - 616290001
Phone	309-675-1000
Fax	309-675-1076

Assigned to: Credit Department
Account Created: 08/31/2016
Last View Date: 10/05/2016
Last Review Date: 10/05/2016
Last Import Date: 08/31/2016
Endorsement : Wilson_Alex_D@cat.com

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

Credit Limit	**Unavailable**	
Credit Limit - D&B Conservative	**1,000,000.00**	Based on profiles of other similar companies.
Credit Limit - D&B Aggressive	**1,000,000.00**	Based on profiles of other similar companies.
PAYDEX®	**70**	Paying 15 days past due
Commercial Credit Score Percentile	**39**	Moderate Risk of severe payment delinquency.
Financial Stress Score National Percentile	**67**	Moderate Risk of severe financial stress.
D&B Viability Rating		View More Details
Bankruptcy Found	**No**	
D&B Rating	**5A3**	5A indicates 50 million and over, Credit appraisal of 3 is fair

Account Review Reasons

Status: Credit Increase Recommended **Credit Increase Recommended:** An automated review triggered a recommended action of "Credit Increase Recommended" on 10/05/2016. D&B was your source of business information to make this decision.

The **"Low Risk 2-3.99"** rule triggered this review because of the following conditions:

Condition	Value
Cat Existing Scorecard Is Between 2.00 AND 3.99	3.85

Based on the "Credit Increase Recommended" rule the

credit terms are :

	Recommended	Latest Actual
Credit Limit	50,000.00	Not Set
Payment Terms	Net 30	Not Set
Early Payment Discount	Not Set	Not Set
Analyst Instructions	No instructions provided for this Review.	No instructions available.

The recommended credit terms were based on the following:

Condition	Value
Account ReviewRule	Credit Increase Recommended Rule

The following information was used to calculate the CLM:

Expression: (Caterpillar Input 3) * 5

▸ Previous 10 Credit Terms

Credit Terms prior to review on 10/05/2016

Credit Limit	50,000.00	Not Set
Payment Terms	Net 30	Not Set
Early Payment Discount	Not Set	Not Set
Analyst Instructions	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

Credit Terms prior to review on 08/31/2016

Credit Limit	50,000.00	Not Set
Payment Terms	Net 30	Not Set
Early Payment Discount	Not Set	Not Set
Analyst Instructions	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

Detailed Trade Risk Insight™

Days Beyond Terms Past 3 Months

7
Days

Dollar-weighted average of **1128** payment

experiences reported from **239** Companies

Recent Derogatory Events

	Aug-16	Sep-16	Oct-16
Placed for Collection	-	-	500 on 1 acct
Bad Debt Written Off	-	-	-

D&B Viability Rating

1	**Viability Score: 1**
3	**Portfolio Comparison: 3**
A	**Data Depth Indicator: A**
4A	**Company Profile: A**

Financial Data	Trade Payments	Company Size	Years in Business
Available	Available (3+Trade)	Large	Established

Company Overview

This is a headquarters location

Branch(es) or Division(s) exist	Y
Chief Executive	DOUGLAS R OBERHELMAN, CHB-CEO
Stock Symbol	CAT
Year Started	1925
Employees	105700 (1176 Here)
SIC	3531 , 3519
Line of business	Mfg construction & mining equipment, diesel & natural gas engines, industrial gas turbines, & diesel-electric locomotives
NAICS	333120
History Status	CLEAR
Financial Condition	GOOD

Stock Performance

CAT : **89.50** ↑ 2.00 (2.28%)

Previous Close: 87.52

Volume: 4197372.00

Daily High: 89.88

Daily Low: 88.05

52-Week High: 89.20

52-Week Low: 56.37

P/E: 57.3718

Market Cap: 52,288,690,700

EPS: 1.56

Div/Yield: 3.45

FirstRain Company News

- **New Cat R1700K underground loader designed**
  2016-10-05T09:22:06 AKDT 9:22 AM-Mining
- **YieldBoost Caterpillar From 3.5% To 5.8%**
  2016-10-05T08:06:23 AKDT 8:06 AM-NASDAQ.com
- **Better Buy: Caterpillar Inc. vs. Illinois Tool**
  2016-10-05T07:50:24 AKDT 7:50 AM-FOX Business
- **Caterpillar Inc. (CAT) Stock Did Its Job. Cut**
  2016-10-05T04:07:36 AKDT 4:07 AM-Investor Place
- **Kim Hauer pursues new opportunity**
  2016-10-05T02:18:07 AKDT 2:18 AM-World Coal
- **Caterpillar : Exhaust Manifold for Caterpillar**
  2016-10-05T00:00:30 AKDT 12:00 AM-4-Traders
- **SAE International to Honor Caterpillar VP**
  2016-10-04T20:29:45 AKDT 8:29 PM-Houston
- **How Middle America became Trump country**
  2016-10-04T15:36:27 AKDT 3:36 PM-MSN CA
- **Caterpillar Inc. Files Forms 4**
  2016-10-04T15:09:06 AKDT 3:09 PM-PR Newswire
- **H.O. Penn Holds SITECH Demo Open House at**
  2016-10-04T11:55:54 AKDT 11:55 AM-Construction
- **Caterpillar Oil & Gas launches G3516J gas**
  2016-10-04T08:35:37 AKDT 8:35 AM-Oil Review
- **Caterpillar Factory Purchased by MN Company**
  2016-10-03T22:49:06 AKDT 10:49 PM-WTAQ
- **Caterpillar : CAT 794 AC MINING TRUCK**
  2016-10-03T08:05:31 AKDT 8:05 AM-4-Traders
- **Seeing Machines receives Caterpillar boost**
  2016-10-02T23:08:46 AKDT 11:08 PM-ProActive
- **Caterpillar, Inc. (NYSE:CAT) Is Expected To**
  2016-10-02T10:17:36 AKDT 10:17 AM-Realist

- Caterpillar : $313,154 Federal Contract
  2016-10-01T04:05:36 AKDT 4:05 AM-4-Traders
- Peoria business benefits from laid-off
  2016-09-30T07:54:26 AKDT 7:54 AM-Pekin
- Caterpillar: Did Cramer Call A Top?
  2016-09-30T06:21:47 AKDT 6:21 AM-Seeking Alpha
- Cat's exit no disaster after all
  2016-09-29T19:16:39 AKDT 7:16 PM-The Advocate
- Caterpillar (CAT) Announces Price Action of
  2016-09-29T13:18:54 AKDT 1:18 PM-
- Caterpillar Wins 2016 ANNY Excellence In
  2016-09-29T12:30:44 AKDT 12:30 PM-SeattlePi.com
- Caterpillar Uptrend Faces Major Obstacles
  2016-09-29T11:49:21 AKDT 11:49 AM-
- Caterpillar no longer a dog, rising 7% in two
  2016-09-29T09:02:13 AKDT 9:02 AM-Seeking Alpha
- Caterpillar Affirms Commitment to Egypt's
  2016-09-29T07:55:51 AKDT 7:55 AM-Caterpillar Inc.
- Jim Cramer -- It's Time to Stop Betting Against
  2016-09-29T06:31:21 AKDT 6:31 AM-The Street
- Caterpillar Inc. (CAT) Surged To A New High
  2016-09-29T03:31:45 AKDT 3:31 AM-RTTNews
- Congratulations to the Winners of San
  2016-09-28T20:53:39 AKDT 8:53 PM-Austmine
- Caterpillar Inc. (CAT) Shares Sold by
  2016-09-28T18:47:56 AKDT 6:47 PM-The Olympia
- Asphalt compaction seeing major technical
  2016-09-28T16:19:02 AKDT 4:19 PM-World
- Wall Street closed in the green again on OPEC
  2016-09-28T12:58:27 AKDT 12:58 PM-Forex Street
- Caterpillar Is Breaking Out to New Highs -- and
  2016-09-28T10:12:32 AKDT 10:12 AM-The Street
- Infocast's 4th Additive Innovation Summit
  2016-09-28T08:03:51 AKDT 8:03 AM-PRWeb
- How's Caterpillar Doing? Check These 2
  2016-09-28T07:13:08 AKDT 7:13 AM-The Street
- Caterpillar : 35TH ANNIVERSARY OF THE CAT
  2016-09-28T07:07:33 AKDT 7:07 AM-4-Traders
- Caterpillar : NEW CAT PROXIMITY
  2016-09-28T07:03:09 AKDT 7:03 AM-4-Traders
- 2 New Equity REITs In My 85 Stock Portfolio:
  2016-09-28T00:37:13 AKDT 12:37 AM-Seeking
- MCFA appoints Towlift as Pittsburgh dealer
  2016-09-27T09:43:34 AKDT 9:43 AM-Refrigerated &
- Excited About Caterpillar Inc.'s Latest Big Buy
  2016-09-27T03:37:21 AKDT 3:37 AM-FOX Business

- 2016-09-27T03:12:44 AKDT 3:12 AM-The Street

- **Caterpillar Goes Beyond the Iron at MINExpo**
  2016-09-26T13:06:21 AKDT 1:06 PM-CNBC

- **NowNS: International experience makes local**
  2016-09-26T11:04:45 AKDT 11:04 AM-The Chronicle

- **Caterpillar eyes a brighter future ahead of**
  2016-09-25T20:41:21 AKDT 8:41 PM-Mining

- **Caterpillar (world's No.1 heavy machinery**
  2016-09-25T18:06:38 AKDT 6:06 PM-NASDAQ.com

- **Caterpillar sees green shoots in mining, but**
  2016-09-24T16:43:38 AKDT 4:43 PM-MINING.com

- **Caterpillar Gives the Gift of Power to St. Luke's**
  2016-09-24T15:20:45 AKDT 3:20 PM-PR Newswire

- **American workers out, foreign workers in**
  2016-09-23T13:18:23 AKDT 1:18 PM-

- **Caterpillar Vice President Kim Hauer to Pursue**
  2016-09-23T07:55:18 AKDT 7:55 AM-Caterpillar Inc.

- **Nick in the AM: At least one media source**
  2016-09-23T05:51:23 AKDT 5:51 AM-The Peoria

- **From manufacturing to innovative design**
  2016-09-23T00:32:54 AKDT 12:32 AM-Engineers

- **QUT to Lead a Project with Caterpillar for**
  2016-09-22T18:53:23 AKDT 6:53 PM-Austmine

Powered by FirstRain

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	1	03/06/07
Suits	4	03/11/16
UCCs	722	08/09/16

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

Predictive Scores

Currency: Shown in USD unless otherwise indicated

D&B Viability Rating Summary

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:

1	Viability Score	Lowest Risk:1	Highest Risk:9

Compared to All US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 1 have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 1: **0.3 %**
- Across all US businesses, the average probability of becoming no longer viable: **14 %**

3	Portfolio Comparison	Lowest Risk:1	Highest Risk:9

Compared to All US Businesses within the same MODEL SEGMENT:

- Model Segment : **Available Financial Data**
- Level of Risk: **Low Risk**
- Businesses ranked 3 within this model segment have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 3 with this model segment: **15 %**
- Within this model segment, the average probability of becoming no longer viable: **0.6 %**

A	Data Depth Indicator	Predictive Data:A	Descriptive Data:G

Data Depth Indicator:

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Comprehensive Financial Attributes

A	Company Profile	Financial Data	Trade Payments	Company Size	Years in Business
		Available	**Available** (3+ Trade)	**Large**	**Established**

Company Profile Details:

- Financial Data: **Available**
- Trade Payments: **Available** (3+ Trade)
- Company Size: **Large** (Employees: 50+ or Sales: $500K+)
- Years in Business: **Established** (5+)

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Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Casualty Insurance Program*

Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.

If Caterpillar's net worth drops below $1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.

Please contact (309) 675-4645 if you have any questions.

CATERPILLAR®

Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Property Insurance Program*

Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.

Caterpillar Inc. will honor its responsibilities assumed under any agreement.

Please contact (309) 675-8400 if you have any questions.

CATERPILLAR®

Effective with sales to the first user on or after July 1, 2016

CATERPILLAR LIMITED WARRANTY

Earthmoving, Construction, Material Handling, Forestry and Paving Machines

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 992, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

Note: New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

continued...

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.
NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000,THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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Effective with sales to the first user on or after January 1, 2014.

CATERPILLAR LIMITED WARRANTY

Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

Allowance (%) = (1-Track hours/1500 hours) X 100

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks.

Allowance (%) = (1-Track hours /1000 hours) X 100

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."
- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side....)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.

NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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Re: Due November 4 -- Exemption request for business license

Tax-License Tax-License to: Schreifels_Ann_M 10/26/2016 03:43 PM
Cc: "Jeffrey Whiting"

Caterpillar: Confidential Green Retain Until: 11/25/2016
History: This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.
https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXylY2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJAl6F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels_Ann_M@cat.com> 10/14/2016 11:47 AM >>>
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels
Americas Marketing Supervisor
Governmental Sales & Business Processes
Global Construction & Infrastructure
100 NE Adams St. | Peoria, IL | USA | 61629
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976

City of Tucson

License Certificate

Business Name and Tucson Mailing Address:

EMPIRE SOUTHWEST LLC
PO BOX 2985
PHOENIX AZ 85062-2985

License Number: 3006282

Type: General Freight Trucking, Local

Issue Date: December 31, 2015

Expiration Date: December 31, 2016

Owner:
EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.

FOLD HERE

CITY OF TUCSON, ARIZONA
FINANCE DEPARTMENT
REVENUE DIVISION - LICENSE
Expiration Date: December 31, 2016

Non-Transferable

3006282

MUST BE DISPLAYED IN A CONSPICUOUS PLACE

Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson. Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By _____
Finance Director

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Machinery
7000 S. Nogales Highway
Tucson, AZ 85756-9640
Phone: 520-746-8200

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

TO: Jeffrey Whiting, Contract Officer
City of Tucson

FM: Ann Schreifels
Governmental Sales Manager

RE: Price Discounts and Price Pages

Caterpillar does not have a typical product catalog or price pages. Because our machines and equipment are relatively low volume products and often created to customer specifications, we don't have a static document to attach here. With more than 300 products that each have a detailed 20- 40-page price list, we also didn't feel it was in the best interest of the City's environmentally conscious policies.

The City of Tucson can request current price pages from Caterpillar Inc, or from Empire Machinery at any time.

Because our pricing model under this contract is a minimum discount off of list price, those discounts are attached here. Working with the local sales representative to configure the machine correctly and then applying the discount will result in the contract price indicated in this proposal.

Please feel free to reach out to me at 309-338-5976 or to Patty Redpath at 309-494-4578 if you are not able to reach a local Empire Machinery contact.

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)
Pavers	
AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%
Rollers	
CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

***Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.**

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

Reclaimers

RM300	14.00%
RM500	14.00%

Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Articulated Trucks	
725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

Rigid Frame Trucks	
770	10.00%
773	10.00%

Landfill Compactors	
816	14.00%
826	14.00%
836	14.00%

Wheel Dozers and Soil Compactors	
814	15.00%
815	15.00%
824	15.00%
825	15.00%

Wheel Loaders	
903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

Track Loaders	
953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	Participant Discount
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)*	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)*	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
60 HZ, 40 - 60 kW *(Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)*	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW *(Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)*	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW *(Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)*	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW *(Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)*	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	

C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)	
(EPA & CARB Tier 4 Final Emissions Certified)	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)	
1000 kW 480	37%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
3516C HD, 60 HZ, 2500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831bkW, 1095bkW	17%
G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited	
(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
1040 eKW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt
(Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List) 17%

G3516H, 60HZ, 1500 RPM, 3 Phase
(Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List) 17%

G3520H, 60 HZ
(Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List) 17%

G3520, 60 HZ, 2055, 1900, or 1600 eKW
(Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List) 17%

CG132, CG170, CG260 (custom) 15%

Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets.
Each quote is custom for the specific application.
However, members will receive a 15% discount off of the configured list price from each member's local dealer.

C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)
4000 kW (with Fan Rating) 24%

C175, 60 HZ, 3000 kW (EPA Tier 4)
(Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 19%

C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 26%
3100 kW (without Fan Rating) 26%

G30PGAN, 30kW

G80PGAN, 50kW, 60kW, 80kW

G150PGAN, 100kW, 125kW, 150kW

Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW
(Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)

G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%

APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%

XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List)
20 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List)
30 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road))
(Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)

XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List)
60 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)*	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)*	
320 kW* (3 phase or 1 phase)	23%
XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)*	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)*	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)*	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) *(Reference the "XQ2000N" Caterpillar Price List)*	
1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
*Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a **12% discount** off of the configured list price from each member's local dealer.*	
UPS (Uninterruptible Power Supply) **60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)**	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
Plus all price list related options	20%
UPS (Uninterruptible Power Supply) **Flywheel Options** **(Reference the "UPS300AG" Caterpillar Price List)**	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Contol Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

Sourced Goods & Support Service Provided	National IPA Member Pricing
Custom Shop Work	5% off list price / typical sale price if no list price is available
Installation	5% off list price / typical sale price if no list price is available
Delivery/Freight	5% off list price / typical sale price if no list price is available
Training	5% off list price / typical sale price if no list price is available
Custom Enclosure	5% off list price / typical sale price if no list price is available
Custom Fuel Tank	5% off list price / typical sale price if no list price is available
Custom ATS	5% off list price / typical sale price if no list price is available
Dealer Labor	5% off list price / typical sale price if no list price is available
Additional/Custom Parts	5% off list price / typical sale price if no list price is available
General Contracting Labor	5% off list price / typical sale price if no list price is available
Maintenance Agreements	5% off list price / typical sale price if no list price is available

Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.

Allied Products Discount Table	
Construction and Mining	**Minimum List/Card Discount**
Allmand (Light Towers)	18.00%
Broce Brooms	9.00%
JLG (Man lifts)	22.00%
Mega (Water tanks, Towers and Trailers)	8.00%
Genie (Man lifts and Telehandlers)	20.00%
Progressive Solar (Solar Power Light Plants)	10.00%
Multiquip Power	24.00%
Sullair Air Compressors	28.00%
Rockland (Buckets and Dozer Blades)	8.00%
Paladin (Couplers and Attachments)	8.00%
CE Attachments (Attachments)	12.00%
Dymax (Attachments)	8.00%
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	10.00%
Wain-Roy	11.00%
Agriculture	
Challenger Tractors	13.00%
Massey Ferguson Tractors	13.00%
Rome (Construction Grade Discs and Plows)	13.00%
Woods (Scrapers and Mowers)	13.00%
Gearmore (Attachments)	13.00%
Reynolds (Scrapers)	13.00%
TG Schmeiser (Box blades, Land Levelers)	13.00%
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	13.00%
On Road Industrial	
Fuso Trucks	7.50%
Mac Trailers	8.40%
Maintainer (Service Bodies)	6.00%
Murray Trailers (Heavy Haul)	2.00%
Trail King (Small to Heavy Haul)	7.00%
UTB (Service Bodies)	8.40%
Fleming Trailers	8.40%
Technology	
Spectra Precision (Survey Instruments)	12.00%
Trimble (2D and 3D Grading Systems)	12.00%
Accugrade (Caterpillar Grade Control)	12.00%
Seco (Surveying and Site Prep)	12.00%
Laserline (Laser Controls)	12.00%
Apache (Grade Control, GPS and Lasers)	12.00%
Level Best (Laser Grading Box)	10.00%
Unlisted and Future Allied Suppliers	
All unnamed supplies will have a minimum of 40% off the Standard Dealer Discount from the Manufacturer's List Price	
Example: Unnamed Manufacturer Dealer Discount Off List	10%
40% Off the Standard Dealer Discount	4%
Minimum Discount Offered under RFP #161534	4%

Dealer Related Parts, Service, Rentals and Accessories	
Dealer Related Parts, Service, Rentals, and Accessories	**Minimum List/Card Discount**
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response (only)

-Confidential-

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	

Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many

dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

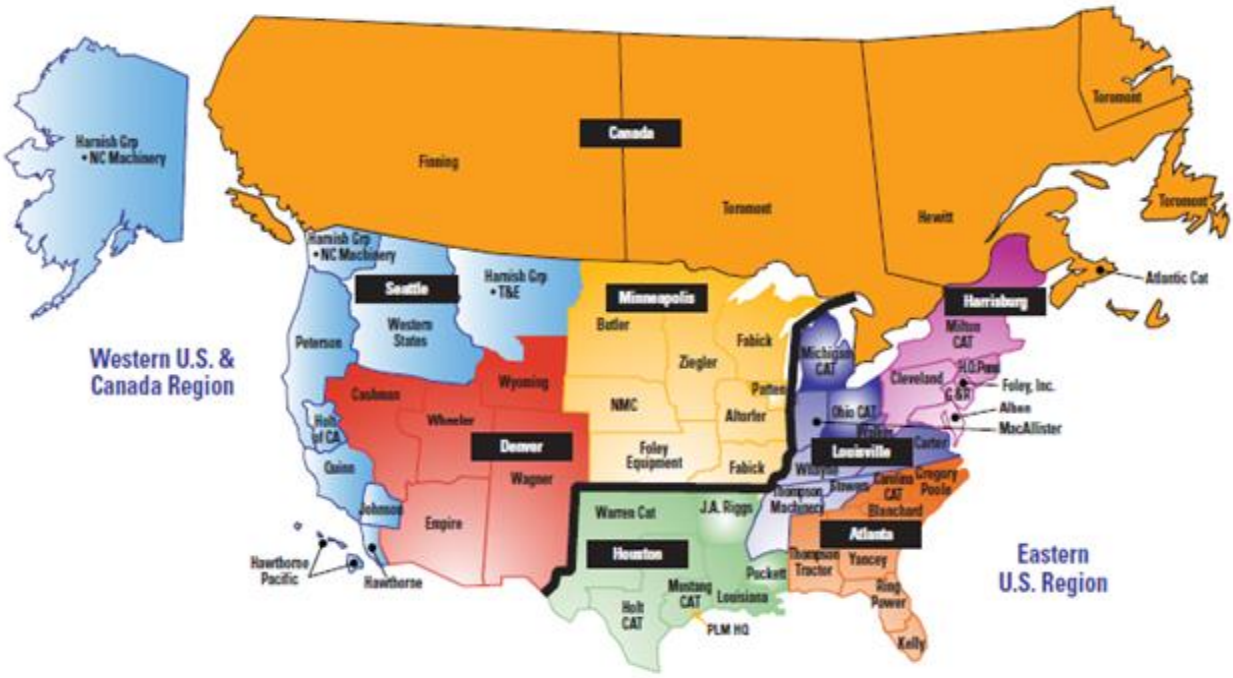


Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

Dealer Response

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar's response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as "Allied" products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	**On Road Industrial**
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

Number of unique machines by Manufacturer (Excludes Mining Products)	**Caterpillar**	**John Deere**	**Komatsu**	**Volvo**	**Case**	**Bobcat**
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers – Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
Breadth of Caterpillar machines covering Governmental Market	239	77	45	80	62	39

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The "Allied" products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response (only)

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

Empire Exclusives:

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- $93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the "success rate" are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

Manufacturer and Dealer	Website
Caterpillar	www.cat.com
Empire Southwest	www.empire-cat.com
North America Caterpillar Dealers	http://www.cat.com/en_US/support/dealer-locator.html
Construction and Mining	**Website**
Allmand (Light Towers)	www.allmand.com
Broce Brooms	www.brocebroom.com
JLG (Man lifts)	www.jlg.com
Mega (Water tanks, Towers and Trailers)	www.megacorpinc.com
Genie (Man lifts and Telehandlers)	www.genielift.com
Progressive Solar (Solar Power Light Plants)	www.progressivesolarsolutions
Multiquip Power	www.multiquip.com
Sullair Air Compressors	www.sullair.com
Rockland (Buckets and Dozer Blades)	www.rocklandmfg.com
Paladin (Couplers and Attachments)	www.paladin.com
CE Attachments (Attachments)	www.ceattachments.com
Dymax (Attachments)	www.dymaxinc.com
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	www.weilerproducts.com
Wain-Roy	www.woodsequipment.com
Agriculture	**Website**
Challenger Tractors	www.challenger-ag.com
Massey Ferguson Tractors	www.masseyferguson.com
Rome (Construction Grade Discs & Plows)	www.romeplow.com
Woods (Scrapers and Mowers)	www.woodsequipment.com
Gearmore (Attachments)	www.gearmore.com
Reynolds (Scrapers)	www.reynoldsinternational.com
TG Schmeiser (Box blades, land levelers)	www.tgschmeiser.com
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	www.wilcoxap.com
On Road Industrial	**Website**
Fuso Trucks	www.mitfuso.com
Mac Trailers	www.mactrailers.com
Maintainer (Service Bodies)	www.maintainer.com
Murray Trailers (Heavy Haul)	www.murrytrailer.com
Trail King (Small to Heavy Haul)	www.trailking.com/trailers
UTB (Service Bodies)	www.unitedtruckbodies.com
Fleming Trailers	www.flemingtrailers.com
Technology	**Website**
Spectra Precision (Survey Instruments)	www.spectraprecision.com
Trimble (2D and 3D Grading Systems)	www.trimble.com
Accugrade (Caterpillar Grade Control)	www.Caterpillar.com/en
Seco (Surveying and Site Prep)	www.surveying.com
Laserline (Laser Controls)	www.laserlinemfg.com
Apache (Grade Control, GPS and Lasers)	www.apache-laser.com
Level Best (Laser Grading Box)	www.level-best.com

6. Do you offer color choices for each product listed?

Caterpillar Response (only)

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire/Caterpillar Warranty Offerings:

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- Caterpillar Standard Warranty - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- Caterpillar Extended Warranty – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- Powertrain Only – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- Powertrain and Hydraulics – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- Premier – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

General Warranty Information

Coverage - Inclusions, Exclusions

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

✓ Represents covered items in their respective category

** Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories	Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount **	✓	✓	✓
Turbocharger	✓	✓	✓
Pulleys **	✓	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages **	✓	✓	✓
Fuel Lines **	✓	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
Transmission/Hydrostatic/Driveline	**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors **		✓	✓
Linkage/Lines Connected to Hystat Pump **		✓	✓
Drive (pilot/eh) Control Valves **	✓	✓	✓
Senders/Sensors **		✓	✓

Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Differentials		✓	✓	✓
Hydraulic Systems		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Chassis/Implement Frames	**			✓
Weldment	**			✓

Allied Product Warranty:

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:

    i. Major Component Failures
    ii. Engineering Deficiencies
    iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations

- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.



Image 2: US Dealer Locations

Dealer Response

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91st Ave.	85345
Phoenix	602-333-5600	801 N. 44th Ave.	85009
Phoenix	602-627-5700	840 N. 43rd Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365



Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- PM (Preventative Maintenance) Services

  PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

  - PM1 – Services the manufacturer recommends at 250 hours
  - PM2 – Services the manufacturer recommends at 500 hours
  - PM3 – Services the manufacturer recommends at 1,000 hours
  - PM4 – Services the manufacturer recommends at 2,000 hours
  - PM5 – Services the manufacturer recommends at 4,000 hours

  Empire and participating dealers can offer different options for these hour intervals including:

  - Parts only agreements
  - Parts and fluids only agreements
  - Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1 250 hours	PM2 500 hours	PM3 1000 hours	PM4 2000 hours	PM5 4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	x	x	x	x	x
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	x	x	x	x	x
Check all fluids levels such as Transmissions, Differentials,	x	x	x	x	x
Tandems, Hydraulic, Steering, Coolant. Change fuel filters and fuel /water separators,	x	x	x	x	x
clean fuel bowl screen (replace if neccessary)					
Change Primary Air Filters	x	x	x	x	x
Check Coolant Condition - Freeze point	x	x	x	x	x
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (can), ripper shanks)	x	x	x	x	x
Change cab A/C filters	x	x	x	x	x
Lubricate all grease points	x	x	x	x	x
Inspect and test all visible and safety systems	x	x	x	x	x
Change all filters this includes hydraulic filters, transmission		x	x	x	x
filters, differentials filters if applicable.					
Change rear differential oil (Backhoe Loaders oly on A-D Models)		x	x	x	x
Change front wheel oils in off highway trucks.		x	x	x	x
Change the Transmission oils, clean transmission screens and magnetic			x	x	x
Change swing drives oils on excavators , change			x	x	x
differential and finals oils on backhoes.			x	x	x
Change hydraulic oils on AG tractors, telehandlers, vibratory			x	x	x
compactors only, change chain case oils on skid steer loaders.			x	x	x
Change circle drive oil on motor graders			x	x	x
Change the differential and finals oils				x	x
Change tandem oil drive oils on motor graders				x	x
Change circle drive oils on motor graders accoding to OEM				x	x
Change hydraulic system oil.					x

- **Total Maintenance and Repair (TM&R):**

  In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

  TM&R's can be customized by the customer, including the following:

  - With/without travel
  - With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

  This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

  Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

  The technician will usually perform:

  - Running repairs
  - Preventative maintenance services

  Other onsite services could include:

  - Daily inspections
  - Cleanings
  - Operational checks

  The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

  Additional "man on site" Inclusions or exclusions in most cases include the following:

  - Housing (when applicable)
  - Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

  Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

  Inclusions and exclusions in most cases include:

  - With/Without daily cleanings.
  - With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained

technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly $3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.

ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

iii. Describe the training curriculum for the service technicians.

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
    a. Walk around inspection
    b. Daily service points/lubrication
    c. Cab and controls
    d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
    a. Operator's station

b. Engine
c. Electrical system
d. Power train
e. Implement and steering hydraulic systems
f. Auxiliary hydraulic lines
g. Thumbs
h. Buckets
i. Couplers

5. Post Test
6. Review Maintenance Section of Operation and Maintenance Manual
    a. Lubricants and fluids
    b. Towing
    c. Review PM checklist and procedures
        - 250 Hour
        - 500 Hour
        - 1000 Hour
        - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our "on order" inventory. In other words, we give more than we take. These outstanding "chits" help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be "Ready to Ship" within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

Parts – Hours of Operation

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire's Parts Stores are:

  Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store's main number. (Provided in section 4, subsection 2 under "Dealer Response") This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Historically, Empire's most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history

Additional options available from www.empire-cat.com are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vison Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

Dealer Response

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response (only)

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response (only)

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

CONFIDENTIAL – Request confidential treatment –

SEE CONFIDENTIAL CITY OF TUCSON RESPONSE: CATERPILLAR AND EMPIRE MACHINERY

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Freight is calculated in three different manners, depending on model, for Caterpillar:

- Caterpillar Included in Price: On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.

- Caterpillar Managed Freight: On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.

- Empire Quoted: Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.

- Allied Products: Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

  Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

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Dealer Response

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SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when "current" pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as "incentives" and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: "Occasionally" means we are successful at securing extensions fewer times than not.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response (only)

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response (only)

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? __X__Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

Dealer Response

References:

City of Phoenix
Contact: Bonnie Shockley, Equipment Control Specialist
2441 S. 22nd Ave., Phoenix, AZ 85009
602-534-2129
bonnie.shockley@phoenix.gov

Maricopa County
Contact: Gidget Vigil, Equipment Manager
3325 W Durango St. Phoenix, AZ 85009
602-506-4674
gidgetvigil@mail.maricopa.gov

Cochise County
Contact: Ruben Miranda, Internal Services Administrator
1151 W Hereford Road. Bisbee, AZ 85603
520-432-8391
rmiranda@cochise.az.gov

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

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6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

Additional Services Information

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

Value Added Support Services

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency
- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response (only)

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives

efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response

-Confidential-

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	
Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

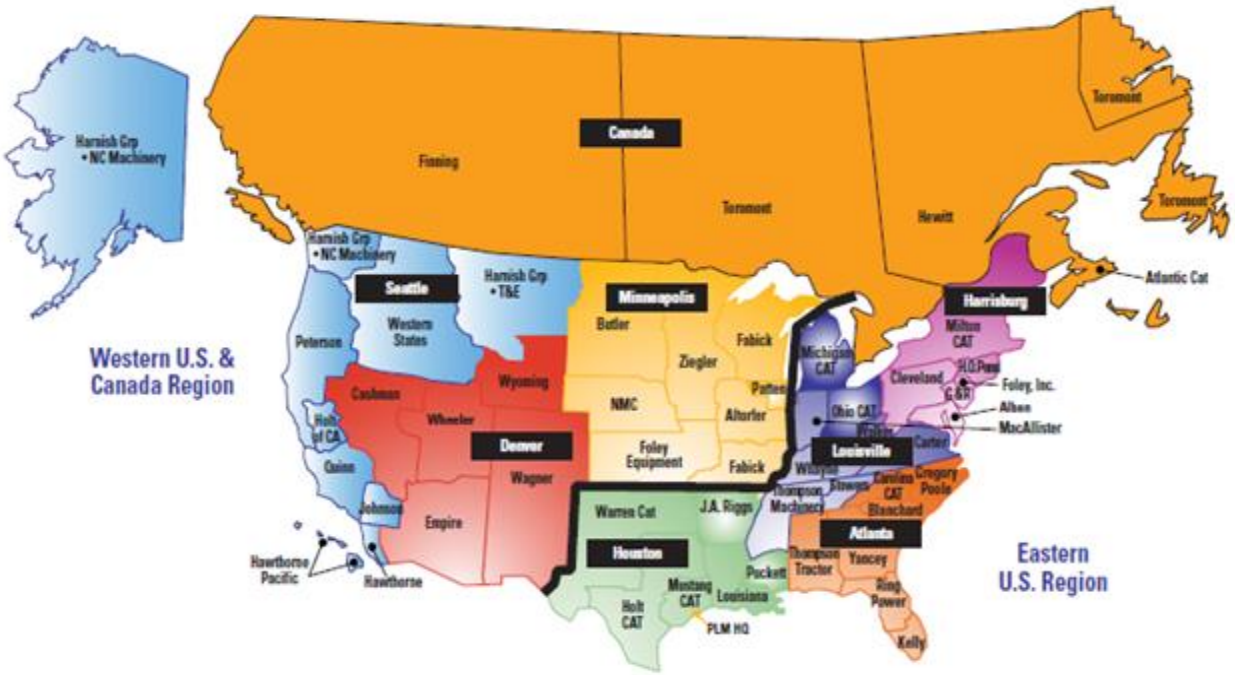


Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled “Allied Products” for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment
As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

Caterpillar Response

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

    i. Major Component Failures
    ii. Engineering Deficiencies
    iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

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Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

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4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? __X__Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers

have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

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6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

National IPA Exhibit A – National IPA Response for National Cooperative Contract

3. SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

A. Brief history and description of your company.

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

B. Total number and location of sales persons employed by your company.

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.



Image 1, Caterpillar Dealer Brach Operations

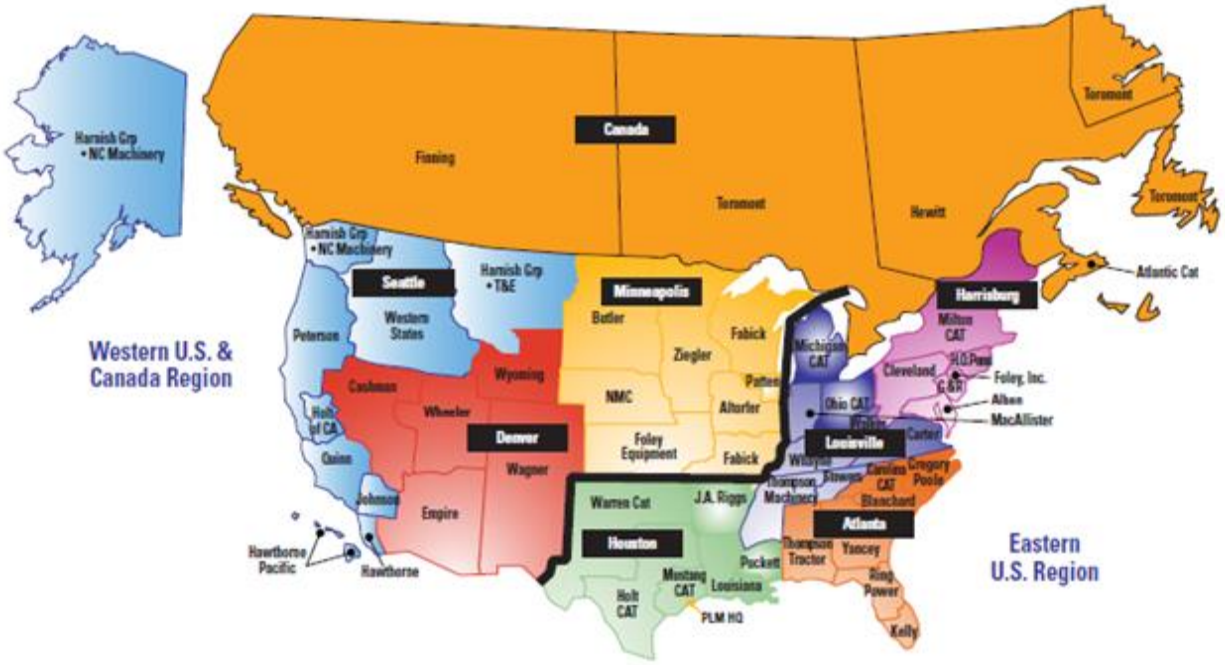


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – $55.6B
2014 – $55.1B
2015 - $47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
Construction Industries	**Arkansas:** North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang, Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallar **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong

Resource Industries	**Illinois:** Aurora, Decatur, East Peoria, Joliet **North Carolina**: Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Denison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuna, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
Energy & Transportation	**Alabama:** Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China**: Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

3.3 Marketing and Sales

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:

i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.
Agree.

ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Pubic Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:

i. Creation and distribution of a co-branded press release to trade publications
Agreed.

ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
Agreed.

iii. Design, publication and distribution of co-branded marketing materials within first 90 days
Agreed.

iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
Agreed as calendars and budgets allow.

v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
Agreed as calendars and budgets allow.

vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
Agreed as budgets allow.

vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
Agreed.

viii. Dedicated National IPA internet web-based homepage on Supplier website with:
- National IPA standard logo;
- Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson

C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
   i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
   ii. Best government pricing
   iii. No cost to participate
   iv. Non-exclusive contract

Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
   i. Key features of Master Agreement
   ii. Working knowledge of the solicitation process
   iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
   iv. Knowledge of benefits of the use of cooperative contracts

Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:
   i. Marketing
   ii. Sales
   iii. Sales Support
   iv. Financial Reporting
   v. Contracts

Patty Redpath
Governmental Sales
100 NE Adams St, Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

Brian Foster
Americas North Sales Manager
309-675-5181
FOSTER_BRIAN_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set- up, etc.

The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

$ .00 in year one
$ .00 in year two
$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.

i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Department of Procurement
Contract Officer
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:
1) Questionnaire Responses to the City of Tucson;
2) Questionnaire Responses to National IPA;
3) Proposed Exceptions;
4) Empire Machinery Responses;
5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-338-5976

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

Caterpillar Inc.
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

Signature of Person Authorized to Sign

Brian Foster
Printed Name

North American Sales Manager
Title

For clarification of this offer, contact:

Name: Patty Redpath

Title: Governmental Account Manager

Phone: 309-494-4578

Fax: 309-675-4301

E-mail: redpath_patty@cat.com

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-_____.

CITY OF TUCSON, a municipal corporation

Approved as to form this_____day of_____, 2016.

As Tucson City Attorney and not personally

Awarded this_____day of_____, 2016.

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

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534
RFP AMENDMENT NO. ONE (1)
PAGE NO. 1 OF 1
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

Heavy Equipment, Parts, Accessories, Supplies and Related Services

ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1st Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Ann Schreifels 11/11/16
Signature Date

Ann Schreifels Governmental Sales Manager
Print Name and Title

Caterpillar Inc
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Contract Officer
City of Tucson
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the ~~T~~training material ~~shall be presented~~ in a quality suitable for videotaping. Dealer and Contractor~~The City~~ reserves the right to allow or reject videotaping~~e~~ part or all of the training provided at no additional cost to the agency.

6. REPAIRS. The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

   For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response.~~If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.~~

INSTRUCTIONS TO OFFERORS

10. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. ~~the contract provisions contained in the City's Request for Proposal shall prevail.~~

11. PUBLIC RECORD: All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

12. CONFIDENTIAL INFORMATION: The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the O~~o~~fferor submits a formal written objection.

21. CITY OF TUCSON BUSINESS LICENSE: It is the responsibility of the applicable ~~Contractor~~ Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 7914566 or email at tax-license@tucsonaz.gov.

SPECIAL TERMS AND CONDITIONS

2. SUBCONTRACTORS: As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

~~No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement.~~ All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor 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. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.

9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor~~ Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION**: To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by~~,~~ arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of ~~caused in whole or part by~~ Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. ~~any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.~~

29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted t~~T~~he City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, 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 invoice shall not be dated prior to the receipt of goods or completion of services.

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.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. 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.

40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~Any party, 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, which failure the contractor has not commeneed to remedy within thirty days of receipt of notice of such failure, ~~. T~~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 reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

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

In the reasonable 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 reasonable 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.

ATTACHMENT A

EXHIBIT A

1.2 Marketing, Sales and Administrative Support

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to~~of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under~~ this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and ~~the Supplier~~local authorized dealer (Contract Sales are reported to National IPA).

EXHIBIT B

NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT

TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by ~~the Supplier~~Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

MONTHLY REPORTING & FEES

[redacted]

[redacted]

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. On the 10th day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee ~~payment~~ in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee is~~are~~ to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer. ~~.~~

CATERPILLAR®

2015 EXECUTIVE SUMMARY
YEAR IN REVIEW AND SUSTAINABILITY REPORT

90 YEARS

WHAT WE'VE BUILT.





WHAT WE'VE BUILT.



A MESSAGE TO SHAREHOLDERS



Caterpillar faced a tough year in 2015, but we have successfully managed through many economic cycles since our founding in 1925. We remain financially strong and because of the actions we're taking I believe we will, as we have in the past, emerge stronger and always able to compete very effectively around the world. We continue to manage what we can control today while also investing in our future.

What We've Built
Since our first days as a company, Caterpillar has designed and built the world's most powerful, innovative and durable machines and engines. Our customers put them to work on projects that support sustainable progress and improved living standards. We add value for our customers by helping them achieve the lowest owning and operating costs through our sales and service network that reaches every corner of the globe.

Even in this environment, our market share for machines increased for the fifth year in a row. Our product quality continues to improve and is as strong as I've ever seen it. Our safety record improved again in 2015. As we further deploy Lean, we've already seen improvements in warranty and an up-to-95 percent reduction in internal defects per unit, and we anticipate substantial further improvements.

Where We're Headed and What We're Solving
Through Across the Table, we're strengthening our expectations of Cat dealers and the Caterpillar teams that support them. There are about a dozen specific projects underway – everything from expanded e-business to digital technology solutions connecting our machines and engines to our customers.

Digital transformation is a reality for our industry, and we're applying advanced analytics and digital-driven technologies – like Cat® Connect and MineStar™ – to improve worksite efficiency across our equipment and other brands, too. We also offer our customers Job Site Solutions, a true collaborative effort focused on improving job site efficiency. We're focused on using less fuel, increasing productivity and creating a safer work environment.

These are a few examples of how sustainability doesn't ever go out of style or focus at Caterpillar. Another is that our products – like distributed power systems, which improve energy access while emitting fewer greenhouse gases than traditional power grid systems – bring traditional, renewable and alternative energy options to urban, rural and remote communities across the world.

In 2015, we joined an effort to emphasize the vital role that restoration of natural infrastructure – forest, prairies, farmlands, wetlands and coastal landscapes – plays in sustainable global development. Additionally, we have been remanufacturing our products for more than 40 years, returning them to same-as-when-new condition, and conserving natural resources.

Caterpillar also supports the Caterpillar Foundation, which has invested more than $600 million since 1952 to transform lives and alleviate the root causes of poverty.

We were also honored to receive the "Vision for America" award from Keep America Beautiful in 2015 – a recognition for our sustainability commitment and significant progress toward aggressive sustainability goals.

Neither our accomplishments nor our goals are small or inconsequential. Given that we are Caterpillar, that shouldn't surprise anyone.



Doug Oberhelman
Chairman and CEO

WHERE WE STARTED.

The 21st century world you see today has been built with the help of Caterpillar machines and solutions. We've spent the past 90 years creating, building, problem-solving, innovating, testing, servicing and improving. In the process, we've built a global leader.

1925 — First year sales are **$13 million** for a product line of **5 tractors**.



1925 — **Holt Manufacturing Company** and the **C.L. Best Tractor Company** merge to form **Caterpillar**, reflecting the movement of the company's line of track-type tractors.



1929 — Our strong legacy of innovation begins with the introduction of our **first diesel tractor**.



About two months after "Black Tuesday," which some say signaled the start of the Great Depression, **Caterpillar Tractor Company stock** becomes available for public trading (NYSE: CAT).



1931 — Cat® machines help start the construction of more than **70,000 miles** of U.S. highways.



1931 — Our manufacturing headquarters move from **California to Illinois** and we change the standard paint color of our machines from gray to yellow.



1944 — We form our first overseas subsidiary – **Caterpillar Tractor Co. Ltd.** in England – the start of building plants outside the United States to be closer to customers.



1948 — Caterpillar machines go to work on **India's Bhakra Dam**.



1950 — Caterpillar engines supply power for **Apollo moon mission**.



1969 — Setting forth the company's beliefs to guide the organization in all aspects of its worldwide business activities, Caterpillar publishes a Worldwide **Code of Conduct**. Since then, the Code has been updated five times to reflect the company's culture and the ever-changing business environment.



1974 — **Business units reorganize** to become more accountable for results.



1986 — A **$1.8 billion** facility modernization program streamlines manufacturing processes and enhances profitability.



1990 — Cat® engines with **ACERT™ Technology** are unveiled to dramatically reduced harmful pollutants and waste emissions.



1992 — Caterpillar introduces SoLoNox Technology for gas turbines.



2001 — **Acquisitions** of Progress Rail, Electro-Motive Diesel, Johan Walter Berg AB, Bucyrus, MWM and Shandong SEM Machinery Co., Ltd.



2006 TO 2013 — Caterpillar introduces the **Cat® D7E** in 2008 with a first-of-its-kind electric drive system.



WHAT WE'RE SOLVING.

WHERE WE'RE HEADED.

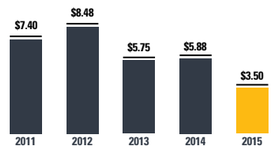
AT-A-GLANCE

FINANCIAL PERFORMANCE

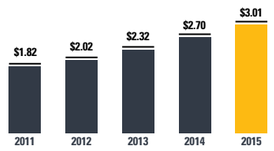
PRODUCT LINE

- Construction
- Mining Equipment
- Diesel & Natural Gas Engines
- Industrial Gas Turbines
- Diesel-Electric Locomotives

PROFIT PER SHARE
(DILUTED)



DIVIDENDS DECLARED
(PER SHARE)



END MARKETS INCLUDE:

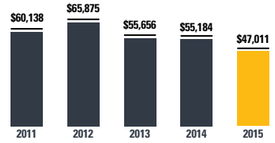
Building Construction
Roads and Highway Construction
Infrastructure Projects
Mining
Quarrying
Oil & Gas
Power Generation
Marine
Rail
Industrial

3Million+
Products at Work Around the World

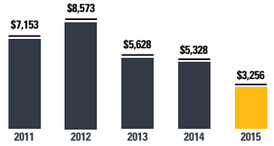
105,700
Employees

59%
Sales and Revenues Outside the United States

CONSOLIDATED SALES AND REVENUES
($ IN MILLIONS)



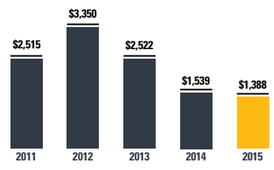
OPERATING PROFIT
($ IN MILLIONS)



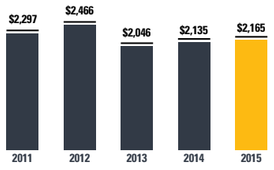
CONSOLIDATED SALES AND REVENUES BY SEGMENT
($ IN MILLIONS)



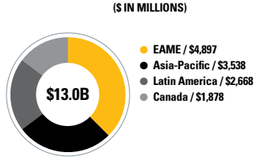
CAPITAL EXPENDITURES
(EXCLUDES EQUIPMENT LEASED TO OTHERS)
($ IN MILLIONS)



RESEARCH AND DEVELOPMENT
($ IN MILLIONS)



2015 EXPORTS FROM U.S. BY REGION
($ IN MILLIONS)



AT-A-GLANCE

2020 SUSTAINABILITY GOALS



Caterpillar has set aspirational, long-term goals for its operations and product stewardship. We believe these standards affirm our determination to lead our industry to a more sustainable future.

2020 GOALS FOR OPERATIONS

SAFETY
Reduce our recordable workplace injury rate to 0.6 and lost-time case rate due to injury to 0.15.

WATER
Reduce water consumption intensity by 50 percent from 2006.

ENERGY
Reduce energy intensity by 50 percent from 2006.

BYPRODUCT MATERIALS
Reduce byproduct materials intensity by 50 percent from 2006.

ENERGY
Use alternative/renewable sources to meet 20 percent of our energy needs.

SUSTAINABLE CONSTRUCTION
Design all new facility construction to meet Leadership in Energy and Environmental Design (LEED) or comparable green building criteria.

GHG EMISSIONS
Reduce greenhouse gas emissions intensity by 50 percent from 2006.

PRODUCT STEWARDSHIP

SAFETY
Provide leadership in the safety of people in, on and around our products.

PRODUCTS, SERVICES AND SOLUTIONS
Leverage technology and innovation to improve sustainability of our products, services and solutions for our customers.

SYSTEMS OPTIMIZATION
Increase managed fleet hours by 100 percent from 2013.

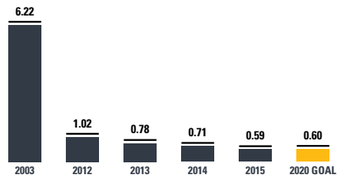
REMAN AND REBUILD
Increase remanufactured and rebuild business sales by 20 percent from 2013.

AT-A-GLANCE

SUSTAINABILITY GOALS & PROGRESS

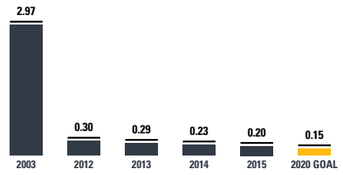
RECORDABLE INJURY FREQUENCY (RIF)

Recordable injuries per 200,000 hours worked



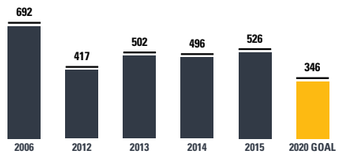
LOST-TIME CASE FREQUENCY RATE (LTCFR)

Work-related injuries resulting in lost time per 200,000 hours worked



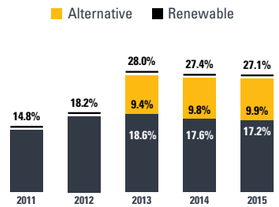
ENERGY INTENSITY

Absolute gigajoules energy use/million dollars of revenue



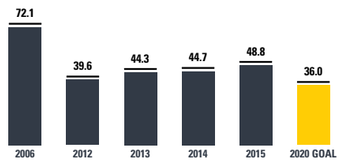
ALTERNATIVE/RENEWABLE ENERGY[1]

Sum of alternative and renewable electrical energy use/total electrical use x 100



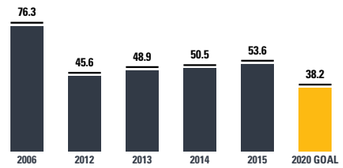
GHG EMISSIONS INTENSITY

Absolute metric tons of CO2e/million dollars of revenue



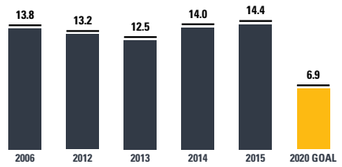
WATER CONSUMPTION INTENSITY[2,3]

Absolute thousand gallons of water/million dollars of revenue



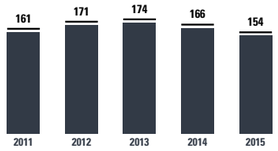
BYPRODUCT MATERIALS INTENSITY

Absolute metric tons of byproduct materials/million dollars of revenue



REMAN END-OF-LIFE "TAKE-BACK" BY WEIGHT[4]

Millions of pounds of end-of-life material received



1 Total includes purchased and on-site generated alternative and renewable energy, as well as calculating the percentage of renewable energy from grid-purchased electricity using data obtained from the International Energy Agency.
2 Data prior to 2015 has been restated due to data updates realized from improved accuracy.
3 Water consumption intensity does not include non-contact cooling water from foundry operations.
4 Data does not include Progress Rail, Electro-Motive or Solar Turbines.



WHERE WE'RE HEADED.

We're investing in the future and, as we always have, facing challenges head on and delivering the products and services that will keep Caterpillar the industry leader tomorrow, as it is today.

WHERE WE'RE HEADED

DATA AND INNOVATION



For 90 years, Caterpillar has delivered breakthrough innovation inside our machines and engines. Today, that innovation is increasingly happening outside the machine. We're going "beyond the yellow iron," harnessing the power of big data to offer our customers insights that decrease operating costs, increase uptime and maximize profitability. In the process, we're shaping a new era for Caterpillar in which we not only manufacture machines and engines, but also deliver value-added solutions that take our customer relationships to an entirely new level.



SIMULATION LEADS TO PRODUCT DESIGN OPTIMIZATION AND EFFICIENCY

The increased use of simulation in the development of everything from power systems to machine structures has truly allowed Caterpillar to improve overall product development efficiency, sharpening product quality and reducing time to market. Simulation reduces or eliminates the need for prototypes to be used in the design phase of development.

The large wheel loader team leverages the use of simulation in each new product development program. In fact, the first full phase of the Cat 994K product design, which is the largest wheel loader in Caterpillar history, was done virtually, and simulation touched every area of this new centerline machine at some point along the way.

CATERPILLAR®



CAT® COMMAND STEERS MINING IN A NEW DIRECTION

A fleet of gigantic Cat® 793 haul trucks rumbles along the dusty, red-sand haul roads of the Solomon mine in a vast, arid region of Western Australia. Working continuously, 24/7, the trucks maneuver through mine site traffic, back up into loading points and navigate to dump sites – all with minimal human intervention.

Iron is the reason Fortescue Metals Group (Fortescue) is there. At full operation, the new Solomon mine is projected to deliver 70 million tonnes of ore annually. It's a big job – and one that demands safety and maximized productivity. That's where Caterpillar's deep understanding of the mining industry and our customers' needs put us in the ideal position to offer semi-autonomous and autonomous solutions such as Cat® Command for Hauling. The realization of a longtime dream of the mining industry, Cat Command has improved safety and productivity.

Trucks operating with Cat Command for Hauling use sophisticated onboard intelligence and advanced guidance technology, so a small number of people can run the whole project and centralize the control. For job sites such as underground mines, autonomous solutions are fast becoming a safety necessity.

Since its inception, Cat Command has gone through a progression of offerings. Semi-autonomous solutions such as Command for Dozing, for instance, allow one operator to oversee up to three semi-autonomous Cat® D11s – Caterpillar's largest dozers – by remote control. There's even an option where the operator has no line of sight to the dozers and uses cameras for feedback.

"Every mine takes a different journey to autonomy," explains Sean McGinnis, product development manager. "But that path always leads to a safer, more productive mine site. Cat Command reduces variations in the way the machine is operating, ensuring that it operates the same way, every time. It's like having the mine's best operator at the controls, but he or she is located safely away from any potential hazards. It's the best of both worlds: increased productivity combined with increased safety."

Today, the Cat Command concept continues to meet customer needs in ways that we couldn't anticipate five years ago. That's what makes innovation exciting and what energizes us to keep finding solutions that make a real difference.

INVESTING IN R&D



WHERE WE'RE HEADED

CUSTOMER SUPPORT



Our business strategy is a simple one: make our customers more successful. We work with our dealer network every day around the world to ensure that success – at construction sites and mining quarries and power plants. Our goal is to speed the delivery of customer support by being an agile organization positioned to respond efficiently and effectively to customer needs. Because when our customers win, we win.



POWER TO PRESERVE THE PAST

The beautiful grounds and stunning architecture of Thomas Jefferson's historic residence, Monticello, function today as an important U.S. landmark, world-class museum and academic think tank, attracting more than 400,000 annual visitors.

Located outside of Charlottesville, Virginia, Monticello also houses one of the country's oldest and largest collections of historic documents. To help preserve and protect those irreplaceable collections for future generations, Caterpillar donated a 500kW Cat® C15 generator set, with local Cat dealer Carter Machinery providing the technical support, commissioning and testing. This followed a previous donation of a 350 kW Cat® C15 diesel generator set that provides standby power for Monticello's Robert H. Smith International Center for Jefferson Studies.

The donations were part of the estate's "Mountaintop Project," a multiyear effort to authentically restore the house and grounds to their appearance during Jefferson's retirement. We are proud to see these valuable assets entrusted to the quality and reliability of Cat® products.

CATERPILLAR®

HOMESTEAD DAIRY TURNS PROBLEM INTO PROFIT

Based in Plymouth, Indiana, Homestead Dairy began as a modest family farm with only 110 cows. In 1979, brothers Floyd and Dan Houin purchased the farm from their dad and turned it into the massive dairy operation that it is today. The dairy now hosts 1,800 milking cows and 300 dry cows, while an additional 1,700 cows come in from three nearby facilities for milking. However, more cows means more manure, and the odor directly impacted nearby residents.

The Houins saw the possibility to turn a problem into a profit. They decided to build a biomass waste-to-energy facility that could convert the manure into electric power. Floyd knew that Homestead Dairy's equipment would need to run 24/7 with minimal downtime, so dependability was the deciding factor in choosing Caterpillar to supply the power. In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.

Homestead Dairy partnered with local Cat® dealer, Michigan Cat, to customize a power generation system for Homestead Green Energy, the energy-producing business within the dairy – two Cat® G3512A generator sets and ancillary equipment.

In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.

Homestead Green Energy has been in constant operation since October 2013, and the Cat® generator sets are essential to the waste-to-energy process. The manure is collected in pools and piped 1,700 feet to a pair of mixing tanks that empty into two anaerobic digesters. Once inside the tanks, the waste is heated and treated with microbes that produce methane gas, which is used to fuel the gas generators. Generator exhaust heat and jacket water heat are used to warm up the digesters as part of the fermentation process.



Beyond odor reduction and the financial return from producing electricity, Homestead Dairy uses the dewatered solids from the digesters as clean bedding for the cows. Additionally, the liquid nutrient byproduct is held in lagoons and used to fertilize the farm fields.

"By turning this abundant substance into an income stream, we've made the dairy more profitable," said Ryan Rogers, plant operator for Homestead Green Energy. "It also helps increase nutrient value, which is great for the environment. The crops absorb the manure better, and odor reduction for the community is a huge benefit."

The Homestead Green Energy installation demonstrates the economic viability of smaller-scale, waste-to-energy operations to create wins for business, the community and the environment.



WHERE WE'RE HEADED

EFFICIENCY



In an insistent and urgent world, winning organizations make the most of every minute, resource and opportunity. Caterpillar is going after that win by leveraging Lean, Engineered Value Chains and building strong Foundational Capabilities throughout our value chain to fulfill our Customer Service Promise, maximize Operating Profit After Capital Charge (OPACC) and create a competitive advantage. We're becoming a more disciplined, less complex organization that is committed to finding smarter and faster ways to work across the enterprise. This translates into a powerful competitive advantage that helps Caterpillar improve market position and sustain long-term success.

LEAN BENEFITS

CATERPILLAR®

Stabilizing the Business

Enhancing Product Quality

Improving Velocity

Driving Value for Our Shareholders

RESOURCE INDUSTRIES
OFF-HIGHWAY TRUCK
45%
Reduction in field assembly time

ENERGY & TRANSPORTATION
MID-SIZE ENGINES
18%
Increase in throughput

CONSTRUCTION INDUSTRIES
MOTOR GRADER
65%
Inventory reduction (days on hand)

Since 2013, we have been committed to Lean to drive process and quality improvements at Caterpillar. Lean challenges all employees to get closer to the customer so they can deliver products and services based on the customers' true expectations. Our Lean journey goes beyond manufacturing to include all functional areas that execute business processes on a daily basis, including engineering, marketing, purchasing, accounting and human resources.

CATERPILLAR®

A GLOBAL SUPPLY NETWORK THAT DELIVERS UNDER PRESSURE

Nearly 40 percent of U.S. trade to and from Asia passes through West Coast ports in California. Keeping the flow of goods through these ports moving swiftly and efficiently is a priority for logistics and procurement networks across countless companies, including Caterpillar.

When a three-month labor dispute at one of these ports resulted in significant terminal congestion, the expertise of Caterpillar's logistics team translated into millions of dollars in savings, as well as ensuring that our supply flow remained resilient.

When business operations eventually returned to normal, many companies were left dealing with severe financial impact. While Caterpillar experienced added costs and some slowing in our materials flow, these were a fraction of the impact on other companies. That's how we know our Global Supply Network can deliver under pressure – not merely reacting to fluctuations in logistics, but truly taking charge of and managing our supply network.

Our staying power throughout the slowdown was due, in very large part, to the collaboration and flexibility of our Global Supply Network. Using a winning combination of procurement and logistics data and innovative thinking, a clearer inventory picture emerged to help streamline and divert shipments.



"We were able to see not only the best ports, but also the best terminals in those ports," explained Global Supply Network Director of Logistics Scott Shepherd, "so we could react faster and accurately reroute shipments. This allowed us to move material more quickly, while limiting added costs and overall supply disruption."



AN INDUSTRY LEADER WITH WORLD CLASS RESULTS

Caterpillar continues to improve upon historical best safety performance, and we are an industry leader with world-class results. Beginning in 2003, we implemented an enterprise-wide initiative to focus on safety called Vision Zero. Today, we're proud that our Recordable Injury Frequency has improved 91%, but there is more work to do. Breakthrough safety performance is continuing with our Lean Transformation by focusing on standard work, which means more folks are going safely home, every day.

WHERE WE'RE HEADED

PEOPLE



Best quality. Best reliability. Best endurance. The same attributes that define our products define our people – more than 105,000 of them around the world. For 90 years, Caterpillar people have been building the machines that have built our world. We're confident that Caterpillar's long-term future is secure thanks to our global team's drive to perform at a superior level. It's a commitment that extends beyond the workplace where Caterpillar employees contribute their time and talents to making the world around us a better one.

REAL CAT FOLKS

To showcase the rich diversity, passion for life and strong work ethic present in our Caterpillar family, we began the Real Cat Folks project. Inspired by Humans of New York, the project highlights that Caterpillar employees are real people – with real families, real pasts, real dreams and real stories. Visit caterpillar.com/RealCatFolks to see dozens of published profiles, and check back weekly for updates.

"I grew up on a cotton field on the coast and came to Suzhou for school. Suzhou is a beautiful city with the combination of modern industry and ancient history. I like to spend my spare time playing soccer and climbing mountains in the neighborhood. I've always wanted to learn to play guitar and want to play for my son in the future. He's 14 months old, and my biggest wish is to watch him grow up happily."

— YOUXIANG ZHANG, CHINA





"Caterpillar gave me a chance after being unemployed for five years. I never thought they'd hire me because of my age. When my youngest was having a rough time, I told her to fill out an application. The next thing I knew, she was hired on full time after three months of being an agency worker. Today she's a team lead, going strong and learning as much as she can. I'm very proud of her."

— HARRY, UNITED STATES

CATERPILLAR®

MARKING MILESTONES AT BOTH ENDS OF A CATERPILLAR CAREER

In 2015, two Caterpillar employees marked career milestones in two very different journeys. Their stories illustrate the satisfaction that comes at the end of a long career and the exhilaration that comes from being given the first chance to give your all.

In early 2015, Ed Flesburg retired after 60 satisfying years of service with Caterpillar. As a 6 Sigma Black Belt within the Global Supply Network Division (GSND), and over the course of his notable career, Ed achieved much success and delivered many outstanding results for the company.

Ed began his career in 1955, as a chip wheeler in East Peoria, Illinois. After returning from deployment to Korea, he spent the next 51 years in many different roles with the company, from janitor to drafting, designing and engineering.

Throughout his tenure, Ed achieved four company patents to his name, developed 14 major design changes, resolved 11 major design problems and generated more than $55 million in cost reductions. In addition, he pioneered the development of the heat transfer coolant category, where his experience and expertise was priceless.

Ed's manager, James Dryden, sums up Ed's outstanding tenure: "Famous basketball coach John Wooden once said 'Who can ask more of a man than giving all within his span? Giving all, it seems to me, is not so far from victory.' I cannot think of a better quote to describe Ed's work ethic and outstanding accomplishments to make Caterpillar the successful company it is today."

As Ed was accepting well wishes for the future from his grateful team, thousands of miles away 19-year-old Farooq Kahn was looking forward to the future for the first time in a long time. Farooq is training as an industrial mechanic at Caterpillar Mining in Lünen, Germany. His arrival at Caterpillar marks a milestone in a remarkable journey.

Farooq escaped from his home country of Afghanistan when he was only 15 years old, leaving his parents and siblings and all he knew behind him. It took him five months to arrive in Germany. He spoke not one word of German, had a very dangerous escape behind him and was completely on his own.

After his graduation from German elementary school, Farooq sent over 70 applications to companies, but only Caterpillar in Lünen was willing to give him a chance. At the time his German language skills were limited, and, as a refugee, he only had a temporary residence permit.



According to a study conducted in Germany, only 15 percent of companies are ready to hire young people with foreign roots. Caterpillar in Lünen has been a part of this small group of companies for years, but Farooq, now successfully integrated into the company, was the first refugee hired.

Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.

"We strongly believe it to be part of our social responsibility to give young people like Farooq the possibility to enjoy a good education."

Farooq's aim is to successfully complete his industrial mechanic training and then possibly continue his studies. His instructor is very enthusiastic about his curiosity, ambition and commitment. "All I want is to build a new life for me here," said Farooq.

Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.

WHAT WE'RE SOLVING.

Caterpillar continues to help make sustainable progress possible by offering solutions to ongoing challenges in our world today.

SAFE WORKPLACE SOLUTION

REVITALIZING A CULTURE OF SAFETY



As we work to reduce our enterprise Recordable Injury Frequency (RIF), there are countless large and small steps we have taken, as demonstrated by our progress to date. But even the most dedicated facilities sometimes reach a "safety plateau," where further improvements become more difficult to achieve. When our Mapleton, Illinois, Cast Metals Organization facility found their safety numbers plateauing at the end of 2012, they deployed facility-wide initiatives to break through to the next level of safety excellence.

The safety team, aided by the commitment of each of the nearly 600 employees on site and the Caterpillar Safety Services Zero Incident Performance (ZIP™) Process, undertook a cultural shift in how they address safety, thinking of the program as 'creating the presence of safety' rather than 'the absence of injuries.' Part of this shift involved making the concept of safety personal. An acronym like RIF is not easy to relate to daily work, but seeing and discussing how each injury affects real people in their work and personal life truly drives home the importance of safety. The safety team encouraged this viewpoint by dedicating all-employee meetings to recent on-site injuries and dialogues about how to make safety proactive instead of reactive. In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.

In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.

Many of the safety improvements that Mapleton has implemented to break through its safety plateau have been generated by the employees themselves using a "Green Card" program to document and communicate when employees identify, and proactively fix, a safety risk. In 2015, Mapleton employees submitted nearly 5,000 Green Cards representing potential hazards or conditions that they worked on independently or with management to address, and believed could be improved. The facility also uses a "Star Green Card" system to allow department heads to further recognize employees who have gone above and beyond to fix a potential safety risk. The facility has implemented a full-time Safety Champion position for each department, empowering employees to apply their specific knowledge of shop floor and safety practices to work with department heads to enact health and safety initiatives.

Because safety communication has been fundamental to the success of Mapleton's efforts, the safety team created a safety improvement video, which is screened throughout the facility and updated each month to reflect the process and facility safety improvements that have been implemented. Often these videos highlight innovative solutions developed and implemented by the employees. Facility Manager Gary Bevilacqua attributes the success of the videos to the fact that it is a communication method that allows a different type of dialogue. "People are starting to talk about safety more openly and listening to the messages on the videos," he said. "It's generating awareness and more individuals are coming forward with new ideas and aren't afraid to discuss them with their teams."

CATERPILLAR®

WHAT WE'RE SOLVING

RENEWABLE ENERGY SOLUTION



BRINGING RENEWABLE ENERGY TO ANYWHERE IN THE WORLD

Renewable energy technologies are showing great promise to change how energy is produced around the globe, while addressing basic human needs. In 2015, Caterpillar launched a number of initiatives that will provide reliable, cost-effective and sustainable energy wherever it is needed.

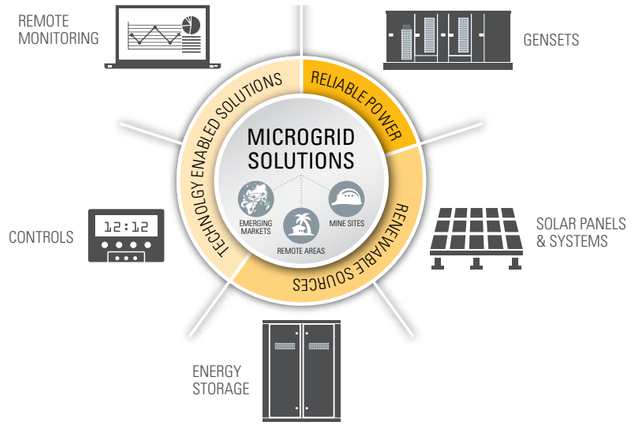
For example, microgrid technologies that couple renewable energy generation with traditional generators and energy storage systems can be deployed to places where the grid is weak, or does not reach. In 2015, Caterpillar entered a strategic alliance with solar industry leader First Solar to develop and distribute Cat branded photovoltaic modules for incorporation into microgrid systems that can be utilized anywhere from remote villages to mining operations. Caterpillar will distribute this innovative technology through our global network of dealers, providing value to our customers by integrating solar energy systems with Caterpillar's trusted expertise in distributed power generation technologies.

Caterpillar is also leveraging the advanced thin film solar panel technology for our traditional commercial and industrial customers' energy needs in more developed markets such as the United States and China. The thin film solar panel technology has higher energy capture characteristics than traditional solar panels, yielding increased annual energy production for our customers. Integration of these products with traditional standby generator sets allows customers to leverage the benefits of renewable energy even if the grid goes down, providing an even higher level of energy independence.

Another important technology that is rapidly progressing is energy storage systems, which allow customers to capture surplus renewable energy and store it for later use. Caterpillar, leveraging our bi-directional inverter technology developed for mining trucks and hybrid tractors, offers a full range of energy storage technologies, ranging from ultracapacitors for short duration storage to long duration metal- air energy storage products. Recognizing the benefit that energy storage technology can offer our customers, in 2015 Caterpillar invested in Fluidic Energy, the makers of metal-air energy storage technologies. We chose Fluidic Energy for this endeavor because the company's technology offers potentially significant advantages in terms of energy storage cost, depth of discharge, cycle life and safety over some traditional energy storage products.

Leading by example, Caterpillar is first deploying world-class microgrid technologies at some of its own facilities. Many Caterpillar operations resemble the commercial/industrial operations of our customers, so microgrid installations at Caterpillar facilities provide a hands-on educational and training experience for customers and dealers while simultaneously providing cost and emission reductions for the company. A prime example is the Caterpillar Tucson Proving Ground facility located in Arizona. Caterpillar performs validation testing of its mining equipment at this site, which comprises an office building, shop areas and large open-air test areas. Existing Cat® C15 diesel generator sets operate continuously to provide approximately 400kW of electricity to the site, consuming approximately 250,000 gallons of diesel fuel per year. Extending the local utility grid to this remote location is cost-prohibitive, but microgrid technology is now a cost-effective complement to diesel generators alone. We are installing 500kW of solar panels, 500kW of energy storage and a microgrid controller to seamlessly integrate these sources with the existing diesel generators. The system will carry the site load during daylight hours, enabling the diesel generators to reduce power output and shut down. Fuel consumption and exhaust emissions are expected to be reduced by 33 percent, and generator maintenance is expected to be reduced by 25 percent, with the resulting cost reductions providing an attractive return on the investment in the microgrid. Real-time performance of the system will be monitored remotely and will be available for viewing online by select Cat® dealers.

Moving forward, we intend to deploy similar microgrid systems, solar panels and energy storage systems to customers throughout the world – whether in remote villages, mining sites, islands, military installations, telecommunications facilities, or commercial/industrial facilities. By expanding Caterpillar's broad power generation portfolio and solutions, we are reducing customer costs and site emissions, while expanding access to electricity to those in the greatest need. Our goal is simple – to provide our customers and the communities where they work and live a brighter future no matter where they are in the world.



WHAT WE'RE SOLVING

MATERIAL RECOVERY SOLUTION

MATERIAL RECOVERY

Caterpillar encourages circular economy principles through our remanufacturing and rebuild businesses. This starts with durable products, many designed to be rebuilt multiple times. Through our remanufacturing and rebuild programs, components and machines are overhauled, rather than simply repaired or replaced. Reuse of parts, still within factory specifications, reduces waste and minimizes the need for additional raw materials necessary to produce new parts. This system is where Caterpillar is making some of its greatest contributions to sustainable development – keeping non-renewable resources in circulation for multiple life cycles.

For more than 40 years, Caterpillar's remanufactured products have provided same-as-when-new performance, reliability and warranty at fraction-of-new costs, as well as availability that gives customers more options at repair and overhaul time.

In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers a competitive advantage.



An excellent example of how our reman programs deliver value to customers can be found in the island nation of Dominica. There, almost all energy is produced using a combination of gas, diesel and fuel-oil generators. Rimco, the Cat® dealer in the Eastern Caribbean, has put a priority on offering remanufactured parts and components to the local electricity companies and customers. Remanufactured parts are more affordable, helping to manage operating costs, and are more readily available on the market, allowing faster turnaround time in the event of emergency repairs.

For instance, a local energy company uses 11 Cat® generators – primarily Cat® 3516, Cat® 3608 and Cat® 3612 engines – to supply the majority of the island's electricity. During 2015, two of the main generators needed emergency replacement parts, reducing the backup power available and increasing the risk to a disruption in energy supply to the island. Rimco provided remanufactured parts to the energy company, ensuring they could keep the power flowing without interruption.

In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers like Rimco a competitive advantage and has helped the 35-year-old company meet the needs of its customers across the Eastern Caribbean efficiently and affordably.



WHAT WE'RE SOLVING

SANITATION IMPROVEMENT SOLUTION



SUPPORTING GLOBAL SANITATION IMPROVEMENTS

When we seek to meet basic human needs around the world, particularly those of women and girls, sanitation is a high-impact area where we can focus our efforts. In 2015, the Caterpillar Foundation continued our support of The Global Poverty Project (GPP) with an investment to support universal access to sanitation. The grant will help GPP advocate for policies around the world that enable entrepreneurship, especially for women, by removing barriers caused by poor and inequitable access to sanitation – such as places to hand wash or use the toilet – and lack of access to basic education. GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises. Combined, these measures would return an estimated $220 billion to the global economy annually.

GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises.

In 2015, the United Nations adopted the Sustainable Development Goals (The Global Goals), a series of 17 goals with 169 targets to be achieved by 2030. Included in these goals were two key aspects of our policy partnership with GPP: the recognition of the need to ensure access to adequate sanitation and hygiene for all, and a commitment to end open defecation, especially for women, girls and those in vulnerable situations. GPP will continue to work on other aspects of our sanitation-policy partnership, including securing a $10 million-per-year increase in Water, Sanitation and Hygiene (WASH) aid from the United States government, and urging four new governments or companies to allocate new, additional financial resources to sanitation efforts.



WHAT WE'RE SOLVING

NATURAL INFRASTRUCTURE SOLUTION

SHINING A LIGHT ON THE CLIMATE BENEFITS OF NATURAL INFRASTRUCTURE

Cat® products are used to support infrastructure projects around the world, including natural infrastructure projects such as the restoration of forests, wetlands and other landscapes. We believe that Caterpillar's expertise across industries puts us in a prime position to drive the global discussion on the importance of natural infrastructure and its restoration. Not only is sustainability one of our Core Values, but over our 90-year history we have also built relationships across a wide range of infrastructure businesses that will be critical to restoring the world's natural landscapes. Already, Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.

Around the world, governments, industries and individuals are talking about climate change, the threats it poses to our livelihoods and the best ways to address it. The majority of the conversation has focused on the role energy plays in our global carbon footprint. Natural infrastructure – forests, prairies, agricultural lands, coastal landscapes, wetlands and other landscapes – also plays a vital role in managing carbon and supporting global sustainability. In 2015, to complement our existing initiatives focused on reduction of greenhouse gases, Caterpillar spearheaded an effort to raise awareness of the benefits of natural infrastructure.

Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.

Natural infrastructure sequesters billions of tons of carbon for productive use in plants and soils. Scientists say that more carbon resides in soil than in the atmosphere and all plant life combined; there are 2,500 billion tons of carbon in soil, compared with 800 billion tons in the atmosphere and 560 billion tons in plant and animal life. The food, fiber and lumber produced from natural infrastructure provide our nourishment and much of the raw materials for clothing and housing. With the earth's population expected to grow from 7 billion to more than 9 billion in the next few decades, ensuring the health and productivity of our natural infrastructure will be integral to meet the growing need for food and other basic human needs.



Land and Water Resources for Food and Agriculture (SOLAW), found 25 percent of the world's lands are now considered "highly degraded" as a result of poor management practices. This means that an area roughly the size of North America may suffer from deforestation, desertification, severe erosion and wetland contamination. As a result, communities that depend on these lands may experience less productive farmland, poorer water quality and lower storm resilience. According to Ohio State University's Carbon Management and Sequestration Center, restoring soils of degraded and desertified ecosystems has the potential to provide an additional 1 billion to 3 billion tons of in-soil carbon storage capacity annually, equivalent to approximately 3.5 billion to 11 billion tons of CO_2 emissions.

In November 2015, Caterpillar hosted the first major national summit in the United States of diverse stakeholders who have a part to play in natural infrastructure restoration. The summit brought together leaders from engineering, construction, finance, governments, academia and nongovernmental organizations to establish a coordinated effort across these industries to develop and deploy sustainable development solutions. Participants delved into the scientific and business cases for natural infrastructure restoration and brainstormed policies, business models and financing solutions needed to expand the world's natural infrastructure restoration efforts.

Following the summit, Caterpillar has published a comprehensive white paper detailing the summit discussions. The paper highlights the recommendations that businesses and governments may consider to increase the effectiveness of efforts to restore natural infrastructure and keep pace with our need for the critical services, including carbon sequestration and resources, that natural ecosystems provide. Through the use of our products for natural infrastructure restoration projects and continuing to increase awareness, this is another way that Caterpillar can continue to build a more sustainable world.

WHAT WE'RE SOLVING

SUSTAINABILITY VISION, MISSION, STRATEGY & PRINCIPLES



VISION

Our vision is a world in which all people's basic needs – such as shelter, clean water, sanitation, food and reliable power – are fulfilled in a sustainable way and to be a company that improves the quality of the environment and the communities where we live and work.

MISSION

Our mission is to enable economic growth through infrastructure and energy development, and to provide solutions that support communities and protect the planet.

STRATEGY

Our strategy is to provide work environments, products, services and solutions that make safe, productive and efficient use of resources as we strive to achieve our vision. We apply innovation and technology to improve the sustainability performance of Caterpillar's products, services, solutions and operations. We believe sustainable progress is made possible by developing better systems that maximize life cycle benefits, while also minimizing the economic, social and environmental costs of ownership, as reflected in our sustainability principles. We will execute our strategy by working to meet our aspirational sustainability goals.

SUSTAINABILITY PRINCIPLES

Sustainability is part of who we are and what we do every single day. We recognize that progress involves a balance of environmental stewardship, social responsibility and economic growth.

Caterpillar Sustainability Principles drive our commitment to make sustainable progress possible.

Prevent Waste (Improve Safety, Efficiency and Productivity):

By increasing the safety, efficiency and productivity of processes and products, we reduce cost and minimize the use of materials, energy, water and land. We provide a safe work environment and the tools and training employees need to work safely. We provide customers with products, services and solutions that improve the sustainability of their operations.

Improve Quality (Team, Community, Environment and Operations):

We focus on improving quality for our company, customers, communities, environment and the quality of life for our employees. We use Lean and 6 Sigma to improve our operations and products. Our employees and their families experience a better quality of life when the quality of our company, communities and the environment is maintained. We attract and develop the best teams.

Develop Better Systems (Innovate):

We leverage innovation and technology to maximize efficiency and productivity. We remanufacture, rebuild and recycle to conserve resources for multiple life cycles. We develop products that contribute to communities through infrastructure development and energy access. We develop better systems throughout the value chain, "engineering the whole chain, not just the links," in order to maximize life cycle benefits.





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D. James Umpleby III
Denise Johnson – effective 2016

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Patrick G. Holcombe

Assistant Secretary
Joni J. Funk

*Appointed in 2015
**Retired in 2015

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LEGAL STATEMENTS

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Forward-Looking Statements Certain statements in this 2015 Sustainability Report relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar's actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets, limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential, resulting in increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment's risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial's customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers' needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulations; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial's compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events, including natural disasters; and (xxix) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 16, 2016, for the year ended December 31, 2015.

To learn more about Caterpillar in 2015 and our sustainability journey, please visit the full 2015 Year in Review and Sustainability Reports at http://reports.caterpillar.com/





Caterpillar Inc.
100 NE Adams Street
Peoria, Illinois 61629 USA
1 (309) 675-1000

CATERPILLAR®

Re: Due November 4 -- Exemption request for business license

Tax-License Tax-License to: Schreifels_Ann_M 10/26/2016 03:43 PM
Cc: "Jeffrey Whiting"

Caterpillar: Confidential Green Retain Until: 11/25/2016
History: This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.
https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXylY2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJAl6F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels_Ann_M@cat.com> 10/14/2016 11:47 AM >>>
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels
Americas Marketing Supervisor
Governmental Sales & Business Processes
Global Construction & Infrastructure
100 NE Adams St. | Peoria, IL | USA | 61629
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976

Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Casualty Insurance Program*

Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.

If Caterpillar's net worth drops below $1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.

Please contact (309) 675-4645 if you have any questions.

CATERPILLAR®

Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Property Insurance Program*

Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.

Caterpillar Inc. will honor its responsibilities assumed under any agreement.

Please contact (309) 675-8400 if you have any questions.

CATERPILLAR®

Effective with sales to the first user on or after July 1, 2016

CATERPILLAR LIMITED WARRANTY

Earthmoving, Construction, Material Handling, Forestry and Paving Machines

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 992, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

Note: New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

continued…

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.
NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

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C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

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THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000,THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow," the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.

Effective with sales to the first user on or after January 1, 2014.

CATERPILLAR LIMITED WARRANTY

Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

Allowance (%) = (1-Track hours/1500 hours) X 100

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks.

Allowance (%) = (1-Track hours /1000 hours) X 100

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."
- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side....)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

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City of Tucson

License Certificate

Business Name and Tucson Mailing Address:

EMPIRE SOUTHWEST LLC
PO BOX 2985
PHOENIX AZ 85062-2985

License Number: 3006282

Type: General Freight Trucking, Local

Issue Date: December 31, 2015

Expiration Date: December 31, 2016

Owner:
EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.

FOLD HERE

CITY OF TUCSON, ARIZONA
FINANCE DEPARTMENT
REVENUE DIVISION - LICENSE
Expiration Date: December 31, 2016

Non-Transferable

3006282

MUST BE DISPLAYED IN A CONSPICUOUS PLACE

Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson. Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By _____
Finance Director

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Southwest, LLC
P.O. Box 2985
Phoenix, AZ 85062-2985

Any questions regarding payments should be directed to your account manager or to accounts.receivable@empire-cat.com.

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)
Pavers	
AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%
Rollers	
CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

***Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.**

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

Reclaimers

RM300	14.00%
RM500	14.00%

Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Articulated Trucks	
725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

Rigid Frame Trucks	
770	10.00%
773	10.00%

Landfill Compactors	
816	14.00%
826	14.00%
836	14.00%

Wheel Dozers and Soil Compactors	
814	15.00%
815	15.00%
824	15.00%
825	15.00%

Wheel Loaders	
903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

Track Loaders	
953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	Participant Discount
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)*	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)*	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
60 HZ, 40 - 60 kW *(Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)*	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW *(Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)*	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW *(Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)*	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW *(Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)*	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	

C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)	
(EPA & CARB Tier 4 Final Emissions Certified)	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)	
1000 kW 480	37%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
3516C HD, 60 HZ, 2500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831bkW, 1095bkW	17%
G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited	
(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
1040 eKW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt
(Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List) 17%

G3516H, 60HZ, 1500 RPM, 3 Phase
(Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List) 17%

G3520H, 60 HZ
(Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List) 17%

G3520, 60 HZ, 2055, 1900, or 1600 eKW
(Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List) 17%

CG132, CG170, CG260 (custom) 15%

Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets.
Each quote is custom for the specific application.
However, members will receive a 15% discount off of the configured list price from each member's local dealer.

C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)
4000 kW (with Fan Rating) 24%

C175, 60 HZ, 3000 kW (EPA Tier 4)
(Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 19%

C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 26%
3100 kW (without Fan Rating) 26%

G30PGAN, 30kW

G80PGAN, 50kW, 60kW, 80kW

G150PGAN, 100kW, 125kW, 150kW

Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW
(Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)

G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%

APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%

XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List)
20 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List)
30 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road))
(Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)

XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List)
60 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)	
320 kW* (3 phase or 1 phase)	23%
XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified)	
(Reference the "XQ2000N" Caterpillar Price List)	
1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
*Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a **12% discount** off of the configured list price from each member's local dealer.*	
UPS (Uninterruptible Power Supply)	
60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
Plus all price list related options	20%
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Contol Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

Sourced Goods & Support Service Provided	National IPA Member Pricing
Custom Shop Work	5% off list price / typical sale price if no list price is available
Installation	5% off list price / typical sale price if no list price is available
Delivery/Freight	5% off list price / typical sale price if no list price is available
Training	5% off list price / typical sale price if no list price is available
Custom Enclosure	5% off list price / typical sale price if no list price is available
Custom Fuel Tank	5% off list price / typical sale price if no list price is available
Custom ATS	5% off list price / typical sale price if no list price is available
Dealer Labor	5% off list price / typical sale price if no list price is available
Additional/Custom Parts	5% off list price / typical sale price if no list price is available
General Contracting Labor	5% off list price / typical sale price if no list price is available
Maintenance Agreements	5% off list price / typical sale price if no list price is available

Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT

REQUEST FOR PROPOSAL NO. 161534

Heavy Equipment, Parts, Accessories, Supplies and Related Services

AMENDMENT NO. ONE (1)

The referenced document has been modified as per the attached Amendment No. One (1).

Please sign this Amendment where designated and return the executed copy with the submission of your proposal. This amendment is hereby made part of the referenced RFP as though fully set forth therein. Any questions regarding this amendment should be addressed to Jeffrey Whiting, Contract Officer at (520) 837-4123 or Jeffrey.Whiting@tucsonaz.gov.

JW/lr

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534
RFP AMENDMENT NO. ONE (1)
PAGE NO. 1 OF 1
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

Heavy Equipment, Parts, Accessories, Supplies and Related Services

ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1st Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Signature Date

Print Name and Title

Company Name

Address

City State Zip

CITY OF TUCSON
REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER:	**161534**
PROPOSAL DUE DATE:	**October 27, 2016 AT 4:00 P.M. LOCAL AZ TIME**
PROPOSAL SUBMITTAL LOCATION:	**Department of Procurement** **255 W. Alameda, 6th Floor, Tucson, AZ 85701**
MATERIAL OR SERVICE:	**HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES**
PRE-PROPOSAL CONFERENCE DATE:	**October 4, 2016**
TIME:	**10:00 A.M. LOCAL AZ TIME**
LOCATION:	**City Hall, 1ST Floor Conference Room** **255 W. Alameda, Tucson, AZ 85701**
CONTRACT OFFICER:	**Jeffrey Whiting**
TELEPHONE NUMBER:	**(520) 837-4123** **Jeffrey.Whiting@tucsonaz.gov**

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: http://www.tucsonprocurement.com/ by selecting the Bid Opportunities link and the associated solicitation number. The City does not mail out Notices of available solicitations via the U.S. Postal Service. Email notifications are sent to those interested offerors who are registered with us and who have selected email as their preferred delivery method. To register, please visit www.tucsonprocurement.com, click on Vendors, then click on Vendor Registration. To update an existing record, click on Vendors, click on What's New?, and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

******ALERT******

Effective July 1, 2014, the City of Tucson's Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Program has moved to the Department of Procurement and has become the Business Enterprise and Compliance Program. To contact them, please call (520) 837-4000 or visit the website at http://www.tucsonprocurement.com/Bidders_Page.aspx and click on SBE or DBE.

JW/lr

PUBLISH DATE: September 27, 2016

INTRODUCTION

The City of Tucson (herein referred to as the City) is requesting proposals from qualified and experienced firms to provide **HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES.** The City requires a contractor who provides a diverse and extensive supply of equipment for purchase and/or rental to various locations in the Tucson metropolitan area.

Heavy equipment will include, but not be limited to, the following equipment categories: Landfill, Construction, and Material Handling. The City has approximately 150 pieces of heavy equipment that falls under the heavy equipment category.

Requirements and qualifications are defined in detail in the Scope of Services Section of this Request for Proposal (RFP). The City seeks a firm that can supply the specified services, supplies, parts, equipment and materials.

NATIONAL CONTRACT REQUIREMENTS

The City, as the Principal Procurement Agency, as defined in Attachment A, has partnered with the National Intergovernmental Purchasing Alliance Company ("National IPA") to make the resultant contract (also known as the "Master Agreement" in materials distributed by National IPA) from this solicitation available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), through National IPA's cooperative purchasing program. The City is acting as the contracting agency for any other Public Agency that elects to utilize the resulting Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA's cooperative purchasing program. Attachment A contains additional information on National IPA and the cooperative purchasing agreement.

National IPA is the public sector arm of Provista, a multi-industry supply chain improvement company providing group organization and business solutions in various markets nationwide. We partner with sister company, Vizient (formally, Novation), to leverage over $100 billion in annual supply spend to command the best prices on products and services. With corporate, pricing and sales commitments from the Supplier, National IPA provides marketing and administrative support for the Supplier that directly promotes the Supplier's products and services to Participating Public Agencies though multiple channels, each designed to promote specific products and services to Public Agencies on a national basis. Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and competed. The Supplier benefits from a contract that allows Participating Public Agencies to directly purchase goods and services without the Supplier's need to respond to additional competitive solicitations. As such, the Supplier must be able to accommodate a nationwide demand for services and to fulfill obligations as a nationwide Supplier and respond to the National IPA documents Attachment A.

The City anticipates spending approximately $8.5 million for Heavy Equipment over the full potential Master Agreement term (5 years). For Fiscal Year 17, the City anticipates purchasing an articulating haul truck and a water wagon. While no minimum volume is guaranteed to the Supplier, the estimated annual volume of Heavy Equipment purchased under the Master Agreement through National IPA is approximately $25,000,000. This projection is based on the current annual volumes among the City of Tucson, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public Agencies through a coordinated marketing approach between the Supplier and National IPA.

TENTATIVE SCHEDULE OF EVENTS

To the extent achievable, the following schedule shall govern the review, evaluation and award of the contract. The dates are estimates only and the City reserves the right to modify the dates below as necessary.

Activity	**Estimated Finish Date of Activity**
RFP Published	September 27, 2016
Pre-proposal conference	October 4, 2016
Proposal due date	October 27, 2016
Anticipated Vendor Interview / Demonstration	November 28 – December 2, 2016
Anticipated Final negotiation completed	December 19, 2016
Contract award & issuance of purchase order	January 9, 2017

SCOPE OF WORK

A. GENERAL REQUIREMENTS

1. QUALIFIED FIRMS: Offerors should meet the minimum qualifications:

a. Have a strong national presence in the heavy equipment industry.
b. Have a distribution model capable of delivering heavy equipment nationwide.
c. Have a demonstrated sales presence.
d. Be able to meet the minimum requirements of the cooperative purchasing program detailed herein.
e. Be able to provide the full range of products, equipment, parts, materials and services to meet the demands of the City and all agencies that opt to participate in the cooperative purchasing program with the City.

2. PRODUCTION REPORTS: The Contractor or associated dealer must have the ability to furnish the agency ordering equipment and National IPA with MONTHLY progress reports confirming status of delivery dates as agreed upon. These reports shall include, but not be limited to, the following:

a. Copy of Contractor's order to the factory.
b. Copy of factory acknowledgment of order indicating scheduled date of production and shipment from factory.
c. Factory generated computer status reports.
d. Notification to the City of any changes in production or shipping dates.
e. Any special information the Contractor shall have that would affect the timely delivery of the vehicles ordered in accordance with original delivery date promise.

In lieu of written reports submitted to Operations/Fleet Services, the Contractor may provide access to an Internet based on-line order tracking system. Any on-line system provided must provide the information required above. The Contractor must provide all access codes necessary to view this information.

3. DELIVERY and DELIVERY DOCUMENTATION: The following documents are due upon delivery of the completed vehicles to the City:

a. Invoice
b. Warranty document
c. Level 1 Inspection
d. Required manuals
e. RD108-Title

Upon contract award, the Contractor will be required to supply a delivery ticket specifying the purchase order number of each vehicle.

Delivery to the City of Tucson: All deliveries shall be made Monday through Friday from 8:00 a.m. to 3:00 p.m. The Contractor shall be required to give the General Services Department/Fleet Services Division a minimum of 24-hour notification prior to delivery with the anticipated time of delivery and quantity of units to be delivered.

4. VEHICLE INSPECTION: The purchasing agency will assist the Contractor or the authorized dealer in arranging for inspection of each piece of equipment purchased. Each vehicle delivered shall be subject to a complete inspection by the General Services Department/Fleet Services Division staff prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. If delivered equipment is returned to the

Contractor prior to acceptance for any reason, all corrections shall be made without any inconvenience to the City.

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Training shall be presented in a quality suitable for videotaping. The City reserves the right to videotape part or all of the training provided at no additional cost to the agency.

6. **REPAIRS:** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. Transport of the vehicle will not be delayed more than one working day from date of notification.

7. **WARRANTIES:** Offeror shall warrant that all equipment and parts furnished in their offer are newly manufactured and free from defects in material and workmanship from the date the City places the equipment into service. Warranty shall also guarantee accepted trade standards of quality, fitness for the intended uses, and conformance to promises or specified specifications. No other express or implied warranty shall eliminate the vendor's liability as stated herein.

Total Maintenance and Repair (TMR's) must be agreed upon and presented to the City prior to the purchase of equipment and/or rebuilds.

8. **VENDOR SERVICE AND MAINTENANCE:** Contractor will provide and maintain a factory authorized parts and service facility within a reasonable distance to the purchasing location.

For the City, the parts and service facility must be within a 125-mile radius of the City of Tucson Price Service Center (4004 S. Park Avenue, 85714). If warranty service is not provided within the Tucson metro area, the Contractor shall be responsible for all costs, including fuel and labor, of transporting vehicle(s) between the City's Price Service Center and the Contractor's service center. The method of transportation must be mutually agreed to by the Contractor and the City prior to transport.

For service calls, the Contractor must provide a response within 60 minutes.

Additional Requirement for City of Tucson Landfill: A service technician must be on-site each morning, Monday-Friday (except holidays) to service and maintain the City of Tucson landfill equipment located at 5300 E. Los Reales Road, Tucson, AZ.

9. **VEHICLE RECALL NOTICES:** In the event of any recall notice, technical service bulletin, or other important notification affecting a vehicle purchased from this contract, a notice shall be sent to the purchasing agency's representative. For the City of Tucson, all notices shall be sent to General Services, Fleet Services Division, 4004 S. Park Avenue, Building 1, Tucson, AZ 85714.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

1. **EQUIPMENT:** A complete and comprehensive line of new and used Heavy Equipment to support various needs of agencies is requested. The categories include, but are not limited to, the following:

Landfill Equipment:
- Landfill Dozers
- Landfill Compactors
- Landfill Scraper

Material Handling
- Fork Lift
- Crane / Wheeled
- Crane / Track

Construction Equipment
- Air Compressor
- Articulated Dump Truck
- Asphalt Cold Planer
- Asphalt Rotary Mixer
- Bucket Truck
- Cement Mixer
- Chip Spreader
- Crack Sealer
- Dozers **/** Tracked
- Dozers / Wheeled
- Dump Trucks
- Excavators / Tracked
- Excavators / Wheeled
- Ice Resurfacer
- Loaders / Backhoe / Wheeled
- Loaders / Tracked
- Loaders / Wheeled
- Motor Graders
- Patcher Truck
- Paver / Tracked
- Paver / Wheeled
- Rollers / Drum / Vibrate
- Rollers / wheeled / Pneumatic
- Rollers / Drum / Wheeled
- Scrapers
- Skid Steer Loaders
- Soil Compactors
- Sweeper / Scrubber
- Sweeper / Street
- Sweeper / walkway
- Telehandlers
- Trailer / Tilt
- Trailer / Flatbed
- Trailer / Drop Neck
- Trailer / Utility
- Trencher
- Water Truck
- Water Wagon

2. **CURRENT EQUIPMENT AND PRODUCTS:** All equipment and products being offered in response to this solicitation shall be in current and ongoing production; shall be formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.

3. **PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. SERVICES: The City is seeking the inclusion of value-add services. These services may be provided by the authorized manufacturer or dealer and sample categories include, but are not limited to:

a. **Repair Services:** The ability to provide repair services through authorized manufacturer's facilities or dealers. Repair services may include, but not be limited to, hourly rate for repairs in shop, hourly rate for repairs in field, weld repairs, machining work, etc.

b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.

c. **Warranties:** The ability to provide a full range of extended warranties.

d. **Lease/Financing Options:** The ability to provide financing options. Identify direct or third party financing or both.

e. **Trade-In or Buyback Options:** The ability to trade-in used equipment or obtain a guaranteed buy back price at the time of purchase.

f. **Rental:** The ability to rent heavy equipment through the manufacturer or dealer.

g. **Incorporation of New Business Enterprises:** The ability to incorporate certain business enterprises (as requested by the City or Participating Agencies) into your distribution, and sales channels.

h. **Green/Sustainability Program:**
1. Policies: Efforts and policies pertaining to green and sustainability.
2. Products: Impact on product offerings.
3. Distribution: Impact in distribution.
4. Certifications: The industry recognized certifications and standards obtained.

i. **Training & Education:** The ability to provide on-site and/or online training and educational programs/seminars.

j. **Customer Support Services:** The policies on replacements, returns, restocking charges, after hours service, after sales support, out of stock, order tracing, technical feedback, quality assurance for orders and drop shipments.

k. **Other Services/Options:** Other value-add services not included in above categories.

INSTRUCTIONS TO OFFERORS

1. **DEFINITION OF KEY WORDS USED IN THE SOLICITATION:**
   For purposes of this solicitation and subsequent contract, the following definitions shall apply:
   City: The City of Tucson, Arizona
   Contract: The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.
   Contractor/Consultant: The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.
   Contract Representative: The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.
   Director of Procurement: The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.
   May: Indicates something that is not mandatory but permissible.
   Offeror: The individual, partnership, or corporation who submits a proposal in response to a solicitation.
   Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.
   Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

2. **PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

3. **INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

4. **AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

5. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror.

There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

6. PREPARATION OF PROPOSAL:

A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.
C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.
D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
F. Periods of time, stated as a number of days, shall be in calendar days.
G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.

7. PAYMENT DISCOUNTS: Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period. The payment discount shall apply to all purchases and to all payment methods.

8. TAXES: The City of Tucson is exempt from federal excise tax, including the federal transportation tax.

9. PROPOSAL/SUBMITTAL FORMAT: An original and 6 copies (7 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office 2003 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.

10. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with

modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.

11. PUBLIC RECORD: All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.

12. CONFIDENTIAL INFORMATION: The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

13. CERTIFICATION: By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:

A. The submission of the offer did not involve collusion or other anti-competitive practices.
B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

14. WHERE TO SUBMIT PROPOSALS: In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.

15. LATE PROPOSALS: Late proposals will be rejected.

16. OFFER AND ACCEPTANCE PERIOD: In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.

17. WITHDRAWAL OF PROPOSAL: At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.

18. DISCUSSIONS: The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.

19. CONTRACT NEGOTIATIONS: Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any

property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

20. VENDOR APPLICATION: Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at http://www.tucsonprocurement.com/ by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.

21. CITY OF TUCSON BUSINESS LICENSE: It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.

22. UPON NOTICE OF INTENT TO AWARD: The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.

23. AWARD OF CONTRACT: Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:
(1) waive any immaterial defect or informality; or
(2) reject any or all proposals, or portions thereof; or
(3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

24. PROPOSAL RESULTS: The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at http://www.tucsonprocurement.com/ upon issuance of a Notice of Intent to Award or upon final contract execution.

25. PROTESTS: A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

A. The name, address, and telephone number of the protestant;
B. The signature of the protestant or its representative;
C. Identification of the Request for Proposal or Contract number;
D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
E. The form of relief requested.

PROPOSAL EVALUATION REQUIREMENTS

I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

A. Method of Approach

B. Price Proposal

C. Qualifications & Experience

II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

A. Method of Approach

1) National Program

a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.
2. Identification and description of sub categories.
3. Identify accessories, parts, services, etc. that are available through the manufacturer.
4. Identify accessories, parts, services, etc. that are available through the authorized dealer.
5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

6. Do you offer color choices for each product listed?

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:
   1. types of warranties available (by category or equipment)
   2. description of your warranty claims procedures.
   3. description of your policy addressing warranty issues related to:
      i. Major Component Failures
      ii. Engineering Deficiencies
      iii. Describe your firm's standard response time to address warranty failure issues.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

f. Submit all information that will aid the City in evaluating your proposal

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

   1. Provide detailed information explaining your service capabilities.

   2. Provided detailed information explaining the service capabilities of your authorized dealers.

   3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

   4. Describe your training programs, addressing, at a minimum, the following:
      i. How will equipment training be conducted?
      ii. Describe the training curriculum for the equipment operators.
      iii. Describe the training curriculum for the service technicians.
      iv. How will you accommodate various work shifts?
      v. What type of documentation is provided with the proposed training?
      vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
      vii. Is the training provided by the manufacturer, dealer or both?

5) Ordering and Invoices
   a. Describe your order process.

   b. How do agencies work with your firm to determine appropriate equipment needs?

   c. Describe the equipment delivery process and your delivery commitment.

   d. What is your standard equipment delivery timeframes?

   e. How does your firm communicate order cut off dates to your customers?

   f. Identify and describe any exceptions or challenges.

   g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

   h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

   i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

   j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

   k. Titles- will equipment be provided with proof of registration with the state?

   l. Will each product be delivered free of distributor advertising?

6) Other
   a. Describe any government rebate programs applicable.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

   The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

2) Based on your distribution network, explain how freight is calculated.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _____%, if payment is made within _____ days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card? _____Yes _____No
   a. If yes, can commercial payment(s) be made online? _____Yes _____No
   b. Will a third party be processing the commercial credit card payment(s)? ___Yes ____No
   c. If yes, indicate the flat fee per transaction $_____ (as allowable, per Section 5.2.E of Visa Operating Regulations).
   d. If "no" to above, will consideration be given to accept the card? _____Yes _____No

9) Does your firm have a City of Tucson Business License? _____Yes _____No
   a. If yes, please provide a copy of your City of Tucson Business license.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

2) Describe your dealer network and their role in providing products and services under this contract.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

III. GENERAL

A. Shortlist:

The City reserves the right to shortlist the offerors based on the stated criteria. However, the City may determine that shortlisting is not necessary.

B. Interviews:

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

C. Additional Investigations:

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

D. Prior Experience:

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

E. Multiple Awards:

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

SPECIAL TERMS AND CONDITIONS

1. **FEDERAL, STATE AND LOCAL TAXES, LICENSES AND PERMITS**: The Supplier shall comply with all Federal, State, and local licenses and permits required for the operation of the business conducted by the Supplier as applicable to this Contract. The Supplier shall, at no expense to the City, National IPA, or other Participating Public Agencies, procure and keep in force during the entire period of the Agreement all such permits and licenses.

2. **SUBCONTRACTORS:** No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement. All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor 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. Contractor is responsible for contract performance whether or not subcontractors are used.

3. **FOB DESTINATION FREIGHT PREPAID:** Prices shall be FOB Destination Freight Prepaid to the delivery location designated. Contractor shall retain title and control of all goods until they are delivered and the Contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The City will assist the Contractor in arranging for inspection.

4. **INSURANCE:** The Contractor agrees to:

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 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. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	$ 500,000
Each Occurrence	$1,000,000

*[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.

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.

5. **PAYMENTS:** All payments made by the City of Tucson for goods or services will be made to the vendor named on the Offer and Acceptance form. If you do not wish payment to be made to that address, you must submit an attached sheet indicating the proper mailing address with this bid.

6. **RIGHT TO TERMINATE FOR CHANGE IN OWNERSHIP OR MATERIAL RESTRUCTURE OF THE CONTRACTOR:** In addition to the Termination of Contract clause in the Standard Terms and Conditions section of this solicitation and resulting contract, the City reserves the right to cancel the whole or part of this contract within 60 days written notice of the completion of any material change of ownership in the Contractor's company, including its sale, merger, consolidation or dissolution.

7. **TERM AND RENEWAL**: The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City 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.

Any job orders, project agreements or maintenance agreements executed against this Master Agreement during the effective term may survive beyond the expiration of the Master Agreement as established and agreed to by both parties.

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

9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the Contractor as a condition of their intended purchase transaction. If the Contractor chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

10. **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 or registered with National IPA are eligible to participate in any subsequent Contract. See http://www.tucsonprocurement.com/coop_partners.aspx 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.

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. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.

3. **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.

4. **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.

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. **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.

7. **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.

8. **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.

9. **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.

10. **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.

11. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. 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.

12. **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.

13. 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.

14. EQUAL PAY: The Contractor shall comply with the applicable provisions of the Equal Pay Act of 1963 (Pub.L. 88-38, 29 U.S.C. section 206(d)); Title VII of the Civil Rights Act of 1964 (Pub.L. 88-352, 42 U.S.C. 2000e *et.seq.*; and, the Lily Ledbetter Fair Pay Act of 2009 (Pub.L. 111-2).

15. 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.

16. 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.

17. 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.

18. 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.

19. HUMAN RELATIONS: Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

20. INDEMNIFICATION: To the fullest extent permitted by law, Contractor, 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, including claims of patent or copyright infringement, 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 Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor 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 Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers,

directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

21. **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.

22. **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.

23. **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.

24. **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.

25. **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.

26. **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.

27. **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.

28. **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.

29. **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 invoice shall not be dated prior to the receipt of goods or completion of services.

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.

30. **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.

31. **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.

32. **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.

33. **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.

34. **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.

35. **RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal 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.

36. **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.

37. **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.

38. **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.

39. **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.

40. **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.

41. 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.

42. 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.

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

_____
Company Name

_____
Address

_____
City State Zip

_____
Signature of Person Authorized to Sign

_____
Printed Name

_____
Title

Name: _____

Title: _____

Phone: _____

Fax: _____

E-mail: _____

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-_____.

CITY OF TUCSON, a municipal corporation

Approved as to form this _____ day of _____ , 2016.

Awarded this _____ day of _____ , 2016.

_____
As Tucson City Attorney and not personally

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

ATTACHMENTS

ATTACHMENT A: National IPA Exhibits

Attachment A

Requirements for National Cooperative Contract
To be Administered by
National Intergovernmental Purchasing Alliance Company

The following documents are used in evaluating and administering national cooperative contracts and are included for Supplier's review and response.

National IPA Exhibit A – NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT

National IPA Exhibit B – NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE

National IPA Exhibit C – NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT, EXAMPLE

National IPA Exhibit D – NATIONAL IPA PRINCIPAL PROCUREMENT AGENCY CERTIFICATE, EXAMPLE

National IPA Exhibit E – NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE

National IPA Exhibit F – NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

1.0 Scope of National Cooperative Contract

1.1 Requirement

The City of Tucson (hereinafter defined and referred to as "Principal Procurement Agency"), on behalf of itself and the National Intergovernmental Purchasing Alliance Company ("National IPA"), is requesting proposals for Heavy Equipment, Parts, Accessories, Supplies and Related Services. The intent of this Request for Proposal is that any contract between Principal Procurement Agency and Supplier resulting from this Request for Proposal (hereinafter defined and referred to as the "Master Agreement") be made available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), through National IPA's cooperative purchasing program. The Principal Procurement Agency has executed a Principal Procurement Agency Certificate with National IPA (an example of which is included as Exhibit D) and has agreed to pursue the Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA's cooperative purchasing program. Registration with National IPA as a Participating Public Agency is accomplished by Public Agencies entering into a Master Intergovernmental Cooperative Purchasing Agreement, an example of which is attached as Exhibit C. The terms and pricing established in the resulting Master Agreement between the Supplier and the Principal Procurement Agency will be the same as that available to Participating Public Agencies through National IPA.

All transactions, purchase orders, invoices, payments etc., will occur directly between the Supplier and each Participating Public Agency individually, and neither National IPA, any Principal Procurement Agency nor any Participating Public Agency, including their respective agents, directors, employees or representatives, shall be liable to Supplier for any acts, liabilities, damages, etc., incurred by any other Participating Public Agency.

This Exhibit A defines the expectations for qualifying Suppliers based on National IPA's requirements to market the resulting Master Agreement nationally to Public Agencies. Each section in this Exhibit A refers to the capabilities, requirements, obligations, and prohibitions of competing Suppliers on a national level in order to serve Participating Public Agencies through National IPA.

These requirements are incorporated into and are considered an integral part of this RFP. National IPA reserves the right to determine whether or not to make the Master Agreement awarded by the Principal Procurement Agency available to Participating Public Agencies.

1.2 Marketing, Sales and Administrative Support

During the term of the Master Agreement National IPA intends to provide marketing, sales and administrative support for Supplier pursuant to this section 1.2 that directly promotes the Supplier's products and services to Participating Public

Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis.

The National IPA marketing team will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

A. Marketing collateral (print, electronic, email, presentations)
B. Website development and support
C. Trade shows/conferences/meetings
D. Advertising
E. Social Media
F. Sales Team Support

The National IPA sales teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

A. Individual sales calls
B. Joint sales calls
C. Communications/customer service
D. Training sessions for Public Agency teams
E. Training sessions for Supplier teams

The National IPA contracting teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies prospective Public Agencies through:

A. Serving as the subject matter expert for questions regarding joint powers authority and state statutes and regulations for cooperative purchasing
B. Training sessions for Public Agency teams
C. Training sessions for Supplier teams
D. Regular business reviews to monitor program success
E. General contract administration

Suppliers are required to pay an administrative fee of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Master Agreement or in the National Intergovernmental Purchasing Alliance Company Administration Agreement between Supplier and National IPA (the "National IPA Administration Agreement")

1.3 Estimated Volume

The dollar volume purchased under the Master Agreement is estimated to be approximately $25,000,000 annually. While no minimum volume is guaranteed to Supplier, the estimated annual volume is projected based on the current annual volumes among the Principal Procurement Agency, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public

Agencies through a coordinated marketing approach between Supplier and National IPA.

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier (Contract Sales are reported to National IPA).

1.5 Objectives of Cooperative Program

This RFP is intended to achieve the following objectives regarding availability through National IPA's cooperative program:

A. Provide a comprehensive competitively solicited and awarded national agreement offering the Products covered by this solicitation to Participating Public Agencies;
B. Establish the Master Agreement as the Supplier's primary go to market strategy to Public Agencies nationwide;
C. Achieve cost savings for Supplier and Public Agencies through a single solicitation process that will reduce the Supplier's need to respond to multiple solicitations and Public Agencies need to conduct their own solicitation process;
D. Combine the aggregate purchasing volumes of Participating Public Agencies to achieve cost effective pricing.

2.0 REPRESENTATIONS AND COVENANTS

As a condition to Supplier entering into the Master Agreement, which would be available to all Public Agencies, Supplier must make certain representations, warranties and covenants to both the Principal Procurement Agency and National IPA designed to ensure the success of the Master Agreement for all Participating Public Agencies as well as the Supplier.

2.1 Corporate Commitment

Supplier commits that (1) the Master Agreement has received all necessary corporate authorizations and support of the Supplier's executive management, (2) the Master Agreement is Supplier's primary "go to market" strategy for Public Agencies, (3) the Master Agreement will be promoted to all Public Agencies, including any existing customers, and Supplier will transition existing customers, upon their request, to the Master Agreement, and (4) that the Supplier has read and agrees to the terms and

conditions of the Administration Agreement with National IPA and will execute such agreement concurrent with and as a condition of its execution of the Master Agreement with the Principal Procurement Agency. Supplier will identify an executive corporate sponsor and a separate national account manager within the RFP response that will be responsible for the overall management of the Master Agreement.

2.2 Pricing Commitment

Supplier commits the not-to-exceed pricing provided under the Master Agreement pricing is its lowest available (net to buyer) to Public Agencies nationwide and further commits that if a Participating Public Agency is eligible for lower pricing through a national, state, regional or local or cooperative contract, that the Supplier will match such lower pricing to that Participating Public Agency under the Master Agreement.

2.3 Sales Commitment

Supplier commits to aggressively market the Master Agreement as its go to market strategy in this defined sector and that its sales force will be trained, engaged and committed to offering the Master Agreement to Public Agencies through National IPA nationwide. Supplier commits that all Master Agreement sales will be accurately and timely reported to National IPA in accordance with the National IPA Administration Agreement. Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Public Agencies under the Master Agreement in a consistent or better manner compared to sales to Public Agencies if the Supplier were not awarded the Master Agreement.

3.0 SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

A. Brief history and description of your company.
B. Total number and location of sales persons employed by your company.
C. Number and location of support centers (if applicable).
D. Annual sales for the three previous fiscal years.
E. Submit your FEIN and Dunn & Bradstreet report.

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.
B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.
C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.
D. State any return and restocking policy and fees, if applicable, associated with returns.
E. Describe the full line of products and services offered by your company.

3.3 Marketing and Sales

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
   i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days
   ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Pubic Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
   i. Creation and distribution of a co-branded press release to trade publications
   ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
   iii. Design, publication and distribution of co-branded marketing materials within first 90 days
   iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
   v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
   vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
   vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
   viii. Dedicated National IPA internet web-based homepage on Supplier website with:
      - National IPA standard logo;
      - Copy of original Request for Proposal;
      - Copy of contract and amendments between Principal Procurement Agency and Supplier;
      - Summary of Products and pricing;
      - Marketing Materials
      - Electronic link to National IPA's website including the online registration page;
      - A dedicated toll free number and email address for National IPA

C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and

national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
   i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
   ii. Best government pricing
   iii. No cost to participate
   iv. Non-exclusive contract

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
   i. Key features of Master Agreement
   ii. Working knowledge of the solicitation process
   iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
   iv. Knowledge of benefits of the use of cooperative contracts

G. Provide contact information for the person(s), who will be responsible for:
   i. Marketing
   ii. Sales
   iii. Sales Support
   iv. Financial Reporting
   v. Contracts

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

$_____.00 in year one
$_____.00 in year two
$_____.00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
    i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
    ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
    iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
    iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT (the "Agreement") is made this ___ day of _____ 20___, between National Intergovernmental Purchasing Alliance Company ("National IPA"), and _____ (herein "Supplier").

RECITALS

WHEREAS, the _____ (herein "Principal Procurement Agency") has entered into a Master Agreement effective _____, Agreement No_____, by and between the Principal Procurement Agency and Supplier, (as may be amended from time to time in accordance with the terms thereof, the "Master Agreement"), as attached hereto as Exhibit A and incorporated herein by reference as though fully set forth herein, for the purchase of _____ (herein "Product");

WHEREAS, said Master Agreement provides that any or all public agencies, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), that register (either via registration on the National IPA website or execution of a Master Intergovernmental Cooperative Purchasing Agreement, attached hereto as Exhibit B) (hereinafter referred to as a "Participating Public Agency") may purchase Product at prices stated in the Master Agreement;

WHEREAS, Participating Public Agencies may access the Master Agreement which is offered through National IPA to Public Agencies;

WHEREAS, National IPA serves as the contract administrator of the Master Agreement on behalf of Principal Procurement Agency;

WHEREAS, Principal Procurement Agency desires National IPA to proceed with administration of the Master Agreement; and

WHEREAS, National IPA and Supplier desire to enter into this Agreement to make available the Master Agreement to Participating Public Agencies and to set forth certain terms and conditions governing the relationship between National IPA and Supplier.

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained in this Agreement, National IPA and Supplier hereby agree as follows:

DEFINITIONS

1. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Master Agreement.

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TERMS AND CONDITIONS

2. The Master Agreement and the terms and conditions contained therein shall apply to this Agreement except as expressly changed or modified by this Agreement. Supplier acknowledges and agrees that the covenants and agreements of Supplier set forth in the solicitation and Supplier's response thereto resulting in the Master Agreement are incorporated herein and are an integral part hereof.

3. National IPA shall be afforded all of the rights, privileges and indemnifications afforded to Principal Procurement Agency by or from Supplier under the Master Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to National IPA, its agents, employees, directors, and representatives under this Agreement including, but not limited to, the Supplier's obligation to provide appropriate insurance.

4. National IPA shall perform all of its duties, responsibilities and obligations as contract administrator of the Master Agreement on behalf of Principal Procurement Agency as set forth herein, and Supplier hereby acknowledges and agrees that all duties, responsibilities and obligations will be undertaken by National IPA solely in its capacity as the contract administrator under the Master Agreement.

5. With respect to any purchases by Principal Procurement Agency or any Participating Public Agency pursuant to the Master Agreement, National IPA: (i) shall not be construed as a dealer, re-marketer, representative, partner or agent of any type of the Supplier, Principal Procurement Agency or any Participating Public Agency; (ii) shall not be obligated, liable or responsible for any order for Product made by Principal Procurement Agency or any Participating Public Agency or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Product; and (iii) shall not be obligated, liable or responsible for any failure by Principal Procurement Agency or any Participating Public Agency to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase under the Master Agreement. National IPA makes no representation or guaranty with respect to any minimum purchases by Principal Procurement Agency or any Participating Public Agency or any employee thereof under this Agreement or the Master Agreement.

TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

NATIONAL PROMOTION

7. National IPA and Supplier shall publicize and promote the availability of the Master Agreement's products and services to Public Agencies and such agencies' employees. Supplier's failure to maintain its covenants and commitments contained in this Agreement or any action of the Supplier which gives rise to a right by Principal Procurement Agency to terminate the Master Agreement shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of this Agreement at

EXAMPLE

National IPA's sole discretion. Notwithstanding anything contained herein to the contrary, this Agreement shall terminate on the date of the termination or expiration of the Master Agreement.

8. Supplier shall require each Public Agency to register its participation in the National IPA program by either registering on the National IPA website, www.nationalipa.org, or executing a Master Intergovernmental Cooperative Purchasing Agreement prior to processing the Participating Public Agency's first sales order.

9. Upon request, Supplier shall make available to interested Public Agencies a copy of the Master Agreement and such price lists or quotes as may be necessary for such Public Agencies to evaluate potential purchases. In addition, Supplier shall provide such marketing and administrative support as set forth in the solicitation resulting in the Master Agreement, including assisting in development of marketing materials as reasonably requested by Principal Procurement Agency and National IPA. Supplier and National IPA shall provide each respective party with its logo ("Logo") and the standard terms of use for its general use in marketing the Master Agreement. Both parties shall obtain written approval from the other party prior to use of such party's Logo. Notwithstanding, the parties understand and agree that except as provided herein neither party shall have any right, title or interest in the other party's Logo. Upon termination of this Agreement, each party shall immediately cease use of the other party's Logo.

MONTHLY REPORTING & FEES

10. Supplier shall pay National IPA an administrative fee in the amount of __% of the total purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of products and/or services to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. Such reports shall be accompanied by an administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

12. Supplier shall maintain an accounting of all purchases made by Participating Public Agencies under the Master Agreement. National IPA, or its designee, in National IPA's sole discretion, reserves the right to compare Participating Public Agency records with monthly reports submitted by Supplier for a period of four (4) years from the date National IPA receives such monthly report. National IPA may engage a third party to conduct an independent audit of

EXAMPLE

Supplier's monthly reports. In the event of such an audit, Supplier shall provide all materials reasonably requested relating to such audit by National IPA at the location designated by National IPA. In the event an underreporting of Contract Sales and a resulting underpayment of administrative fees is revealed, National IPA will notify the Supplier in writing. Supplier will have thirty (30) days from the date of such notice to resolve the discrepancy to National IPA's reasonable satisfaction, including payment of any administrative fees due and owing, together with interest thereon in accordance with Section 11, and reimbursement of National IPA's costs and expenses related to such audit.

GENERAL PROVISIONS

13. This Agreement, the Master Agreement and the exhibits referenced herein supersede any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereto and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained or incorporated herein shall be valid or binding. In the event of any conflict between the provisions of this Agreement and the Master Agreement, as between National IPA and Supplier, the provisions of this Agreement shall prevail.

14. If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement or to recover any administrative fee and accrued interest, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA.

16. All written communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery on receipt to the addresses as set forth below.

A. National Intergovernmental Purchasing Alliance Company

National IPA
Attn: President
2555 Meridian Blvd
Suite 300
Franklin, TN 37067

B. Supplier

17. If any provision of this Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever, and this Agreement will be construed by limiting or invalidating such provision to the minimum extent necessary to make such provision valid, legal and enforceable.

EXAMPLE

18. This Agreement may not be amended, changed, modified, or altered without the prior written consent of the parties hereto, and no provision of this Agreement may be discharged or waived, except by a writing signed by the parties. A waiver of any particular provision will not be deemed a waiver of any other provision, nor will a waiver given on one occasion be deemed to apply to any other occasion.

19. This Agreement shall inure to the benefit of and shall be binding upon National IPA, the Supplier and any respective successor and assign thereto; subject, however, to the limitations contained herein.

20. This Agreement will be construed under and governed by the laws of the state of Delaware, excluding its conflicts of law provisions.

Authorized Signature, Supplier	NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY
_____	_____
Signature	Signature
_____	Ward H. Brown
Name	Name
_____	Chief Operating Officer
Title	Title
_____	_____
Date	Date

EXAMPLE

MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT

This Master Intergovernmental Cooperative Purchasing Agreement (the "**Agreement**") is entered into by and between those certain government agencies that execute a Principal Procurement Agency Certificate ("**Principal Procurement Agencies**") with National Intergovernmental Purchasing Alliance Company ("**National IPA**") to be appended and made a part hereof and such other public agencies ("**Participating Public Agencies**") who register to participate in the cooperative purchasing programs administered by National IPA and its affiliates and subsidiaries (collectively the "**National IPA Parties**") by either registering on a National IPA Party website (such as www.nationalipa.org), or by executing a copy of this Agreement.

RECITALS

WHEREAS, after a competitive solicitation and selection process by Principal Procurement Agencies, a number of suppliers have entered into "**Master Agreements**" (herein so called) to provide a variety of goods, products and services ("**Products**") to the applicable Principal Procurement Agency and the Participating Public Agencies;

WHEREAS, Master Agreements are made available by Principal Procurement Agencies through the National IPA Parties and provide that Participating Public Agencies may purchase Products on the same terms, conditions and pricing as the Principal Procurement Agency, subject to any applicable federal and/or local purchasing ordinances and the laws of the State of purchase;

WHEREAS, in addition to Master Agreements, the National IPA Parties may from time to time offer Participating Public Agencies the opportunity to acquire Products through other group purchasing agreements;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and of the mutual benefits to result, the parties agree as follows:

1. That each party will facilitate the cooperative procurement of Products.

2. That the procurement of Products by Participating Public Agencies subject to this Agreement shall be conducted in accordance with and subject to the relevant federal, state and local statutes, ordinances, rules and regulations that govern Participating Public Agency's procurement practices.

3. That the cooperative use of Master Agreements and other group purchasing agreements shall be in accordance with the terms and conditions of such agreements, except as modification of those terms and conditions is otherwise allowed or required by applicable federal, state or local law.

4. That the Principal Procurement Agencies will make available, upon reasonable request and subject to convenience, Master Agreement information which may assist in improving the procurement of Products by the Participating Public Agencies.

5. That the Participating Public Agency agrees that the National IPA Parties may provide access to group purchasing organization ("**GPO**") agreements directly or

EXAMPLE

indirectly by enrolling the Participating Public Agency in another GPO's purchasing program, including but not limited to Vizient Supply, LLC, Provista, Inc. and other National IPA affiliates and subsidiaries; provided that the purchase of Products through a National IPA Party or any other GPO shall be at the Participating Public Agency's sole discretion.

6. That the Participating Public Agencies (each a "**Procuring Party**") that procure Products through any Master Agreement or GPO Product supply agreement (each a "**GPO Contract**") will make timely payments to the distributor, manufacturer or other vendor (collectively, "**Supplier**") for Products received in accordance with the terms and conditions of the Master Agreement or GPO Contract, as applicable. Payment for Products and inspections and acceptance of Products ordered by the Procuring Party shall be the exclusive obligation of such Procuring Party. Disputes between Procuring Party and any Supplier shall be resolved in accordance with the law and venue rules of the State of purchase unless otherwise agreed to by the Procuring Party and Supplier.

7. The Procuring Party shall not use this Agreement as a method for obtaining additional concessions or reduced prices for similar products or services.

8. The Procuring Party shall be responsible for the ordering of Products under this Agreement. A non-procuring party shall not be liable in any fashion for any violation by a Procuring Party, and the Procuring Party shall hold non-procuring party harmless from any liability that may arise from action or inaction of the Procuring Party. Without limiting the generality of the foregoing, the National IPA Parties make no representations or warranties regarding any Product, Master Agreement or GPO Contract, and shall have no liability for any act or omission by a Supplier or other party under a Master Agreement or GPO Contract.

9. This Agreement shall remain in effect until termination by a party giving 30 days written notice to the other party. The provisions of paragraphs 6, 7 and 8 hereof shall survive any such termination.

10. This Agreement shall take effect upon (i) execution of the Principal Procurement Agency Certificate or (ii) the registration on a National IPA Party website or the execution of this Agreement by a Participating Public Agency, as applicable.

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PRINCIPAL PROCUREMENT AGENCY CERTIFICATE

In its capacity as Principal Procurement Agency for National IPA, NAME OF PPA agrees to pursue Master Agreements for Products as specified in the attached exhibits to this Principal Procurement Agency Certificate.

I hereby acknowledge, in my capacity as _____ of and on behalf of NAME OF PPA ("Principal Procurement Agency"), that I have read and hereby agree to the general terms and conditions set forth in the attached Master Intergovernmental Cooperative Purchasing Agreement regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Principal Procurement Agencies to Participating Public Agencies nationwide through National Intergovernmental Purchasing Alliance Company ("National IPA") pursuant to the terms of the Administrative Agreement by and between National IPA and the applicable supplier.

I understand that the purchase of one or more Products under the provisions of the Master Intergovernmental Cooperative Purchasing Agreement is at the sole and complete discretion of the Participating Public Agency.

Authorized Signature, Principal Procurement Agency

_____
Signature

_____
Name

_____
Title

_____
Date

EXAMPLE

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS

EXHIBIT C - NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE

(to be submitted electronically in Microsoft Excel format)

National IPA Contract Sales Monthly Report

Supplier Name:

Contract Sales Report Month:

Contract ID:

Participating Agency Name	Address	City	State	Zip Code	Participating Agency # {Assigned by National IPA and provided to Supplier}	Transaction Date (Date of Sale)	Contract Sales for Month ($)	Admin Fee %	Admin Fee $
						Report Totals			
						Cumulative Contract Sales			

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS
EXHIBIT F- NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

Pursuant to certain state notice provisions, including but not limited to Oregon Revised Statutes Chapter 279A.220, the following public agencies and political subdivisions of the referenced public agencies are eligible to register with National IPA and access the Master Agreement contract award made pursuant to this solicitation, and are hereby given notice of the foregoing request for proposals for purposes of complying with the procedural requirements of said statutes:

Nationwide:

State of Alabama*	State of Hawaii	State of Massachusetts	State of New Mexico	State of South Dakota
State of Alaska	State of Idaho	State of Michigan	State of New York	State of Tennessee
State of Arizona	State of Illinois	State of Minnesota	State of North Carolina	State of Texas
State of Arkansas	State of Indiana	State of Mississippi	State of North Dakota	State of Utah
State of California	State of Iowa	State of Missouri	State of Ohio	State of Vermont
State of Colorado	State of Kansas	State of Montana	State of Oklahoma*	State of Virginia
State of Connecticut	State of Kentucky	State of Nebraska	State of Oregon	State of Washington
State of Delaware	State of Louisiana	State of Nevada	State of Pennsylvania	State of West Virginia
State of Florida	State of Maine	State of New Hampshire	State of Rhode Island	State of Wisconsin
State of Georgia	State of Maryland	State of New Jersey	State of South Carolina	State of Wyoming
District of Columbia				

Lists of political subdivisions and local governments in the above referenced states / districts may be found at http://www.usa.gov/Agencies/State_and_Territories.shtml and https://www.usa.gov/local-governments.

*Some public agencies and political subdivisions of these states may be restricted by state statutes that limit competition among cooperative purchasing organizations by only allowing use of purchasing cooperatives sponsored by certain National Associations.

Certain Public Agencies and Political Subdivisions:

CITIES, TOWNS, VILLAGES AND BOROUGHS INCLUDING BUT NOT LIMITED TO:

BAKER CITY GOLF COURSE, OR
CITY OF ADAIR VILLAGE, OR
CITY OF ASHLAND, OR
CITY OF AUMSVILLE, OR
CITY OF AURORA, OR
CITY OF BAKER, OR
CITY OF BATON ROUGE, LA
CITY OF BEAVERTON, OR
CITY OF BEND, OR
CITY OF BOARDMAN, OR
CITY OF BONANAZA, OR
CITY OF BOSSIER CITY, LA
CITY OF BROOKINGS, OR
CITY OF BURNS, OR
CITY OF CANBY, OR
CITY OF CANYONVILLE, OR
CITY OF CLATSKANIE, OR
CITY OF COBURG, OR
CITY OF CONDON, OR
CITY OF COQUILLE, OR
CITY OF CORVALLI, OR
CITY OF CORVALLIS PARKS AND RECREATION DEPARTMENT, OR
CITY OF COTTAGE GROVE, OR
CITY OF DONALD, OR
CITY OF EUGENE, OR
CITY OF FOREST GROVE, OR
CITY OF GOLD HILL, OR
CITY OF GRANTS PASS, OR
CITY OF GRESHAM, OR
CITY OF HILLSBORO, OR
CITY OF INDEPENDENCE, OR
CITY AND COUNTY OF HONOLULU, HI
CITY OF KENNER, LA
CITY OF LA GRANDE, OR
CITY OF LAFAYETTE, LA
CITY OF LAKE CHARLES, OR
CITY OF LEBANON, OR
CITY OF MCMINNVILLE, OR
CITY OF MEDFORD, OR
CITY OF METAIRIE, LA
CITY OF MILL CITY, OR
CITY OF MILWAUKIE, OR
CITY OF MONROE, LA
CITY OF MOSIER, OR
CITY OF NEW ORLEANS, LA
CITY OF NORTH PLAINS, OR
CITY OF OREGON CITY, OR
CITY OF PILOT ROCK, OR
CITY OF PORTLAND, OR
CITY OF POWERS, OR
CITY OF PRINEVILLE, OR
CITY OF REDMOND, OR
CITY OF REEDSPORT, OR
CITY OF RIDDLE, OR
CITY OF ROGUE RIVER, OR
CITY OF ROSEBURG, OR
CITY OF SALEM, OR
CITY OF SANDY, OR
CITY OF SCAPPOOSE, OR
CITY OF SHADY COVE, OR
CITY OF SHERWOOD, OR
CITY OF SHREVEPORT, LA
CITY OF SILVERTON, OR
CITY OF SPRINGFIELD, OR
CITY OF ST. HELENS, OR
CITY OF ST. PAUL, OR
CITY OF SULPHUR, LA
CITY OF TIGARD, OR
CITY OF TROUTDALE, OR

CITY OF TUALATIN, OR
CITY OF WALKER, LA
CITY OF WARRENTON, OR
CITY OF WEST LINN, OR
CITY OF WILSONVILLE, OR
CITY OF WINSTON, OR
CITY OF WOODBURN, OR
LEAGUE OF OREGON CITES
THE CITY OF HAPPY VALLEY OREGON
ALPINE, UT
ALTA, UT
ALTAMONT, UT
ALTON, UT
AMALGA, UT
AMERICAN FORK CITY, UT
ANNABELLA, UT
ANTIMONY, UT
APPLE VALLEY, UT
AURORA, UT
BALLARD, UT
BEAR RIVER CITY, UT
BEAVER, UT
BICKNELL, UT
BIG WATER, UT
BLANDING, UT
BLUFFDALE, UT
BOULDER, UT
CITY OF BOUNTIFUL, UT
BRIAN HEAD, UT
BRIGHAM CITY CORPORATION, UT
BRYCE CANYON CITY, UT
CANNONVILLE, UT
CASTLE DALE, UT
CASTLE VALLEY, UT
CITY OF CEDAR CITY, UT
CEDAR FORT, UT
CITY OF CEDAR HILLS, UT
CENTERFIELD, UT
CENTERVILLE CITY CORPORATION, UT
CENTRAL VALLEY, UT
CHARLESTON, UT
CIRCLEVILLE, UT
CLARKSTON, UT
CLAWSON, UT
CLEARFIELD, UT
CLEVELAND, UT
CLINTON CITY CORPORATION, UT
COALVILLE, UT
CORINNE, UT
CORNISH, UT
COTTONWOOD HEIGHTS, UT
DANIEL, UT
DELTA, UT
DEWEYVILLE, UT
DRAPER CITY, UT
DUCHESNE, UT
EAGLE MOUNTAIN, UT
EAST CARBON, UT
ELK RIDGE, UT
ELMO, UT
ELSINORE, UT
ELWOOD, UT
EMERY, UT
ENOCH, UT
ENTERPRISE, UT
EPHRAIM, UT
ESCALANTE, UT
EUREKA, UT
FAIRFIELD, UT
FAIRVIEW, UT
FARMINGTON, UT
FARR WEST, UT
FAYETTE, UT
FERRON, UT
FIELDING, UT
FILLMORE, UT
FOUNTAIN GREEN, UT
FRANCIS, UT
FRUIT HEIGHTS, UT
GARDEN CITY, UT
GARLAND, UT
GENOLA, UT
GLENDALE, UT
GLENWOOD, UT
GOSHEN, UT
GRANTSVILLE, UT
GREEN RIVER, UT
GUNNISON, UT
HANKSVILLE, UT
HARRISVILLE, UT
HATCH, UT
HEBER CITY CORPORATION, UT
HELPER, UT
HENEFER, UT
HENRIEVILLE, UT
HERRIMAN, UT
HIDEOUT, UT
HIGHLAND, UT
HILDALE, UT
HINCKLEY, UT
HOLDEN, UT
HOLLADAY, UT
HONEYVILLE, UT
HOOPER, UT
HOWELL, UT
HUNTINGTON, UT
HUNTSVILLE, UT
CITY OF HURRICANE, UT
HYDE PARK, UT
HYRUM, UT
INDEPENDENCE, UT
IVINS, UT
JOSEPH, UT
JUNCTION, UT
KAMAS, UT
KANAB, UT
KANARRAVILLE, UT
KANOSH, UT
KAYSVILLE, UT
KINGSTON, UT
KOOSHAREM, UT
LAKETOWN, UT
LA VERKIN, UT
LAYTON, UT
LEAMINGTON, UT
LEEDS, UT
LEHI CITY CORPORATION, UT
LEVAN, UT
LEWISTON, UT
LINDON, UT
LOA, UT
LOGAN CITY, UT
LYMAN, UT
LYNNDYL, UT

MANILA, UT
MANTI, UT
MANTUA, UT
MAPLETON, UT
MARRIOTT-SLATERVILLE, UT
MARYSVALE, UT
MAYFIELD, UT
MEADOW, UT
MENDON, UT
MIDVALE CITY INC., UT
MIDWAY, UT
MILFORD, UT
MILLVILLE, UT
MINERSVILLE, UT
MOAB, UT
MONA, UT
MONROE, UT
CITY OF MONTICELLO, UT
MORGAN, UT
MORONI, UT
MOUNT PLEASANT, UT
MURRAY CITY CORPORATION, UT
MYTON, UT
NAPLES, UT
NEPHI, UT
NEW HARMONY, UT
NEWTON, UT
NIBLEY, UT
NORTH LOGAN, UT
NORTH OGDEN, UT
NORTH SALT LAKE CITY, UT
OAK CITY, UT
OAKLEY, UT
OGDEN CITY CORPORATION, UT
OPHIR, UT
ORANGEVILLE, UT
ORDERVILLE, UT
OREM, UT
PANGUITCH, UT
PARADISE, UT
PARAGONAH, UT
PARK CITY, UT
PAROWAN, UT
PAYSON, UT
PERRY, UT
PLAIN CITY, UT
PLEASANT GROVE CITY, UT
PLEASANT VIEW, UT
PLYMOUTH, UT
PORTAGE, UT
PRICE, UT
PROVIDENCE, UT
PROVO, UT
RANDOLPH, UT
REDMOND, UT
RICHFIELD, UT
RICHMOND, UT
RIVERDALE, UT
RIVER HEIGHTS, UT
RIVERTON CITY, UT
ROCKVILLE, UT
ROCKY RIDGE, UT
ROOSEVELT CITY CORPORATION, UT
ROY, UT
RUSH VALLEY, UT
CITY OF ST. GEORGE, UT
SALEM, UT
SALINA, UT
SALT LAKE CITY CORPORATION, UT
SANDY, UT
SANTA CLARA, UT
SANTAQUIN, UT
SARATOGA SPRINGS, UT
SCIPIO, UT
SCOFIELD, UT
SIGURD, UT
SMITHFIELD, UT
SNOWVILLE, UT
CITY OF SOUTH JORDAN, UT
SOUTH OGDEN, UT
CITY OF SOUTH SALT LAKE, UT
SOUTH WEBER, UT
SPANISH FORK, UT
SPRING CITY, UT
SPRINGDALE, UT
SPRINGVILLE, UT
STERLING, UT
STOCKTON, UT
SUNNYSIDE, UT
SUNSET CITY CORP, UT
SYRACUSE, UT
TABIONA, UT
CITY OF TAYLORSVILLE, UT
TOOELE CITY CORPORATION, UT
TOQUERVILLE, UT
TORREY, UT
TREMONTON CITY, UT
TRENTON, UT
TROPIC, UT
UINTAH, UT
VERNAL CITY, UT
VERNON, UT
VINEYARD, UT
VIRGIN, UT
WALES, UT
WALLSBURG, UT
WASHINGTON CITY, UT
WASHINGTON TERRACE, UT
WELLINGTON, UT
WELLSVILLE, UT
WENDOVER, UT
WEST BOUNTIFUL, UT
WEST HAVEN, UT
WEST JORDAN, UT
WEST POINT, UT
WEST VALLEY CITY, UT
WILLARD, UT
WOODLAND HILLS, UT
WOODRUFF, UT
WOODS CROSS, UT

COUNTIES AND PARISHES INCLUDING BUT NOT LIMITED TO:

ASCENSION PARISH, LA
ASCENSION PARISH, LA, CLEAR OF COURT
CADDO PARISH, LA
CALCASIEU PARISH, LA
CALCASIEU PARISH SHERIFF'S OFFICE, LA
CITY AND COUNTY OF HONOLULU, HI
CLACKAMAS COUNTY, OR
CLACKAMAS COUNTY DEPT OF TRANSPORTATION, OR
CLATSOP COUNTY, OR
COLUMBIA COUNTY, OR

COOS COUNTY, OR
COOS COUNTY HIGHWAY DEPARTMENT, OR
COUNTY OF HAWAII, OR
CROOK COUNTY, OR
CROOK COUNTY ROAD DEPARTMENT, OR
CURRY COUNTY, OR
DESCHUTES COUNTY, OR
DOUGLAS COUNTY, OR
EAST BATON ROUGE PARISH, LA
GILLIAM COUNTY, OR
GRANT COUNTY, OR
HARNEY COUNTY, OR
HARNEY COUNTY SHERIFFS OFFICE, OR
HAWAII COUNTY, HI
HOOD RIVER COUNTY, OR
JACKSON COUNTY, OR
JEFFERSON COUNTY, OR
JEFFERSON PARISH, LA
JOSEPHINE COUNTY GOVERNMENT, OR
LAFAYETTE CONSOLIDATED GOVERNMENT, LA
LAFAYETTE PARISH, LA
LAFAYETTE PARISH CONVENTION & VISITORS COMMISSION
LAFOURCHE PARISH, LA
KAUAI COUNTY, HI
KLAMATH COUNTY, OR
LAKE COUNTY, OR
LANE COUNTY, OR
LINCOLN COUNTY, OR
LINN COUNTY, OR
LIVINGSTON PARISH, LA
MALHEUR COUNTY, OR
MAUI COUNTY, HI
MARION COUNTY, SALEM, OR
MORROW COUNTY, OR
MULTNOMAH COUNTY, OR
MULTNOMAH COUNTY BUSINESS AND COMMUNITY SERVICES, OR
MULTNOMAH COUNTY SHERIFFS OFFICE, OR
MULTNOMAH LAW LIBRARY, OR
ORLEANS PARISH, LA
PLAQUEMINES PARISH, LA
POLK COUNTY, OR
RAPIDES PARISH, LA
SAINT CHARLES PARISH, LA
SAINT CHARLES PARISH PUBLIC SCHOOLS, LA
SAINT LANDRY PARISH, LA
SAINT TAMMANY PARISH, LA
SHERMAN COUNTY, OR
TERREBONNE PARISH, LA
TILLAMOOK COUNTY, OR
TILLAMOOK COUNTY SHERIFF'S OFFICE, OR
TILLAMOOK COUNTY GENERAL HOSPITAL, OR
UMATILLA COUNTY, OR
UNION COUNTY, OR
WALLOWA COUNTY, OR
WASCO COUNTY, OR
WASHINGTON COUNTY, OR
WEST BATON ROUGE PARISH, LA
WHEELER COUNTY, OR
YAMHILL COUNTY, OR
COUNTY OF BOX ELDER, UT
COUNTY OF CACHE, UT
COUNTY OF RICH, UT
COUNTY OF WEBER, UT
COUNTY OF MORGAN, UT
COUNTY OF DAVIS, UT
COUNTY OF SUMMIT, UT
COUNTY OF DAGGETT, UT
COUNTY OF SALT LAKE, UT
COUNTY OF TOOELE, UT
COUNTY OF UTAH, UT
COUNTY OF WASATCH, UT
COUNTY OF DUCHESNE, UT
COUNTY OF UINTAH, UT
COUNTY OF CARBON, UT
COUNTY OF SANPETE, UT
COUNTY OF JUAB, UT
COUNTY OF MILLARD, UT
COUNTY OF SEVIER, UT
COUNTY OF EMERY, UT
COUNTY OF GRAND, UT
COUNTY OF BEVER, UT
COUNTY OF PIUTE, UT
COUNTY OF WAYNE, UT
COUNTY OF SAN JUAN, UT
COUNTY OF GARFIELD, UT
COUNTY OF KANE, UT
COUNTY OF IRON, UT
COUNTY OF WASHINGTON, UT

OTHER AGENCIES INCLUDING ASSOCIATIONS, BOARDS, DISTRICTS, COMMISSIONS, COUNCILS, PUBLIC CORPORATIONS, PUBLIC DEVELOPMENT AUTHORITIES, RESERVATIONS AND UTILITIES INCLUDING BUT NOT LIMITED TO:

BANKS FIRE DISTRICT, OR
BATON ROUGE WATER COMPANY
BEND METRO PARK AND RECREATION DISTRICT
BIENVILLE PARISH FIRE PROTECTION DISTRICT 6, LA
BOARDMAN PARK AND RECREATION DISTRICT
CENTRAL CITY ECONOMIC OPPORTUNITY CORP, LA
CENTRAL OREGON INTERGOVERNMENTAL COUNCIL
CITY OF BOGALUSA SCHOOL BOARD, LA
CLACKAMAS RIVER WATER
CLATSKANIE PEOPLE'S UTILITY DISTRICT
CLEAN WATER SERVICES
CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION
COOS FOREST PROTECTIVE ASSOCIATION
CHEHALEM PARK AND RECREATION DISTRICT
DAVID CROCKETT STEAM FIRE COMPANY #1, LA
EUGENE WATER AND ELECTRIC BOARD
HONOLULU INTERNATIONAL AIRPORT
HOODLAND FIRE DISTRICT #74
HOUSING AUTHORITY OF PORTLAND
ILLINOIS VALLEY FIRE DISTRICT
LAFAYETTE AIRPORT COMMISSION, LA
LAFOURCHE PARISH HEALTH UNIT – DHH-OPH REGION 3
LOUISIANA PUBLIC SERVICE COMMISSION, LA
LOUISIANA WATER WORKS
MEDFORD WATER COMMISSION
MELHEUR COUNTY JAIL, OR
METRO REGIONAL GOVERNMENT
METRO REGIONAL PARKS
METROPOLITAN EXPOSITION RECREATION COMMISSION
METROPOLITAN SERVICE DISTRICT (METRO)
MULTNOMAH EDUCATION SERVICE DISTRICT
NEW ORLEANS REDEVELOPMENT AUTHORITY, LA
NORTHEAST OREGON HOUSING AUTHORITY, OR

PORT OF BRANDON, OR
PORT OF MORGAN CITY, LA
PORTLAND DEVELOPMENT COMMISSION, OR
PORTLAND FIRE AND RESCUE
PORTLAND HOUSING CENTER, OR
OREGON COAST COMMUNITY ACTION
OREGON HOUSING AND COMMUNITY SERVICES
OREGON LEGISLATIVE ADMINISTRATION
ROGUE VALLEY SEWER, OR
SAINT LANDRY PARISH TOURIST COMMISSION
SAINT MARY PARISH REC DISTRICT 2
SAINT MARY PARISH REC DISTRICT 3
SAINT TAMMANY FIRE DISTRICT 4, LA
SALEM MASS TRANSIT DISTRICT
SEWERAGE AND WATER BOARD OF NEW ORLEANS, LA
SOUTH LAFOURCHE LEVEE DISTRICT, LA
TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
TUALATIN HILLS PARK & RECREATION DISTRICT
TUALATIN VALLEY FIRE & RESCUE
TUALATIN VALLEY WATER DISTRICT
WILLAMALANE PARK AND RECREATION DISTRICT
WILLAMETTE HUMANE SOCIETY

K-12 INCLUDING BUT NOT LIMITED TO:

ACADIA PARISH SCHOOL BOARD
BEAVERTON SCHOOL DISTRICT
BEND-LA PINE SCHOOL DISTRICT
BOGALUSA HIGH SCHOOL, LA
BOSSIER PARISH SCHOOL BOARD
BROOKING HARBOR SCHOOL DISTRICT
CADDO PARISH SCHOOL DISTRICT
CALCASIEU PARISH SCHOOL DISTRICT
CANBY SCHOOL DISTRICT
CANYONVILLE CHRISTIAN ACADEMY
CASCADE SCHOOL DISTRICT
CASCADES ACADEMY OF CENTRAL OREGON
CENTENNIAL SCHOOL DISTRICT
CENTRAL CATHOLIC HIGH SCHOOL
CENTRAL POINT SCHOOL DISTRICT NO.6
CENTRAL SCHOOL DISTRICT 13J
COOS BAY SCHOOL DISTRICT NO.9
CORVALLIS SCHOOL DISTRICT 509J
COUNTY OF YAMHILL SCHOOL DISTRICT 29
CULVER SCHOOL DISTRICT
DALLAS SCHOOL DISTRICT NO.2
DAVID DOUGLAS SCHOOL DISTRICT
DAYTON SCHOOL DISTRICT NO.8
DE LA SALLE N CATHOLIC HS
DESCHUTES COUNTY SCHOOL DISTRICT NO.6
DOUGLAS EDUCATIONAL DISTRICT SERVICE
DUFUR SCHOOL DISTRICT NO.29
EAST BATON ROUGE PARISH SCHOOL DISTRICT
ESTACADA SCHOOL DISTRICT NO.10B
FOREST GROVE SCHOOL DISTRICT
GEORGE MIDDLE SCHOOL
GLADSTONE SCHOOL DISTRICT
GRANTS PASS SCHOOL DISTRICT 7
GREATER ALBANY PUBLIC SCHOOL DISTRICT
GRESHAM BARLOW JOINT SCHOOL DISTRICT
HEAD START OF LANE COUNTY
HIGH DESERT EDUCATION SERVICE DISTRICT
HILLSBORO SCHOOL DISTRICT
HOOD RIVER COUNTY SCHOOL DISTRICT
JACKSON CO SCHOOL DIST NO.9
JEFFERSON COUNTY SCHOOL DISTRICT 509-J
JEFFERSON PARISH SCHOOL DISTRICT
JEFFERSON SCHOOL DISTRICT
JUNCTION CITY SCHOOLS, OR
KLAMATH COUNTY SCHOOL DISTRICT
KLAMATH FALLS CITY SCHOOLS
LAFAYETTE PARISH SCHOOL DISTRICT
LAKE OSWEGO SCHOOL DISTRICT 7J
LANE COUNTY SCHOOL DISTRICT 4J
LINCOLN COUNTY SCHOOL DISTRICT
LINN CO. SCHOOL DIST. 95C
LIVINGSTON PARISH SCHOOL DISTRICT
LOST RIVER JR/SR HIGH SCHOOL
LOWELL SCHOOL DISTRICT NO.71
MARION COUNTY SCHOOL DISTRICT
MARION COUNTY SCHOOL DISTRICT 103
MARIST HIGH SCHOOL, OR
MCMINNVILLE SCHOOL DISTRICT NOAO
MEDFORD SCHOOL DISTRICT 549C
MITCH CHARTER SCHOOL
MONROE SCHOOL DISTRICT NO.1J
MORROW COUNTY SCHOOL DIST, OR
MULTNOMAH EDUCATION SERVICE DISTRICT
MULTISENSORY LEARNING ACADEMY
MYRTLE PINT SCHOOL DISTRICT 41
NEAH-KAH-NIE DISTRICT NO.56
NEWBERG PUBLIC SCHOOLS
NESTUCCA VALLEY SCHOOL DISTRICT NO.101
NOBEL LEARNING COMMUNITIES
NORTH BEND SCHOOL DISTRICT 13
NORTH CLACKAMAS SCHOOL DISTRICT
NORTH DOUGLAS SCHOOL DISTRICT
NORTH WASCO CITY SCHOOL DISTRICT 21
NORTHWEST REGIONAL EDUCATION SERVICE DISTRICT
ONTARIO MIDDLE SCHOOL
OREGON TRAIL SCHOOL DISTRICT NOA6
ORLEANS PARISH SCHOOL DISTRICT
PHOENIX-TALENT SCHOOL DISTRICT NOA
PLEASANT HILL SCHOOL DISTRICT
PORTLAND JEWISH ACADEMY
PORTLAND PUBLIC SCHOOLS
RAPIDES PARISH SCHOOL DISTRICT
REDMOND SCHOOL DISTRICT
REYNOLDS SCHOOL DISTRICT
ROGUE RIVER SCHOOL DISTRICT
ROSEBURG PUBLIC SCHOOLS
SCAPPOOSE SCHOOL DISTRICT 1J
SAINT TAMMANY PARISH SCHOOL BOARD, LA
SEASIDE SCHOOL DISTRICT 10
SHERWOOD SCHOOL DISTRICT 88J
SILVER FALLS SCHOOL DISTRICT 4J
SOUTH LANE SCHOOL DISTRICT 45J3
SOUTHERN OREGON EDUCATION SERVICE DISTRICT
SPRINGFIELD PUBLIC SCHOOLS
SUTHERLIN SCHOOL DISTRICT
SWEET HOME SCHOOL DISTRICT NO.55
TERREBONNE PARISH SCHOOL DISTRICT
THE CATLIN GABEL SCHOOL
TIGARD-TUALATIN SCHOOL DISTRICT
UMATILLA MORROW ESD
WEST LINN WILSONVILLE SCHOOL DISTRICT
WILLAMETTE EDUCATION SERVICE DISTRICT
WOODBURN SCHOOL DISTRICT
YONCALLA SCHOOL DISTRICT

ACADEMY FOR MATH ENGINEERING & SCIENCE (AMES) , UT
ALIANZA ACADEMY , UT
ALPINE DISTRICT , UT
AMERICAN LEADERSHIP ACADEMY , UT
AMERICAN PREPARATORY ACADEMY , UT
BAER CANYON HIGH SCHOOL FOR SPORTS & MEDICAL SCIENCES , UT
BEAR RIVER CHARTER SCHOOL , UT
BEAVER SCHOOL DISTRICT , UT
BEEHIVE SCIENCE & TECHNOLOGY ACADEMY (BSTA) , UT
BOX ELDER SCHOOL DISTRICT , UT
CBA CENTER , UT
CACHE SCHOOL DISTRICT , UT
CANYON RIM ACADEMY , UT
CANYONS DISTRICT , UT
CARBON SCHOOL DISTRICT , UT
CHANNING HALL , UT
CHARTER SCHOOL LEWIS ACADEMY , UT
CITY ACADEMY , UT
DAGGETT SCHOOL DISTRICT , UT
DAVINCI ACADEMY , UT
DAVIS DISTRICT , UT
DUAL IMMERSION ACADEMY , UT
DUCHESNE SCHOOL DISTRICT , UT
EARLY LIGHT ACADEMY AT DAYBREAK , UT
EAST HOLLYWOOD HIGH , UT
EDITH BOWEN LABORATORY SCHOOL , UT
EMERSON ALCOTT ACADEMY , UT
EMERY SCHOOL DISTRICT , UT
ENTHEOS ACADEMY , UT
EXCELSIOR ACADEMY , UT
FAST FORWARD HIGH , UT
FREEDOM ACADEMY , UT
GARFIELD SCHOOL DISTRICT , UT
GATEWAY PREPARATORY ACADEMY , UT
GEORGE WASHINGTON ACADEMY , UT
GOOD FOUNDATION ACADEMY , UT
GRAND SCHOOL DISTRICT , UT
GRANITE DISTRICT , UT
GUADALUPE SCHOOL , UT
HAWTHORN ACADEMY , UT
INTECH COLLEGIATE HIGH SCHOOL , UT
IRON SCHOOL DISTRICT , UT
ITINERIS EARLY COLLEGE HIGH , UT
JOHN HANCOCK CHARTER SCHOOL , UT
JORDAN DISTRICT , UT
JUAB SCHOOL DISTRICT , UT
KANE SCHOOL DISTRICT , UT
KARL G MAESER PREPARATORY ACADEMY , UT
LAKEVIEW ACADEMY , UT
LEGACY PREPARATORY ACADEMY , UT
LIBERTY ACADEMY , UT
LINCOLN ACADEMY , UT
LOGAN SCHOOL DISTRICT , UT
MARIA MONTESSORI ACADEMY , UT
MERIT COLLEGE PREPARATORY ACADEMY , UT
MILLARD SCHOOL DISTRICT , UT
MOAB CHARTER SCHOOL , UT
MONTICELLO ACADEMY , UT
MORGAN SCHOOL DISTRICT , UT
MOUNTAINVILLE ACADEMY , UT
MURRAY SCHOOL DISTRICT , UT
NAVIGATOR POINTE ACADEMY , UT
NEBO SCHOOL DISTRICT , UT
NO UT ACAD FOR MATH ENGINEERING & SCIENCE (NUAMES) , UT
NOAH WEBSTER ACADEMY , UT
NORTH DAVIS PREPARATORY ACADEMY , UT
NORTH SANPETE SCHOOL DISTRICT , UT
NORTH STAR ACADEMY , UT
NORTH SUMMIT SCHOOL DISTRICT , UT
ODYSSEY CHARTER SCHOOL , UT
OGDEN PREPARATORY ACADEMY , UT
OGDEN SCHOOL DISTRICT , UT
OPEN CLASSROOM , UT
OPEN HIGH SCHOOL OF UTAH , UT
OQUIRRH MOUNTAIN CHARTER SCHOOL , UT
PARADIGM HIGH SCHOOL , UT
PARK CITY SCHOOL DISTRICT , UT
PINNACLE CANYON ACADEMY , UT
PIUTE SCHOOL DISTRICT , UT
PROVIDENCE HALL , UT
PROVO SCHOOL DISTRICT , UT
QUAIL RUN PRIMARY SCHOOL , UT
QUEST ACADEMY , UT
RANCHES ACADEMY , UT
REAGAN ACADEMY , UT
RENAISSANCE ACADEMY , UT
RICH SCHOOL DISTRICT , UT
ROCKWELL CHARTER HIGH SCHOOL , UT
SALT LAKE ARTS ACADEMY , UT
SALT LAKE CENTER FOR SCIENCE EDUCATION, UT
SALT LAKE SCHOOL DISTRICT , UT
SALT LAKE SCHOOL FOR THE PERFORMING ARTS, UT
SAN JUAN SCHOOL DISTRICT , UT
SEVIER SCHOOL DISTRICT , UT
SOLDIER HOLLOW CHARTER SCHOOL , UT
SOUTH SANPETE SCHOOL DISTRICT , UT
SOUTH SUMMIT SCHOOL DISTRICT , UT
SPECTRUM ACADEMY , UT
SUCCESS ACADEMY , UT
SUCCESS SCHOOL , UT
SUMMIT ACADEMY , UT
SUMMIT ACADEMY HIGH SCHOOL , UT
SYRACUSE ARTS ACADEMY , UT
THOMAS EDISON - NORTH , UT
TIMPANOGOS ACADEMY , UT
TINTIC SCHOOL DISTRICT , UT
TOOELE SCHOOL DISTRICT , UT
TUACAHN HIGH SCHOOL FOR THE PERFORMING ARTS , UT
UINTAH RIVER HIGH , UT
UINTAH SCHOOL DISTRICT , UT
UTAH CONNECTIONS ACADEMY , UT
UTAH COUNTY ACADEMY OF SCIENCE , UT
UTAH ELECTRONIC HIGH SCHOOL , UT
UTAH SCHOOLS FOR DEAF & BLIND , UT
UTAH STATE OFFICE OF EDUCATION , UT
UTAH VIRTUAL ACADEMY , UT
VENTURE ACADEMY , UT
VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS AND TECHNOLOGY , UT
WALDEN SCHOOL OF LIBERAL ARTS , UT
WASATCH PEAK ACADEMY , UT
WASATCH SCHOOL DISTRICT , UT
WASHINGTON SCHOOL DISTRICT , UT
WAYNE SCHOOL DISTRICT , UT
WEBER SCHOOL DISTRICT , UT
WEILENMANN SCHOOL OF DISCOVERY , UT

HIGHER EDUCATION

ARGOSY UNIVERSITY
BATON ROUGE COMMUNITY COLLEGE, LA
BIRTHINGWAY COLLEGE OF MIDWIFERY
BLUE MOUNTAIN COMMUNITY COLLEGE
BRIGHAM YOUNG UNIVERSITY - HAWAII
CENTRAL OREGON COMMUNITY COLLEGE
CENTENARY COLLEGE OF LOUISIANA
CHEMEKETA COMMUNITY COLLEGE
CLACKAMAS COMMUNITY COLLEGE
COLLEGE OF THE MARSHALL ISLANDS
COLUMBIA GORGE COMMUNITY COLLEGE
CONCORDIA UNIVERSITY
GEORGE FOX UNIVERSITY
KLAMATH COMMUNITY COLLEGE DISTRICT
LANE COMMUNITY COLLEGE
LEWIS AND CLARK COLLEGE
LINFIELD COLLEGE
LINN-BENTON COMMUNITY COLLEGE
LOUISIANA COLLEGE, LA
LOUISIANA STATE UNIVERSITY
LOUISIANA STATE UNIVERSITY HEALTH SERVICES
MARYLHURST UNIVERSITY
MT. HOOD COMMUNITY COLLEGE
MULTNOMAH BIBLE COLLEGE
NATIONAL COLLEGE OF NATURAL MEDICINE
NORTHWEST CHRISTIAN COLLEGE
OREGON HEALTH AND SCIENCE UNIVERSITY
OREGON INSTITUTE OF TECHNOLOGY
OREGON STATE UNIVERSITY
OREGON UNIVERSITY SYSTEM
PACIFIC UNIVERSITY
PIONEER PACIFIC COLLEGE
PORTLAND COMMUNITY COLLEGE
PORTLAND STATE UNIVERSITY
REED COLLEGE
RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
ROGUE COMMUNITY COLLEGE
SOUTHEASTERN LOUISIANA UNIVERSITY
SOUTHERN OREGON UNIVERSITY (OREGON UNIVERSITY SYSTEM)
SOUTHWESTERN OREGON COMMUNITY COLLEGE
TULANE UNIVERSITY
TILLAMOOK BAY COMMUNITY COLLEGE
UMPQUA COMMUNITY COLLEGE
UNIVERSITY OF HAWAII BOARD OF REGENTS
UNIVERSITY OF HAWAII-HONOLULU COMMUNITY COLLEGE
UNIVERSITY OF OREGON-GRADUATE SCHOOL
UNIVERSITY OF PORTLAND
UNIVERSITY OF NEW ORLEANS
WESTERN OREGON UNIVERSITY
WESTERN STATES CHIROPRACTIC COLLEGE
WILLAMETTE UNIVERSITY
XAVIER UNIVERSITY
UTAH SYSTEM OF HIGHER EDUCATION, UT
UNIVERSITY OF UTAH, UT
UTAH STATE UNIVERSITY, UT
WEBER STATE UNIVERSITY, UT
SOUTHERN UTAH UNIVERSITY, UT
SNOW COLLEGE, UT
DIXIE STATE COLLEGE, UT
COLLEGE OF EASTERN UTAH, UT
UTAH VALLEY UNIVERSITY, UT
SALT LAKE COMMUNITY COLLEGE, UT
UTAH COLLEGE OF APPLIED TECHNOLOGY, UT

STATE AGENCIES

ADMIN. SERVICES OFFICE
BOARD OF MEDICAL EXAMINERS
HAWAII CHILD SUPPORT ENFORCEMENT AGENCY
HAWAII DEPARTMENT OF TRANSPORTATION
HAWAII HEALTH SYSTEMS CORPORATION
OFFICE OF MEDICAL ASSISTANCE PROGRAMS
OFFICE OF THE STATE TREASURER
OREGON BOARD OF ARCHITECTS
OREGON CHILD DEVELOPMENT COALITION
OREGON DEPARTMENT OF EDUCATION
OREGON DEPARTMENT OF FORESTRY
OREGON DEPT OF TRANSPORTATION
OREGON DEPT. OF EDUCATION
OREGON LOTTERY
OREGON OFFICE OF ENERGY
OREGON STATE BOARD OF NURSING
OREGON STATE DEPT OF CORRECTIONS
OREGON STATE POLICE
OREGON TOURISM COMMISSION
OREGON TRAVEL INFORMATION COUNCIL
SANTIAM CANYON COMMUNICATION CENTER
SEIU LOCAL 503, OPEU
SOH- JUDICIARY CONTRACTS AND PURCH
STATE DEPARTMENT OF DEFENSE, STATE OF HAWAII
STATE OF HAWAII
STATE OF HAWAII, DEPT. OF EDUCATION
STATE OF LOUISIANA
STATE OF LOUISIANA DEPT. OF EDUCATION
STATE OF LOUISIANA, 26TH JUDICIAL DISTRICT ATTORNEY
STATE OF UTAH

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) 837-6685 / FAX: (520) 791-4735
Andrew.Klos@tucsonaz.gov
ISSUE DATE: October 2, 2019

CONTRACT #161534-01
CONTRACT AMENDMENT NUMBER: FOUR (4)

AK/sj
SENIOR CONTRACT OFFICER: ANDREW KLOS, MBA

HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

ITEM ONE (1): RENEWAL

Pursuant to Paragraph 7 (Term and Renewal) of the Special Terms and Conditions section, the City is hereby exercising its option to renew the contract for the period of **May 1, 2020 through April 30, 2021.**

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

CONTRACTOR: Caterpillar, Inc.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT

[signature] 10-7-19
Signature of person authorized to sign Date

North American GCI Industry Manager
Name and Title (typed or printed legibly)

CATERPILLAR INC.
Company Name

100 NE ADAMS ST.
Address

KEARNS_PATRICK@CAT.COM
Email Address

PEORIA IL 61629
City State Zip

Contact information for Sales/Account Representative for daily business operations:

PATTY RESPATH, GOVERNMENT ACCOUNT MANAGER
Name and Title (typed or printed legibly)

309-494-4578
Phone Number

RESPATH_PATTY@CAT.COM
Email Address

CITY OF TUCSON:

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS 7th DAY OF October, 2019, AT TUCSON, ARIZONA.

Jara L Acton CPPB for
As Director of Business Services and not personally

7. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Eli Reisner, Project Manager - ER
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Engineering Professional Services Contract: Coconino Estates Improvements Phase II Project.

STAFF RECOMMENDED ACTION:

1. Approve the Engineering Professional Services Contract to The WLB Group of Flagstaff, Arizona in an amount not to exceed $566,501.00, which includes a $27,000 Contract Allowance (5% of the contract amount excluding the Contract Allowance), with a contract period of 750 calendar days; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

- The recommended award of the Engineering Professional Services Contract (the Contract) to The WLB Group (WLB) will authorize an agreement for the engineering services to develop and deliver the Design of the Coconino Estates Improvements Phase II Project (the Project).
- WLB was selected through a Qualifications Based selection process.
- The Design of the Project is anticipated to be completed in winter 2020.
- Pending approval by Council, construction is anticipated to begin spring 2021 with completion anticipated fall 2022 (2 construction seasons).
- The Project is located on several streets in the Coconino Estates neighborhood with proposed improvements generally consisting of replacing existing water and sewer mains, water and sewer services, fire hydrants, asphalt structural section, and defective select edge improvements (curb & gutter, sidewalk, etc.)
- Please refer to the attached context and vicinity maps.

Financial Impact:

The Contract will be funded by a portion of the Road Repair and Street Safety Program (RR&SS) under the Coconino Estates FY 2020 appropriations of $4,877,423 in Account (046-05-116-3371-6), a portion the Annual Waterline Replacement Program (AWR) FY 2021 projected appropriations of $1,800,000 in Account (202-08-370-3157-0-4463), and the Annual Sewer Line Replacement Program (ASLR) FY 2021 projected appropriations of $300,000 in Account (203-08-375-3220-0-4463).

Policy Impact:
No impact.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Council Goal 2017 – 2019 Transportation and Other Public Infrastructure
Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

Regional Plan – Goal T.2.
Improve transportation safety and efficiency for all modes**.**

Team Flagstaff Strategic Plan – Priority #3: Foster a resilient and economically prosperous city
2. Deliver outstanding services through a healthy environment, resources and infrastructure.

Has There Been Previous Council Decision on This:
Yes, on November 18, 2014, Council adopted the results of the General Election held on November 4, 2014. In that election, voters approved a dedicated sales tax increase, Proposition 406, which included funding for road repairs and street safety improvements throughout the City of Flagstaff. Also, the Council approved and adopted the Road Repair and Street Safety - Utility Replacements and Overlays - Coconino Estates FY 2020 budget.

Options and Alternatives:
1. Approve the Contract as recommended. Approval will allow WLB to initiate the design of the Project; or
2. Reject the award and provide additional direction to staff. This option would delay the start of construction.

Background/History:
Purchasing staff published a Request for Statement of Qualifications (RSOQ) solicitation for engineering professional services in the Arizona Daily Sun on April 7 and April 14, 2019, and posted the solicitation to the City of Flagstaff's PlanetBids Website on April 5, 2019. On May 3, 2019, the City received three Statements of Qualifications (SOQs) from Engineering Consultant Firms. A six-member Selection Committee consisting of City staff and one outside Engineering Consultant, reviewed and evaluated the statements. Based upon the numerical scoring of the SOQs, the Selection Committee identified the most qualified Firm to perform the engineering professional services for the Project and recommended to commence negotiations for a scope and fee proposal to be provided by WLB. Final scores of all firms are as followed:

The WLB Group	538
Woodson Engineering	487
Shephard Wesnitzer	467

WLB's SOQ demonstrated a clear recognition of the knowledge and experience to design a complex sequence of improvements within an existing fully developed neighborhood, as well as understanding the schedule requirements for completing the improvements.

Key Considerations:

The Project is in the Coconino Estates neighborhood on the following streets with the corresponding funding source:

- **N. Crescent Drive** from W. Meade Lane to N. Talkington Drive
  - RR&SS funded
- **N. Navajo Drive** from W. Elizabeth Drive to N. Talkington Drive
  - RR&SS funded
- **N. Talkington Drive** from N. Crescent Drive to W. Meade Lane
  - Including the following side streets:
    - W. Hazel Way, W. Thelma Way, W. Davis Way, and N. Louise Way
  - AWR and ASLR funded
- **W. Elizabeth Drive** from N. Navajo Drive to N. Talkington Drive
  - AWR and ASLR funded

Proposed improvements on the streets listed above generally consist of replacing existing water and sewer mains, water and sewer services, fire hydrants, asphalt structural section, and defective select edge improvements such as curb and gutter that impedes stormwater flow and sidewalk that contains tripping hazards for essentially the entire Project limits.

Design of the Coconino Estates Neighborhood streets will include evaluating the existing right-of-way to accommodate widening or narrowing the existing roadway sections to a typical City standard roadway section. The design will not include evaluating the addition of sidewalks where it does not currently exist because there are no funding sources with a plan to install sidewalks on these roads and it is not the intended purpose of the RR&SS to add sidewalks to these neighborhood roads.

The Project will be delivered through the Design-Bid-Build project delivery method, with the associated consideration of award of the Design-Bid-Build Construction Contract presented for Council's approval in early 2021. The 750-calendar day duration of the Contract will allow WLB, as the Engineer of record, to provide construction phase services for the entire construction duration.

WLB will provide its own Topographic & Right of Way Survey and they propose to consult with Speedie and Associates for Geotechnical investigations and recommendations, JE Fuller for coordination of the environmental and 404 permit requirements, and Cardno for the Subsurface Utility Engineering services. Scope and fee proposals provided by WLB, which includes their proposed subconsultant's scopes and fees, have been negotiated and staff is recommending for Council to approve the award of the Contract. See the attached Scope of Work and Fee Proposal for a breakdown of the proposed services and associated fees.

The Contract Allowance is established to address certain unforeseen items of work where details cannot be determined at the time of contracting and is included in the contract amount. The Contract Allowance is used only at the City's discretion. Please see the attached Contract Supplementary Justification Form for an explanation of why the Contract Allowance is recommended to be approved with this Contract.

Expanded Financial Considerations:

The design and improvements on N. Crescent Drive and N. Navajo Drive portion of the Project will be funded by portions of the RR&SS under the Coconino Estates FY 20, 21, and 22 appropriations as follows:
FY 20 – $1M of the $4.8M
FY 21 – $3.5M of the $5.0M
FY 22 – $1M of the $2.5M
For a total of $4.5M from the RR&SS - Coconino Estates funds.

The design and improvements on N. Talkington Drive, the identified adjacent side streets off N. Talkington Drive, and W. Elizabeth Drive portion of the Project will be funded by portions of the Annual Waterline Replacement Program (AWR) and Annual Sewer Line Replacement Program (ASLR) FY 21, 22, and 23 appropriations as follows:
FY 21 – $700K of the $1.8M in the AWR; $300K of the $1M in the ASLR = $1M Total
FY 22 – $700K of the $3.2M in the AWR; $300K of the $1.8M in the ASLR = $1M Total
FY 22 – $1M of the $3.2M in the AWR; $300K of the $1.8M in the ASLR = $1.3M Total
For a total of $3.3M from the AWR and ASLR funds.

The RR&SS – Utility Replacements and Overlays funding is generally limited to only improving existing infrastructure on streets that qualified to receive roadway and utility improvements based on their existing pavement overall condition index (scale of 100-0) being at or below 50 and their existing utilities needing repair or replacement due to consistent maintenance or age. N. Crescent Drive and N. Navajo Drive both qualified to receive RR&SS funding. Water Services has previously identified the improvements to N. Talkington Drive, the adjacent small cul-de-sac side streets off N. Talkington Drive, and W. Elizabeth Drive as future projects and recognized a potential costs savings by combining projects given their proximity. However, these streets did not qualify to receive RR&SS funding, which is why the additional alternative funding sources were provided by Water Services to add the improvements on these streets to the Project.

Community Benefits and Considerations:

- Replacing and or abandoning aged and undersized existing water and sewer infrastructure, ranging from 56 – 94 years old, to meet current standards.
- Replacing aging and deteriorated asphalt that is no longer maintainable with a chip seal or overlay and improving the streets ride quality and longevity.
- Replacing defective select edge improvements such as existing curb and gutter that impedes stormwater flow and existing sidewalk that contains tripping hazards.
- Reducing required maintenance with the construction of the new infrastructure.
- Coordinating construction on multiple streets to minimize inconveniences to the public and to reduce costs.

Community Involvement:

Collaborate:

- Voters approved a dedicated sales tax increase to fund road repairs and street safety improvements throughout the City of Flagstaff in November 2014.
- Since 2015 the Project has been listed as a proposed project in the interactive map on the Road Repair and Street Safety section of the City of Flagstaff's Website.
- Updates to the Road Repair and Street Safety Program, which included the proposed Project, have been presented by the Capital Improvements Engineer at multiple Transportation Commission Meetings, Council Meetings and Budget Meetings.
- Scoping documents were distributed to COF Departments.
- All Project Stakeholders will be invited to attend a Design Project Kickoff Meeting.
- The Project will be included in the Winter 2020 Cityscape, prior to construction.
- Design Phase Public Outreach Meetings will be held to inform and collaborate with the Public regarding the proposed Project improvements.
- A Pre-Construction Public Outreach Meeting will be held shortly before construction.
- Project information will be provided to the Public via mailers and a Project web page.
- Periodic updates will be provided to the Public during construction.

Expanded Options and Alternatives:

1. Approve the Contract as recommended. Approval will allow WLB to initiate the design of the Project; or
2. Reject the award and provide additional direction to staff. This option would delay the start of construction.

Attachments:

Professional Services Contract
Scope of Work and Fee Proposal
Context Map – Coconino Estates Improvements Phase II
Vicinity Map – Coconino Estates Improvements Phase II
Contract Supplementary Justification Form

CONTRACT FOR PROFESSIONAL SERVICES
Contract No.: 2019-112

This Contract is entered into this _____ day of _____, 20___ by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City"), and The WLB Group, Inc., an Arizona corporation ("Contractor").

WHEREAS, the City of Flagstaff desires to receive and Contractor is able to provide professional services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the City and Contractor (the "parties") agree as follows:

SERVICES

1. Scope of Work: Contractor shall provide the professional services generally described as follows:

COCONINO ESTATES IMPROVEMENTS PHASE II
ENGINEERING DESIGN SERVICES

and as more specifically described in the scope of work attached hereto as Exhibit A.

2. Schedule of Services: Contractor shall perform all work per the schedule set forth in Exhibit A.

3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as Exhibit B are hereby incorporated by reference by reference and shall apply to performance of this Contract, except to the extent modified in Exhibit A.

4. Key Personnel/Subcontractors: Contractor's Key Personnel, Subcontractors (if any), and contact information are designated in Exhibit A. Key Personnel are those employees whose license number and signature will be placed on key documents and those employees who have significant responsibilities for completion of the services. The City Representative for this contract has the right to approve any proposed substitution of Key Personnel or Subcontractors.

CITY RESPONSIBILITIES

5. City Representative: The City Representative is Patrick Brown, C.P.M., Senior Procurement Specialist or his/her designee. All communications to the City shall be through the City Representative. City Representative is responsible for bringing any request for a contract amendment or price adjustment to the attention of the City Buyer.

6. City Cooperation: City will cooperate with Contractor by placing at its disposal all available information concerning the City, City property, or the City project reasonably necessary for Contractor's performance of this Contract.

CONTRACT TERM

7. Contract Term: The Contract shall be effective as of the date signed by both parties. Performance shall commence within ten (10) days from the City's issuance of the Notice to Proceed, and shall be in force for an initial term of three (3) consecutive years.

8. Renewal: This Contract may be renewed for up to two (2) additional one (1) year terms by mutual written consent of the parties. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

9. Termination: This Contract may be terminated pursuant to the Standard Terms and Conditions attached hereto.

PAYMENT

10. Compensation: Contractor shall be paid for satisfactory performance of the work, in accordance with the Compensation Schedule attached hereto as part of Exhibit A.

11. Price Adjustment: If price adjustments are permitted (see Exhibit A), any price adjustment must be approved by the City in writing as a formal Contract Amendment. The City Council must approve the price adjustment if the annual contract price exceeds $50,000; otherwise the City Manager or his designee (the Purchasing Director) shall have authority to approve a price adjustment on behalf of the City.

DATA AND RECORDS

12. City Ownership of Document and Data: Any original documents prepared or collected by Contractor in performance of this Contract such as models, samples, reports, test plans, survey results, graphics, tables, charts, plans, maps, specifications, surveys, computations and other data shall be the property of City ("City's work product"), unless otherwise agreed by the parties in writing. Contractor agrees that all materials prepared under this Contract are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the City all rights and interests Contractor may have in the materials it prepares under this Contract, including any right to derivative use of the material.

13. Re-Use: City may use City's work product without further compensation to Contractor; provided, however, City's reuse without written verification or adaption by Contractor for purposes other than contemplated herein is at City's sole risk and without liability to Contractor. Contractor shall not engage in any conflict of interest nor appropriate any portion of City's work product for the benefit of Contractor or any third parties without City's prior written consent.

14. Delivery of Document and Data: Upon termination of this Contract in whole or part, or upon expiration if not previously terminated, Contractor shall immediately deliver to City copies all of City's work product and any other documents and data accumulated by Contractor in performance of this Contract, whether complete or in process.

INSURANCE

15. Insurance: Contractor shall meet insurance requirements of the City, set forth in *Exhibit C.*

MISCELLANEOUS

16. Notice: Any notice concerning this Contract shall be in writing and sent by certified mail and email as follows:

To the City:	To Contractor:
Patrick Brown, C.P.M. CPPB Purchasing Director	Dan Burke, PE Director of Operations

City of Flagstaff 211 W. Aspen Flagstaff, Arizona 86001 pbrown@flagstaffaz.gov	The WLB Group 500 N. Beaver St. Flagstaff, AZ 86001 dburke@wlbgroup.com

17. Authority. Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

(Please sign in blue ink. Submit original signatures – photocopies not accepted)

THE WLB GROUP

_____

Print name:_____

Title:_____

CITY OF FLAGSTAFF

_____

Print name:_____

Title:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

EXHIBIT A

SCOPE OF WORK

EXHIBIT B

CITY OF FLAGSTAFF
STANDARD TERMS AND CONDITIONS

IN GENERAL

1. **NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.

2. **LICENSES AND PERMITS:** Contractor its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.

3. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.

4. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, this Contract is non-exclusive and the City reserves the right to contract with others for materials or services.

5. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

6. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

7. **QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials, and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

8. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.

9. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturer's Warranties to City upon City's acceptance of the materials.

10. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

11. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City actually receives the material at the point of delivery, and the City has completed

inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

12. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.

13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor and may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute shall deliver conforming materials, or services, in each installment or lot of the contract a breach of the contract as a whole.

14. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

15. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

16. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

17. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

18. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

19. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

    Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

20. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

21. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.

22. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.

23. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.

24. **OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

25. **INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

26. **CONTROL:** Contractor shall be responsible for the control of the work.

27. **WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

28. **SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.

29. **QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.

30. **ACCEPTANCE:** If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

31. **WARRANTY:** Contractor warrants all work for a period of one (1) year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one-year warranty is in addition to, and does not limit Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

INSPECTION, RECORDS, ADMINISTRATION

32. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

33. **RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

34. **PUBLIC RECORDS:** This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

35. **CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City's Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

36. **GENERAL INDEMNIFICATION:** Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney's fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City's Specific Terms and Conditions.

37. **INSURANCE:** Contractor shall maintain all insurance coverage required by the City, including public liability and worker's compensation.

38. **INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorneys fees and costs resulting from such proceedings or settlement thereof. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

39. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.

40. **COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the parties.

41. **AMENDMENTS:** This Contract may be amended by written agreement of the parties.

42. **SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.

43. NO WAIVER: Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

44. ASSIGNMENT: This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.

45. BINDING EFFECT: This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

46. SUBCONTRACTING: Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.

47. NONDISCRIMINATION: Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition any Contractor located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02Civil Rights which also prohibits discrimination based on sexual orientation, or gender identity or expression.

48. DRUG FREE WORKPLACE: The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.

49. IMMIGRATION LAWS: Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all State and Federal Immigration laws and regulations that relate to its 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 City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor if 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(A).

DEFAULT AND TERMINATION

50. TERMINATION FOR DEFAULT: Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law in addition Contract remedies provided for herein.

51. CITY REMEDIES: In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

52. CONTRACTOR REMEDIES: In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.

53. SPECIAL DAMAGES: In the event of default, neither party shall be liable for incidental, special, or consequential damages.

54. TERMINATION FOR NONAPPROPRIATION OF FUNDS: The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

55. TERMINATION FOR CONVENIENCE: Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.

56. TERMINATION DUE TO INSOLVENCY: If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

57. PAYMENT UPON TERMINATION: Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

58. CANCELLATION FOR GRATUITIES: The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip,

favor, or service to a public servant ("Gratuities") in connection with award or performance of the Contract.

59. CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511): The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. ADVERTISING: Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.

61. NOTICES: All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent Notice may be sent by email as a secondary form of notice.

62. THIRD PARTY BENEFICIARIES: This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

63. GOVERNING LAW: This Contract shall be construed in accordance with the laws of Arizona.

64. FORUM: In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

65. ATTORNEYS FEES: If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs, professional fees and expenses.

EXHIBIT C

INSURANCE

1. In General. Contractor shall maintain insurance against claims for injury to persons or damage to property, arising from performance of or in connection with this Contract by the Contractor, its agents, representatives, employees or contractors.

2. Requirement to Procure and Maintain. Each insurance policy required by this Contract shall be in effect at, or before, commencement of work under this Contract and shall remain in effect until all Contractor's obligations under this Contract have been met, including any warranty periods. The Contractor's failure to maintain the insurance policies as required by this Contract or to provide timely evidence of renewal will be considered a material breach of this Contract.

3. Minimum Scope and Limits of Insurance. The following insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City does not represent or warrant that the minimum limits set forth in this Contract are sufficient to protect the Contractor from liabilities that might arise out of this Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

   Contractor shall provide coverage at least as broad and with limits not less than those stated below.

   a. Commercial General Liability - Occurrence Form

      General Aggregate $2,000,000
      Products/Completed Operations $1,000,000
      Each Occurrence $1,000,000

   b. Umbrella Coverage $2,000,000

   c. Automobile Liability –
      Any Automobile or Owned, Hired
      and Non-owned Vehicles
      Combined Single Limit Per Accident
      for Bodily Injury & Property Damage $1,000,000

   d. Workers' Compensation and Employer's Liability

      Workers' Compensation Statutory
      Employer's Liability: Each Accident $500,000
      Disease - Each Employee $500,000
      Disease - Policy Limit $500,000

   e. Professional Liability $2,000,000

4. Self-Insured Retention. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that the insurer reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and volunteers. Contractor shall be solely responsible for any self-insured retention amounts. City at its option may require Contractor to secure payment of such self insured retention by a surety bond or irrevocable and unconditional letter of credit.

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

   a. Additional Insured. In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents and employees shall be named and endorsed as additional insureds with respect to liability arising out of this Contract and activities performed by or on behalf of the Contractor, including products and completed operations of the Contractor, and automobiles owned, leased, hired or borrowed by the Contractor.

   b. Broad Form. The Contractor's insurance shall contain broad form contractual liability coverage.

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

   d. Each Insured. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

   e. Not Limited. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

   f. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Contractor for the City.

6. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Buyer listed in the original Solicitation and shall reference the Contract Number:

   Attention: Patrick Brown, C.P.M. CPPB
   Contract No. 2019-112
   Purchasing Section
   City of Flagstaff,
   211 W. Aspen Avenue
   Flagstaff, Arizona 86001.

7. Acceptability of Insurers. Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

8. Certificates of Insurance. The Contractor shall furnish the City with certificates of insurance (ACORD form) as required by this Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City project/contract number and project description shall be noted on the certificates of

insurance. The City must receive and approve all certificates of insurance and endorsements before the Contractor commences work.

9. Policies. The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by this Contract at any time. The City shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under this Contract.

10. Modifications. Any modification or variation from the insurance requirements in this Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.

SCOPE OF PLANNED CONSULTING SERVICES AND COMPENSATION
City of Flagstaff Coconino Estates Phase II
Crescent and Navajo RR&SS Funding

WLB Project No.	319012A002
COF Capital Improvements No.	TBD
City of Flagstaff Project No.:	TBD
July 29, 2019 Draft 1	
September 25, 2019 Revision 1	
October 23, 2019 Revision 2	

PROJECT UNDERSTANDING:

The City of Flagstaff Coconino Estates Improvements Phase II (CEIP2) Project is located in the north end of the Coconino Estates Neighborhood within west Flagstaff. Utility and roadway improvements will be designed and constructed for two streets through the Roadway Repair and Street Safety (RR&SS) funding:

1. Crescent Drive: Meade Lane to Talkington Drive
2. Navajo Drive: Elizabeth Road to Talkington Drive

During review of the initial proposal the scope of services was revised to add additional areas to the project through different funding sources. A separate scope of services will be prepared for the services that are associated with different funding sources. Exhibit A shows the project locations and the different funding sources. The additional areas are:

3. Talkington and sides Streets: Talkington Drive from Meade to Crescent plus N and S Louise Way, Davis, Thelma, Hazel, and Elizabeth). See Exhibit B for the added scope of services to be funded through Water Services.

Project design and construction will incorporate numerous stakeholders and residents.

The following Exhibits are included with this scope of services:

- Exhibit A – Project Location Map and Funding Sources
- Exhibit B – Scope of Services Talkington, N and S Louise Way, Davis, Thelma, Hazel and Elizabeth
- Exhibit D – Speedie and Associates Fee Proposals
  - D1 – Crescent and Navajo dated July 23, 2019
  - D2 – Talkington, Talkington Side Streets dated October 23, 2019
- Exhibit E – JE Fuller Fee Proposal dated July 24, 2019
- Exhibit F– Cardno Fee Proposals
  - F1 – Crescent and Navajo dated September 24, 2019
  - F2 – Talkington and Side Streets dated October 23, 2019

Project Goal:

The Coconino Estates Improvements Phase II Project is primarily funded by City of Flagstaff Road Repair and Street Safety Program (RR&SS). The project goal is to effectively utilize allocated funds to maintain

existing improvements within the project area. Select new improvements will support this primary goal. New improvements will be separated from RR&SS improvements.

In general, these improvements consist of:

- Full depth pavement reconstruction
  - Design will recommend triple view profile elevations and typical cross-slope to match edge conditions, improve drainage, and maintain required cover over existing and proposed utilities.
  - Pavement improvements will include replacing affected signage, striping, monuments, and roadway markings.
- Replacement of select curb, gutter, sidewalk, sidewalk ramps, and driveways
- Water main replacements
- Water service and hydrant replacements
- Sanitary sewer main replacements
- Construct new sanitary sewer main
- Sanitary sewer service and manhole replacements
- Stormwater drainage issue resolution within roadway

WLB will provide effective coordination with the City of Flagstaff, stakeholders, and residents to incorporate information gathered from these entities so that the improvements may be implemented with minimal impact to the public and private property. This coordination, along with improving existing conditions within the project area on time and under budget, will define project success.

The goal for the project schedule is:

- 10.08.2019 – Final WLB Proposal Submittal to COF
- 11.19.2019 – City Council Meeting
- 11.2020 – Deliver Final Construction Documents
- 12.2020 / 03.2021 – Bid Phase
- Spring 2021 – Construction Begins
- Spring 2021 / Fall 2022 – Construction Duration

To achieve the project goals, WLB will be teamed with the following subconsultants:

- Speedie and Associates: Provide the geotechnical investigation and report for the pavement replacement.
- JE Fuller: Provide coordination for the environmental and 404 permit requirements for construction of the sewer main connection to the main in the Rio de Flag.
- Cardno: Provide Subsurface Utility Engineering (SUE) for the project area that will be added to the topographic survey.

N Crescent Drive:

Project limits extend from the north side of W Meade Lane, north to the north side of N Talkington Drive.

Roadway Scope:

- Full depth pavement reconstruction from the north side of W Meade Lane to the north side of N Talkington Drive.

  - Existing roadway will be evaluated from BOC to BOC. Roadway width will be adjusted to meet current COF standards during the design phase.
  - A typical cross slope will be determined during the design phase.
  - Full depth reconstruction will require lowering of centerline profile while maintaining required coverage over utilities.
  - Adjacent streets to transition to Crescent Drive's new structural section.
  - All pavement to have a 20-year life expectancy.
  - Traffic data will be provided by the City of Flagstaff.
- Replace all existing roll curb with new vertical curb and gutter.
- Replace select existing vertical curb and gutter with new vertical curb and gutter.
- Replace all driveway ramps. Driveway ramps and match ups will be designed to match the existing driveways.
- Evaluate existing sidewalk for ADA compliance. Replace select sections of existing sidewalk identified as a tripping hazard to be non-ADA compliant sidewalk.
- New sidewalk from N Meteor Drive to W Meade Lane to be determined during design.
  - New improvements will be separated from RR&SS improvements.
- Replace select existing sidewalk ramps as identified by the COF.
- Possible new valley gutter at the intersection of W Meade Lane and N Crescent Drive.
- Possible new vertical curb and gutter at the intersection of W Meade Lane and N Crescent Drive.
  - New improvements will be separated from RR&SS improvements.
- Remove and reinstall existing street signs as needed for construction.
  - Per the City of Flagstaff, all signage is or will be updated to meet new City of Flagstaff Standards by another project.
- Remove, re-establish, and document (including recordation) all affected survey monuments and handholes.
- The existing striping plan will be documented and reviewed during the design phase.
- Contractor to protect existing landscape improvements. Contractor will remove and replace in kind any disturbed landscape improvements needed for construction of improvements.
- Evaluate the right-of-way for the ability to determine impacts to residential landscape improvements and location of design centerline relative to existing roadway centerline.
- City of Flagstaff to determine during design if existing light poles will be replaced with new light poles and luminaries to meet City of Flagstaff Standards.
  - WLB does not need to track design time for the light poles separately.
  - Luminary standard to be provided by the City of Flagstaff Traffic Department.
  - New underground power will be provided to the new light poles. Design will be by others.

<u>Utility Scope:</u>

- Construct new water main and abandon the existing main in place when possible.
- Replace all existing water service saddles, service lines, and meter box assemblies from new main to meter.
  - Water meter locations will be provided by the City of Flagstaff.
  - Water meter elevations to be adjusted to meet COF standards as needed
- Replace all water valves.
- Replace all existing fire hydrant assemblies.

- Replace existing sewer main from Manhole 1-012 to Manhole 1-015 (W Venus Drive to N Meteor Drive) and Manhole 1-038 to Manhole 1-992 (N of Rio de Flag to N Talkington Drive)
- Construct 300' of new sewer main from Manhole 1-038 to the existing sewer main in the Rio de Flag between Manholes 1-007 to 1-008. Alignment to be determined during design to avoid environmental issues with the Rio de Flag.
    - New improvements will be separated from RR&SS improvements.
- Construct 3 new sewer manholes for the realignment of the sewer.
    - New improvements will be separated from RR&SS improvements.
- Abandon existing sewer line between residential parcels 10202054A (2120 N Crescent Drive), 10202029 (2130 N Crescent Drive), 10202038 (2307 N Lantern Lane), and 10202037 (2309 N Lantern Lane).
    - Determine service locations for parcels 10202037 (2309 N Lantern Lane) and 10202038 (2307 N Lantern Lane).
- Replace all existing sewer services from the replaced/new main to the ROW.
    - Existing sewer video logs will be provided by the City of Flagstaff, otherwise to be provided by Cardno.
- Replace all existing sewer manholes.
- Adjust existing water valves and sewer manholes as required for pavement reconstruction per City of Flagstaff Standards.
- All existing utility collars shall be removed and replaced to City of Flagstaff Standards.
- Asbestos abatement for ACP waterlines (if warranted).

Franchise Utility Scope:

- Evaluate existing franchise utilities locations and elevations. Coordinate relocations/realignments with the franchise utilities as needed (APS, Unisource, Suddenlink, CenturyLink, AT&T, etc.)

Stormwater Scope:

- Determine during the design phase if a new valley gutter is needed to convey drainage through the intersection of W Meade Lane and N Crescent Drive.
- Replace curb inlet catch basin at the southwest corner of N Crescent Drive and W Venus Drive with a combination curb inlet catch basin.
    - Determine if catch basin locations need to be adjusted or upsized during design.
- Curb inlet near the Rio de Flag will be addressed during design.
- Drainage Memo.

N Navajo Drive

Project limits extend from the intersection with W Elizabeth Drive to the intersection with N Talkington Drive.

Roadway Scope:

- Full depth pavement reconstruction from the east side of N Talkington Drive to the north side of W Elizabeth Drive.
    - Existing roadway will be evaluated from BOC to BOC. Roadway width will be adjusted to meet current COF standards during the design phase.
    - A typical cross slope will be determined during the design phase.

  - Full depth reconstruction will require lowering of centerline profile while maintaining Required coverage over utilities.
  - Adjacent streets to transition to Navajo Drive's new structural section.
  - All pavement to have a 20-year life expectancy.
  - Traffic data will be provided by the City of Flagstaff.
- Replace all existing roll curb with new vertical curb and gutter.
- Replace all driveway ramps. Driveway ramps and match ups will be designed to match the existing driveways.
- Remove and reinstall existing street signs as needed for construction.
  - Per the City of Flagstaff, all signage is or will be updated to meet new City of Flagstaff Standards by another project.
- Remove, re-establish, and document (including recordation) all affected survey monuments and handholes.
- Contractor to protect existing landscape improvements. Contractor will remove and replace in kind any disturbed landscape improvements needed for construction of improvements.
- Evaluate the right-of-way for the ability to determine impacts to residential landscape improvements and location of design centerline relative to existing roadway centerline.
- City of Flagstaff to determine during design if existing light poles will be replaced with new light poles and luminaries to meet City of Flagstaff Standards.
  - WLB does not need to track design time for the light poles separately.
  - Luminary standard to be provided by the City of Flagstaff Traffic Department.
  - New underground power will be provided to the new light poles. Design by others.

<u>Utility Scope:</u>

- Construct new water main and abandon existing water main in place to the greatest extent possible.
- Connection points for new water main will be determined during design.
- Replace all existing water service saddles, service lines, and meter box assemblies from replaced main to meter.
  - Water meter locations will be provided by the City of Flagstaff.
  - Water meter elevations to be adjusted to meet COF standards as needed.
- Replace all water valves.
- Replace all existing fire hydrant assemblies.
- Abandon existing 8" waterline that runs through the Rio de Flag from Azure Dr to Navajo Dr.
- Replace existing sewer main from Manhole 1-040 to Manhole 1-044 (N Talkington Drive to W Elizabeth Drive).
- Evaluate sewer main starter from Manhole 1-041 (from Lantern Lane).
- Replace all existing sewer services from the replaced main to the ROW.
  - Existing sewer video logs will be provided by the City of Flagstaff, otherwise to be provided by Cardno.
- Replace all existing sewer manholes.
- Adjust existing water valves and sewer manholes as required for pavement reconstruction per City of Flagstaff Standards.
- Adjust existing water valve box assemblies and sewer manholes, affected by construction, to finished grade.
- All existing utility collars shall be removed and replaced to City of Flagstaff Standards.

- Asbestos abatement for ACP waterlines (if warranted).

Franchise Utility Scope:

- Evaluate existing franchise utilities locations and elevations. Coordinate relocations/realignments with the franchise utilities as needed (APS, Unisource, Suddenlink, CenturyLink, AT&T, etc.)

SCOPE OF SERVICES:

BASIC 2SERVICES

Task 1 – Data Collection

The purpose of this task is to attain all pertinent information to create a comprehensive basemap for the project area. This will include topographic survey and subconsultant coordination. Subconsultants will provide subsurface utility locating, a geotechnical report, and environmental clearance.

Task 1A – Topographic Survey

Will be complete under the Pre-Engineering Services.

Task 1B – Sub-Consultant Coordination

Speedie & Associates

WLB will coordinate with Speedie & Associates to provide geotechnical engineering. Their scope of work is presented in Exhibit D. The purpose of the geotechnical investigation is to provide options for pavement design, suitability of soils for reuse, earthwork methods, trenching considerations, and potential corrosiveness of subsoil materials.

JE Fuller

WLB will coordinate with JE Fuller to determine delineation of the wetlands waters of the US to show the area of impact within the Ordinary High Water Mark of the Rio De Flag. Their scope of work is presented in Exhibit E.

Cardno

WLB will coordinate with Cardno to provide the subsurface utility investigation. Their scope of work is presented in Exhibit F. Cardno will determine and deliver all utility information including mains, services, pipe depths, alignment, material, and sizing. Their survey will include all surface appurtenances that include water valves, sewer manholes, water meters, sewer cleanouts, catch basin grates, and storm drain manhole lids. Records research and utility locating performed by Cardno will be completed prior to the 30% design phase. WLB will provide locations and an exhibit to show proposed pothole locations to Cardno. Potholing will be conducted by Cardno during the 60% design phase as utility alignments and tie-ins are being determined. Once completed, a set of sealed utility plans and an AutoCAD file will be delivered to WLB to be incorporated into the WLB topographic survey basemap.

During the subsurface utility investigation, WLB will facilitate meetings, as needed, with the City and Cardno to discuss the project basemap and discuss conflicting information in order to minimize impacts to future submittals. WLB will be responsible for preparing agendas and meeting notes for design meetings.

Deliverables: Geotechnical Report, All record research documents, Technical memorandum and map of delineation, Sealed utility plan, AutoCAD utility basemap for use in preparing the Coconino Estates Phase II Improvement Plans, Pothole report.

Task 1C – Updated Scoping Plan

WLB will evaluate and prepare an Updated Scoping Plan with the existing roadway widths, the ROW, and initial roadway line work. The information shown on the City's scoping exhibits will be transferred to the AutoCAD files and overlaid onto the project basemap to prepare the Updated Scoping Plan. WLB will review the Plan with the City's Project Manager and Staff to discuss the impacts block by block. We anticipate multiple meetings to review impacts, determine the preferred roadway widths, and determine edge improvements that will be shown on the 30% plans. This information will be included in an Updated Scoping Plan that will include the following:

1. Over Plan Sheet of the project area (1 Sheet)
2. Planview of each roadway with the following: (5 Sheets)
    a. Typical cross-section existing and proposed
    b. New layout for proposed cross-section
    c. Proposed layout of water and sewer lines

Deliverables: PDF Submittal of the Updated Scoping Plan.

Task 2 – Concept 30% Plans

WLB will prepare 30% plans for improvements based on the Updated Scoping Plan prepared in Task 1. Prior to starting the 30% plans WLB will meet with the City of Flagstaff to discuss resolution of comments received for the Updated Scoping Plan. The 30% plans will contain the following sheets:

1. Cover/Notes/Detail Sheets (6 Sheets)
2. Control Sheet (1 Sheet) – the control sheet will show the existing control points, ROW, monuments, and property corners that were located during the topographic survey.
3. Water Service Index Sheet (1 Sheet) – Using the information from the City, Cardno and field review, WLB will prepare a sheet showing the existing water meters within the project limits and prepare a table to show location, size, physical address, APN, Keynote and sheet.
4. Sewer Service Index Sheet (1 Sheet) – Using the information form the City, Cardno and field review, WLB will prepare a sheet showing the existing sewer services within the project limits and prepare a table to show location, size, physical address, APN, and sheet.
5. Street Removals/Grading/Drainage Plan and Profiles (8 Sheets) – WLB will prepare plan and triple view profile sheets for the removal and design of new street improvements. At the 30% level only existing profiles will be shown. The design profiles will be added to the future plan submittals.
6. Utility Sheets (9 Sheets) – These sheets will show all the water, sewer, and water and sewer service replacements. Profile will only be added to the sheets that have waterline and sewer line replacements. The other sheets will have 2 plan views per sheet.

The plans will be at 20 scale to accurately show AC, curb, sidewalk replacements. The waterline and sewer line profiles will not be prepared with the 30% Plans.

During the design WLB will facilitate (3) bi-weekly design meetings, as needed, with the City's Project Manager and Staff to discuss project design and receive input on items that will help with minimizing

impacts to residents located along the project limits. WLB will continue to prepare agendas and meeting notes for design meetings.

WLB will prepare a Design Concept Report. This report will present information from design meetings, field walks, and existing residential improvements to document the design progression and existing conditions within the project area. The purpose of the report is to document design decisions made in the preparation of the 30% plans and provide a resource to be used as a basis for future design phases and during construction to restore residential improvements along the project limits. The report will include stakeholder feedback, edge improvements, and any proposed variances from the City's engineering standards. We expect one set of revisions to the report.

WLB will prepare an overall project engineering cost estimate per the quantities determined during this phase. We will also provide costs and quantities for new improvements that are not included within the RR&SS funding.

Deliverables to the City of Flagstaff: The following will be submitted:

1. Design Meeting agendas and meeting notes
2. (2) Complete sets and PDF's of the Concept 30% plans for review by the City.
    a. 10 day courtesy review
3. Concept Design Report (Draft & Final)
4. Engineering Cost Estimate (Overall & Site Specific)

Task 3 – Concept 60% Plans

WLB will prepare the 60% plans based on comments received from the 30% plan submittal. Prior to proceeding with the 60% plan preparation, WLB will meet with the City to discuss the 30% plan review comments, Engineer's Estimate, and potential VE options that should be analyzed during the 60% plan preparation.

The format of the plans sheets for the 60% plans will be the same has the 30% plans with the addition of the SWPPP Plan sheets (2 Sheets). For the 60% plan submittal the design profiles for roads, waterlines and sewer lines will be added.

The Preliminary Drainage Memo will be prepared with the 60% plan submittal. The memo will present calculations for replacing existing catch basins along Crescent Drive and the roadway capacity.
The format for the drainage memo will be:

1. Introduction
2. Location
3. Description of Project Site
    a. Existing
    b. Proposed
4. Objectives and Procedures
5. Hydrology
    a. Analysis Overview
    b. Existing Conditions
        i. 2, 10, and 100 year design storms

   c. Proposed Conditions
      i. 2, 10, and 100 year design storms
6. Hydraulics
   a. Overview
   b. Existing Conditions
   c. Proposed Conditions
7. Summary and Conclusions

WLB will prepare a project overall engineering cost estimate per the quantities determined during this phase. We will also provide costs and quantities for new improvements that are not included within the RR&SS funding.

During the design WLB will facilitate (3) bi-weekly design meetings, as needed, with the City's Project Manager and Staff to discuss project design and receive input on items that will help with minimizing impacts to the residents located along the project limits. WLB will continue to prepare agendas and meeting notes for design meetings.

This submittal will be unsealed and will be submitted to the City's Project Manager for distribution to the City departments for a 15-day courtesy review.

Deliverables to the City of Flagstaff: The following will be submitted:

1. Design Meeting agendas and meeting notes
2. (2) Complete sets of the 60% plans (Hard Copy and PDF).
3. (1) Hard copy and a PDF of the Preliminary Drainage Memo
4. Comment Response Form for 30% plan comments
5. Engineering Cost Estimate (Overall & Site Specific)

Task 4 – 90 % Plans

WLB will prepare the 90% plans based on comments received from the 60% plan submittal. Prior to proceeding with the 90% plan preparation WLB will meet with the City to discuss the 60% plan review comments, Engineer's Cost Estimate, and potential VE options that should be analyzed during the 90% plan preparation.

The format of the plan sheets for the 90% plans will be the same as the 60% plans.

WLB will revise the Preliminary Drainage Memo per comments received from the 60% review to prepare the Final Drainage Memo to be included with the 90% plan submittal supporting the drainage design shown on the 90% plans.

Draft Special Provisions will be prepared with the 90% submittal.

The 90% Plans will be submitted by WLB to the franchise utility companies (APS, Unisource, Century Link, AT&T and Suddenlink) for utility acknowledgement per the City requirements.

During the design WLB will facilitate (2) bi-weekly design meetings, as needed, with the City's PM and staff to discuss project design and receive input on items that will help with minimizing impacts to the

residents located along the project limits. WLB will continue to prepare agendas and meeting notes for design meetings.

Deliverables: The following will be submitted:

1. (2) Complete sets of the 90% plans hard and PDF will be submitted to the City's project manager for review and distribution to City departments.
    a. COF 20 day review period
2. (1) Hard copies and PDF of the draft special provisions.
3. (1) Hard copies and a PDF of the Final Drainage Memo
4. (5) Sets of the 90% plans only will be submitted to the franchise utilities by WLB.
5. (1) Hard Copy and PDF of the Comment Responses.
6. Engineering Cost Estimate (Overall & Site Specific)

Task 4A – ADEQ Submittal

WLB will prepare an Engineers Design Report (EDR) for the water main to include with the ADEQ submittal. WLB will coordinate with the City of Flagstaff for completion of the Drinking Water Service Agreement as well as the Application to Construct Drinking Water Facilities. WLB will submit to ADEQ for simultaneous review as the City's plan review.

WLB will prepare the Engineers Design Report (EDR) for the sewer line to include with the Sewer ADEQ Notice of Intent to Discharge submittal. WLB will prepare flow calculations in each of the proposed sewer lines to verify the lines flow above minimum velocity requirements and are sized adequately for the area. We will coordinate with the City to obtain the data for the sewer collection system and sewer treatment facility forms, and for completion of the application. WLB will submit to ADEQ for simultaneous review as the City's plan review. Checks will be provided by the City for water and the sewer ADEQ application fees.

Deliverables: The following will be submitted including up to 1 set of revisions, if required:

1. (1) Hard copy and PDF of the Water Engineer's Design Report and Application for Approval to Construct Drinking Water Facilities and Sewer Engineer's Design Report and Application for Notice of Intent to Discharge for Sewage Collection Systems for submittal to ADEQ.
2. (4) Sets of the Final 1 plans will be submitted to ADEQ for approval to construct the new sewer line and construct the new waterline.

Task 5 – 100% Plans

WLB will prepare the 100% plans based on comments received from the 90% plan submittal. Prior to proceeding with the 100% plan preparation WLB will meet with the City to discuss the plan review comments, Engineer's Cost Estimate, and potential VE options. Once we have final approval by the City and ADEQ we will submit (2) mylar cover sheets and a digital plan set for City Signatures.

Prior to final City approval, WLB will revise the plans, Engineer's Design Reports, and/or the application per ADEQ comments and resubmit for Approval to Construct and Notice of Intent to Discharge, if required.

Deliverables to the City of Flagstaff: The following will be submitted:

1. (2) Complete sets of the 100% plans hard copy and a PDF will be submitted to the City's project manager for review and distribution to City departments.

a. COF 15 day review period
2. (2) mylar cover sheets for signatures will be submitted.
3. (1) Hard copy and PDF of the project special provisions, Engineer's Estimate, and Bid Schedule.
4. (1) Comment Response Form the 90% plan comments.
5. (1) PDF of each of the Franchise Utility Acknowledgements.

Deliverables to ADEQ: If needed as shown above.

END BASIC SERVICES

POST-DESIGN SERVICES

Task 6 – Post-Design Services
Following approval of the plans, WLB will provide post-design services to support the City in successfully completing the construction of improvements.

Task 6A – Bidding Administration
Bidding phase services may include bidding questions and addendum (design changes or additions) preparation.

Task 6B – Construction Administration: Construction phase services may include participation in the pre-construction meeting, on-site representation to address unforeseen conditions and preparation of field orders (exhibits). WLB will provide an estimate of the time required prior to performing this task and will not incur charges under this phase unless authorized to do so by the City's Project Manager.

END CONSTRUCTION ADMINISTRATION

Project Assumptions:
1. Legal descriptions for additional right-of-way and easements are not included in basic services.
2. Sufficient monumentation exists in the immediate vicinity of the Site (within one adjacent Right of Way intersection) to facilitate the relation of the topography survey to the Right of Way/property boundaries.
3. Resolving boundary issues between record information and measured data is not included. If there are any issues we will notify the City to determine the best approach and strategy to resolve.
4. New monuments to replace the ones that are disturbed during construction will be the responsibility of the Contractor. WLB can provide surveying to replace monuments if requested as an additional service.
5. Horizontal and vertical datum will be based on the City of Flagstaff control network. If a different datum is requested, the client will provide the necessary control information.
6. No boundary survey will be conducted or implied. The horizontal control portion of the services does not include setting monuments at property corners or Right of Way centerline.
7. A title report is not needed for determining record right-of-way locations. If one is needed we will notify the City for approval.
8. No sealed Topography Survey plat will be prepared.
9. Providing or modifying the City of Flagstaff water model for the water line replacement is not included.

10. Potholing to locate existing utilities will be coordinated with Cardno during the preparation of the 60% Plans.
11. If the City has existing sewer logs, they will provide. Cardno is to provide TV logs and location of all existing sewer services.
12. WLB prepares the design and construction drawings with AutoCAD Civil 3D 2019. It is assumed that any other entity utilizing WLB design files for the purpose of coordination with this project has the capabilities of using and/or views the files in WLB's original format. Work on WLB's part to re-format or reconstruct files for another entity's use will be considered additional services.
13. ADEQ Submittal fees will be paid by the City of Flagstaff. WLB will coordinate with the City to obtain checks for the submittal.
14. Setting the post construction centerline monument replacements and preparing the corresponding Record of Survey will be the responsibility of the contractor.
15. Record Drawings/As-built preparation and/or review is not included and will be the responsibility of the Contractor during construction.
16. Preparation and/or review of the ADEQ Approval of Construction, Discharge Authorization, and Engineer's Certificate of Completion (ECC) documents is not included.
17. Additional services if required and approved by the client will be billed in accordance with the Fee Schedule for Professional Services for The WLB Group, Inc.

The City of Flagstaff will provide or be responsible for the following information:

1. Water meter sizes and addresses for the services being replaced with this project.
2. Information for additional right-of-way that has been dedicated to the City for corner cut-offs or as part of the development.
3. Providing as-built water and sewer line plans for the existing lines in the project limits.
4. Provide the design and specification requirements for the underground street light conduits.
5. Setting up the stakeholder meeting(s).
6. Pay ADEQ review and submittal fees.
7. Acquiring temporary construction easements or PUE's for the construction if needed and all coordination with the impacted party.
8. The City will complete the Engineer's Certificate of Completion (ECC) for water, including all sealed test results for the disinfection, and for the leak testing performed by the City Inspectors. The City of Flagstaff will provide the record drawings/as-builts for the water system, fill out the ADEQ application for Approval of Construction, and make the entire submittal to ADEQ for the Approval of Construction.
9. The City will complete the Request for Discharge Authorization for sewer and make the submittal to ADEQ for Discharge Authorization. This includes the application for Discharge Authorization, preparation of the Engineer's Certificate of Completion (ECC) including the sealed test results observed by the City Inspectors, and the record drawings/as-builts for the sewer system.

END SCOPE OF SERVOCES

Compensation:

Our Time and Materials (T&M) Not to Exceed (NTE) budget for the Coconino Phase II Crescent & Navajo project is $301,345 including sub-consultant fees and reimbursable expenses with a $15,000 Contract Allowance (5%), for a Total Contract Amount of $316,345. The budget is summarized in the table below:

Tasks (Design - T&M NTE)	**Budget**
Task 1 - Data Collection	$16,480
Task 2 - 30% Design Plans	$50,580
Task 3 - 60% Design Plans	$58,095
Task 4 - 90% Design Plans and ADEQ Submittals	$68,350
Task 5 - 100% Design Plans	$20,180
Subtotal (Design - T&M NTE)	**$213,685**
Tasks (Construction Administration - T&M NTE)	**Budget**
Task 6 - Post-Design Services	$24,500
Subtotal (Construction Administration - T&M NTE Budget)	**$238,185**
Speedie and Associates w/Markup (Geotechnical Analysis)	$8,800
JE Fullerw/Markup (404 Jurisdictional Waters)	$3,190
Cardno Subsurface Utilities	$49,370
Reimbursable Expenses	$1,800
Project Total	**$301,345**
CONTRACT ALLOWANCE (5%)	$15,000
TOTAL CONTRACT AMOUNT	**$316,345**

End of Compensation

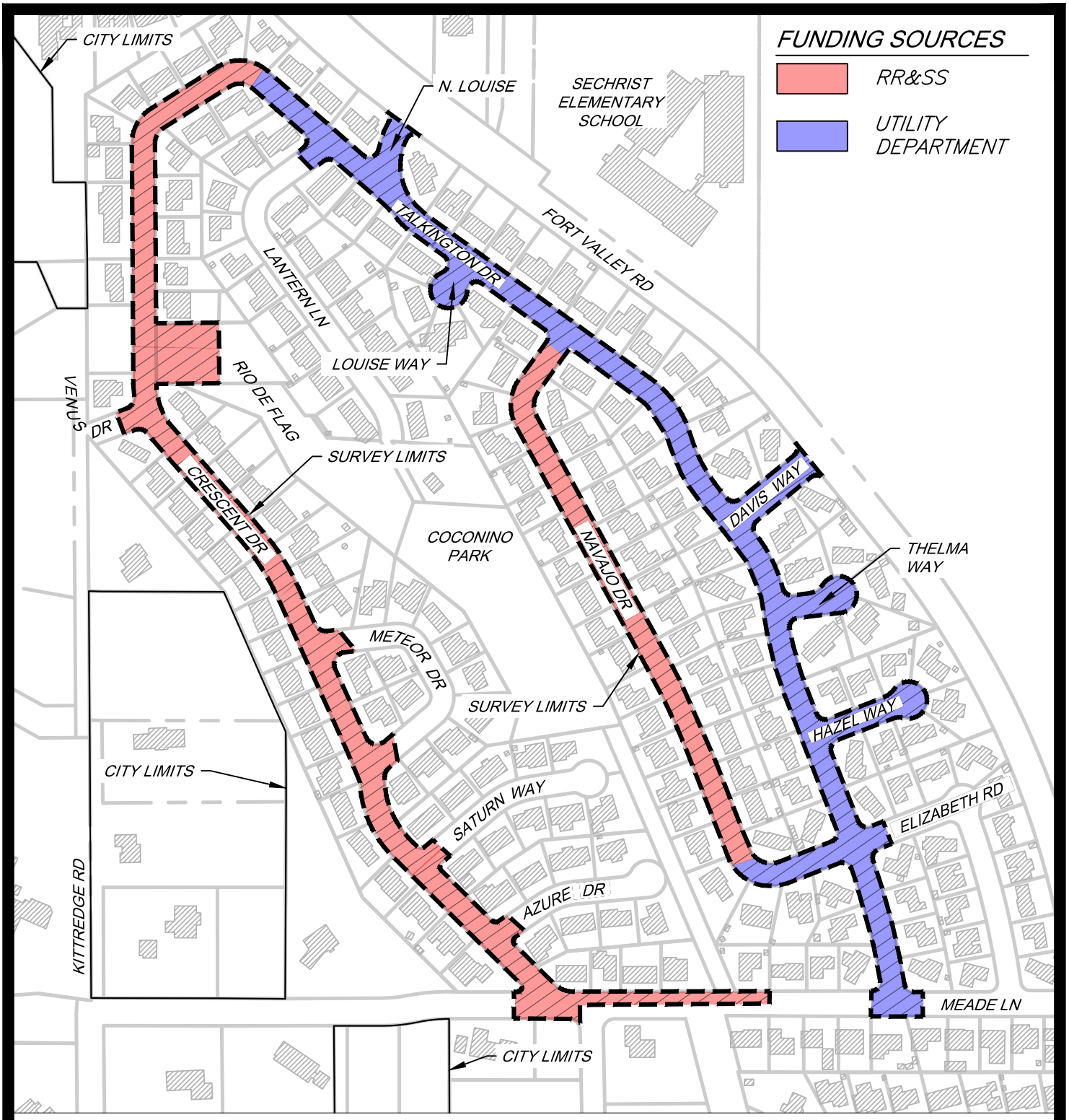
HOURLY RATE SCHEDULE

FLAGSTAFF
FEE SCHEDULE FOR PROFESSIONAL SERVICES

TYPICAL HOURLY RATES

Personnel	Hourly Rate
Principal	$170.00
Public Presentation or Expert Testimony	$250.00
Senior Project Manager	$140.00
Project Manager	$130.00
Senior Project: Engineer/Landscape Arch./Planner /Inspector /Surveyor/Designer	$115.00
Project: Engineer/Landscape Arch./Planner /Inspector /Surveyor/Designer	$110.00
Staff: Design Engineer/Landscape Arch./Planner /Inspector /Surveyor/Designer	$105.00
Sr. Cadd Operator	$95.00
Senior Technician	$90.00
Design Technician	$85.00
Technician/Cadd Operator	$80.00
Draftsperson/Assistant Technician	$75.00
Clerical	$60.00
Three Man Survey Crew	$180.00
Two Man Survey Crew	$160.00
One Man Survey Crew	$135.00

Hourly Rate Schedule



COCONINO ESTATES IMPROVEMENTS PHASE II

PROJECT LOCATION MAP & FUNDING SOURCES

The WLB Group INC. WLB

WLB No. 319012A001

10.21.2019

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EXHIBIT B – SCOPE OF PLANNED CONSULTING SERVICES AND COMPENSATION
City of Flagstaff Coconino Estates Phase II
Talkington, Elizabeth, Hazel, Thelma, Davis, North and South Louise

WLB Project No.	319012A002
COF Capital Improvements No.	TBD
City of Flagstaff Project No.:	TBD

September 25, 2019 Draft 1
October 23, 2019 Revision 2

PROJECT UNDERSTANDING:

The City of Flagstaff Coconino Estates Improvements Phase II (CEIP2) Project is located in the north end of the Coconino Estates Neighborhood within west Flagstaff. The City of Flagstaff has requested that the following streets be added to the Utility and roadway improvements in CEIP2:

1. Talkington Drive: Crescent Drive to Meade Lane
    a. Including the following side streets; N & S Louise Way, Davis Way, Thelma Way, and Hazel Way
2. Elizabeth Road: Navajo Drive to Talkington Drive

This scope of services references the exhibits in the base proposal for CEIP2 for Crescent and Navajo.

Project Goal:

The funding for the utility and roadway improvements on Talkington and Elizabeth is through the Water Services Department. The goal is to design and construct the improvements for Talkington and Elizabeth with the Coconino Estates Improvements Phase II Project that is primarily funded by City of Flagstaff Road Repair and Street Safety Program (RR&SS).

In general, these improvements consist with the scope of services described in the Crescent and Navajo scope.

To achieve the project goals, WLB will be teamed with the following subconsultants:

- Cardno: Provide Subsurface Utility Engineering (SUE) for the project area that will be added to the topographic survey.
- Speedie and Associates: Provide the geotechnical investigation and report for the pavement replacement.

W Talkington Drive

Project limits extend from Crescent Drive to Meade Lane. See Attachment A – Project Location Map

Roadway Scope:

- Full depth pavement reconstruction from Crescent Drive to Meade Lane.
    - Existing roadway will be evaluated from BOC to BOC. Roadway width will be adjusted to meet current COF standards during the design phase.
    - A typical cross slope will be determined during the design phase.
    - Full depth reconstruction will require lowering of centerline profile while maintaining minimum coverage over existing and proposed utilities.

  - All pavement to have a 20-year life expectancy.
  - Traffic data will be provided by the City of Flagstaff.
- Replace all existing roll curb with new vertical curb and gutter.
- Replace all driveway ramps. Driveway ramps and match ups will be designed to match the existing driveways.
- Remove and reinstall existing street signs as needed for construction.
  - Per the City of Flagstaff, all signage is or will be updated to meet new City of Flagstaff Standards by another project.
- Remove, re-establish, and document (including recordation) all affected survey monuments and handholes.
- Contractor to protect existing landscape improvements. Contractor will remove and replace in kind any disturbed landscape improvements needed for construction of improvements.
- Evaluate the right-of-way for the ability to determine impacts to residential landscape improvements and location of design centerline relative to existing roadway centerline.
- City of Flagstaff to determine during design if existing light poles will be replaced with new light poles and luminaries to meet City of Flagstaff Standards.
  - WLB does not need to track design time for the light poles separately.
  - Luminary standard to be provided by the City of Flagstaff Traffic Department.
  - New underground power will be provided to the new light poles. Design by others

Utility Scope:

- Construct new water main and abandon the existing main in place to the greatest extent possible from Crescent Drive to Davis Way.
  - The existing 8” waterline between Davis and Hazel to remain.
- Replace all existing water service saddles, service lines, and meter box assemblies from new main to meter.
  - Existing services to be swapped from the existing 2” waterline to the existing 8” waterline between Davis and Hazel
  - Water meter locations be provided by Cardno and water meter identification will be provided by the City of Flagstaff.
  - Water meter elevations to be adjusted to meet current COF standards as needed
- Replace all water valves.
- Replace all existing fire hydrant assemblies.
- Replace all existing sewer services from the replaced main to the ROW.
  - Existing sewer video logs will be provided by the City of Flagstaff, otherwise to be provided by Cardno.
- Replace existing sewer main and all manholes.
- Adjust existing water valves and sewer manholes as required for pavement reconstruction per City of Flagstaff Standards.
- All existing utility collars shall be removed and replaced to City of Flagstaff Standards.
- Asbestos abatement for ACP waterlines (if warranted).

Franchise Utility Scope:

- Evaluate existing franchise utilities locations and elevations. Coordinate relocations/realignments with the franchise utilities as needed (APS, Unisource, Suddenlink, CenturyLink, AT&T, etc.)

Talkington Side Streets

Project limits extend from Talkington Drive to end of cul-de-sac.

Roadway Scope:

- Full depth pavement reconstruction from Talkington Drive to end of cul-de-sac.
    - Existing roadway will be evaluated from BOC to BOC. Roadway width will be adjusted to meet current COF standards during the design phase.
    - A typical cross slope will be determined during the design phase.
    - Full depth reconstruction will require lowering of centerline profile while maintaining minimum coverage over existing and proposed utilities.
    - All pavement to have a 20-year life expectancy.
    - Traffic data will be provided by the City of Flagstaff.
    - Cul-de-sac will be constructed back in existing horizontal location.
- Replace all existing roll curb with new vertical curb and gutter.
- Replace all driveway ramps. Driveway ramps and match ups will be designed to match the existing driveways.
- Remove and reinstall existing street signs as needed for construction.
    - Per the City of Flagstaff, all signage is or will be updated to meet new City of Flagstaff Standards by another project.
- Remove, re-establish, and document (including recordation) all affected survey monuments and handholes.
- Contractor to protect existing landscape improvements. Contractor will remove and replace in kind any disturbed landscape improvements needed for construction of improvements.
- Evaluate the right-of-way for the ability to determine impacts to residential landscape improvements and location of design centerline relative to existing roadway centerline.
- City of Flagstaff to determine during design if existing light poles will be replaced with new light poles and luminaries to meet City of Flagstaff Standards.
    - WLB does not need to track design time for the light poles separately.
    - Luminary standard to be provided by the City of Flagstaff Traffic Department.
    - New underground power will be provided to the new light poles. Design by others

Utility Scope:

- Construct new sewer and water mains except for Davis Way. Abandon existing water and sewer mains to the greatest extent possible.
- Waterline connection within N Louise Way at existing water valve and not to extend into the ADOT Fort Valley ROW.
- Replace all existing sewer services from the replaced main to the ROW.
    - Existing sewer video logs will be provided by the City of Flagstaff, otherwise provided by Cardno.
- Replace existing sewer main and all manholes.
- Adjust existing sewer manholes as required for pavement reconstruction per City of Flagstaff Standards.
- All existing utility collars shall be removed and replaced to City of Flagstaff Standards.
- Asbestos abatement for ACP waterlines (if warranted).

Franchise Utility Scope:

- Evaluate existing franchise utilities locations and elevations. Coordinate relocations/realignments with the franchise utilities as needed (APS, Unisource, Suddenlink, CenturyLink, AT&T, etc.)

W Elizabeth Drive

Project limits extend from the east side N Navajo Drive to the east side of the intersection with N Talkington Drive.

Roadway Scope:

- In lieu of utilizing a trench cut to preserve existing asphalt, the City is requesting full depth pavement reconstruction from the east side of N Talkington Drive to the connection with N Navajo Drive.
    - Existing roadway will be evaluated from BOC to BOC. Roadway width will be adjusted to meet current COF standards during the design phase.
    - A typical cross slope will be determined during the design phase.
    - Full depth reconstruction will require lowering of centerline profile while maintaining minimum coverage over utilities.
    - Adjacent streets to transition to Elizabeth Drive's new structural section.
    - All pavement to have a 20-year life expectancy.
    - Traffic data will be provided by the City of Flagstaff.
- Replace all existing roll curb with new vertical curb and gutter.
- Replace all driveway ramps. Driveway ramps and match ups will be designed to match the existing driveways.
- Remove and reinstall existing street signs as needed for construction.
    - Per the City of Flagstaff, all signage is or will be updated to meet new City of Flagstaff Standards by another project.
- Remove, re-establish, and document (including recordation) all affected survey monuments and handholes.
- Contractor to protect existing landscape improvements. Contractor will remove and replace in kind any disturbed landscape improvements needed for construction of improvements.
- Evaluate the right-of-way for the ability to determine impacts to residential landscape improvements and location of design centerline relative to existing roadway centerline.
- City of Flagstaff to determine during design if existing light poles will be replaced with new light poles and luminaries to meet City of Flagstaff Standards.
    - WLB does not need to track design time for the light poles separately.
    - Luminary standard to be provided by the City of Flagstaff Traffic Department.
    - New underground power will be provided to the new light poles. Design by others

Utility Scope:

- Cut and abandon existing sewer main from Manhole 1-044 to Manhole 1-045 (N Navajo Drive to N Talkington Drive).
- Re-align connection point at N Talkington Drive with (2) new manholes, if necessary. New sewer to be located within roadway.
- Replace all existing sewer services from the replaced main to the ROW.
    - Existing sewer video logs will be provided by the City of Flagstaff, otherwise provided by Cardno.
- Replace all existing sewer manholes.

- Adjust existing sewer manholes as required for pavement reconstruction per City of Flagstaff Standards.
- All existing utility collars shall be removed and replaced to City of Flagstaff Standards.
- Asbestos abatement for ACP waterlines (if warranted).

Franchise Utility Scope:

- Evaluate existing franchise utilities locations and elevations. Coordinate relocations/realignments with the franchise utilities as needed (APS, Unisource, Suddenlink, CenturyLink, AT&T, etc.)

SCOPE OF SERVICES:

Basic Services

Task 1 – Data Collection

The purpose of this task is to attain all pertinent information to create a comprehensive basemap for the project area. This will include the finalizing the project basemap and subconsultant coordination. Subconsultants will provide subsurface utility locating and geotechnical report.

Task 1A – Results of Survey

Using the topographic basemap prepared under pre-engineering services WLB will prepare a results of survey that will be used for project control and show existing monuments to be replaced. WLB will coordinate with Cardno to obtain the utility location information and add it to the project basemap checking common points between the topographic and utility survey work.

Deliverables: Project basemap for design.

Task 1B – Sub-Consultant Coordination

Speedie & Associates

WLB will coordinate with Speedie & Associates to provide geotechnical engineering. Their scope of work is presented in Exhibit D. The purpose of the geotechnical investigation is to provide options for pavement design, suitability of soils for reuse, earthwork methods, trenching considerations, and potential corrosiveness of subsoil materials.

Cardno

WLB will coordinate with Cardno to provide the subsurface utility investigation. Their scope of work is presented in Exhibit F. Cardno will determine and deliver all utility information including mains, services, pipe depths, alignment, material, and sizing. Their survey will include all surface appurtenances that include water valves, sewer manholes, water meters, sewer cleanouts, catch basin grates, and storm drain manhole lids. Records research and utility locating performed by Cardno will be completed prior to the 30% design phase. WLB will provide locations and an exhibit to show proposed pothole locations to Cardno. Potholing will be conducted by Cardno during the 60% design phase as utility alignments and tie-ins are being determined. Once completed, a set of sealed utility plans and an AutoCAD file will be delivered to WLB to be incorporated into the WLB topographic survey basemap.

During the subsurface utility investigation, WLB will facilitate meetings, as needed, with the City and Cardno to discuss the project basemap and discuss conflicting information in order to minimize impacts to future submittals. WLB will be responsible for preparing agendas and meeting notes for design meetings.

Deliverables: Geotechnical Report (Speedie), Sealed utility plan and AutoCAD file (Cardno), AutoCAD basemap of the topography and utilities for use in preparing the Coconino Estates Phase II Improvement Plans, Pothole report.

Task 1C – Updated Scoping Plan

WLB will evaluate and prepare an Updated Scoping Plan with the existing roadway widths, the ROW, and initial roadway line work. The information shown on the City's scoping exhibits will be transferred to the AutoCAD files and overlaid onto the project basemap to prepare the Updated Scoping Plan. WLB will review the Plan with the City's Project Manager and Staff to discuss the impacts block by block. We anticipate multiple meetings to review impacts, determine the preferred roadway widths, and determine edge improvements that will be shown on the 30% plans. This information will be added to the Updated Scoping Plan:

1. Planview of each roadway with the following: (5 Sheets)
    a. Typical cross-section existing and proposed
    b. New layout for proposed cross-section
    c. Proposed layout of water and sewer lines

Deliverables: PDF Submittal of the Updated Scoping Plan.

Task 2 – Concept 30% Plans

WLB will prepare 30% plans for improvements based on the Updated Scoping Plan prepared in Task 1. Prior to starting the 30% plans WLB will meet with the City of Flagstaff to discuss resolution of comments received for the Updated Scoping Plan. The following plans sheets will be added to the 30% plans for CEIP2:

1. Additional Details (1 Sheet)
2. Control Sheet (1 Sheet) – Update the control sheet to include the additional locations for the Talkington Streets.
3. Water Service Index Sheet (1 Sheet) – Using the information from the City, Cardno and field review, WLB will prepare a sheet showing the existing water meters within the project limits and prepare a table to show location, size, physical address, APN, Keynote and sheet.
4. Sewer Service Index Sheet (1 Sheet) – Using the information form the City, Cardno and field review, WLB will prepare a sheet showing the existing sewer services within the project limits and prepare a table to show location, size, physical address, APN, and sheet.
5. Street Removals/Grading/Drainage Plan and Profiles (9 Sheets) – WLB will prepare plan and triple view profile sheets for the removal and design of new street improvements. At the 30% level only existing profiles will be shown. The design profiles will be added to the future plan submittals.
6. Utility Sheets (9 Sheets) – These sheets will show all the water, sewer, and water and sewer service replacements. Profile will only be added to the sheets that have waterline and sewer line replacements. The other sheets will have 2 plan views per sheet.

The plans will be at 20 scale to accurately show AC, curb, sidewalk replacements. The waterline and sewer line profiles will not be prepared with the 30% Plans.

During the design WLB will facilitate (3) bi-weekly design meetings, as needed, with the City's Project Manager and Staff to discuss project design and receive input on items that will help with minimizing

impacts to residents located along the project limits. WLB will prepare agendas and meeting notes for design meetings.

WLB will prepare a Design Concept Report to accompany the 30% Plans. This report will present information from design meetings, field walks, and existing residential improvements to document the design progression and existing conditions within the project area. The intent of the report is to provide a resource that can be used for future improvement projects and during construction to restore residential improvements. The report will include stakeholder feedback, edge improvements, and any proposed variances from the City's engineering standards. We expect one set of revisions to the report.

WLB will prepare an overall project engineering cost estimate per the quantities determined during this phase.

Deliverables to the City of Flagstaff: The following will be submitted:

1. Design Meeting agendas and meeting notes
2. (2) Complete sets and PDF's of the Concept 30% plans for review by the City.
    a. 10 day courtesy review
3. Concept Design Report (Draft & Final)
4. Engineering Cost Estimate

Task 3 – Concept 60% Plans

WLB will prepare the 60% plans based on comments received from the 30% plan submittal. Prior to proceeding with the 60% plan preparation, WLB will meet with the City to discuss the 30% plan review comments, Engineer's Estimate, and potential VE options that should be analyzed during the 60% plan preparation.

The format of the plans sheets for the 60% plans will be the same has the 30% plans with the addition of the SWPPP Plan sheets (2 Sheets). For the 60% plan submittal the design profiles for roads, waterlines and sewer lines will be added.

WLB will update the project overall engineering cost estimate per the quantities determined during this phase.

During the design WLB will facilitate (3) bi-weekly design meetings, as needed, with the City's Project Manager and Staff to discuss project design and receive input on items that will help with minimizing impacts to the residents located along the project limits. WLB will continue to prepare agendas and meeting notes for design meetings.

This submittal will be unsealed and will be submitted to the City's Project Manager for distribution to the City departments for a 15-day courtesy review.

Deliverables to the City of Flagstaff: The following will be submitted:

1. Design Meeting agendas and meeting notes
2. (2) Complete sets of the 60% plans (Hard Copy and PDF).
3. (1) Hard copy and a PDF of the Preliminary Drainage Memo
4. Comment Response Form for 30% plan comments
5. Engineering Cost Estimate

Task 4 – 90 % Plans

WLB will prepare the 90% plans based on comments received from the 60% plan submittal. Prior to proceeding with the 90% plan preparation WLB will meet with the City to discuss the 60% plan review comments, Engineer's Cost Estimate, and potential VE options that should be analyzed during the 90% plan preparation.

The format of the plan sheets for the 90% plans will be the same as the 60% plans.

Draft Special Provisions will be prepared with the 90% submittal.

WLB will update the project overall engineering cost estimate per the quantities determined during this phase.

The 90% Plans will be submitted by WLB to the franchise utility companies (APS, Unisource, Century Link, AT&T and Suddenlink) for utility acknowledgement per the City requirements.

During the design WLB will facilitate (3) bi-weekly design meetings, as needed, with the City's PM and staff to discuss project design and receive input on items that will help with minimizing impacts to the residents located along the project limits. WLB will continue to prepare agendas and meeting notes for design meetings.

Deliverables: The following will be submitted:

1. (2) Complete sets of the 90% plans hard and PDF will be submitted to the City's project manager for review and distribution to City departments.
    a. COF 20 day review period
2. (1) Hard copy and PDF of the draft special provisions.
3. (5) Sets of the 90% plans only will be submitted to the franchise utilities by WLB.
4. (1) Hard Copy and PDF of the Comment Responses.
5. Engineering Cost Estimate (Overall & Site Specific)

Task 4A – ADEQ Submittal

WLB will update the Engineers Design Reports and ADEQ applications to include the additional water and sewer lines.

Deliverables: Additional information needed to include the Talkington and side street utilities in the CEIP2 submittal to ADEQ.

Task 5 – 100% Plans

WLB will prepare the 100% plans based on comments received from the 90% plan submittal. Prior to proceeding with the 100% plan preparation WLB will meet with the City to discuss the plan review comments, Engineer's Cost Estimate, and potential VE options. Once we have final approval by the City and ADEQ we will submit (2) mylar cover sheets and a digital plan set for City Signatures.

WLB will finalize the project special provisions and the engineers estimate of probable construction cost. A project bid schedule will be prepared for submittal with the 100% Plans. Prior to final City approval,

WLB will revise the plans, Engineer's Design Reports, and/or the application per ADEQ comments and resubmit for Approval to Construct and Notice of Intent to Discharge, if required.

Deliverables to the City of Flagstaff: The following will be submitted:

1. (2) Complete sets of the 100% plans hard and a PDF will be submitted to the City's project manager for review and distribution to City departments.
    a. COF 15 day review period
2. (2) Mylar cover sheets for signatures will be submitted.
3. (1) Hard copy and PDF of the project special provisions, Engineer's Estimate, and Bid Schedule.
4. (1) Comment Response Form the 90% plan comments.
5. (1) PDF of each of the Franchise Utility Acknowledgements.

Deliverables to ADEQ: If needed as shown above.

END BASIC SERVICES

POST-DESIGN SERVICES

Task 6 – Post-Design Services

Following approval of the plans, WLB will provide post-design services to support the City in successfully completing the construction of improvements.

Task 6A – Bidding Administration

Bidding phase services may include bidding questions and addendum (design changes or additions) preparation.

Task 6B – Construction Administration: Construction phase services may include participation in the pre-construction meeting, on-site representation to address unforeseen conditions and preparation of field orders (exhibits). WLB will provide an estimate of the time required prior to performing this task and will not incur charges under this phase unless authorized to do so by the City's Project Manager.

END CONSTRUCTION ADMINISTRATION

Project Assumptions:

1. Legal descriptions for additional right-of-way and easements are not included in basic services.
2. Sufficient monumentation exists in the immediate vicinity of the Site (within one adjacent Right of Way intersection) to facilitate the relation of the topography survey to the Right of Way/property boundaries.
3. Resolving boundary issues between record information and measured data is not included. If there are any issues we will notify the City to determine the best approach and strategy to resolve.
4. New monuments to replace the ones that are disturbed during construction will be the responsibility of the Contractor. WLB can provide surveying to replace monuments if requested as an additional service.
5. Horizontal and vertical datum will be based on the City of Flagstaff control network. If a different datum is requested, the client will provide the necessary control information.
6. No boundary survey will be conducted or implied. The horizontal control portion of the services does not include setting monuments at property corners or Right of Way centerline.

7. A title report is not needed for determining record right-of-way locations. If one is needed we will notify the City for approval.
8. No sealed Topography Survey plat will be prepared.
9. Providing or modifying the City of Flagstaff water model for the water line replacement is not included.
10. Potholing to locate existing utilities will be coordinated with Cardno during the preparation of the 60% Plans.
11. If the City has existing sewer logs, they will provide. Cardno is to provide TV logs and location of all existing sewer services.
12. WLB prepares the design and construction drawings with AutoCAD Civil 3D 2019. It is assumed that any other entity utilizing WLB design files for the purpose of coordination with this project has the capabilities of using and/or views the files in WLB's original format. Work on WLB's part to re-format or reconstruct files for another entity's use will be considered additional services.
13. ADEQ Submittal fees will be paid by the City of Flagstaff. WLB will coordinate with the City to obtain checks for the submittal.
14. Setting the post construction centerline monument replacements and preparing the corresponding Record of Survey will be the responsibility of the contractor.
15. Record Drawings/As-built preparation and/or review is not included and will be the responsibility of the Contractor during construction.
16. Preparation and/or review of the ADEQ Approval of Construction, Discharge Authorization, and Engineer's Certificate of Completion (ECC) documents is not included.
17. Additional services if required and approved by the client will be billed in accordance with the Fee Schedule for Professional Services for The WLB Group, Inc.

The City of Flagstaff will provide or be responsible for the following information:

1. Water meter sizes and addresses for the services being replaced with this project.
2. Providing as-built water and sewer line plans for the existing lines in the project limits.
3. Provide the design and specification requirements for the underground street light conduits.
4. Setting up the stakeholder meeting(s).
5. Pay ADEQ review and submittal fees.
6. Acquiring temporary construction easements or PUE's for the construction if needed and all coordination with the impacted party.
7. The City will complete the Engineer's Certificate of Completion (ECC) for water, including all sealed test results for the disinfection, and for the leak testing performed by the City Inspectors. The City of Flagstaff will provide the record drawings/as-builts for the water system, fill out the ADEQ application for Approval of Construction, and make the entire submittal to ADEQ for the Approval of Construction.
8. The City will complete the Request for Discharge Authorization for sewer and make the submittal to ADEQ for Discharge Authorization. This includes the application for Discharge Authorization, preparation of the Engineer's Certificate of Completion (ECC) including the sealed test results observed by the City Inspectors, and the record drawings/as-builts for the sewer system.

END SCOPE OF SERVICES

Compensation:

Our Time and Materials (T&M) Not to Exceed (NTE) budget for the Coconino Phase II Talkington and Side Streets project is $238,156 including sub-consultant fees and reimbursable expenses with a $12,000 Contract Allowance (5%), for a Total Contract Amount of $250,156. The budget is summarized in the table below:

Tasks (Design - T&M NTE)	**Budget**
Task 1 - Data Collection	$13,920
Task 2 - 30% Design Plans	$45,645
Task 3 - 60% Design Plans	$47,795
Task 4 - 90% Design Plans and ADEQ Submittals	$55,190
Task 5 - 100% Design Plans	$15,625
Subtotal (Design - T&M NTE)	**$178,175**
Tasks (Construction Administration - T&M NTE)	**Budget**
Task 6 - Post-Design Services	$20,415
Subtotal (Construction Administration - T&M NTE Budget)	**$198,590**
Speedie and Associates w/Markup (Geotechnical Analysis)	$3,350
Cardno Subsurface Utilities	$34,416
Reimbursable Expenses	$1,800
Project Total	**$238,156**
CONTRACT ALLOWANCE (7.5%)	$12,000
TOTAL CONTRACT AMOUNT	**$250,156**

End of Compensation

HOURLY RATE SCHEDULE

FLAGSTAFF
FEE SCHEDULE FOR PROFESSIONAL SERVICES

TYPICAL HOURLY RATES

Personnel	Hourly Rate
Principal	$170.00
Public Presentation or Expert Testimony	$250.00
Senior Project Manager	$140.00
Project Manager	$130.00
Senior Project: Engineer/Landscape Arch./Planner /Inspector /Surveyor/Designer	$115.00
Project: Engineer/Landscape Arch./Planner /Inspector /Surveyor/Designer	$110.00
Staff: Design Engineer/Landscape Arch./Planner /Inspector /Surveyor/Designer	$105.00
Sr. Cadd Operator	$95.00
Senior Technician	$90.00
Design Technician	$85.00
Technician/Cadd Operator	$80.00
Draftsperson/Assistant Technician	$75.00
Clerical	$60.00
Three Man Survey Crew	$180.00
Two Man Survey Crew	$160.00
One Man Survey Crew	$135.00

Hourly Rate Schedule

July 23, 2019

Eric Weidinger
The WLB Group
500 N. Beaver Street
Flagstaff, AZ 86001

RE: Proposal for Geotechnical Investigation
Coconino Estates Phase II
Crescent Drive, Navajo Drive, and Elizabeth Lane
Flagstaff, AZ
Proposal No. 69955SF

Dear Mr. Weidinger:

We are pleased to provide our cost estimate to conduct a soil investigation at the above referenced site that will satisfy site development and pavement design requirements. All work on this project will be carried out under the overall supervision of a registered Professional Engineer in the state of Arizona.

We understand that construction will consist of roadway and utility improvements north of W. Meade Lane along all of N. Crescent Drive and N. Navajo Drive, and W. Elizabeth Drive from N. Navajo Drive to N. Talkington Drive. Traffic volumes are unknown but expected to consist of light to moderate passenger vehicle traffic with light heavy duty traffic. Adjacent areas will be landscaped or paved to support moderate passenger and light truck traffic. Landscaped areas will be utilized for storm water retention and disposal.

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We will analyze the data obtained from field and laboratory testing and prepare a report presenting all data obtained, together with our conclusions and recommendations regarding:

1. Groundwater conditions, if any, to the depths which will influence design and/or construction of the proposed development.

2. Pavement design to provide economy and adequate service.

3. Suitability of site soils for use as compacted fill and preferred earthwork methods, including clearing, stripping, excavation and construction of engineered fill.

4. Local excavation and trenching conditions and stability considerations.

5. Potential corrosiveness of subsoil materials and procedures to minimize the effects thereof.

Charges for our services have been determined on the basis of our standard Fee and Rate Schedule, a copy of which is attached and made a part hereof. We propose to provide the services set forth herein for a lump sum amount of **$8,000.00**, which includes all testing, engineering and reimbursable expenses, 2 hard copies of the report and a digital pdf copy. Should we be informed that additional copies of the report are needed after it has been finalized, there will be an additional charge of **$15.00** per report. Time from authorization to proceed to final report submittal at this time is on the order of **5 to 7** weeks following our receipt of this signed proposal (authorization to proceed). This time frame does not include delays due to inclement weather or delays in the field not caused by Speedie & Associates and subcontractors.

We appreciate the opportunity to submit this proposal for your consideration. If the terms set forth are satisfactory, please sign the attached copy, and return it for our records.

Respectfully submitted,
SPEEDIE & ASSOCIATES

Ryan M. Thompson, G.I.T

APPROVED AND ACCEPTED
For: The WLB Group

By: _____

Print Name: _____

Date: _____

SPEEDIE AND ASSOCIATES
Geotechnical ▪ Environmental ▪ Materials Engineers

ENGINEERING SERVICES

Northern Arizona 2018 Fee and Rate Schedule

Fees for services will be based upon the time worked on the project at the following rates:

Title	Rate Per Hour
Principal	$ 150.00
Project Manager	110.00
Sr. Geologist/Engineer	110.00
Project Engineer/Geologist	100.00
Environmental Specialist	90.00
Special Inspector (Architectural)	85.00
Special Inspector (Structural/Geotechnical)	85.00
Staff Engineer/Geologist	85.00
Sr. Engineering Technician	75.00
Draftsman	65.00
Materials Testing Technician	55.00
Clerical/Administrative	50.00

REIMBURSABLE EXPENSES
Light Truck Mileage Rate: $0.50 per mile
The following items are reimbursable to the extent of actual expenses plus 25%:

1. Transportation, lodging and subsistence for out of town travel
2. Special mailings and shipping charges
3. Special materials and equipment unique to the project
4. Duplication or reprinting/copying reports

TEST BORINGS AND FIELD INVESTIGATIONS
On projects requiring test borings, test pits, or other explorations, the services of reputable contractors to perform such work shall be obtained.

SUBCONTRACTORS/SUBCONSULTANTS CHARGES
Any charges for subcontractors/subconsultants are subject to a 25% handling fee if invoiced by Speedie & Associates or such charges can be directly paid by the CLIENT.

SPECIAL RATES
The following rates may be subject to a 35% increase:

- Overtime – time over 8 hours per weekday and on Saturday
- Sunday and Holidays
- Rush orders
- Night Shift

EXPERT WITNESS
Deposition and testimony; 4-hour minimum, $250.00 per hour.

The following Terms and Conditions are included and hereto made a part of this agreement.

Initials _____
Initials _____

SPEEDIE AND ASSOCIATES
Geotechnical ▪ Environmental ▪ Materials Engineers

TERMS AND CONDITIONS

1. STANDARD OF CARE

In performing our professional engineering services, Speedie & Associates, Inc. (S&A) will use the degree of care and skill ordinarily exercised by members of our profession currently practicing in the same locality under similar conditions. No warranty, expressed or implied, is made or intended by our proposal for consulting services, our contract, oral or written reports, or services.

2. SCOPE OF SERVICES

2.1 "ON-CALL" SERVICES

Unless otherwise agreed by both parties in writing, all construction materials testing will be performed on an "on-call" basis. Both parties agree that test results for "on-call" testing, where the CLIENT does not request S&A's continuous construction and field observation, will be based only on the representative sample or limited location tested.

2.2 CONSTRUCTION/FIELD OBSERVATION OR REMEDIATION OBSERVATION

If the CLIENT desires more extensive or full-time project observation to help reduce the risk of problems arising during construction, the CLIENT shall request such services as "Additional Services" in accordance with the terms of this agreement. Should the CLIENT for any reason choose not to have S&A provide construction or field observation during the implementation of S&A's specifications or recommendations, or should the CLIENT unduly restrict S&A's assignment of observation personnel, CLIENT shall, to the fullest extent permitted by law, waive any claim against S&A, and indemnify, defend, and hold S&A harmless from any claim or liability for injury or loss arising from field problems allegedly caused by findings, conclusions, recommendations, plans or specifications developed by S&A. CLIENT also shall compensate S&A for any time spent or expenses incurred by S&A in defense of any such claim. Such compensation shall be based upon S&A's prevailing fee and rate schedule.

3. OWNERSHIP OF DOCUMENTS

All reports, plans, specifications, field data, notes and other documents prepared by S&A shall remain the property of S&A. Any reuse of such documents for other purposes must be with the written consent of S&A.

4. SAFETY

While on a CLIENT'S jobsite, S&A's personnel have no authority to exercise any control over any construction contractor, any other entity, or their employees in connection with their work, health or safety precautions. The CLIENT agrees that the General Contractor is solely responsible for jobsite safety and warrants that this intent shall be made evident in the CLIENT'S agreement with the General Contractor. The CLIENT may be charged for additional work for interruption, downtime required, or safety measures required by hazardous job conditions.

5. INSURANCE

Upon request, S&A will furnish certificates of insurance for Workers Compensation, General and Auto insurance, and Professional Errors or Omissions insurance. S&A is not responsible for damage of any cause beyond the coverage of its insurance.

6. INDEMNIFICATION

6.1 ENVIRONMENTAL SERVICES

It is understood and agreed that should the CLIENT hire S&A in matters involving the actual or potential presence of hazardous substances, the CLIENT will indemnify S&A, and its employees and representatives, from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, its employees or representatives. S&A will indemnify the CLIENT from and against claims that are solely the result of negligent acts or omissions on the part of S&A, its employees or representatives.

Initials _____
Initials _____

6.2 NON-ENVIRONMENTAL SERVICES

Both parties agree that S&A's scope of services will not include asbestos, hazardous or toxic materials. Should it become known in any way that such materials may be present at the jobsite or adjacent area that may affect the performance of S&A's services, S&A may suspend its services without any liability until the CLIENT retains appropriate consultation to identify, abate, and/or remove the asbestos, hazardous or toxic materials and warrants that the jobsite is in compliance with applicable laws and regulations. The CLIENT will indemnify S&A and his employees and representatives from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, his employees and representatives. S&A shall indemnify the CLIENT from and against claims, which are solely the result of negligent acts or omissions on the part of S&A, its employees and representatives.

7. LIMITS OF LIABILITY

The CLIENT agrees that S&A shall not be liable for losses caused by or arising from any acts of the CLIENT, his employees or subcontractors. Should any of S&A's employees be found to have been negligent in the performance of professional services rendered, the CLIENT agrees that the maximum aggregate amount of S&A's liability shall be limited to $50,000.00 or the amount of the fee paid to S&A for professional services, whichever amount is greater.

8. WAIVER OF LIMITATION OF PROFESSIONAL LIABILITY

In the event the CLIENT is unwilling or unable to limit liability in accordance with the paragraph above, then CLIENT shall agree to pay S&A a sum equivalent to an additional 20% of the total fee to be charged for the professional services. Said sum is to be called "Waiver of Limitation of Liability Charge." This charge will in no way be construed as being a charge for insurance of any type, but will be increased consideration for the greater risk involved in performing the work up to the limit of proceeds available from S&A's professional insurance coverage.

9. SAMPLE DISPOSAL

9.1 NON-HAZARDOUS SAMPLES

Test samples are substantially altered during testing and are disposed of immediately upon completion of tests. Drilling samples are disposed of thirty (30) days after submission of our report. If requested in writing, samples can be held after thirty (30) days for an additional storage fee, or returned to the CLIENT.

9.2 HAZARDOUS SAMPLES

If toxic or hazardous substances are involved, S&A will return such samples to the CLIENT. Or using a manifest signed by the CLIENT, S&A will have such samples transported to a location selected by the CLIENT for final disposal. The CLIENT agrees to pay all costs for storage, transport and disposal of samples. The CLIENT recognizes and agrees that S&A is acting as a bailee and at no time assumes title to samples involving hazardous or toxic materials.

10. PAYMENT

Progress invoices will be submitted to the CLIENT monthly with a final billing at completion of services. Invoices are due and payable upon receipt. The CLIENT agrees to pay a finance charge of 1.5 % per month on all past due accounts over thirty (30) days. The CLIENT'S obligation to pay for all work contracted is in no way dependent upon the CLIENT'S ability to obtain financing, zoning approval, or the CLIENT'S successful completion of the project. S&A reserves the right to suspend work under its agreement if the CLIENT fails to pay invoices as due. The CLIENT agrees to pay all costs for collection of payment, including attorney's fees.

11. LITIGATION

In the event of litigation between parties to this agreement, if S&A is the prevailing party, S&A shall be entitled to recover all related costs, expenses, and reasonable attorney fees.

Initials _____
Initials _____

September 10, 2019
Revised: October 22, 2019

Eric Weidinger
The WLB Group
500 N. Beaver Street
Flagstaff, AZ 86001

RE: Proposal for Geotechnical Investigation
Coconino Estates Phase II – Additional Improvements
Talkington Drive, Louise Way, Thelma Way, and Hazel Way
Flagstaff, AZ
Proposal No. 69955SF.a

Dear Mr. Weidinger:

We are pleased to provide our cost estimate to conduct a soil investigation at the above referenced site that will satisfy site development and pavement design requirements. All work on this project will be carried out under the overall supervision of a registered Professional Engineer in the state of Arizona.

We understand the scope for this phase of the project has changed to include additional improvements adjacent to the work that has already been proposed north of W. Meade Lane along all of N. Crescent Drive and N. Navajo Drive, and W. Elizabeth Drive from N. Navajo Drive to N. Talkington Drive. The additional scope includes utility and roadway improvements on N. Talkington Drive, Louise Way, Thelma Way, and Hazel Way. Traffic volumes are unknown but expected to consist of light to moderate passenger vehicle traffic with light heavy duty traffic. Adjacent areas will be landscaped or paved to support moderate passenger and light truck traffic. Landscaped areas will be utilized for storm water retention and disposal.

In addition to the proposed work stated in proposal number 69955SF, we will drill and sample sufficient test borings in the additional areas to adequately determine subsoil conditions and provide samples for laboratory testing. Sufficient laboratory tests will be conducted to properly classify the soils encountered and provide data for engineering design. We presently anticipate drilling 6 pavement borings to depths of 10 feet below existing ground surface, or refusal, whichever comes first. The asphalt at all boring locations will be cored for thickness determination and photographic log. Access to the site by conventional truck-mounted drilling equipment is assumed to be free and unencumbered. S&A will arrange for public utilities to be located through Arizona 811 and obtain necessary right-of-way permits and traffic control as required by the City of Flagstaff.

We will analyze the data obtained from field and laboratory testing and prepare a report presenting all data obtained, together with our conclusions and recommendations regarding:

1. Groundwater conditions, if any, to the depths which will influence design and/or construction of the proposed development.

2. Pavement design to provide economy and adequate service.

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4. Local excavation and trenching conditions and stability considerations.

5. Potential corrosiveness of subsoil materials and procedures to minimize the effects thereof.

Charges for our services have been determined on the basis of our standard Fee and Rate Schedule, a copy of which is attached and made a part hereof. We propose to provide the services set forth herein for a lump sum amount of **$3,350.00**, which includes all testing, engineering and reimbursable expenses, 2 hard copies of the report and a digital pdf copy. This pricing assumes that this portion of the work will be performed utilizing the same drill rig in conjunction with the proposed work in proposal number 69955SF. Should we be informed that additional copies of the report are needed after it has been finalized, there will be an additional charge of **$15.00** per report. Time from authorization to proceed to final report submittal at this time is on the order of **5 to 7** weeks following our receipt of this signed proposal (authorization to proceed). This time frame does not include delays due to inclement weather or delays in the field not caused by Speedie & Associates and subcontractors.

We appreciate the opportunity to submit this proposal for your consideration. If the terms set forth are satisfactory, please sign the attached copy, and return it for our records.

Respectfully submitted,
SPEEDIE & ASSOCIATES



Ryan M. Thompson, G.I.T

APPROVED AND ACCEPTED
For: The WLB Group

By: _____

Print Name: _____

Date: _____

SPEEDIE AND ASSOCIATES
Geotechnical ▪ Environmental ▪ Materials Engineers

ENGINEERING SERVICES

Northern Arizona 2018 Fee and Rate Schedule

Fees for services will be based upon the time worked on the project at the following rates:

Title	Rate Per Hour
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Project Engineer/Geologist	100.00
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Light Truck Mileage Rate: $0.50 per mile
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SPEEDIE AND ASSOCIATES
Geotechnical ▪ Environmental ▪ Materials Engineers

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2. SCOPE OF SERVICES

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11. LITIGATION

In the event of litigation between parties to this agreement, if S&A is the prevailing party, S&A shall be entitled to recover all related costs, expenses, and reasonable attorney fees.

Initials _____
Initials _____

July 24, 2019
Mr. Eric Weidinger, P.E.
The WLB Group
500 North Beaver Street
Flagstaff, Arizona 86001

Dear Eric,

Thank you for requesting this proposal for professional services related to Clean Water Act Section 404 Compliance for Coconino Estates Phase II Project in Flagstaff, Arizona.

The proposed project includes construction of an approximately 235-foot-long sewer line in Coconino Estates under North Crescent Drive. Of the 235-foot-long sewer line, approximately 150 feet would be installed under North Crescent drive, and the remaining 85 feet would be installed under the adjacent Flagstaff Urban Trail System trail and would then connect to the existing sewer line in the Rio De Flag. Because the Rio De Flag is considered a "Water of the U.S.", impacts to this drainage will need to be quantified to determine what level of compliance with the Clean Water Act (CWA) will be required. The following outlines our proposed scope of services and fee.

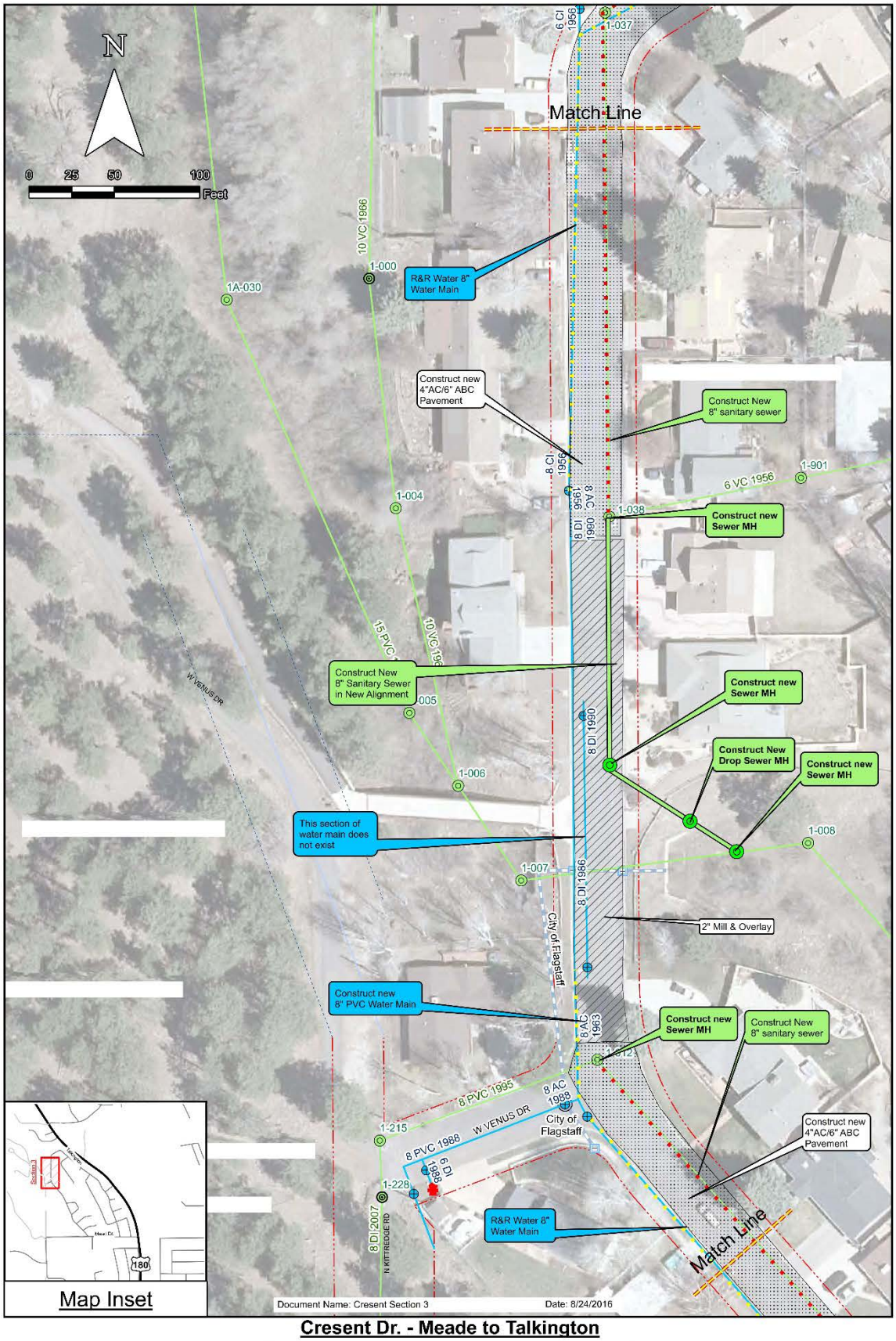
SCOPE

After reviewing the project area map (shown on the next page) and scope of work, it appears that the potential impacts to the Rio De Flag as a result of this project would be under 0.1 acre (approximately 50 linear feet with a 20-foot-wide construction easement). As a result, under Nationwide Permit 12 for utility line construction, no Pre-Construction Notification to the U.S. Army Corps of Engineers would be required for a project that would result in less than 0.1 acre of dredge or fill in a Water of the U.S. However, a wetland/Waters of the U.S. delineation will be required to show the area of impact within the Rio De Flag.

To show that the project will result in less than 0.1 acre of disturbance, a wetland/Waters of the U.S. delineation will be required to show the area of impact within the Ordinary High Water Mark of the Rio De Flag. This will require approximately one day of fieldwork and half of a day for mapping.

After completion of fieldwork, one day of reporting would be required to produce a technical memorandum with a map of the delineation and results of the survey. The quantity of acreage that will be disturbed within the delineation will also be provided within the memo to show that the area of disturbance will indeed be less than 0.1 acre.

Deliverables: Technical memorandum and map(s)



Cresent Dr. - Meade to Talkington

Section 3 -2030 N. Cresent to 2155 Cresent

Utilities Improvements Exhibit

FEE

The proposed lump sum fee is $2,900 including reimbursable expenses.

SCHEDULE

JE Fuller will complete the CWA compliance work in coordination with the overall project schedule. However, we are available to begin review of documents, maps, and data upon approval of this proposal.

ASSUMPTIONS

1. If there are any major changes to the scope of work that require additional disturbance within the Rio De Flag, a Pre-Construction Notification for the Army Corps of Engineers may be required and would necessitate a modification to this proposal.
2. WLB Group will supply any GIS data for the proposed sewer line and construction easement areas.
3. This proposal does not include a biological survey to comply with the Endangered Species Act or a cultural resources survey to comply with the National Historic Preservation Act because we do not feel that they are necessary given the limited area of disturbance.
4. Additional services if required and approved by the client will be negotiated on an as-needed basis.

Authorization to proceed with the services can be acknowledged by signing below and returning a signed copy to JE Fuller (electronic acceptable). Thank you again for the opportunity to provide you with this proposal for services. We look forward to providing you with high quality professional environmental services.

Sincerely,

JE Fuller Hydrology & Geomorphology, Inc.

Joe Loverich, P.E, CFM

Vice President

Acceptance of scope, fee, schedule, terms and conditions:

_____

_____

Printed Name/Title Date

19621 N. 23rd Drive
Suite 150
Phoenix, AZ 85027
602-977-8000 (phone)
www.cardno.com

September 24, 2019

The WLB Group, Inc.
Attn: Eric Weidinger
500 N. Beaver Street
Flagstaff, AZ 86001
Email: eweidinger@wlbgroup.com
Phone: 928-779-1500

RE: Coconino Estates Improvements Phase 2
Flagstaff, Arizona
Subsurface Utility Engineering (SUE)–Scope of Services
Cardno Proposal No. 16104-19-0025

Dear Mr. Weidinger:

Thank you for the opportunity to propose on this project. Our experience providing subsurface utility engineering for State DOTs, counties, municipalities, and various public works departments will enable us to successfully complete this utility investigation and meet the program and project goals. The combination of our resources and experience will provide you with the confidence that Cardno is the right choice to complete the project on time and on budget. For more information, please visit www.cardno.com.

Our Scope of Services is further detailed in the project understanding section of this proposal. This proposal has been prepared for Coconino Estates Improvements - Phase 2. We have provided you with a Time and Material Fee to complete the specific items described within the Scope of Services. We respectfully request any comments or questions you may have.

Thank you again for this opportunity. We are committed to giving you the quality and service that you expect from Cardno.

Sincerely,

Cardno, Inc.



Robert Ramsey, P.E, LEED AP
Business Unit Manager – UES West
Phone: 602.320.8121
Email: robert.e.ramsey@cardno.com

PROJECT UNDERSTANDING

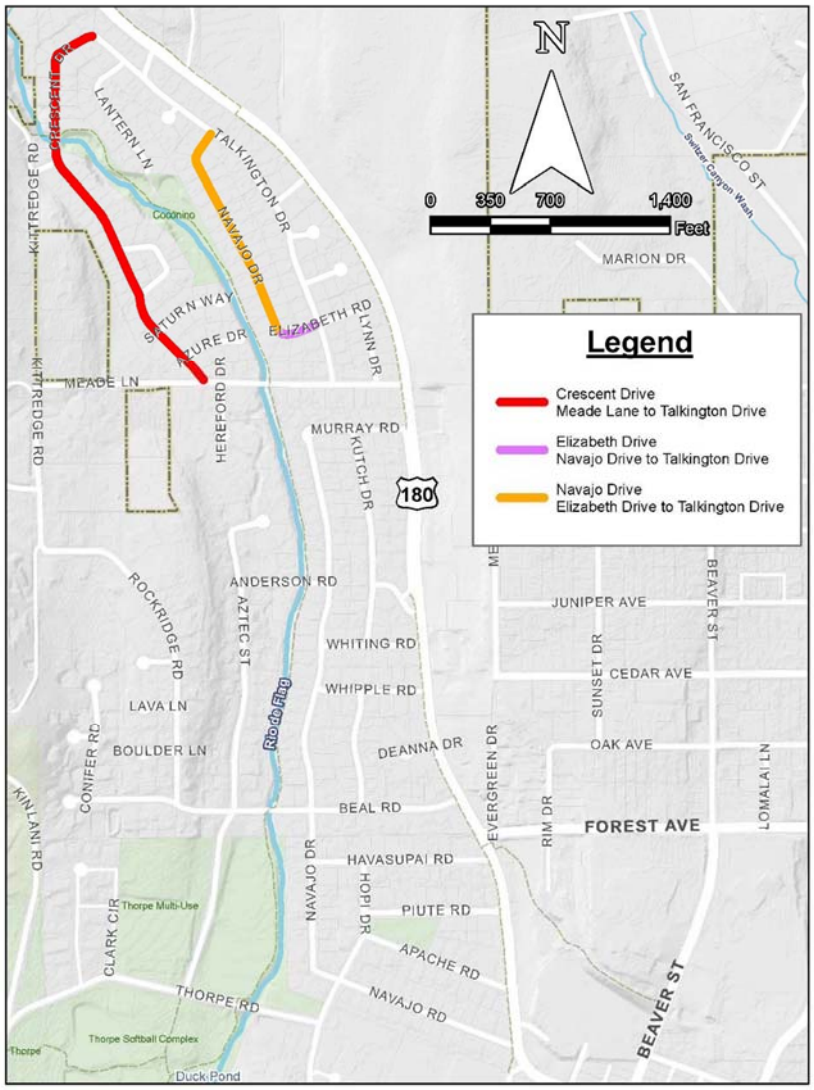
The Cardno team will complete ASCE 38 Quality Level D, C, B, & A Utility Mapping within the project area as defined below. The team will utilize the CI/ASCE 38 standard for collecting and depicting the existing utilities and build the highest quality utility map available. This process will include an iterative field investigation, which will ultimately produce detailed drawings that are signed and sealed by a Professional Engineer in accordance with the requirements of the Standard.

Cardno's general workflow to our approach is outlined below:

1. Perform records research (Quality Level D);
2. Perform survey of existing Utility Appurtenances (Quality Level C)
3. Perform geophysical investigation (Quality Level B designating);
4. Perform survey of utility markings placed by our designators;
5. Complete utility mapping with depictions as outlined in the ASCE 38 standard;
6. QA/QC of our investigative findings based on existing records, maps and as-built information;
7. Complete QLA Test Holes as requested by the design team;
8. Provide mapping of the completed utility investigation findings – signed and sealed by a licensed engineer.

LIMITS OF INVESTIGATION

- The utility investigation will cover the existing City of Flagstaff (COF) right of way of N. Crescent Drive from Talkington Drive to Meade Lane, as well as, along N. Navajo Drive from Talkington Drive to Elizabeth Drive and along Elizabeth Drive from Navajo Drive to Talkington Drive as shown in the figure below. The investigation will also cover approximately 100 feet in all directions of any streets intersecting the previous listed streets.
- The results of utility investigation and any survey work performed in conjunction with the investigation will be tied to the project datum as specified by the WLB Group, Inc.


N
0 350 700 1,400
Feet
Legend
Crescent Drive
Meade Lane to Talkington Drive
Elizabeth Drive
Navajo Drive to Talkington Drive
Navajo Drive
Elizabeth Drive to Talkington Drive
CRESCENT CIR
LANTERN LN
TALKINGTON DR
NAVAJO DR
KITTREDGE RD
Coconino
SATURN WAY
FLURE DR
ELIZABETH RD
LYNN DR
MEADE LN
HEREFORD DR
MURRAY RD
KUTCH DR
180
SAN FRANCISCO ST
Switzer Canyon Wash
MARION DR
ROCKRIDGE RD
ANDERSON RD
AZTEC ST
Rio de Flag
WHITING RD
WHIPPLE RD
LAVA LN
BOULDER LN
CONIFER RD
DEANNA DR
BEAL RD
KINLANI RD
NAVAJO DR
HOPI DR
HAVASUPAI RD
PIUTE RD
APACHE RD
NAVAJO RD
CLARK CIR
Thorpe Multi-Use
THORPE RD
Thorpe Softball Complex
Thorpe
Duck Pond
JUNIPER AVE
CEDAR AVE
OAK AVE
FOREST AVE
SUNSET DR
BEAVER ST
EVERGREEN DR
RIM DR
LOMALAI LN

PROJECT APPROACH

The Cardno team will complete a SUE mapping investigation in accordance with the CI/ASCE Standard 38: *Standard Guideline for the Collection and Depiction of Existing Subsurface Utilities*. ASCE 38 provides a nationally recognized, standard guideline for the collection and depiction of existing subsurface utility data. The quality level provides a professional opinion of the quality and reliability of the utility information. The four quality levels are as follows:

- Quality Level D (QLD): Record research of existing subsurface utilities within the project limits by contacting each utility owner and obtaining their available facility records. This process will substantiate necessary records that will be obtained and the mapping of untraceable (nonmetallic buried without trace wire) utilities that do not meet Quality Level C or B specifications. QLD mapping is based on information obtained from record drawings and includes utility type, ownership, size and material composition.
- Quality Level C (QLC): Inclusive of a QLD effort, the project team will provide QLC mapping of existing untraceable subsurface utilities by correlating surveyed surface evidence to the QLD utility records to obtain the utility location. QLC mapping includes utility type, ownership, size and material composition based on available record information.
- Quality Level B (QLB): Involves the use of QLC and QLD methods of utility investigation and the use of surface geophysical techniques under the direction of a Professional Engineer licensed in the State of Arizona to determine the existence and horizontal position of underground utilities. This activity is called “designating.” The information obtained in this manner is surveyed to project control. Two-dimensional (2D) mapping information is obtained.
- Quality Level A (QLA): Involves the use of QLB, QLC and QLD methods of investigation, plus the use of minimally intrusive excavation methods at critical points to determine the precise horizontal and vertical position of underground utilities, as well as the type, size, condition, material and other characteristics. The excavation and data documentation activity is called Locating "excavation of test holes". It is the highest level of utility certainty presently available. When surveyed and mapped, precise plan and profile information is available for making final design decisions at the test hole locations.

Cardno’s general approach is to perform a QLB investigation using all available geophysical means and methods to identify the location of the subsurface utilities within the project limits. Where QLB data is not able to be obtained, the utility will be show at QLC or QLD depending on available information and surface features.

The scope of services identified below provide for QLB mapping. The following tasks outline in detail our approach to the services to be rendered.

SCOPE OF WORK

A Professional Engineer licensed in the State of Arizona (Consultant) shall oversee, document, stamp and seal a Subsurface Utility Engineering (SUE) investigation of the project area to determine existing utility conditions within the project limits. As part of the SUE investigation for this project the Consultant will work on the following tasks:

- QLD Utility Records Research

  The Cardno team shall perform the following activities as part of their research effort on this project:

  - Conduct a full reconnaissance and utility records research to aid in the identification of Utility Owners that may have facilities on, or be affected by, the SUE project.
  - Collect all applicable utility facility records available through Utility Owner(s), such as one-call notification, service maps, as-built drawings, standard drawings, service plats, construction plans from prior projects, local government or Agency permit exhibit drawings, and oral histories gained through interviews with Utility Owner officials and authorities.
  - Compile a list of all utility companies contacted for information. Note information received with contact information for each response and note non-response if applicable.
  - Attempt to identify all known and unknown utilities, except as noted above, within the project area at QLB and depict those utilities at the actual achieved utility Quality Level.
  - All documents collected and all utility company contacts (including contact info) will be provided to the client

➢ Perform QLC, QLB Investigation

The Cardno team will conduct the following:

- While conducting survey of the QLB designating marks as identified below, Cardno will review the survey of existing visible surface utility appurtenances conducted by the Prime Consultant for the project and their team (The WLB Group, Inc.) and correlate the information provided to the QLD utility records to obtain the utility location. This effort will update the information and mapping to QLC, and all data will be incorporated into the CAD file and final PDF deliverable.
- Utilize geophysical utility locating techniques to determine the true horizontal position of conductive utilities within the project area. The project team will provide QLB mapping of existing traceable (metallic or nonmetallic buried with trace wire) subsurface utilities utilizing a variety of geophysical locating equipment to detect, verify and designate the location of subsurface utilities from above ground. Once designated (horizontally positioned), verified utilities are marked using appropriate pink paint and flagging which is the standard industry color for temporary markings. This field information is then surveyed and mapped into a digitized CAD file compatible with the project design files.
- Cardno will utilize a full suite of geophysical equipment appropriate to existing site conditions for locating the type of utility being investigated. Utilities detected that were not identified by the records research will be termed "undocumented" and depicted on the plans as "unknown" utilities.
- Cardno will use a complimentary suite of geophysical tools in an attempt to determine the location of undocumented utilities but cannot guarantee finding all undocumented utilities. Electromagnetic depths will not be recorded during this investigation.
- As an additional step, Cardno will use inductive scanning techniques in critical areas to attempt to designate the presence of conductive undocumented utilities. QLA Test Holes may be necessary to confirm the existence of undocumented utilities in areas of potential conflicts.
- GPR NOTE: Cardno will conduct an investigation of the project site using Ground Penetrating Radar (GPR) equipment in an effort to detect larger non-metallic utilities. However, the degree of success of a GPR investigation is based entirely on the composition of the soils and the depth and scale of subsurface targets. Electrically non-conductive soils, such as quartz sands, typically allow for the study of phenomena to depths greater than 15 feet. Electrically conductive soils, such as clay, moist silt or saline soils typically preclude the investigation of targets deeper than 3-6 feet. A determination of a maximum attainable depth of investigation requires on-site resistive site calibration of the GPR equipment. Subsequently, due to the unknown receptiveness of specific site soils to the passage of radar energy, conclusive results cannot be guaranteed from GPR.
- QLB depiction will be attempted on all mainline utilities included within Cardno's geophysical investigation, with the exception of sewer, storm drain, and possibly non-metallic water which will be depicted at QLC or QLD dependent upon existing physical appurtenances associated with these lines; utilities that cannot be designated at QLB but have existing physical appurtenances in the field will be depicted at QLC; utilities which cannot be designated at QLB and for which there are no visible physical appurtenances will be depicted at QLD per record.
- Locating and identifying individual utility services to homes and buildings will include water, sewer and natural gas only when they are serviced directly from the City of Flagstaff ROW. Underground storage tanks (USTs), septic fields, traffic loop systems and landscape irrigation are excluded.
- Invert information and, where possible, pipe size/material will be collected at Storm and Sewer Manholes as well as Storm Drain Catch Basins and Drop inlets, where accessible from the surface. The alignment of the sewer pipes will be shown on the drawing based on a combination of record information received, results of the invert investigation, surveyed MH's/CB's and professional judgment. If confined space entry is required to obtain information of offset or excessively deep pipes, extra costs will be incurred and will be discussed with the client in advance.
- Cardno will document top of nut elevations on water valves throughout the project limits. If valves are full of water or debris Cardno will notify the City and request having the valves box cleaned out for further investigation.

➢ Perform Overhead Utility Survey

The Cardno team will research and document overhead utilities within the project limits as follows:

- Pole locations; Ownership and type of utility if available; All data will be incorporated into the CAD drawing and final PDF deliverable. Survey of Pole locations will be Cardno.

➢ Perform CCTV Investigation

The Cardno team will conduct a CCTV investigation of all sanitary sewer lines throughout the project limits:

- The Cardno team will complete a conventional CCTV investigation; daily reports will follow the NASSCO format and standards.
- All sewer laterals encountered during the mainline investigation will also be investigated using CCTV via side launching sondes and video capabilities. The laterals will also be located using a sonde attached to the side launching CCTV apparatus, such that the horizontal position can be determined and mapped/painted on the ground surface. Service laterals will be marked just past the back of curb or back of sidewalk in order to limit disturbance to adjacent residential lots. The field markings will then be surveyed and processed into the project utility base file.
- CCTV work will be completed and a QA/QC review of all CCTV deliverables against the SUE mapping will be completed.

➢ Perform QLA Test Holes (Potholes) per the QLA ASCE 38 Standard

The Cardno team will complete 20 test holes (assumed) on this project at identified conflict locations as follows:

- Cardno can assist the client in determining the critical points based on their design to identify the test hole locations along with an accompanying test hole number.
- Will provide traffic control plans and protection in accordance with the City of Flagstaff specifications and permit requirements. This item will be subcontracted to a local certified traffic control company if required, and permits for all work are assumed to be waived by the City.
- Cardno will obtain required permits (no cost permits), contact state one-call notification system (Blue Stake), and submit one-call tickets prior to excavation.
- Cardno will use the compressed air & vacuum excavation method at critical points to measure and record the precise horizontal and vertical position of underground utilities, as well as the type, size, condition, material and other characteristics. Standard hole size is 12”x12” hole with a depth up to 6 feet deep.
- Backfill of excavated test holes will be in accordance with City of Flagstaff standards.
- The test hole information will be documented on the Cardno Testhole Data Report and then surveyed. The client will receive the reports with the surveyed test hole locations outlined. The testhole reports will be signed and sealed by an Arizona Registered Professional Engineer (licensed with the AZ Board of Technical Registration).

Notes:

- If additional holes are required over and above the 20 holes scoped for this project, they will be done so on a separate task for a separate fee.
- Prior to beginning the QLA test hole work, Cardno will need to receive a list of all requested test holes with accompanying Northing and Easting coordinates
- Each test hole will be assigned a unique ID number and will be marked for survey.
- If rock or concrete is encountered during the excavation and Cardno is not able to excavate through our normal excavation procedures, Client will be immediately notified of the field conditions. Excavation in rock or excavation to a depth greater than 12 feet is considered beyond the scope of this proposal and can be estimated for the Client on a case by case basis.
- If test holes are located in sidewalk or concrete, there will be a per hole charge of $125 per hole to excavate, jackhammer, and remove the existing concrete on the site, saw cut, and conduct 12” x 12” concrete restoration using bagged pre-mixed concrete.
- Dry test holes over QL D or C utilities will be billed at a rate equal of the test hole rate. Extra wide test holes (larger than 18 inches in width) will be billed at 150% of the test hole rate. Any hole excavated over 6’ in depth will be charged $75 per foot.
- Test Holes in which two utilities are found at a separation of more than 18” on center will be billed as two separate test holes. Test Holes which are requested at locations of the crossing of two utilities, will be billed as two separate test holes when the overall hole width exceeds 15”.

DELIVERABLES

- SUE plan set and CAD drawing showing the location of the utilities within the project area. The drawing will depict utilities within the investigation area at the achieved ASCE 38 Quality Level and a 24" x 36" PDF plan set will be signed and stamped by a licensed Professional Engineer.
- Pertinent QLA utility test hole data will be presented in scanned electronic format on our standard "Test Hole Data Summary" and individual "Test Hole Data Report" forms sealed by an Arizona Registered Professional Engineer (licensed with the AZ Board of Technical Registration) that includes the depth, horizontal coordinates, vertical elevation, size, and material composition of the utility line exposed at each test hole.
- Cardno will provide the client with all documents collected during the QLD utility records research efforts
- Cardno will provide the client with the list of all utility companies (including contact information) contacted during the SUE investigation

ASSUMPTIONS

- The WLB Group, Inc. will provide the following:
  - Existing topographic survey which includes sewer manhole lids only as a QC check
  - Survey control
  - Existing right-of-way mapping
  - A list of all active water meters servicing properties throughout the project limits
  - List of all requested test holes with accompanying N&E coordinates
  - Any previously collected utility records, points of contact, as-built plans, and electronic files to be made available for Cardno's use during the utility investigation.
  - ROW and/or boundary work will not be completed by Cardno as part of this scope and fee. Any ROW or boundary line work that Cardno is asked to incorporate into our plans will need to be provided to Cardno for its use. If this information is unable to be provided, it will not be included or shown on the SUE utility plans prepared and submitted by Cardno.
  - This Scope of Services has been detailed to ensure we are providing the services desired and agreed to by the client and Cardno. Services not specifically listed are assumed to be excluded from Cardno's scope.
- Other assumptions:
  - City of Flagstaff will waive all permit fees and therefore have been assumed at zero cost
  - Cleaning of sanitary sewer lines in order to complete the CCTV investigation is not included in this proposal. If sanitary sewer lines require cleaning, Cardno will reach out to the City of Flagstaff and request this work be completed by the City. If Cardno is required to conduct this cleaning, a change order will be required and it will be completed under a separate scope and fee.

PROJECT ESTIMATE

For the services outlined Cardno proposes compensation for the estimated fee identified below. The cost estimate below assumes that the original scope for Phase 2, the additional scope, and the Meade Lane investigations will start simultaneously. If the scoped areas are part of separate timelines, additional mobilization costs may be added on a separate scope and fee.

Cardno

Coconino Estates Phase 2
Subsurface Utility Engineering
Cardno Proposal

PROJECT ESTIMATE			
SUE Quality Level "D, C & B" Designating/Mapping			
*Quality Level "D, C, & B" Designating Subsurface Utilities	48 hours @	$280.00 per hour	$13,440.00
		Subtotal	**$13,440.00**
SUE Quality Level "A" Test Hole Excavation			
*Quality Level "A" Test Hole Estimate	20 holes @	$630.00 per hole	$12,600.00
*Contingency	Extra Depth/Width and/or Concrete Work		$800.00
		Subtotal	**$13,400.00**
CCTV Investigation			
*CCTV Investigation of Sanitary Sewer	Lump Sum		$4,350.00
*CCTV Investigation of Sanitary Sewer Laterals	82 Laterals @	$78.00 per lateral	$6,396.00
		Subtotal	**$10,746.00**
Professional Services			
*Project Manager	2 hours @	$157.00 per hour	$314.00
*Project Engineer	10 hours @	$132.00 per hour	$1,320.00
*SUE Supervisor	12 hours @	$120.00 per hour	$1,440.00
*CAD Technician	32 hours @	$96.00 per hour	$3,072.00
*Admin	2 hours @	$69.00 per hour	$138.00
		Subtotal	**$6,284.00**
Misc., Permits & Maintenance of Traffic			
*Permits: (assumes "zero" cost)	No Cost on Project		$0.00
*Maintenance of Traffic Set-ups, Traffic Plan Preparation & Traffic Plan Permit Submittals	Billed Cost + 10%		$3,500.00
*Slurry Backfill (estimated)	Estimated (Billed Cost + 10%)		$2,000.00
		Subtotal	**$5,500.00**
		TOTAL	**$49,370.00**

* Proposal estimate only, the cost may vary plus or minus do to unknown field conditions & municipality requirements

Note 1: Utility designating rate includes: 2 man designating crew, survey, trucks and equipment. Only the amount designated in the field will be billed and the fee above is estimated only.

Note 2: No permit fees are estimated due to this being a City project. If permits are required they will be billed at cost + 10%

Cardno will not exceed the estimated fee without prior authorization from Client. An invoice will be prepared upon completion for the actual work completed up to the estimated budget amount. We appreciate this opportunity to provide professional SUE and Surveying services for this project. Should you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Cardno, Inc.

Robert Ramsey, P.E, LEED AP
Principle – West Business Unit Manager
Phone: 602.320.8121
Email: robert.e.ramsey@cardno.com

AGREEMENT

This Agreement sets forth the following terms and conditions for retention of Cardno, Inc. ("Cardno") to provide consulting services to The WLB Group, Inc. (hereinafter referred to as "CLIENT") in connection with the subject project.

This Agreement consists of the following identified subparts, all of which are attached hereto and by this reference incorporated herein: SCOPE OF SERVICES, FEE SCHEDULE and GENERAL CONDITIONS.

The basis of Cardno's retention is described in the attached SCOPE OF SERVICES, COMPENSATION and GENERAL CONDITIONS. Client acknowledges they have read and agree to the Scope of Services, Fee Schedule and General Conditions as provided in the General Conditions. Any requested services, which are in addition to the attached Scope of Services, will be invoiced according to Cardno's standard schedule of rates or included in a contract addendum.

THIS IS A LEGALLY BINDING AGREEMENT APPROVED AND AGREED TO:

Approved for: *The WLB Group, Inc.*	Approved for: *Cardno Inc.*
Signed: _____	Signed: 
Name: _____	Name: Robert Ramsey
Title: _____	Title: Principle – West Business Unit Manager
Date: _____	Date: 09/24/19

NOW, THEREFORE, Cardno shall perform the services outlined in this Agreement for the stated fee in accordance with these terms and conditions:

ARTICLE 1: ACCESS TO SITE (if applicable)

Upon execution of this Agreement, the Client represents that they have secured legal rights to access the property and authorizes Cardno staff to access the site for activities necessary for the performance of the services.

ARTICLE 2: PAYMENT

a. Cardno will submit invoices to Client monthly for services provided during the previous month. Each invoice will identify the project name and cost of the services provided. Cardno's rates are subject to increase annually.

b. Within thirty (30) days following Client's receipt of each invoice rendered by Cardno pursuant to this Agreement, Client will pay the amount invoiced. Retainers/deposits shall be credited on the final invoice If Client disputes any portion of an invoice; Client will notify Cardno in writing of such disputed items within 10 days of invoice date. In the event any invoice has not been paid in full within sixty (60) days of the invoice date, Cardno may immediately suspend all or any portion of the Services hereunder indefinitely, pending payment in full of such invoice(s).

c. Interest will accrue on accounts overdue by 30 days at the lesser of 1.5 percent per month (18 percent per annum) or the maximum legal rate of interest allowable. Collection fees and any additional legal costs associated with the recovery of outstanding payments may also be applied

ARTICLE 3: INDEMNIFICATION

Cardno and Client shall indemnify and hold harmless each other from and against damages, liabilities, costs and expenses, including but not limited to reimbursement of reasonable attorney fees arising out of damages or injuries to persons or property to the extent caused by the negligence, gross negligence or willful misconduct by the other party or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement; provided that each party's aforesaid indemnity agreement shall not be applicable to any liability based upon willful misconduct or negligence of the other party. In no event shall either party be responsible for any form of consequential damages, including, but not limited to loss of sales, loss of profits, and attorney fees thereon. For purposes of this Paragraph, the duty to indemnify does not include the duty to pay for or to provide an up-front defense against unproven claims or allegations. Where any claim results from the joint negligence, gross negligence or willful misconduct by Client and Cardno, the amount of such damage for which Client or Cardno is liable as indemnitor under this Paragraph shall equal the proportionate part that the amount of such claim attributable to such indemnitor's negligence, gross negligence or willful misconduct bears to the amount of the total claim attributable to the joint negligence, gross negligence or willful misconduct at issue.

ARTICLE 4: LIMITATION OF LIABILITIES

Notwithstanding any other provision in this Agreement, the Client agrees to strictly limit Cardno's liability under this Agreement or arising from the performance or non-performance of the Services under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, to the lesser of five times the fees paid to Cardno for the Services or the maximum of insurance provided. No claim may be brought against Cardno in contract or tort more than two (2) years after the cause of action arose. Any claim, suit, demand or action brought under this Agreement shall be directed and/or asserted only against Cardno and not against any of Cardno's employees, shareholders, officers or directors. Cardno's liability with respect to any claims arising out of this Agreement shall be limited as provided herein to direct damages arising out of the performance of the Services and Cardno shall not be held responsible or liable whatsoever for any consequential damages, injury or damage incurred by the actions or inactions of the Client, including but not limited to claims for loss of use, loss of profits and loss of markets.

ARTICLE 5: TERMINATION

This Agreement will continue in effect until terminated by either party upon thirty (30) days written notice to the other party. In the event of any termination, Cardno shall be paid for all services rendered and reimbursables incurred through the date of notice of termination. In the event of termination, the Client shall pay all additional costs reasonably related to termination of the project and a proportionate amount of the consideration hereunder commensurate with the portion of the project accomplished.

ARTICLE 6: FORCE MARJEURE

Any suspension, temporary or permanent, in the performance of this Agreement caused by any of the following events and without fault or negligence on the part of the defaulting party shall not constitute a breach of contract: labor strikes, riots, war, acts of governmental authorities, unusually severe weather conditions or other natural catastrophic events, or any other similar event beyond the reasonable control or contemplation of either party.

ARTICLE 7: ASSIGNMENT

Neither party to this Agreement shall, without the prior written consent, of the other party, which shall not be unreasonably withheld, assign the benefit or in any way transfer any claim or obligation under this Agreement or any part hereof. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and except as otherwise provided herein, upon their executors, administrators, successors, and assigns.

ARTICLE 8: OWNERSHIP OF DOCUMENTS

All report documents produced by Cardno under this Agreement shall be made available to the Client upon receipt of full payment for services rendered. Cardno shall retain ownership of all field notes, computer files and project files used to produce the work products and may make copies of all work products.

ARTICLE 9: CONFIDENTIALITY

Cardno will maintain in confidence the nature of its Services, as well as all information made available to Cardno by Client during the term of this Agreement or resulting from Services performed by Cardno under this Agreement. The confidential obligation imposed on Cardno by Paragraph 9, however, will not extend to any such information insofar as, and from such time as Cardno may disclose (i) as required by law, (ii) pursuant to court order, (iii) to its subcontractors, agents or other representatives as may be reasonably necessary to perform its services hereunder (iv) for the purpose of prosecuting or defending any litigation, or (v) Cardno can show by reasonable proof has been in the public domain. Cardno agrees to use information intended to be kept confidential under this Paragraph 9 solely to provide its Services.

ARTICLE 10: NOTICES

Any notices or written statements hereunder shall be deemed to have been given when mailed by certified or registered mail or via email, with receipt of reply, to the party entitled thereto at its address noted at the top of this Agreement or at such other latest address as it may designate in writing to the other party for this purpose.

ARTICLE 11: NON-SOLICITATION

Neither party shall knowingly solicit, recruit, hire or otherwise employ or retain the employees of the other working under this Agreement during the term of this Agreement and for one (1) year following the termination or expiration of this Agreement without the prior written consent of the other party.

ARTICLE 12: WAIVER

Failure by one party to notify the other party of a breach of any provision of this Agreement shall not constitute a waiver of any continuing breach. Failure by one party to enforce any of its rights under this Agreement shall not constitute a waiver of those rights. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

ARTICLE 13: GOVERNING LAW

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be interpreted and governed by the laws of the place of the project.

ARTICLE 14: LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof. This Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

ARTICLE 15: ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties relating to the subject matter of this Agreement and is the entire understanding and agreement related thereto. This Agreement may be amended by mutual consent of the parties in writing to be attached hereto and incorporated herein, executed by Cardno's and the Client's respective representatives.

Cardno
19621 N. 23rd Drive
Suite 150
Phoenix, AZ 85027
602-977-8000 (phone)
www.cardno.com

October 22, 2019

The WLB Group, Inc.
Attn: Eric Weidinger
500 N. Beaver Street
Flagstaff, AZ 86001
Email: eweidinger@wlbgroup.com
Phone: 928-779-1500

RE: Coconino Estates Improvements Phase 2 – Additional Scope
Flagstaff, Arizona
Subsurface Utility Engineering (SUE)–Scope of Services
Cardno Proposal No. 16104-19-0025

Dear Mr. Weidinger:

Thank you for the opportunity to propose on this project. Our experience providing subsurface utility engineering for State DOTs, counties, municipalities, and various public works departments will enable us to successfully complete this utility investigation and meet the program and project goals. The combination of our resources and experience will provide you with the confidence that Cardno is the right choice to complete the project on time and on budget. For more information please visit www.cardno.com.

Our Scope of Services is further detailed in the project understanding section of this proposal. This proposal has been prepared for the Coconino Estates Improvements Phase 2- Additional Scope. We have provided you with a Time and Material Fee to complete the specific items described within the Scope of Services. We respectfully request any comments or questions you may have.

Thank you again for this opportunity. We are committed to giving you the quality and service that you expect from Cardno.

Sincerely,

Cardno, Inc.

James Mueller, P.E.
Project Manager
Phone: 602.977.8076
Email: james.mueller@cardno.com

PROJECT UNDERSTANDING

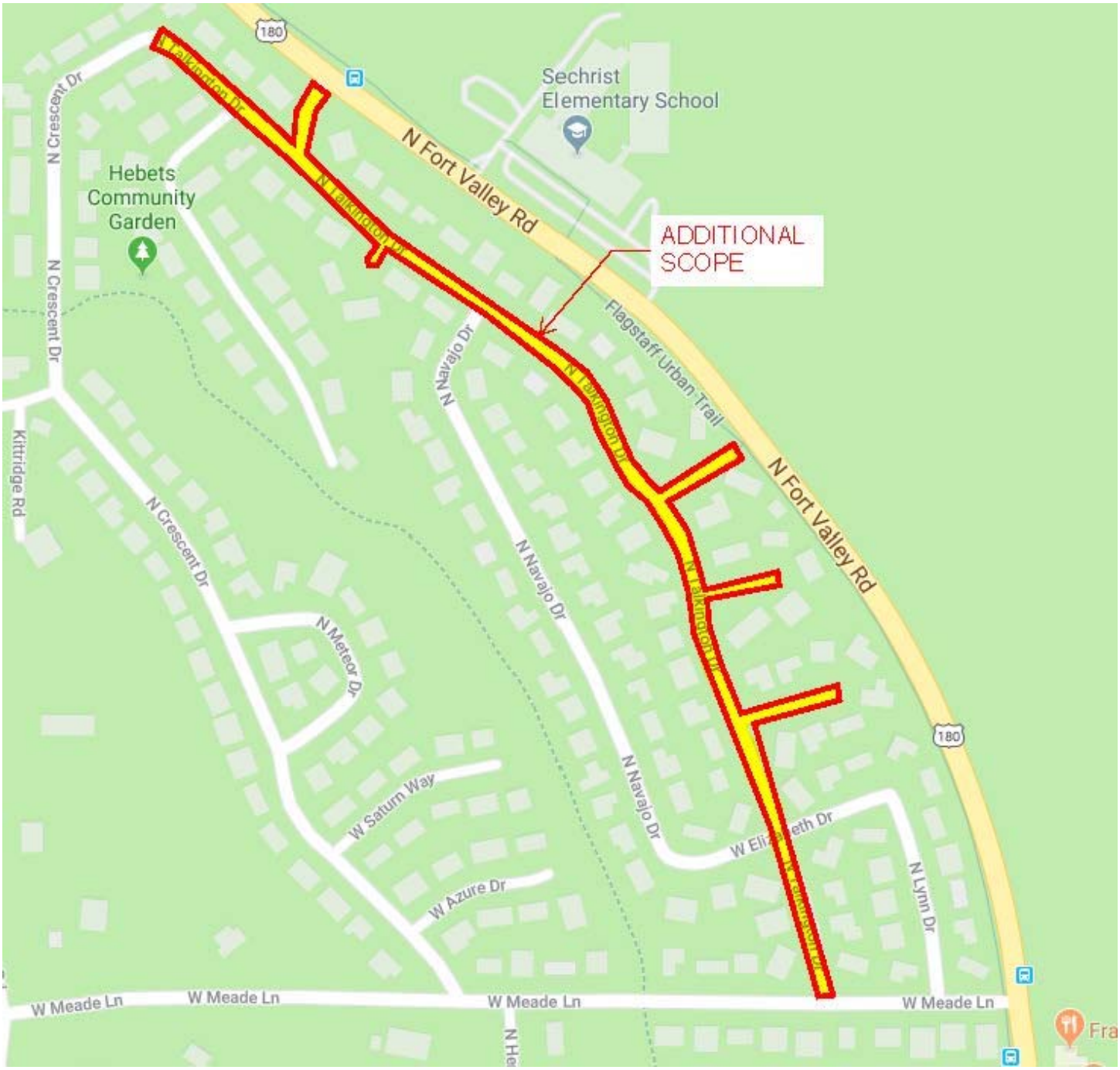
The Cardno team will complete ASCE 38 Quality Level D, C, B, & A Utility Mapping within the project area as defined below. The team will utilize the CI/ASCE 38 standard for collecting and depicting the existing utilities and build the highest quality utility map available. This process will include an iterative field investigation which will ultimately produce detailed drawings that are signed and sealed by a Professional Engineer in accordance with the requirements of the Standard.

Cardno's general workflow for SUE mapping is outlined below:

1. Perform records research (Quality Level D);
2. Perform survey of existing Utility Appurtenances (Quality Level C)
3. Perform geophysical investigation (Quality Level B designating);
4. Perform survey of utility markings placed by our designators;
5. Complete utility mapping with depictions as outlined in the ASCE 38 standard;
6. QA/QC of our investigative findings based on existing records, maps and as-built information;
7. Complete QLA Test Holes as requested by the design team;
8. Provide mapping of the completed utility investigation findings – signed and sealed by a licensed engineer.

LIMITS OF INVESTIGATION

- The utility investigation will cover the existing City of Flagstaff (COF) right of way of N. Talkington Drive from Crescent Drive to West Meade Lane. The investigation will also include the adjacent streets of Louise Way, Davis Way, Thelma Way and Hazel Way, as shown in the figure below.
- The results of utility investigation and any survey work performed in conjunction with the investigation will be tied to the project datum as specified by the WLB Group, Inc.


Sechrist Elementary School
Hebets Community Garden
N Fort Valley Rd
ADDITIONAL SCOPE
N Crescent Dr
N Navajo Dr
Flagstaff Urban Trail
Kittridge Rd
N Meteor Dr
W Saturn Way
W Azure Dr
N Lynn Dr
W Meade Ln
180

PROJECT APPROACH

The Cardno team will complete a SUE mapping investigation in accordance with the CI/ASCE Standard 38: *Standard Guideline for the Collection and Depiction of Existing Subsurface Utilities*. ASCE 38 provides a nationally recognized, standard guideline for SUE mapping. The quality level provides a professional opinion of the quality and reliability of the utility information. The four quality levels are as follows:

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- Quality Level B (QLB): Involves the use of QLC and QLD methods of utility investigation and the use of surface geophysical techniques under the direction of a Professional Engineer licensed in the State of Arizona to determine the existence and horizontal position of underground utilities. This activity is called "designating." The information obtained in this manner is surveyed to project control. Two-dimensional (2D) mapping information is obtained.
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Cardno's general approach is to perform a QLB investigation using all available geophysical means and methods to identify the location of the subsurface utilities within the project limits. Where QLB data is not able to be obtained, the utility will be shown at QLC or QLD depending on available information and surface features.

The following tasks outline in detail our approach to the services to be rendered.

SCOPE OF WORK

A Professional Engineer licensed in the State of Arizona (Consultant) shall oversee, document, stamp and seal a Subsurface Utility Engineering (SUE) investigation of the project area to determine existing utility conditions within the project limits. As part of the SUE investigation for this project the Consultant will work on the following tasks:

- QLD Utility Records Research

  The Cardno team shall perform the following activities as part of their research effort on this project:

  - Conduct a full reconnaissance and utility records research to aid in the identification of Utility Owners that may have facilities on, or be affected by, the SUE project.
  - Collect all applicable utility facility records available through Utility Owner(s), such as one-call notification, service maps, as-built drawings, standard drawings, service plats, construction plans from prior projects, local government or Agency permit exhibit drawings, and oral histories gained through interviews with Utility Owner officials and authorities.
  - Compile a list of all utility companies contacted for information. Note information received with contact information for each response and note non-response if applicable.
  - Attempt to identify all known and unknown utilities, except as noted above, within the project area at QLB and depict those utilities at the actual achieved utility Quality Level.
  - All documents collected and all utility company contacts (including contact info) will be provided to the client

➢ Perform QLC, QLB Investigation

The Cardno team will conduct the following:

- While conducting survey of the QLB designating marks as identified below, Cardno will survey existing visible surface utility features and correlate the information provided to the QLD utility records to obtain the utility location. This effort will update the information and mapping to QLC, and all data will be incorporated into the CAD file and final PDF deliverable.
- Utilize geophysical utility locating techniques to determine the true horizontal position of conductive utilities within the project area. The project team will provide QLB mapping of existing traceable (metallic or nonmetallic buried with trace wire) subsurface utilities utilizing a variety of geophysical locating equipment to detect, verify and designate the location of subsurface utilities from above ground. Once designated (horizontally positioned), verified utilities are marked using appropriate pink paint and flagging which is the standard industry color for temporary markings. This field information is then surveyed and mapped into a digitized CAD file compatible with the project design files.
- Cardno will utilize a full suite of geophysical equipment appropriate to existing site conditions for locating the type of utility being investigated. Utilities detected that were not identified by the records research will be termed "undocumented" and depicted on the plans as "unknown" utilities.
- Cardno will use a complimentary suite of geophysical tools in an attempt to determine the location of undocumented utilities but cannot guarantee finding all undocumented utilities. Electromagnetic depths will not be recorded during this investigation.
- As an additional step, Cardno will use inductive scanning techniques in critical areas to attempt to designate the presence of conductive undocumented utilities. QLA Test Holes may be necessary to confirm the existence of undocumented utilities in areas of potential conflicts.
- GPR NOTE: Cardno will conduct an investigation of the project site using Ground Penetrating Radar (GPR) equipment in an effort to detect larger non-metallic utilities. However, the degree of success of a GPR investigation is based entirely on the composition of the soils and the depth and scale of subsurface targets. Electrically non-conductive soils, such as quartz sands, typically allow for the study of phenomena to depths greater than 15 feet. Electrically conductive soils, such as clay, moist silt or saline soils, typically preclude the investigation of targets deeper than 3-6 feet. A determination of a maximum attainable depth of investigation requires on-site resistive site calibration of the GPR equipment. Subsequently, due to the unknown receptiveness of specific site soils to the passage of radar energy, conclusive results cannot be guaranteed from GPR.
- QLB depiction will be attempted on all mainline utilities included within Cardno's geophysical investigation, with the exception of sewer, storm drain, and possibly non-metallic water which will be depicted at QLC or QLD dependent upon existing physical appurtenances associated with these lines; utilities that cannot be designated at QLB but have existing physical appurtenances in the field will be depicted at QLC; utilities which cannot be designated at QLB and for which there are no visible physical appurtenances will be depicted at QLD per record.
- Locating and identifying individual utility services to homes and buildings will include water, sewer and natural gas only when they are serviced directly from the City of Flagstaff ROW. Underground storage tanks (USTs), septic fields, traffic loop systems and landscape irrigation are excluded.
- Invert information and, where possible, pipe size/material will be collected at Storm and Sewer Manholes as well as Storm Drain Catch Basins and Drop inlets, where accessible from the surface. The alignment of the sewer pipes will be shown on the drawing based on a combination of record information received, results of the invert investigation, surveyed MH's/CB's and professional judgment. If confined space entry is required to obtain information of offset or excessively deep pipes, extra costs will be incurred and will be discussed with the client in advance.
- Cardno will document top of nut elevations on water valves throughout the project limits. If valves are full of water or debris Cardno will notify the City and request having the valves box cleaned out for further investigation.

➢ Perform Overhead Utility Survey

The Cardno team will research and document overhead utilities within the project limits as follows:

- Pole locations; Ownership and type of utility if available; All data will be incorporated into the CAD drawing and final PDF deliverable.

➢ Perform CCTV Investigation

The Cardno team will conduct a CCTV investigation of all sanitary sewer lines throughout the project limits:

- The Cardno team will complete a conventional CCTV investigation, daily reports will follow the NASSCO format and standards.
- All sewer laterals encountered during the mainline investigation will also be investigated using CCTV via side launching sondes and video capabilities. The laterals will also be located using a sonde attached to the side launching CCTV apparatus, such that the horizontal position can be determined and mapped/painted on the ground surface. Service laterals will be marked just past the back of curb or back of sidewalk in order to limit disturbance to adjacent residential lots. The field markings will then be surveyed and processed into the project utility base file.
- CCTV work will be completed and a QA/QC review of all CCTV deliverables against the SUE mapping will be completed.

➢ Perform QLA Test Holes (Potholes) per the QLA ASCE 38 Standard

The Cardno team will complete 10 test holes (assumed) on this project at identified conflict locations as follows:

- Cardno can assist the client in determining the critical points based on their design to identify the test hole locations along with an accompanying test hole number.
- Will provide traffic control plans and protection in accordance with the City of Flagstaff specifications and permit requirements. This item will be subcontracted to a local certified traffic control company if required, and permits for all work are assumed to be waived by the City.
- Cardno will obtain required permits (no cost permits), contact state one-call notification system (Blue Stake), and submit one-call tickets prior to excavation.
- Cardno will use the compressed air & vacuum excavation method at critical points to measure and record the precise horizontal and vertical position of underground utilities, as well as the type, size, condition, material and other characteristics. Standard hole size is 12”x12” hole with a depth up to 6 feet deep.
- Backfill of excavated test holes will be in accordance with City of Flagstaff standards.
- The test hole information will be documented on the Cardno Testhole Data Report and then surveyed. The client will receive the reports with the surveyed test hole locations outlined. The testhole reports will be signed and sealed by an Arizona Registered Professional Engineer (licensed with the AZ Board of Technical Registration).

Notes:

- If additional holes are required over and above the 10 holes scoped for this project, they will be done so on a separate task for a separate fee.
- Prior to beginning the QLA test hole work, Cardno will need to receive a list of all requested test holes with accompanying Northing and Easting coordinates
- Each test hole will be assigned a unique ID number and will be marked for survey.
- If rock or concrete is encountered during the excavation and Cardno is not able to excavate through our normal excavation procedures, Client will be immediately notified of the field conditions. Excavation in rock or excavation to a depth greater than 12 feet is considered beyond the scope of this proposal and can be estimated for the Client on a case by case basis.
- If test holes are located in sidewalk or concrete, there will be a per hole charge of $125 per hole to excavate, jackhammer, and remove the existing concrete on the site, saw cut, and conduct 12” x 12” concrete restoration using bagged pre-mixed concrete.
- Dry test holes over QL D or C utilities will be billed at a rate equal of the test hole rate. Extra wide test holes (larger than 18 inches in width) will be billed at 150% of the test hole rate. Any hole excavated over 6’ in depth will be charged $75 per foot.
- Test Holes in which two utilities are found at a separation of more than 18” on center will be billed as two separate test holes. Test Holes which are requested at locations of the crossing of two utilities, will be billed as two separate test holes when the overall hole width exceeds 15”.

DELIVERABLES

- SUE plan set and CAD drawing showing the location of the utilities within the project area. The drawing will depict utilities within the investigation area at the achieved ASCE 38 Quality Level and a 24" x 36" PDF plan set will be signed and stamped by a licensed Professional Engineer.
- Pertinent QLA utility test hole data will be presented in scanned electronic format on our standard "Test Hole Data Summary" and individual "Test Hole Data Report" forms sealed by an Arizona Registered Professional Engineer (licensed with the AZ Board of Technical Registration) that includes the depth, horizontal coordinates, vertical elevation, size, and material composition of the utility line exposed at each test hole.
- Cardno will provide the client with all documents collected during the QLD utility records research efforts
- Cardno will provide the client with the list of all utility companies (including contact information) contacted during the SUE investigation

ASSUMPTIONS

- The WLB Group, Inc. will provide the following:
  - Existing topographic survey which includes sewer manhole lids only as a QC check
  - Survey control
  - Existing right-of-way mapping
  - A list of all active water meters servicing properties throughout the project limits
  - List of all requested test holes with accompanying N&E coordinates
  - Any previously collected utility records, points of contact, as-built plans, and electronic files to be made available for Cardno's use during the utility investigation.
  - ROW and/or boundary work will not be completed by Cardno as part of this scope and fee. Any ROW or boundary line work that Cardno is asked to incorporate into our plans will need to be provided to Cardno for its use. If this information is unable to be provided, it will not be included or shown on the SUE utility plans prepared and submitted by Cardno.
  - This Scope of Services has been detailed to ensure we are providing the services desired and agreed to by the client and Cardno. Services not specifically listed are assumed to be excluded from Cardno's scope.
- Other assumptions:
  - City of Flagstaff will waive all permit fees and therefore have been assumed at zero cost
  - Cleaning of sanitary sewer lines in order to complete the CCTV investigation is not included in this proposal. If sanitary sewer lines require cleaning, Cardno will reach out to the City of Flagstaff and request this work be completed by the City. If Cardno is required to conduct this cleaning, a change order will be required and it will be completed under a separate scope and fee.

PROJECT ESTIMATE

For the services outlined Cardno proposes compensation for the estimated fee identified below. The cost estimate below assumes that the original scope for Phase 2 and the additional scope detailed herein will start simultaneously. If the scoped areas are part of separate timelines, additional mobilization costs may be added on a separate scope and fee.

Coconino Estates Phase 2 -Additional Scope
Subsurface Utility Engineering
Cardno Proposal

PROJECT ESTIMATE			
SUE Quality Level "D, C & B" Designating/Mapping			
*Quality Level "D, C, & B" Designating Subsurface Utilities	40 hours @	$280.00 per hour	$11,200.00
		Subtotal	**$11,200.00**
SUE Quality Level "A" Test Hole Excavation			
*Quality Level "A" Test Hole Estimate	10 holes @	$630.00 per hole	$6,300.00
*Contingency	Extra Depth/Width and/or Concrete Work		$600.00
		Subtotal	**$6,900.00**
CCTV Investigation			
*CCTV Investigation of Sanitary Sewer	Lump Sum		$2,800.00
*CCTV Investigation of Sanitary Sewer Laterals	60 Laterals @	$78.00 per lateral	$4,680.00
		Subtotal	**$7,480.00**
Professional Services			
*Project Manager	2 hours @	$157.00 per hour	$314.00
*Project Engineer	8 hours @	$132.00 per hour	$1,056.00
*SUE Supervisor	12 hours @	$120.00 per hour	$1,440.00
*CAD Technician	28 hours @	$96.00 per hour	$2,688.00
*Admin	2 hours @	$69.00 per hour	$138.00
		Subtotal	**$5,636.00**
Misc., Permits & Maintenance of Traffic			
*Permits: (assumes "zero" cost)	No Cost on Project		$0.00
*Maintenance of Traffic Set-ups, Traffic Plan Preparation & Traffic Plan Permit Submittals	Billed Cost + 10%		$2,000.00
*Slurry Backfill (estimated)	Estimated (Billed Cost + 10%)		$1,200.00
		Subtotal	**$3,200.00**
		TOTAL	**$34,416.00**

* Proposal estimate only, the cost may vary plus or minus do to unknown field conditions & municipality requirements

Note 1: Utility designating rate includes: 2 man designating crew, survey, trucks and equipment. Only the amount designated in the field will be billed and the fee above is estimated only.

Note 2: No permit fees are estimated due to this being a City project. If permits are required they will be billed at cost + 10%

Cardno will not exceed the estimated fee without prior authorization from Client. An invoice will be prepared upon completion for the actual work completed up to the estimated budget amount. We appreciate this opportunity to provide professional SUE and Surveying services for this project. Should you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Cardno, Inc.

James Mueller, P.E.
Project Manager
Phone: 602.977.8076
Email: james.mueller@cardno.com

AGREEMENT

This Agreement sets forth the following terms and conditions for retention of Cardno, Inc. ("Cardno") to provide consulting services to The WLB Group, Inc. (hereinafter referred to as "CLIENT") in connection with the subject project.

This Agreement consists of the following identified subparts, all of which are attached hereto and by this reference incorporated herein: SCOPE OF SERVICES, FEE SCHEDULE and GENERAL CONDITIONS.

The basis of Cardno's retention is described in the attached SCOPE OF SERVICES, COMPENSATION and GENERAL CONDITIONS. Client acknowledges they have read and agree to the Scope of Services, Fee Schedule and General Conditions as provided in the General Conditions. Any requested services which are in addition to the attached Scope of Services will be invoiced according to Cardno's standard schedule of rates or included in a contract addendum.

THIS IS A LEGALLY BINDING AGREEMENT APPROVED AND AGREED TO:

Approved for: *The WLB Group, Inc.*	Approved for: *Cardno Inc.*
Signed:_____	Signed: James Mueller
Name:_____	Name: James Mueller
Title:_____	Title: Project Manager
Date:_____	Date: 10/22/19

NOW, THEREFORE, Cardno shall perform the services outlined in this Agreement for the stated fee in accordance with these terms and conditions:

ARTICLE 1: ACCESS TO SITE (if applicable)

Upon execution of this Agreement, the Client represents that they have secured legal rights to access the property and authorizes Cardno staff to access the site for activities necessary for the performance of the services.

ARTICLE 2: PAYMENT

a. Cardno will submit invoices to Client monthly for services provided during the previous month. Each invoice will identify the project name and cost of the services provided. Cardno's rates are subject to increase annually.

b. Within thirty (30) days following Client's receipt of each invoice rendered by Cardno pursuant to this Agreement, Client will pay the amount invoiced. Retainers/deposits shall be credited on the final invoice If Client disputes any portion of an invoice; Client will notify Cardno in writing of such disputed items within 10 days of invoice date. In the event any invoice has not been paid in full within sixty (60) days of the invoice date, Cardno may immediately suspend all or any portion of the Services hereunder indefinitely, pending payment in full of such invoice(s).

c. Interest will accrue on accounts overdue by 30 days at the lesser of 1.5 percent per month (18 percent per annum) or the maximum legal rate of interest allowable. Collection fees and any additional legal costs associated with the recovery of outstanding payments may also be applied

ARTICLE 3: INDEMNIFICATION

Cardno and Client shall indemnify and hold harmless each other from and against damages, liabilities, costs and expenses, including but not limited to reimbursement of reasonable attorney fees arising out of damages or injuries to persons or property to the extent caused by the negligence, gross negligence or willful misconduct by the other party or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement; provided that each party's aforesaid indemnity agreement shall not be applicable to any liability based upon willful misconduct or negligence of the other party. In no event shall either party be responsible for any form of consequential damages, including, but not limited to loss of sales, loss of profits, and attorney fees thereon. For purposes of this Paragraph, the duty to indemnify does not include the duty to pay for or to provide an up-front defense against unproven claims or allegations. Where any claim results from the joint negligence, gross negligence or willful misconduct by Client and Cardno, the amount of such damage for which Client or Cardno is liable as indemnitor under this Paragraph shall equal the proportionate part that the amount of such claim attributable to such indemnitor's negligence, gross negligence or willful misconduct bears to the amount of the total claim attributable to the joint negligence, gross negligence or willful misconduct at issue.

ARTICLE 4: LIMITATION OF LIABILITIES

Notwithstanding any other provision in this Agreement, the Client agrees to strictly limit Cardno's liability under this Agreement or arising from the performance or non-performance of the Services under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, to the lesser of five times the fees paid to Cardno for the Services or the maximum of insurance provided. No claim may be brought against Cardno in contract or tort more than two (2) years after the cause of action arose. Any claim, suit, demand or action brought under this Agreement shall be directed and/or asserted only against Cardno and not against any of Cardno's employees, shareholders, officers or directors. Cardno's liability with respect to any claims arising out of this Agreement shall be limited as provided herein to direct damages arising out of the performance of the Services and Cardno shall not be held responsible or liable whatsoever for any consequential damages, injury or damage incurred by the actions or inactions of the Client, including but not limited to claims for loss of use, loss of profits and loss of markets.

ARTICLE 5: TERMINATION

This Agreement will continue in effect until terminated by either party upon thirty (30) days written notice to the other party. In the event of any termination, Cardno shall be paid for all services rendered and reimbursables incurred through the date of notice of termination. In the event of termination, the Client shall pay all additional costs reasonably related to termination of the project and a proportionate amount of the consideration hereunder commensurate with the portion of the project accomplished.

ARTICLE 6: FORCE MARJEURE

Any suspension, temporary or permanent, in the performance of this Agreement caused by any of the following events and without fault or negligence on the part of the defaulting party shall not constitute a breach of contract: labor strikes, riots, war, acts of governmental authorities, unusually severe weather conditions or other natural catastrophic events, or any other similar event beyond the reasonable control or contemplation of either party.

ARTICLE 7: ASSIGNMENT

Neither party to this Agreement shall, without the prior written consent, of the other party, which shall not be unreasonably withheld, assign the benefit or in any way transfer any claim or obligation under this Agreement or any part hereof. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and except as otherwise provided herein, upon their executors, administrators, successors, and assigns.

ARTICLE 8: OWNERSHIP OF DOCUMENTS

All report documents produced by Cardno under this Agreement shall be made available to the Client upon receipt of full payment for services rendered. Cardno shall retain ownership of all field notes, computer files and project files used to produce the work products and may make copies of all work products.

ARTICLE 9: CONFIDENTIALITY

Cardno will maintain in confidence the nature of its Services, as well as all information made available to Cardno by Client during the term of this Agreement or resulting from Services performed by Cardno under this Agreement. The confidential obligation imposed on Cardno by Paragraph 9, however, will not extend to any such information insofar as, and from such time as Cardno may disclose (i) as required by law, (ii) pursuant to court order, (iii) to its subcontractors, agents or other representatives as may be reasonably necessary to perform its services hereunder (iv) for the purpose of prosecuting or defending any litigation, or (v) Cardno can show by reasonable proof has been in the public domain. Cardno agrees to use information intended to be kept confidential under this Paragraph 9 solely to provide its Services.

ARTICLE 10: NOTICES

Any notices or written statements hereunder shall be deemed to have been given when mailed by certified or registered mail or via email, with receipt of reply, to the party entitled thereto at its address noted at the top of this Agreement or at such other latest address as it may designate in writing to the other party for this purpose.

ARTICLE 11: NON-SOLICITATION

Neither party shall knowingly solicit, recruit, hire or otherwise employ or retain the employees of the other working under this Agreement during the term of this Agreement and for one (1) year following the termination or expiration of this Agreement without the prior written consent of the other party.

ARTICLE 12: WAIVER

Failure by one party to notify the other party of a breach of any provision of this Agreement shall not constitute a waiver of any continuing breach. Failure by one party to enforce any of its rights under this Agreement shall not constitute a waiver of those rights. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

ARTICLE 13: GOVERNING LAW

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be interpreted and governed by the laws of the place of the project.

ARTICLE 14: LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof. This Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

ARTICLE 15: ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties relating to the subject matter of this Agreement and is the entire understanding and agreement related thereto. This Agreement may be amended by mutual consent of the parties in writing to be attached hereto and incorporated herein, executed by Cardno's and the Client's respective representatives.

FEE PROPOSAL WORKSHEET - Coconino Estates Phase II

Crescent and Navajo (RR&SS)

CLIENT: COF - Eli Reisner

DATE: 10/23/2019

BY: EW

LABOR

Task Description	Principal $170	Senior Project Manager $140	Project Manager PE / RLA / RLS $130	Senior Project: Engineer / Landscape $115	Project: Engineer / Landscape Arch. / $110	Staff: Design Engineer / Landscape Arch. / $105	Senior CADD Operator $95	Senior Technician $90	Design Technician $85	Technician / CADD Drafter $80	Draftsperson / Assistant Technician $75	Admin/ Support $60	Three Man Survey Crew $180	Two Man Survey Crew $160	One Man Survey Crew $135	Total Labor Hours	Total Labor Cost	Expenses	Sub Consultant Cost	TOTAL PROJECT COST
Task 1 - Data Collection	**13**	**-**	**53**	**-**	**-**	**68**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**138**	**$16,480**	**$ 100**		**$16,580**
Task 1A - Results of Survey Exhibit	**4**	**-**	**13**	**-**	**-**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45**	**$5,310**	**$ -**		**$5,310**
Prepare Results of Survey Exhibit	1		3			8										12	1,400	$ -		
Merge Topograpy and Utility Basemaps and QC	2		8			16										26	3,060	$ -		
QA/QC Reviews.	1		2			4										7	850	$ -		
																-	-	$ -		
Task 1B -Speedie, JE Fuller and Cardno Subconsulatants	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**$0**	**$ -**	**$ 61,360**	**$61,360**
Speedie and Associates Geotechnical																-	-	$ -	$ 8,800	
Cardno Sub Surface Utility Investigation																-	-	$ -	$ 49,370	
JE Fuller 404 Mapping																-	-	$ -	$ 3,190	
																-	-	$ -		
Task 1C - Updated Scoping Plan	**9**	**-**	**40**	**-**	**-**	**40**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**93**	**$11,170**	**$ -**		**$11,170**
Determine Roadway Section for layout	1		8													9	1,210	$ -		
Determine Pavement Section with the City of Flagstaff	1		4													5	690	$ -		
Determine Limits of Mill and Overlay and Full Depth	1		4													5	690	$ -		
Determine Water and Sewer Line Alignments	2		8													10	1,380	$ -		
Prepare Updated Scoping Plan (6 to 7 Sheets)	4		16			40						4				64	7,200	$ -		
																-	-	$ -		
Task 2 - Concept 30% Plans	**15**	**8**	**116**	**-**	**-**	**238**	**-**	**-**	**-**	**84**	**-**	**2**	**-**	**-**	**-**	**463**	**$50,580**	**$ 300**		**$50,880**
Comment Resolution Updated Scoping Plan	2		4			4										10	1,280	$ -		
Coordinate COF, Cardno Pothole locations - Produce Exhibit			4							8						12	1,160	$ -		
Stake Holder Coordination	1		2			2										5	640	$ -		
Bi Weekly Meetings (3 Meeting)	3		6			6										15	1,920	$ -		
Compile Meeting Notes/Emails into a Design Concept Report	2		12			40										54	6,100	$ -		
Cover/Notes/Details (6)			6			18										24	2,670	$ -		
Control (1)	1		2			8										11	1,270	$ -		
Water Index (1)			2			8				4						14	1,420	$ -		
Sewer Index (1)			2			8				4						14	1,420	$ -		
Street Removals/Grading&Drainge Plan - Triple View Profile (8)	2		32			64				24						122	13,140	$ -		
Utility Plan/Profile - Locate Conflicts (9)	1		24			64				24						113	11,930	$ -		
(2) ENG EST - (1) Remove and Replace (1) New Additions	1		8			8				8						25	2,690	$ -		
QA/QC	2	8	8			8				8		2				36	4,100	$ -		
Submittal to City			4							4						8	840	$ -		
																-	-	$ -		
Task 3 - 60% Design Documents	**24**	**8**	**126**	**-**	**-**	**243**	**-**	**-**	**-**	**136**	**-**	**2**	**-**	**-**	**-**	**539**	**$58,095**	**$ 300**		**$58,395**
Review 30% Comments VE Options	4		4			4										12	1,620	$ -		
Cover/Notes/Details (7)	1		12			21				16						50	5,215	$ -		
Control (1)	1		2			6				4						13	1,380	$ -		
Water Index (1)	1		4			16				12						33	3,330	$ -		
Sewer Index (1)	1		4			16				12						33	3,330	$ -		
Street Removals/Grading&Drainge Plan - Triple View Profile (8)	4		32			64				24						124	13,480	$ -		
Utility Plan/Profile (9)	4		32			64				24						124	13,480	$ -		
SWPPP (2)			2							16						18	1,540	$ -		
Prepare Preliminary Drainage Memo	2		8			32				8		2				52	5,500	$ -		
Bi Weekly Meetings (3)	1		4			2										7	900	$ -		
Stake Holder Coordination Continuation	1		2			2										5	640	$ -		
(2) ENG EST - (1) Remove and Replace (1) New Additions	2		8			8				8						26	2,860	$ -		
QA/QC	2	8	8			8				8						34	3,980	$ -		
Submittal to City			4							4						8	840	$ -		
																-	-	$ -		
Task 4 - 90% Plans and Specifications	**25**	**16**	**120**	**-**	**-**	**248**	**-**	**-**	**-**	**108**	**-**	**2**	**-**	**-**	**-**	**519**	**$56,890**	**$ 500**		**$57,390**
Review 60% Comments VE Options	4		4			4										12	1,620	$ -		
Cover/Notes/Details/Ramp Details	1		6			24				16						47	4,750	$ -		
Control (1)			1			2				4						7	660	$ -		
Water Index (1)	1		2			8				4						15	1,590	$ -		
Sewer Index (1)	1		2			8				4						15	1,590	$ -		
Street Removals/Grading&Drainge Plan - Triple View Profile (8)	4		24			72				16						116	12,640	$ -		
Utility Plan/Profile (9)	4		24			72				16						116	12,640	$ -		
SWPPP (2)			4			4				8						16	1,580	$ -		
Prepare Final Drainage Memo	1		8			16				8		2				35	3,650	$ -		
Draft of Special Provisions	2		8			8										18	2,220	$ -		
Bi Weekly Meetings (3	2		4			4										10	1,280	$ -		
Stake Holder Coordination Continuation			4			2										6	730	$ -		
(2) ENG EST - (1) Remove and Replace (1) New Additions	1		8			8				8						25	2,690	$ -		
QA/QC	4	16	16			16				16						68	7,960	$ -		
Submittal to City			4							4						8	840	$ -		
Submit to Franchise Utilities			1							4						5	450	$ -		
																-	-	$ -		
Task 4A - ADEQ Submittal	**6**	**4**	**24**	**-**	**-**	**40**	**-**	**-**	**-**	**32**	**-**	**-**	**-**	**-**	**-**	**106**	**$11,460**	**$ -**		**$11,460**
Engineer's Design Report Waterline	2	2	8			16				8						36	3,980	$ -		
Engineer's Design Report Sewer line	2	2	8			24				8						44	4,820	$ -		
ADEQ Submittal for Approval Water	1		4							8						13	1,330	$ -		
ADEQ Submittal for Approval Sewer	1		4							8						13	1,330	$ -		
																-	-	$ -		
Task 5 - 100% Plans and Specifications	**8**	**8**	**53**	**-**	**-**	**74**	**-**	**-**	**-**	**38**	**-**	**-**	**-**	**-**	**-**	**181**	**$20,180**	**$ 500**		**$20,680**
Review 90% Comments VE Options	2		2			2										6	810	$ -		
Revise Plans	2		24			40				32						98	10,220	$ -		
Revise Drainage Memo			2			8										10	1,100	$ -		
Revise Specifications	2		4			4										10	1,280	$ -		
ADEQ Comment Revisions for Approval Water	1		4			8										13	1,530	$ -		
ADEQ Comment Revisions for Approval Sewer	1		4			8										13	1,530	$ -		
Obtain Franchise Utility Acknowledgements						4										4	420	$ -		
Submittal to City			4							4						8	840	$ -		
Submit Mylars for Signatures			1							2						3	290	$ -		
QA/QC		8	8													16	2,160	$ -		
																-	-	$ -		
Task 6 - Post Design Services	**27**	**-**	**122**	**-**	**-**	**2**	**-**	**-**	**-**	**48**	**-**	**-**	**-**	**-**	**-**	**199**	**$24,500**	**$ 100**		**$24,600**
Task 6A - Bidding Administration	**2**	**-**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**1,380**			
Bidding Questions	2		8													10	1,380	$ -		
																		$ -		
Task 6B - Construction Administration	**25**	**-**	**114**	**-**	**-**	**2**	**-**	**-**	**-**	**48**	**-**	**-**	**-**	**-**	**-**	**189**	**$23,120**	**$ -**		**$23,120**
Pre-Construction Meeting	2		2			2										6	810	$ -		
Weekly Meetings (32)	9		64													73	9,850	$ -		
Additional Site Visits	6		16													22	3,100	$ -		
CSK's	4		16							24						44	4,680	$ -		
RFI's	4		16							24						44	4,680	$ -		
																-	-	$ -		

Totals	**2,427**	**$238,185**	**$ 1,800**	**$61,360**	**$301,345**

CONTRACT ALLOWANCE	**$15,000**
TOTAL CONTRACT AMOUNT	**$316,345**

FEE PROPOSAL WORKSHEET - Coconino Estates Phase II
Talkington, N and S Louise, Davis, Thelma, Hazel and Elizabeth

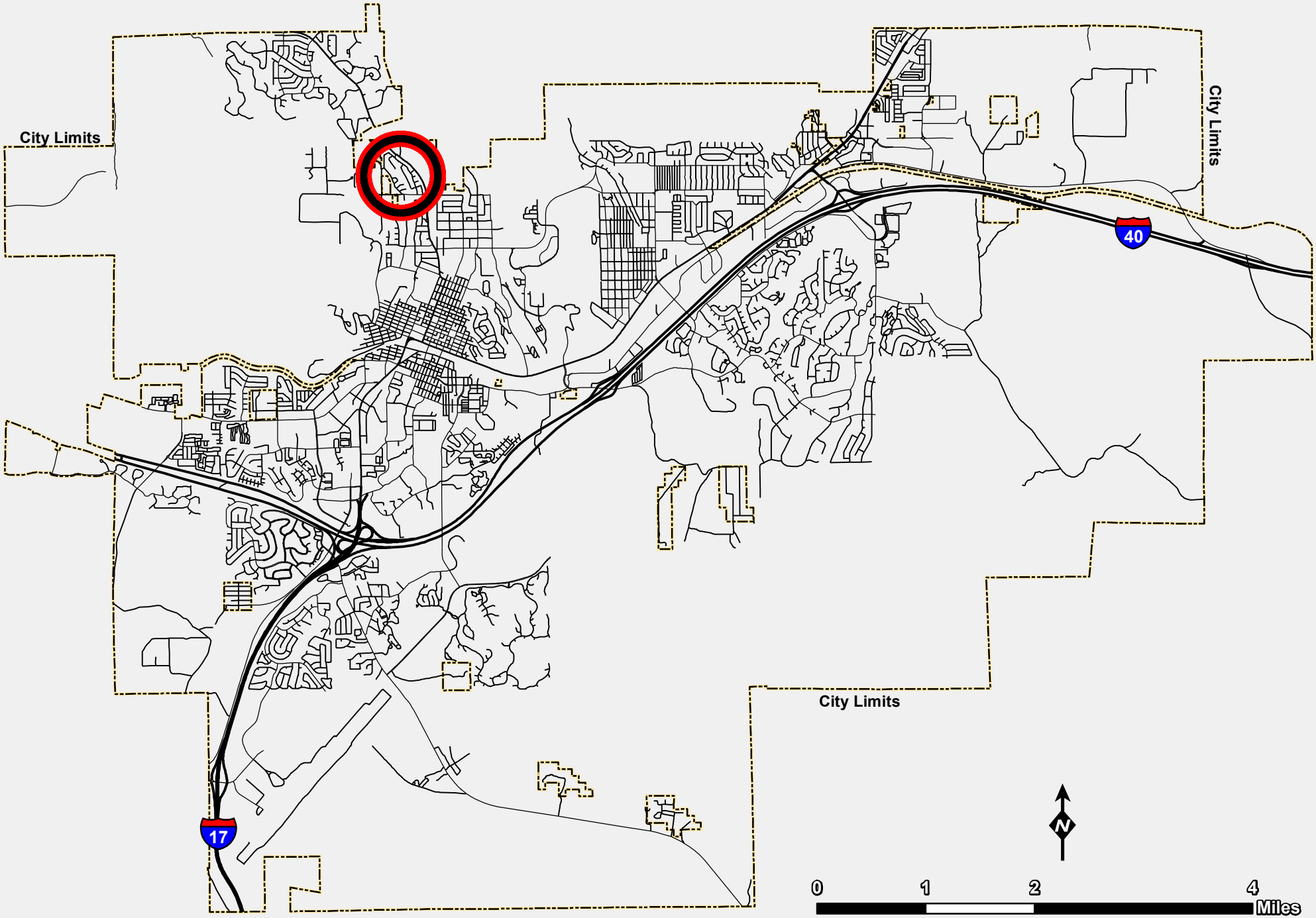
CLIENT: COF - Eli Reisner BY: EW
DATE: 10/23/2019

LABOR

Task Description	Principal $170	Senior Project Manager $140	Project Manager PE / RLA / RLS $130	Senior Project: Engineer / Landscape $115	Project: Engineer / Landscape Arch. / $110	Staff: Design Engineer / Landscape Arch. / $105	Senior CADD Operator $95	Senior Technician $90	Design Technician $85	Technician / CADD Drafter $80	Draftsperson / Assistant Technician $75	Admin/ Support $60	Three Man Survey Crew $180	Two Man Survey Crew $160	One Man Survey Crew $135	Total Labor Hours	Total Labor Cost	Expenses	Sub Consultant Cost	TOTAL PROJECT COST
Task 1 - Data Collection	**9**	**-**	**45**	**-**	**-**	**60**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**118**	**$13,920**	**$ 100**		**$14,020**
Task 1A - Results of Survey Exhibit	**4**	**-**	**13**	**-**	**-**	**28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45**	**$5,310**			
Prepare Results of Survey Exhibit	1		3			8										12	1,400	$ -		
Merge Topograpy and Utility Basemaps and QC	2		8			16										26	3,060	$ -		
QA/QC Reviews.	1		2			4										7	850	$ -		
																-	-	$ -		
Task 1B - Speedie and Cardno Subconsultants	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**$0**	**$ -**	**$ 37,766**	**$37,766**
Speedie and Associates Geotechnical																-	-	$ -	$ 3,350	
Cardno Sub Surface Utility Investigation																-	-	$ -	$ 34,416	
																-	-	$ -		
Task 1C - Updated Scoping Plan	**5**	**-**	**32**	**-**	**-**	**32**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**73**	**$8,610**	**$ -**		**$8,610**
Determine Roadway Section for layout			8													8	1,040	$ -		
Determine Pavement Section with the City of Flagstaff	1		4													5	690	$ -		
Determine Water and Sewer Line Alignments	2		8													10	1,380	$ -		
Added Sheet to Updated Scoping Plan (5 Sheets)	2		12			32						4				50	5,500	$ -		
																-	-	$ -		
Task 2 - Concept 30% Plans	**12**	**8**	**100**	**-**	**-**	**221**	**-**	**-**	**-**	**77**	**-**	**2**	**-**	**-**	**-**	**420**	**$45,645**	**$ 300**		**$45,945**
Comment Resolution Updated Scoping Plan	1		1			1										3	405	$ -		
Coordinate COF, Cardno Pothole locations - Produce Exhibit			2							4						6	580	$ -		
Stake Holder Coordination																-	-	$ -		
Bi Weekly Meetings (3)	2		4			4										10	1,280	$ -		
Compile Meeting Notes/Emails into a Design Concept Report	2		12			40										54	6,100	$ -		
Details (1)			2			12										14	1,520	$ -		
Updated Control (1)	1		2			4										7	850	$ -		
Additional Water Index (1)			2			8				4						14	1,420	$ -		
Additional Sewer Index (1)			2			8				4						14	1,420	$ -		
Street Removals/Grading&Drainge Plan - Triple View Profile (9)	2		32			64				24						122	13,140	$ -		
Utility Plan/Profile - Locate Conflicts (9)	1		24			64				24						113	11,930	$ -		
Engineer's Estimate	1		8			8				8						25	2,690	$ -		
QA/QC	2	8	8			8				8		2				36	4,100	$ -		
Submittal to City			1							1						2	210	$ -		
																-	-	$ -		
Task 3 - 60% Design Documents	**18**	**8**	**106**	**-**	**-**	**195**	**-**	**-**	**-**	**117**	**-**	**-**	**-**	**-**	**-**	**444**	**$47,795**	**$ 300**		**$48,095**
Review 30% Comments VE Options	1		1			1										3	405	$ -		
Details (1)			4			8				8						20	2,000	$ -		
Updated Control (1)	1		2			6				4						13	1,380	$ -		
Additional Water Index (1)	1		4			16				12						33	3,330	$ -		
Additional Sewer Index (1)	1		4			16				12						33	3,330	$ -		
Street Removals/Grading&Drainge Plan - Triple View Profile (8)	4		32			64				24						124	13,480	$ -		
Utility Plan/Profile (9)	4		32			64				24						124	13,480	$ -		
SWPPP (2)			2							16						18	1,540	$ -		
Bi Weekly Meetings (3)	1		2			2										5	640	$ -		
Stake Holder Coordination Continuation	1		2			2										5	640	$ -		
Engineer's Estimate	2		12			8				8						30	3,380	$ -		
QA/QC	2	8	8			8				8						34	3,980	$ -		
Submittal to City			1							1						2	210	$ -		
																-	-	$ -		
Task 4 - 90% Plans and Specifications	**20**	**16**	**101**	**-**	**-**	**208**	**-**	**-**	**-**	**89**	**-**	**-**	**-**	**-**	**-**	**434**	**$47,730**	**$ 500**		**$48,230**
Review 60% Comments VE Options	2		2			2										6	810	$ -		
Details (1)	1		2			8				8						19	1,910	$ -		
Updated Control (1)			1			2				4						7	660	$ -		
Additional Water Index (1)	1		2			8				4						15	1,590	$ -		
Additional Sewer Index (1)	1		2			8				4						15	1,590	$ -		
Street Removals/Grading&Drainge Plan - Triple View Profile (8)	4		24			72				16						116	12,640	$ -		
Utility Plan/Profile (9)	4		24			72				16						116	12,640	$ -		
SWPPP (2)			4			4				8						16	1,580	$ -		
Draft of Special Provisions	1		4			4										9	1,110	$ -		
Bi Weekly Meetings (3)	1		2			2										5	640	$ -		
Stake Holder Coordination Continuation			4			2										6	730	$ -		
Engineer's Estimate	1		12			8				8						29	3,210	$ -		
QA/QC	4	16	16			16				16						68	7,960	$ -		
Submittal to City			1							1						2	210	$ -		
Submit to Franchise Utilities			1							4						5	450	$ -		
																-	-	$ -		
Task 4A - ADEQ Submittal	**2**	**2**	**12**	**-**	**-**	**32**	**-**	**-**	**-**	**24**	**-**	**-**	**-**	**-**	**-**	**72**	**$7,460**	**$ -**		**$7,460**
Engineer's Design Report Waterline	1	1	4			12				8						26	2,730	$ -		
Engineer's Design Report Sewer line	1	1	4			20				8						34	3,570	$ -		
ADEQ Submittal for Approval Water			2							4						6	580	$ -		
ADEQ Submittal for Approval Sewer			2							4						6	580	$ -		
																-	-	$ -		
Task 5 - 100% Plans and Specifications	**6**	**8**	**41**	**-**	**-**	**51**	**-**	**-**	**-**	**35**	**-**	**-**	**-**	**-**	**-**	**141**	**$15,625**	**$ 500**		**$16,125**
Review 90% Comments VE Options	1		1			1										3	405	$ -		
Revise Plans	2		24			40				32						98	10,220	$ -		
Revise Specifications	1		2			2										5	640	$ -		
Engineer's Estimate																-	-	$ -		
ADEQ Comment Revisions for Approval Water	1		2			4										7	850	$ -		
ADEQ Comment Revisions for Approval Sewer	1		2			4										7	850	$ -		
Obtain Franchise Utility Acknowledgements																-	-	$ -		
Submittal to City			1							1						2	210	$ -		
Submit Mylars for Signatures			1							2						3	290	$ -		
QA/QC		8	8													16	2,160	$ -		
																-	-	$ -		
Task 6 - Post Design Services	**18**	**-**	**113**	**-**	**-**	**1**	**-**	**-**	**-**	**32**	**-**	**-**	**-**	**-**	**-**	**164**	**$20,415**	**$ 100**		**$20,515**
Task 6A - Bidding Administration	**2**	**-**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**$1,380**			
Bidding Questions	2		8													10	1,380	$ -		
																-	-	$ -		
Task 6B - Construction Administration	**16**	**-**	**105**	**-**	**-**	**1**	**-**	**-**	**-**	**32**	**-**	**-**	**-**	**-**	**-**	**154**	**$19,035**	**$ -**		**$19,035**
Pre-Construction Meeting	1		1			1										3	405	$ -		
Weekly Meetings (32)	9		64													73	9,850	$ -		
Additional Site Visits	2		16													18	2,420	$ -		
CSK's	2		12							16						30	3,180	$ -		
RFI's	2		12							16						30	3,180	$ -		
																-	-	$ -		

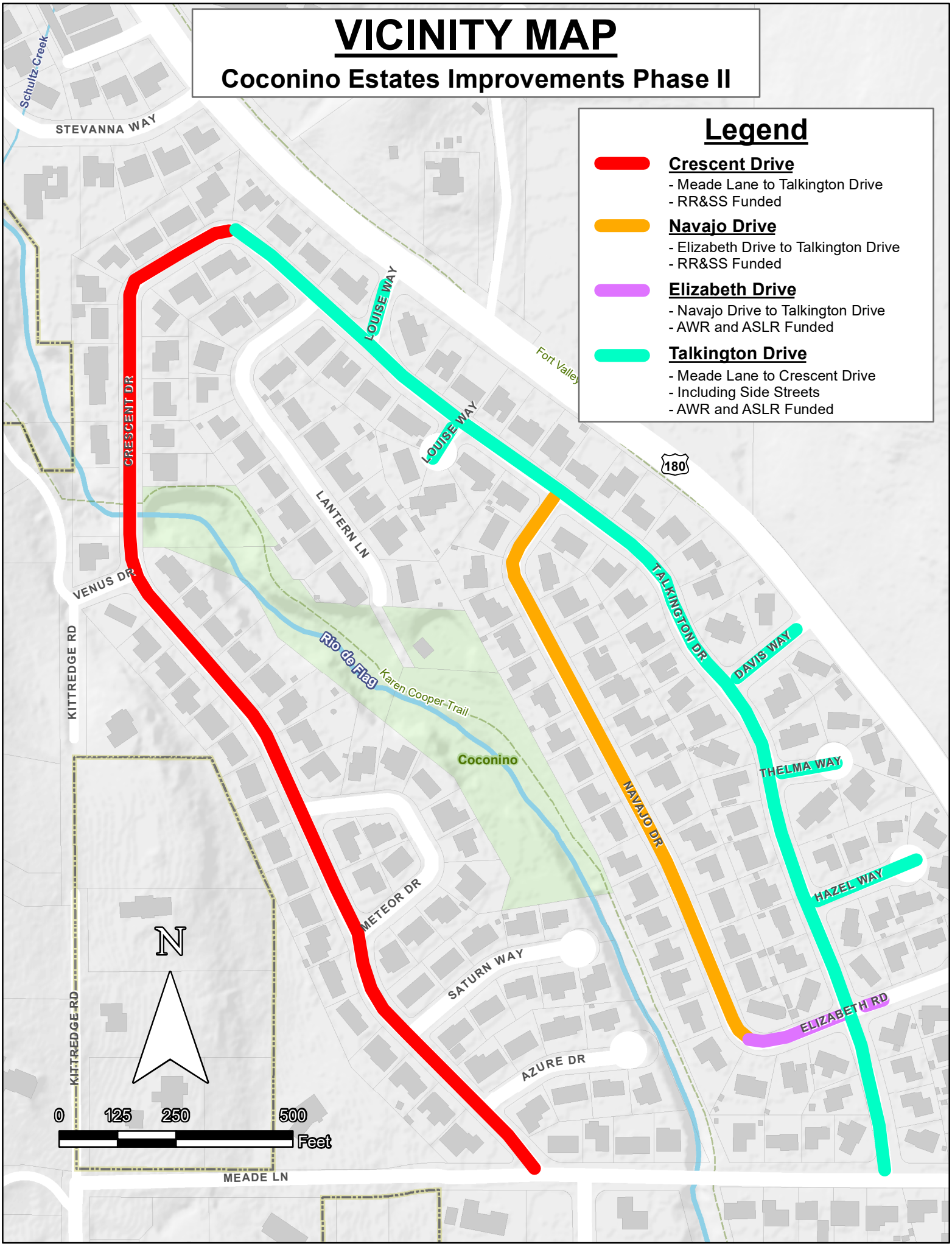
Totals	**1,866**	**$198,590**	**$ 1,800**	**$37,766**	**$238,156**
CONTRACT ALLOWANCE					**$12,000**
TOTAL CONTRACT AMOUNT					**$250,156**

Coconino Estates Improvements Phase II



VICINITY MAP

Coconino Estates Improvements Phase II



CITY OF FLAGSTAFF
CONTRACT SUPPLEMENTARY JUSTIFICATION

[X] CONTRACT ALLOWANCE
[] ADMINISTRATIVE CHANGE ORDER

PROJECT NO. ST3371 **PROJECT NAME:** Coconino Estates Improvements Phase II

FILE NO. 03-19015 **Project Manager:** Eli Reisner

CONTRACTOR/CONSULTANT: The WLB Group

PROJECT DESCRIPTION:

A utility and roadway improvements Project in the Coconino Estates Neighborhood funded by the Road Repair and Street Safety Sales Tax, the Annual Waterline Replacement Program, and the Annual Sewer Line Replacement Program. Proposed improvements generally consist of replacing existing water and sewer mains, water and sewer services, fire hydrants, asphalt structural sections, and select defective edge improvements.

JUSTIFICATION FOR USE AND AMOUNT:

Contract Allowance Justification and Amount:
Contract Allowance (CA) of **$27,000.00** was recognized to be necessary should additional design services be required to address the following potential unforeseen items of work where details could not be determined at the time of contracting:

- Unanticipated multiple existing underground public and franchise utility crossing that require additional potholes.
- Agency and Stakeholder coordination meetings to determine a solution to unforeseen items.
- Unexpected non-compliant water and sewer service locations with nonstandard alignments.

The $27,000.00 CA is roughly 5% of the $539,501.00 fee proposed by The WLB Group to complete the engineering services for the Project, which combined equals $566,501.00 for the Contract Amount.

Administrative Change Order Justification and Amount:
Not necessary for this Contract.

COST/BUDGET/FUNDING SOURCE ANALYSIS:

Contract Allowance Justification and Amount:
The CA amount is recommended to be included in the Contract Amount, and can be funded by the Road Repair and Street Safety Program under the Coconino Estates FY 2020 appropriations of $4,877,423 in Account (046-05-116-3371-6), the Annual Waterline Replacement Program FY 2021 appropriations of $1,800,000 in Account (202-08-370-3157-0-4463), and the Annual Sewer Line Replacement Program FY 21 appropriations of $300,000.

Administrative Change Order Justification and Amount:
Not necessary for this Contract.

APPROVAL:	Signature		Date:
Project Manager		Approval Recommended	10/23/2019
Program Manager		Approval Recommended	10/23/19
Section Head		Approval Recommended	10/24/19
Division Head		Approval Recommended	10/25/19

Definitions

Contract Allowance

Contract allowances of up to 5%, 7.5% or 10% may be added to all design/bid/build design and construction contracts. The allowance is based on the engineer's estimate OR the lowest responsible bid (whichever is lowest), and will be included in the recommendation of award by City Council.

Contract Amount	Contract Allowance
Over $1,000,000 in value	allowance of up to 5%
$250,000 - $1,000,000	allowance of up to 7.5%
Below $250,000	allowance of up to 10%

Administrative Change Order

Up to ten percent (10%) Administrative Change Order (ACO) amount may be included in all design/bid/build design and construction contracts only to be considered by the City Council.

7. F.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Charity Lee, Real Estate Manager
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Amendment to Lease Agreement : First Amendment to Airport Lease Agreement with Peabody Western Coal

Consideration and Approval of Assignment and Consent to Assignment: of lease to Wiseman Aviation.

STAFF RECOMMENDED ACTION:

1. Approve the First Amendment to Airport Lease Agreement
2. Approve the Assignment and Consent to Assignment of the Lease to Wiseman Aviation.

Executive Summary:

Peabody Western Coal Company ("Peabody") will be leaving Flagstaff as a result of the pending closure of the Navajo Generating Station ("NGS"), scheduled for December 2019. The NGS produced coal-fired electricity. Peabody is currently leasing land at the Flagstaff Pulliam Airport, pursuant to an Airport Lease Agreement dated November 14, 2000. Pursuant to the Lease, Peabody has constructed a hangar, office spaces and its own fuel farm. Peabody is requesting that it be allowed to assign the Lease to Wiseman Aviation, the current Fuel Based Operator at the Airport. Wiseman Aviation is willing to assume the Lease, but the Lease must first be amended to allow for the assignment of the fuel farm.

Financial Impact:

Pursuant to the Lease, the City receives about $25,000 per year in rent, plus the Lessee pays fuel flowage fees to the Airport. The City will continue to receive this rent and revenues, if the proposed documents are approved.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

ECONOMIC DEVELOPMENT
Grow and strengthen a more equitable and resilient economy.

Has There Been Previous Council Decision on This:

No

Options and Alternatives:

1. Approve the First Amendment to the Lease and the Assignment and Consent to Assignment of the Lease.
2. Do not approve and redirect staff.

Background/History:

Peabody is a coal mining company. For over 50 years, Peabody provided coal to the Navajo Generating Station ("NGS") power plant, located on the Navajo Indian Reservation near Page, Arizona. NGS is closing in December 2019. As a result, Peabody recently discontinued coal shipments to NGS. NGS was Peabody's only customer in Northern Arizona, and therefore Peabody is leaving Flagstaff.

Peabody currently leases 1.97 acres of land from the City at the Flagstaff Pulliam Airport, pursuant to an Airport Lease Agreement dated November 14, 2000 ("the Lease"). Peabody constructed an office for its coal shipment business operations, a hangar and a fuel farm on the site. The Lease expires November 14, 2025, with the Lessee's option to extend, subject to negotiations between the Lessee and the City regarding all terms and conditions of the Lease. The Lease provides for transfer of all improvements constructed by Lessee to City at the end of the term.

The proposed First Amendment to the Lease will allow the assignment of the fuel farm and update the terms of the Lease. The Lease as amended will then be assigned to Wiseman Aviation.

Key Considerations:

The proposed amendment to the Lease, and assignment, will enable the Airport's existing Fuel Based Operator, Wiseman Aviation, to obtain additional fuel resources and facilities. The City benefits from allowing assignment, as the fuel farm serving the Airport will continue in operations. If a fuel farm is not in operation it can grow bacteria within the tank making the fuel unusable.

Community Involvement:

Inform

Attachments: Lease Amendment
Assignment and Consent

FIRST AMENDMENT TO THE AIRPORT LEASE AGREEMENT

This First Amendment to the Airport Lease Agreement dated November 14th, 2000 ("Lease"), is entered into this day of _____, 2019 by and between the CITY OF FLAGSTAFF, a municipal corporation organized and existing under the laws of the State of Arizona (the "City") and Peabody Western Coal Company, a Delaware corporation qualified to conduct business in the State of Arizona (the "Lessee").

The Lease, is amended as follows (additions are shown as capitalized, underlined text, deletions are shown as stricken).

Article IV, Section 4.1, is amended as follows:

4.1 Rental and Fees.

The Lessees agrees to pay the City, for the use and enjoyment of the Premises, Public Airport Facilities, rights, licenses, service and privileges granted hereunder the following rentals, fees, and charges.

4.1.1 Ground Rental

LESSEE SHALL PAY TO THE CITY GROUND RENTAL, PLUS ANY APPLICABLE TRANSACTION PRIVILEGE TAXES. RENT IS DUE ANNUALLY IN ADVANCE. AS OF NOVEMBER 14, 2019 RENT WILL BE THE SUM OF TWENTY-FIVE THOUSAND ELEVEN DOLLARS AND 80 CENTS ($25,011.80), OR APPROXIMATELY $ .291 PER SQUARE FOOT. RENT WILL INCREASE BY 2% ANNUALLY ON THE LEASE ANNIVERSARY DATE.

~~Lessee agrees to pay to the City as ground rental the sum of $.224 per square of the Premises per year, totaling Nineteen Thousand Two Hundred Twenty-one and no/100 Dollars ($19,221.00.00) per year, until March 1, 2009 at which time the ground rental shall be based upon the then current Airport market rate for the Premises. Ground rental payable by the Lessee to the City shall be adjusted at the commencement of each four (4) year period by the same percentage as that represented by the change, if any, in the Consumer Price Index for all Urban Consumers ("CPI") most recently published by the Bureau of Labor Statistics, United States Department of Commerce (or such other index that the Bureau of Labor Statistics may later publish in lieu of the Consumer Price Index) at that time, as compared with the CPI most recently published four (4) years prior. Commencing with the 2010 calendar year, the ground rental rate shall be adjusted annually by the same percentage as that represented by the change, if any, in the CPI most recently published by the Bureau of Labor Statistics, United States Department of Commerce (or such other index that the Bureau of Labor Statistics may later publish in lieu of the Consumer Price Index) at that time, as compared with the CPI most recently published one (1) year prior.~~

4.1.2 Fuel Supply Farm

The Lessee may construct, maintain, and operate a fuel supply farm on the Premises. However, the privilege to construct, maintain, and operate a fuel supply farm on the Premises is personal to the original Lessee and shall not be assigned or transferred should the original Lessee assign or transfer the Lessee's interest in this Lease or sublet any portion of the Premises.

NOTWITHSTANDING THIS SECTION 4.1.2 AND SECTION 20.1 RELATING TO ASSIGNMENT AND SUBLETTING, THE CITY WILL CONSENT TO THE ASSIGNMENT OF THE EXISTING FUEL FARM ON THE PREMISES TO WISEMAN AVIATION, INC. ("WISEMAN"), SUBJECT TO TERMS AND CONDITIONS SET FORTH IN THE CITY'S SEPARATE CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE, AND PROVIDED THAT NO FURTHER ASSIGNMENT OR TRANSFER SHALL BE PERMITTED, SUCH CONSENT BEING PERSONAL TO WISEMAN. WISEMAN AS THE NEW LESSEE SHALL MAINTAIN AND OPERATE THE EXISTING FUEL FARM IN GOOD CONDITION AND MAY NOT CONSTRUCT A NEW FUEL FARM.

4.1.3 Fuel Flowage Fees.

THE FUEL FLOWAGE FEES PER GALLON AS OF NOVEMBER 14, 2019 ARE:

1-100,000 GALLONS:	$0.1345
100,001-150,000 GALLONS:	$0.1207
150,001-200,000 GALLONS:	$0.1072
200,001- ABOVE GALLONS:	$0.0940

Lessee shall pay the following fuel flowage fees on a cumulative basis to the City during the City's fiscal year for each year Lessee conducts operations pursuant to this Lease based on the ~~Lessee's bid: Commencing March 1, 2009, $.12/gallon or~~ current rate at the time. FUEL FLOWAGE FEES WILL NOT BE COMBINED WITH ANY OTHER LEASE.

Lessee shall pay all fuel flowage fees within thirty (30) days following receipt of the City's monthly invoice respecting the same.

All rates agreed upon by the parties relative to fuel flowage fee shall be subject to escalation based upon the annual rise in the cost of living for Flagstaff, Arizona, based on the National Consumer Price Index, published by the United States Bureau of Labor Statistics.

IF THE CITY AIRPORT COMMISSION APPROVES A FLAT FUEL FLOWAGE FEE, THE PARTIES MAY AMEND THIS LEASE TO REFLECT THE FLAT FEE.

Article V, is amended by deleting sections 5.1 and 5.2, as construction was completed, and Section 5.5 is amended as follows:

5.5 Ownership of Improvements.

The Lessee shall own the Improvements ~~constructed by Lessee~~ until the expiration of the lease term or termination of this Lease for any reason, at which time the Lessee shall convey all Improvements, specifically all buildings, and fixtures, but no personal property, to the City by bill of sale at no cost to the City. IF THE LEASE IS ASSIGNED OR TRANSFERRED, THE LESSEE SHALL CONVEY ALL IMPROVEMENTS TO THE SUCCESSOR-IN-INTEREST, FREE AND CLEAR OF ANY ENCUMBRANCE, LIEN, TAX OR ASSESSMENT.

Article VII, Section 7.2, is amended as follows:

7.2 Maintenance by Lessee.

The Lessee shall be responsible for providing all maintenance and repair of the Premises, and all such maintenance shall be commensurate with the level of maintenance provided for by the City in similarly situated circumstances. With respect to the Improvements ~~constructed by Lessee on the Premises~~, Lessee shall, at its own expense, maintain all such Improvements and appurtenances thereto in a good condition and equal in appearance and character to other similar improvements at the Airport. The City shall have the right to take over all of the maintenance activities for all areas of the Premises inclusive of any Improvement located thereon which are exposed to public view in accordance it the notice and increased rental conditions set forth above in section 7.1 of this Lease.

Article X, Section 10.1 is amended as follows:

10.1 Indemnity.

The Lessee does hereby covenant and agree to indemnify, defend and hold the City harmless from any and all fines, suits, claims, demands, actions and/or causes of actions of any kind and nature for personal injury or death or property damage arising out of or in connection with any activity or operation of the Lessee on the Premises or in connection with its use of the Premises~~; provided, however, that the Lessee shall not be liable for any injury, damage or loss occasioned by the negligence or willful misconduct of the City, its agents or employees~~. The City shall give to the Lessee prompt and timely notice of any claim or suits instituted which in any way, directly or indirectly, contingently or otherwise, affect or might affect the Lessee.

The Lessee further agrees to and shall indemnify, defend and hold the City harmless from and against all liability, loss, damage, costs or expenses (including reasonable attorney fees and court costs) arising from or in any way related to Worker's Compensation claims, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of Lessee and/or its contractors and subcontractors or claims under similar such laws and obligations.

Article VII, Section 12.14, is amended as follows:

12.14 Federal Grant Assurances.

This Agreement shall be subject to all federal requirements set forth in the document entitled "Assurances Airport Sponsors" ~~(9-99)~~ attached hereto as Exhibit "B", AS MAY BE AMENDED BY THE FAA FROM TIME TO TIME.

Article XX, Section 20.1 is amended per Section 4.1.2 to allow assignment of the fuel supply farm to Wiseman Aviation, Inc.

Article XXI, Section 21.1, is amended as follows:

21.1 Lessee's Use of Fuel Storage Facilities

As a condition to Lessee's use of fuel storage facilities in connection with Lessee's into-plane activities, Lessee agrees to be bound by the requirements of NFPA 407, FAR Part

139, and FAA Advisory Circular ~~150-5230-4~~ 150-5230-48 which include but are not limited to the following items: [Remainder of text remains unchanged]

All other terms and conditions of the Lease remain unchanged.

LESSEE: Peabody Western Coal Company, a Delaware corporation

By: _____
Title: _____
Its authorized representative

ACKNOWLEDGMENT. On this ____ day of _____, 2019, before me, a Notary Public, personally appeared_____ , known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of Peabody Western Coal Company, for the purposes therein contained.

_____
Notary Public

My Commission Expires:

_____

LESSOR: CITY OF FLAGSTAFF

By: _____
Coral Evans, Mayor

STATE OF ARIZONA }
} ss.
County of Coconino }

ACKNOWLEDGMENT. On this ____ day of _____, 2019, before me, a Notary Public, personally appeared Coral Evans, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same on behalf of the City of Flagstaff, for the purposes therein contained.

_____
Notary Public

My Commission Expires:

_____

Attest:

By: _____
Stacy Saltzburg, City Clerk

Approved as to form:

By: _____
City Attorney's Office

Attachments:
Exhibit B Assurances Airport Sponsors

S:\Legal\Civil Matters\2019\2019-228 EV – Peabody Coal Lease Amendment and Assignment\Peadbody Lease Amendment 10-22-19.docx

ASSIGNMENT AND CONSENT TO ASSIGNMENT

This Assignment and Consent to Assignment ("agreement") is entered into this _____ day of _____, 2019 by or among the City of Flagstaff, an Arizona municipal corporation ("City" or "Landlord"), Peabody Western Coal Company ("PWCC" or "Assignor"), and Wiseman Aviation, Inc. ("Wiseman" or "Assignee").

RECITALS:

A. Pursuant to an Airport Lease Agreement dated November 14, 2000, as amended by the First Amendment to the Airport Lease Agreement dated _____, 2019 (hereafter collectively referred to as the "Lease"), by and between the City and PWCC, the City leases to PWCC certain real property located at the Flagstaff Pulliam Airport as legally described in the Lease ("the Premises");

B. PWCC has constructed improvements on the Premises, including a hangar, offices, and a fuel supply farm, which are "Improvements" as defined in the Lease;

C. City is willing to allow PWCC to assign the Lease to another existing lessee located at the Flagstaff Pulliam Airport, Wiseman;

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is acknowledged, it is hereby agreed as follows:

ASSIGNMENT

1. Assignor hereby transfer and assigns to Assignee all of its rights, obligations, and liabilities under the Lease.

2. Assignor shall indemnify, defend, and hold Assignee harmless from any claims, liabilities or costs (including attorney fees) arising from any Assignor failure to perform obligations or liabilities accruing under the Lease prior to the date of this assignment.

3. Assignor shall transfer all Improvements on the Premises to Assignee free and clear of all encumbrances, liens, taxes or assessments, pursuant to a Bill of Sale. The Improvements will remain subject to all terms of the Lease.

4. Assignee has read and agrees to be bound by the Lease, and hereby assumes all rights, obligations, and liabilities under the Lease.

5. Assignee shall indemnify, defend, and hold Assignor harmless from any claims, liabilities or costs (including attorney fees) arising from Assignee failure to perform obligations or liabilities, accruing subsequent to the date of this assignment.

6. Assignee shall provide to the City a new certificate of insurance, endorsements, and any bonds, licenses, W-9 form or other similar requirements of the Lease within ten (10) days after execution of this agreement.

7. City consents to assignment of the Lease to Assignee, contingent upon all terms and conditions of this agreement.

8. Each party agrees to execute and deliver or cause to be executed and delivered to the other all such other instruments and documents, and to do all such other acts and things, as may be reasonably necessary to effect the transactions contemplated by this agreement.

9. Each party represents that it has authority and all requisite legal, corporate and governmental authorizations necessary or proper to execute this agreement.

10. This agreement shall be construed in accordance with State of Arizona laws.

IN WITNESS WHEREOF, each party hereto has executed this agreement.

CITY/LANDLORD
City of Flagstaff

By:_____
Coral Evans, Mayor

ASSIGNOR:
Peabody Western Coal Company

By:_____

Name:_____

Title:_____

Attest:

By:_____
Stacy Saltzburg, City Clerk

Approved as to form:

By:_____

City Attorney's Office

ASSIGNEE:
Wiseman Aviation, Inc.

By: _____

Name_____

Title_____

7. G.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Charity Lee, Real Estate Manager
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Lease Amendment: Lease No: GS-09P-94446 for Building 3 of the United States Geological Survey (USGS) facility located at 2255 North Gemini Drive, Flagstaff, Arizona 86001 (Extend the lease term for two years).

STAFF RECOMMENDED ACTION:

Approve the Lease Amendment to extend the Lease through December 31, 2021.

Executive Summary:

The lease for Building 3 will be expiring December 31, 2019. GSA is requesting an extension of the lease until December 31, 2021.

Financial Impact:

In fiscal year 2019, the total Building 3 lease revenue totaled $332,082, with operating expenses totaling $88,532.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

ECONOMIC DEVELOPMENT

Grow and strengthen a more equitable and resilient economy

Has There Been Previous Council Decision on This:

Yes, the original Lease dates back to 1996, and eight amendments/extensions have been approved over the years. On August 9, 2016, the Lease was extended to December 31, 2019. Copies of the Lease and amendments thereto are on file with the City Clerk, and available for public inspection upon request.

Options and Alternatives:

Option 1: Approve the Amendment to the Lease to extend the lease term until December 31, 2021, all other terms of the Lease to remain the same.

Option 2: Deny the Amendment to extend the Lease which would cause the existing agreement to expire and result in the loss of USGS as tenants.

Background/History:

The USGS Campus was established at its current location in 1963. Originally, it was the base of operations for scientists involved in astrogeology related to the Space Program. Since that time, the Campus has expanded to include scientists involved in geology, geography and water resources, as well as astrogeology. Today, the USGS Campus employs over 200 scientific personnel.

Key Considerations:

Building 3 has been leased by the United States Geological Survey (USGS) under the administration of the General Services Administration (GSA) since 1974. On May 25, 2016, the City of Flagstaff submitted a proposal to GSA for a new office building and warehouse at the USGS Campus. Negotiations for the new facility are still underway. If GSA approves the proposal, Building 3 would be demolished and this lease would no longer be applicable. GSA is requesting a short extension while negotiations for the new facility are still in progress.

Expanded Financial Considerations:

The Lease is adjusted annually according to the Consumer Price Index.

Community Benefits and Considerations:

The USGS Campus has provided an array of economic benefits to the Flagstaff community. Currently, the facility employs over 200 people in the scientific sector, most of which are in high paying jobs. There is a strong connection between NAU and the USGS Campus that creates a synergy for the growth of both facilities.

Community Involvement:

Inform

Attachments: Lease Amendment

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE **LEASE AMENDMENT**	LEASE AMENDMENT No. 1 TO LEASE NO. GS-09P-94446
ADDRESS OF PREMISES 2255 North Gemini Drive Flagstaff, AZ 86001	PDN Number:N/A

THIS AMENDMENT is made and entered into between

City of Flagstaff

whose address is: 211 West Aspen Ave.
Flagstaff, AZ 86001

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above lease to extend the lease term for 24 months.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government as follows:

Lease Term is deleted in its entirety and replaced as follows:

“TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning:

December 1, 1996 through December 31, 2021, subject to termination and renewal rights as may be hereinafter set forth.“

This Lease Amendment contains 1 pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

_____

Name: _____

Title: _____

Entity: _____

Date: _____

FOR THE GOVERNMENT:

_____

Name: _____

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: _____

WITNESSED FOR THE LESSOR BY:

_____

Name: _____

Title: _____

Date: _____

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Charity Lee, Real Estate Manager
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Lease Amendment: Lease No: GS-09P-03408 for Buildings 4 and 5 of the United States Geological Survey (USGS) facility located at 2255 North Gemini Drive, Flagstaff, Arizona 86001 (Extend the lease term for two years).

STAFF RECOMMENDED ACTION:

Approve the Lease Amendment to extend the Lease through December 31, 2021.

Executive Summary:

The Lease for buildings 4 and 5 is expiring December 31, 2019. GSA is requesting an extension of the Lease until December 31, 2021.

Financial Impact:

In the fiscal year 2019, Building 4 and 5 lease revenue equaled $354,886 with operating expenses totaling $238,707.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

ECONOMIC DEVELOPMENT

Grow and strengthen a more equitable and resilient economy

Has There Been Previous Council Decision on This:

Yes, in December 2014 Council approved a Lease for a five-year term.

Options and Alternatives:

Option 1: Approve the Amendment to the Lease to extend the term to December 31, 2021, under the same terms and conditions of the existing Lease.

Option 2: Do not approve which would cause the existing Lease to expire and result in the loss of USGS as tenants.

Background/History:

The USGS Campus was established at its current location in 1963. Originally, it was the base of operations for scientists involved in astrogeology related to the Space Program. Since that time, the Campus has expanded to include scientists involved in geology, geography and water resources, as well as astrogeology. Today, the USGS Campus employs over 200 scientific personnel.

Key Considerations:

The City and GSA are currently in negotiations for a new build to suit which would replace buildings 4 and 5. These buildings were constructed in the 1970s and have extended their useful life. If the new build to suit is approved these buildings will be demolished and replaced.

Expanded Financial Considerations:

The Lease is adjusted annually according to the Consumer Price Index.

Community Benefits and Considerations:

The USGS Campus has provided an array of economic benefits to the Flagstaff community. Currently, the facility employs over 200 people in the scientific sector, most of which are in high paying jobs. There is a strong connection between NAU and the USGS Campus that creates a synergy for the growth of both facilities.

Community Involvement:

Inform

Attachments: Lease Amendment
GSA Lease Bldgs 4 and 5

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE **LEASE AMENDMENT**	LEASE AMENDMENT No. 1 TO LEASE NO. GS-09P-03408
ADDRESS OF PREMISES 2255 North Gemini Drive Flagstaff, AZ 86001	PDN Number:N/A

THIS AMENDMENT is made and entered into between

City of Flagstaff

whose address is: 211 West Aspen Ave.
Flagstaff, AZ 86001

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above lease to extend the lease term for 24 months.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government as follows:

Lease Term is deleted in its entirety and replaced as follows:

“TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning:

January 1, 2015 through December 31, 2021, subject to termination and renewal rights as may be hereinafter set forth.“

This Lease Amendment contains 1 pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

_____

Name: _____

Title: _____

Entity: _____

Date: _____

FOR THE GOVERNMENT:

_____

Name: _____

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: _____

WITNESSED FOR THE LESSOR BY:

_____

Name: _____

Title: _____

Date: _____

LEASE NO. GS-09P-LAZ03408

Succeeding/Superseding Lease
GSA FORM L202 (September 2014)

INSTRUCTIONS TO OFFERORS: Do not attempt to complete this lease form (GSA Lease Form L202). Upon selection for award, GSA will transcribe the successful Offeror's final offered rent and other price data included on the lease proposal form (GSA Lease Proposal Form 1364-S, hereinafter Lease Proposal Form) into a Lease Form, and transmit the completed Lease Form, together with appropriate attachments, to the successful Offeror for execution.

This Lease is made and entered into between

City of Flagstaff

(Lessor), whose principal place of business is **211 West Aspen Ave., Flagstaff, AZ 86001**, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

2255 North Gemini Drive, Flagstaff, AZ 86001

and more fully described in Section 1 and Exhibit **A,** together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning January 1, 2015 and continuing for a period of

5 Years, 2 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

Name: DAVID MCINTIRE

Title: ASST TO CM FOR REAL ESTATE

Date: 12/17/14

FOR THE GOVERNMENT:

[Name] ERIN WINSETT

Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 12/29/14

WITNESSED FOR THE LESSOR BY:

Name: Stephanie Smith

Title: Assistant to the City Manager

Date: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: 33,010 rentable square feet (RSF), yielding **33,010** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located in Buildings 4 & 5, as depicted on the floor plan(s) attached hereto as Exhibit **A**.

B. Common Area Factor: The Common Area Factor (CAF) is established as **1.00** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: **115** parking spaces as depicted on the plan attached hereto as Exhibit **B**, reserved for the exclusive use of the Government, of which **0** shall be structured/inside parking spaces, and **115** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT[1]	$143,708.00	$143,708.00
OPERATING COSTS[3]	$ 208,293.10	$ 208,293.10
TOTAL ANNUAL RENT	**$352,001.10**	**$352,001.10**

[1]Shell rent calculation:
(Firm Term) **$4.35 (rounded)** per RSF multiplied by **33,010** RSF
(Non Firm Term) **$4.35 (rounded)** per RSF multiplied by **33,010** RSF
[3]Operating Costs rent calculation: **$6.31** per RSF multiplied by **33,010** RSF

B. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

C. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

D. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease , by providing not less than **30** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)		
PARKING PLAN(S)		
SECURITY REQUIREMENTS		
GSA FORM 3517B GENERAL CLAUSES		
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS		

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 INTENTIONALLY DELETED

1.10 INTENTIONALLY DELETED

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **100** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **33,010** RSF by the total Building space of **33,010** RSF.

1.12 INTENTIONALLY DELETED

1.13 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be **$6.31** per RSF (**$208,293.10**/annum).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **$0.00** per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- **$0.00** per hour per zone
- Number of zones: **N/A**
- **$0.00** per hour for the entire Space.

1.16 INTENTIONALLY DELETED

1.17 INTENTIONALLY DELETED

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (SEP 2013)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.

B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.

C. Building. The building(s) situated on the Property in which the Premises are located shall be referred to as the Building(s).

D. Commission Credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the Commission Credit.

E. Common Area Factor (CAF). The Common Area Factor (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF-10,000 ABOA SF)/10,000 ABOA SF]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.

F. Contract. Contract and contractor means Lease and Lessor, respectively.

G. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.

H. FAR/GSAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.

I. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.

J. Lease Term Commencement Date. The Lease Term Commencement Date means the date on which the lease term commences.

K. Lease Award Date. The Lease Award Date means the date of execution of the Lease by the LCO and the mailing or otherwise furnishing written notification of the executed Lease to the successful Offeror (and on which the parties' obligations under the Lease begin).

L. Premises. The Premises are defined as the total Office Area or other type of Space, together with all associated common areas, described in Section 1 of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.

M. Property. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.

N. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises: ABOA SF of Space x (1 + CAF) = RSF.

O. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Office Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.

P. Office Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-1996) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed." References to ABOA mean ANSI/BOMA Office Area.

Q. Working Days. Working Days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

2.02 AUTHORIZED REPRESENTATIVES (JUN 2012)

The signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice, without an express delegation by the prior LCO.

2.03 ALTERATIONS REQUESTED BY THE GOVERNMENT (SEP 2013)

A. The Government may request the Lessor to provide alterations during the term of the Lease. Alterations will be ordered by issuance of a Lease Amendment, GSA Form 300, Order for Supplies or Services, or, when specifically authorized to do so by the LCO, a tenant agency-approved form. The GSAM clause, 552.270-31, Prompt Payment, including its invoice requirements, shall apply to orders for alterations. All orders are subject to the terms and conditions of this Lease and may be placed by the LCO or a warranted contracting officer's representative (COR) in GSA or the tenant agency when specifically authorized to do so by the Lease Contracting Officer, subject to the threshold limitation below.

B. Orders for alterations issued by an authorized COR are limited to no more than $150,000 (LCOs are not subject to this threshold). This threshold will change according to future adjustments of the simplified acquisition threshold (see FAR 2.101). The LCO will provide the Lessor with a list of tenant agency officials authorized to place orders and will specify any limitations on the authority delegated to tenant agency officials. The tenant agency officials are not authorized to deal with the Lessor on any other matters.

C. Payments for alterations ordered by the tenant agency under the authorization described in sub-paragraph B will be made directly by the tenant agency placing the order.

2.04 WAIVER OF RESTORATION (APR 2011)

The Lessor shall have no right to require the Government to restore the Premises upon termination of the Lease, and waives all claims against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government. At its sole option, the Government may abandon property in the Space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

2.05 INTENTIONALLY DELETED

2.06 CHANGE OF OWNERSHIP (SEP 2013)

A. If during the term of the Lease, title to the Property is transferred, the Lease is assigned, or the Lessor changes its legal name, the Lessor and its successor shall comply with the requirements of FAR Subpart 42.12. If title is transferred, the Lessor shall notify the Government within five days of the transfer of title.

B. The Government and the Lessor may execute a Change of Name Agreement if the Lessor is changing only its legal name, and the Government's and the Lessor's respective rights and obligations remain unaffected. A sample form is found at FAR 42.1205.

C. If title to the Property is transferred, or the Lease is assigned, the Government, the original Lessor (Transferor), and the new owner or assignee (Transferee) shall execute a Novation Agreement providing for the transfer of Transferor's rights and obligations under the Lease to the Transferee. When executed on behalf of the Government, a Novation Agreement will be made part of the Lease via Lease Amendment.

D. In addition to all documents required by FAR 42.1204, the LCO may request additional information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties' representations regarding the transfer, and to determine whether the transfer of the Lease is in the Government's interest.

E. If the LCO determines that recognizing the Transferee as the Lessor will not be in the Government's interest, the Transferor shall remain fully liable to the Government for the Transferee's performance of obligations under the Lease, notwithstanding the transfer. Under no condition shall the Government be obligated to release the Transferor of obligations prior to (a) the rent commencement date; and (b) any amounts due and owing to the Government under the Lease have been paid in full or completely set off against the rental payments due under the Lease.

F. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must register in the Central Contractor Registration (CCR) database, now the System for Award Management (SAM) (See FAR 52.232-33), and complete and sign GSA Form 3518, Representations and Certifications.

G. If title to the Property is transferred, or the Lease is assigned, rent shall continue to accrue, subject to the Government's rights as provided for in this Lease. However, the Government's obligation to pay rent to the Transferee shall be suspended until the Government has received all information reasonably required by the LCO under sub-paragraph D, the Government has determined that recognizing the Transferee as the Lessor is in the Government's interest (which determination will be prompt and not unreasonably withheld), and the Transferee has met all conditions specified in sub-paragraph F. So long as any delays in effecting the recognition of Transferee as Lessor are not the responsibility of the Government, no interest shall accrue on suspended rent.

2.07 REAL ESTATE TAX ADJUSTMENT (JUN 2012)

A. Purpose: This paragraph provides for adjustment in the rent (tax adjustment) to account for increases or decreases in Real Estate Taxes for the Property after the establishment of the Real Estate Tax Base, as those terms are defined herein. Tax adjustments shall be calculated in accordance with this paragraph.

B. Definitions: The following definitions apply to the use of the terms within this paragraph:

Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas to which the Government is granted rights).

Real Estate Taxes are those taxes that are levied upon the owners of real property by a Taxing Authority (as hereinafter defined) of a state or local Government on an ad valorem basis to raise general revenue for funding the provision of government services. The term excludes, without limitation, special assessments for specific purposes, assessments for business improvement districts, and/or community development assessments.

Taxing Authority is a state, commonwealth, territory, county, city, parish, or political subdivision thereof, authorized by law to levy, assess, and collect Real Estate Taxes.

Tax Year refers to the 12-month period adopted by a Taxing Authority as its fiscal year for assessing Real Estate Taxes on an annual basis.

Tax Abatement is an authorized reduction in the Lessor's liability for Real Estate Taxes below that determined by applying the generally applicable real estate tax rate to the Fully Assessed (as hereinafter defined) valuation of the Property.

Unadjusted Real Estate Taxes are the full amount of Real Estate Taxes that would be assessed for the Property for one full Tax Year without regard to the Lessor's entitlement to any Tax Abatements (except if such Tax Abatement came into effect after the date of award of the Lease), and not including any late charges, interest or penalties. If a Tax Abatement comes into effect after the date of award of the Lease, "unadjusted Real Estate Taxes" are the full amount of Real Estate Taxes assessed for the Property for one full Tax Year, less the amount of such Tax Abatement, and not including any late charges, interest, or penalties.

Real Estate Tax Base is the unadjusted Real Estate Taxes for the first full Tax Year following the commencement of the Lease term. If the Real Estate Taxes for that Tax Year are not based upon a Full Assessment of the Property, then the Real Estate Tax Base shall be the Unadjusted Real Estate Taxes for the Property for the first full Tax Year for which the Real Estate Taxes are based upon a Full Assessment. Such first full Tax Year may be hereinafter referred to as the Tax Base Year. Alternatively, the Real Estate Tax Base may be an amount negotiated by the parties that reflects an agreed upon base for a Fully Assessed value of the Property.

The Property is deemed to be Fully Assessed (and Real Estate Taxes are deemed to be based on a Full Assessment) only when a Taxing Authority has, for the purpose of determining the Lessor's liability for Real Estate Taxes, determined a value for the Property taking into account the value of all improvements contemplated for the Property pursuant to the Lease, and issued to the Lessor a tax bill or other notice of levy wherein the Real Estate Taxes for the full Tax Year are based upon such Full Assessment. At no time prior to the issuance of such a bill or notice shall the Property be deemed Fully Assessed.

Percentage of Occupancy refers to that portion of the Property exclusively occupied or used by the Government pursuant to the Lease. For Buildings, the Percentage of Occupancy is determined by calculating the ratio of the RSF occupied by the Government pursuant to the Lease to the total RSF in the Building or Buildings so occupied, and shall not take into account the Government's ancillary rights including, but not limited to, parking or roof space for antennas (unless facilities for such ancillary rights are separately assessed). This percentage shall be subject to adjustment to take into account increases or decreases for Space leased by the Government or for rentable space on the Property.

C. Adjustment for changes in Real Estate Taxes. After the Property is Fully Assessed, the Government shall pay its share of any increases and shall receive its share of any decreases in the Real Estate Taxes for the Property, such share of increases or decreases to be referred to herein as "tax adjustment." The amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base, less the portion of such difference not paid due to a Tax Abatement (except if a Tax Abatement comes into effect after the date of award of the Lease). If a Tax Abatement comes into effect after the date of award of the Lease, the amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base. The Government shall pay the tax adjustment in a single annual lump sum payment to the Lessor. In the event that this tax adjustment results in a credit owed to the Government, the Government may elect to receive payment in the form of a rental credit or lump sum payment.

If the Property contains more than one separately assessed parcel, then more than one tax adjustment shall be determined based upon the Percentage of Occupancy, Real Estate Tax Base, and Real Estate Taxes for each respective parcel.

After commencement of the Lease term, the Lessor shall provide to the LCO copies of all real estate tax bills for the Property, all documentation of Tax Abatements, credits, or refunds, if any, and all notices which may affect the assessed valuation of the Property, for the Tax Year prior to the commencement of the Lease Term, and all such documentation for every year following. Lessor acknowledges that the LCO shall rely on the completeness and accuracy of these submissions in order to establish the Real Estate Tax Base and to determine tax adjustments. The LCO may memorialize the establishment of the Real Estate Tax Base by issuing a unilateral administrative lease amendment indicating the base year, the amount of the Real Estate Tax Base, and the Government's Percentage of Occupancy.

The Real Estate Tax Base is subject to adjustment when increases or decreases to Real Estate Taxes in any Tax Year are attributable to (a) improvements or renovations to the Property not required by this Lease, or (b) changes in net operating income for the Property not derived from this Lease. If either condition results in a change to the Real Estate Taxes, the LCO may re-establish the Real Estate Tax Base as the Unadjusted Real Estate Taxes for the Tax Year the Property is reassessed under such condition, less the amount by which the Unadjusted Real Estate Taxes for the Tax Year prior to reassessment exceeds the prior Real Estate Tax Base.

If this Lease includes any options to renew the term of the Lease, or be otherwise extended, the Real Estate Tax Base for determining tax adjustments during the renewal term or extension shall be the last Real Estate Tax Base established during the base term of the Lease.

If any Real Estate Taxes for the Property are retroactively reduced by a Taxing Authority during the term of the Lease, the Government shall be entitled to a proportional share of any tax refunds to which the Lessor is entitled, calculated in accordance with this Paragraph. Lessor acknowledges that it has an affirmative duty to disclose to the Government any decreases in the Real Estate Taxes paid for the Property during the term of the

Lease. Lessor shall annually provide to the LCO all relevant tax records for determining whether a tax adjustment is due, irrespective of whether it seeks an adjustment in any Tax Year.

If the Lease terminates before the end of a Tax Year, or if rent has been suspended, payment for the real estate tax increase due because of this section for the Tax Year will be prorated based on the number of days that the Lease and the rent were in effect. Any credit due the Government after the expiration or earlier termination of the Lease shall be made by a lump sum payment to the Government or as a rental credit to any succeeding Lease, as determined in the LCO's sole discretion. Lessor shall remit any lump sum payment to the Government within 15 calendar days of payment or credit by the Taxing Authority to Lessor or Lessor's designee. If the credit due to the Government is not paid by the due date, interest shall accrue on the late payment at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978, as amended (41 USC § 611), that is in effect on the day after the due date. The interest penalty shall accrue daily on the amount of the credit and shall be compounded in 30-day increments inclusive from the first day after the due date through the payment date. The Government shall have the right to pursue the outstanding balance of any tax credit using all such collection methods as are available to the United States to collect debts. Such collection rights shall survive the expiration of this Lease.

In order to obtain a tax adjustment, the Lessor shall furnish the LCO with copies of all paid tax receipts, or other similar evidence of payment acceptable to the LCO, and a proper invoice (as described in GSA Form 3517, General Clauses, 552.270-31, Prompt Payment) for the requested tax adjustment, including the calculation thereof. All such documents must be received by the LCO within 60 calendar days after the last date the real estate tax payment is due from the Lessor to the Taxing Authority without payment of penalty or interest. FAILURE TO SUBMIT THE PROPER INVOICE AND EVIDENCE OF PAYMENT WITHIN SUCH TIME FRAME SHALL CONSTITUTE A WAIVER OF THE LESSOR'S RIGHT TO RECEIVE A TAX ADJUSTMENT PURSUANT TO THIS PARAGRAPH FOR THE TAX YEAR AFFECTED.

Tax Appeals. If the Government occupies more than 50 percent of the Building by virtue of this and any other Government Lease(s), the Government may, upon reasonable notice, direct the Lessor to initiate a tax appeal, or the Government may elect to contest the assessed valuation on its own behalf or jointly on behalf of Government and the Lessor. If the Government elects to contest the assessed valuation on its own behalf or on behalf of the Government and the Lessor, the Lessor shall cooperate fully with this effort, including, without limitation, furnishing to the Government information necessary to contest the assessed valuation in accordance with the filing requirements of the Taxing Authority, executing documents, providing documentary and testimonial evidence, and verifying the accuracy and completeness of records. If the Lessor initiates an appeal at the direction of the Government, the Government shall have the right to approve the selection of counsel who shall represent the Lessor with regard to such appeal, which approval shall not be unreasonably withheld, conditioned or delayed, and the Lessor shall be entitled to a credit in the amount of its reasonable expenses in pursuing the appeal.

2.08 ADJUSTMENT FOR VACANT PREMISES (SEP 2013)

A. If the Government fails to occupy any portion of the leased Premises or vacates the Premises in whole or in part prior to expiration of the term of the Lease, the rental rate and the base for operating cost adjustments will be reduced.

B. If no rate reduction has been established in this Lease, the rate will be reduced by that portion of the costs per ABOA SF of operating expenses not required to maintain the Space. Said reduction shall occur after the Government gives 30 calendar days' prior notice to the Lessor and shall continue in effect until the Government occupies the vacant Premises or the Lease expires or is terminated.

2.09 OPERATING COSTS ADJUSTMENT (JUN 2012)

A. Beginning with the second year of the Lease and each year thereafter, the Government shall pay annual incremental adjusted rent for changes in costs for cleaning services, supplies, materials, maintenance, trash removal, landscaping, water, sewer charges, heating, electricity, and certain administrative expenses attributable to occupancy.

B. The amount of adjustment will be determined by multiplying the base rate by the annual percent of change in the Cost of Living Index. The percent change will be computed by comparing the index figure published for the month prior to the Lease Term Commencement Date with the index figure published for the month prior which begins each successive 12-month period. For example, a Lease which commences in June of 2005 would use the index published for May of 2005, and that figure would be compared with the index published for May of 2006, May of 2007, and so on, to determine the percent change. The Cost of Living Index will be measured by the Department of Labor revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. city average, all items, (1982 to 1984 = 100) published by the Bureau of Labor Statistics. Payment will be made with the monthly installment of fixed rent. Rental adjustments will be effective on the anniversary date of the Lease; however, payment of the adjusted rental rate will become due on the first workday of the second month following the publication of the Cost of Living Index for the month prior to the commencement of each 12-month period.

C. In the event of any decreases in the Cost of Living Index occurring during the term of the occupancy under the Lease, the rental amount will be reduced accordingly. The amount of such reductions will be determined in the same manner as increases in rent provided under this paragraph.

D. If the Government exercises an option to extend the Lease term at the same rate as that of the original term, the option price will be based on the adjustment during the original term. Annual adjustments will continue.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 WORK PERFORMANCE (JUN 2012)

All work in performance of this Lease shall be done by skilled workers or mechanics and shall be acceptable to the LCO. The LCO may reject the Lessor's workers 1) if such are unlicensed, unskilled, or otherwise incompetent, or 2) if such have demonstrated a history of either untimely or otherwise unacceptable performance in connection with work carried out in conjunction with either this contract or other government or private contracts.

3.02 RECYCLED CONTENT PRODUCTS (COMPREHENSIVE PROCUREMENT GUIDELINES) (SEP 2013)

A. The Lessor shall comply to the extent feasible with the Resource Conservation and Recovery Act (RCRA), Section 6002, 1976. The Lessor shall use recycled content products as indicated in this Lease and as designated by the U.S. Environmental Protection Agency (EPA) in the Comprehensive Procurement Guidelines (CPG), 40 CFR Part 247, and its accompanying Recovered Materials Advisory Notice (RMAN). The CPG lists the designated recycled content products. EPA also provides recommended levels of recycled content for these products. The list of designated products, EPA's recommendations, and lists of manufacturers and suppliers of the products can be found at http://www.epa.gov/cpg.

B. The Lessor, if unable to comply with both the CPG and RMAN lists, shall submit a Request for Waiver for each material to the LCO with the TI pricing submittal. The request for waiver shall be based on the following criteria:

1. The cost of the recommended product is unreasonable.
2. Inadequate competition exists.
3. Items are not available within a reasonable period.
4. Items do not meet Lease performance standards.

3.03 ENVIRONMENTALLY PREFERABLE BUILDING PRODUCTS AND MATERIALS (SEP 2013)

A. The Lessor shall use environmentally preferable products and materials. The Lessor is encouraged to consider the lifecycle analysis of the product in addition to the initial cost.

B. Refer to EPA's environmentally preferable purchasing Web site, www.epa.gov/epp and USDA Bio-Preferred products Web site www.biopreferred.gov. In general, environmentally preferable products and materials do one or more of the following:

1. Contain recycled material, are bio-based, are rapidly renewable (10-year or shorter growth cycle), or have other positive environmental attributes.
2. Minimize the consumption of resources, energy, and water.
3. Prevent the creation of solid waste, air pollution, or water pollution.
4. Promote the use of nontoxic substances and avoid toxic materials or processes.

C. The Lessor is encouraged to use products that are extracted and manufactured regionally.

3.04 EXISTING FIT-OUT, SALVAGED, OR REUSED BUILDING MATERIAL (JUN 2012)

A. Items and materials existing in the Premises, or to be removed from the Premises during the demolition phase, are eligible for reuse in the construction phase of the project. The reuse of items and materials is preferable to recycling them; however, items considered for reuse shall be in re-furbished condition and shall meet the quality standards set forth by the Government in this Lease. In the absence of definitive quality standards, the Lessor is responsible to confirm that the quality of the item(s) in question shall meet or exceed accepted industry or trade standards for first quality commercial grade applications.

B. The Lessor shall submit a reuse plan to the LCO. The Government will not pay for existing fixtures and other TIs accepted in place. However, the Government will reimburse the Lessor, as part of the TIA, the costs to repair or improve such fixtures or improvements identified on the reuse plan and approved by the LCO.

3.05 CONSTRUCTION WASTE MANAGEMENT (SUCCEEDING) (JUN 2012)

A. Recycling construction waste is mandatory for initial space alterations for TIs and subsequent alterations under the Lease.

B. Recycling construction waste means providing all services necessary to furnish construction materials or wastes to organizations which will employ these materials or wastes in the production of new materials. Recycling includes required labor and equipment necessary to separate individual materials from the assemblies of which they form a part.

C. SUBMITTAL REQUIREMENT: Prior to construction commencement, a proposed plan following industry standards to recycle construction waste. The construction waste management plan shall quantify material diversion goals and maximize the materials to be recycled and/or salvaged (at least 50 percent) from construction, demolition, and packaging debris. Where the small quantity of material, the extraordinarily complex nature of the waste disposal method, or prohibitive expense for recycling would represent a genuine hardship, the Government, upon written request of the Lessor and approval of the LCO, may permit alternative means of disposal.

D. The Lessor shall recycle the following items during both the demolition and construction phases of the project, subject to economic evaluation and feasibility:

1. Ceiling grid and tile
2. Light fixtures, including proper disposal of any transformers, ballasts, and fluorescent light bulbs
3. Duct work and HVAC equipment
4. Wiring and electrical equipment
5. Aluminum and/or steel doors and frames
6. Hardware
7. Drywall
8. Steel studs
9. Carpet, carpet backing, and carpet padding
10. Wood
11. Insulation
12. Cardboard packaging
13. Pallets
14. Windows and glazing materials
15. All miscellaneous metals (as in steel support frames for filing equipment)
16. All other finish and construction materials.

E. If any waste materials encountered during the demolition or construction phase are found to contain lead, asbestos, polychlorinated biphenyls (PCBs) (such as fluorescent lamp ballasts), or other harmful substances, they shall be handled and removed in accordance with Federal and state laws and requirements concerning hazardous waste.

F. In addition to providing "one time" removal and recycling of large scale demolition items such as carpeting or drywall, the Lessor shall provide continuous facilities for the recycling of incidental construction waste during the initial construction.

G. Construction materials recycling records shall be maintained by the Lessor and shall be accessible to the LCO. Records shall include materials recycled or land-filled, quantity, date, and identification of hazardous wastes.

3.06 BUILDING SHELL REQUIREMENTS (SEP 2013)

A. The Building Shell shall be designed, constructed, and maintained in accordance with the standards set forth herein and completed prior to acceptance of Space. For pricing, fulfillment of all requirements not specifically designated as TIs, Building Specific Amortized Capital, Operating Costs, or other rent components as indicated shall be deemed included in the Shell Rent.

B. Base structure and Building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed Building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with TIs. Circulation corridors are provided as part of the base Building only on multi-tenanted floors where the corridor is common to more than one tenant. On single tenant floors, only the fire egress corridor(s) necessary to meet code is provided as part of the shell.

3.07 RESPONSIBILITY OF THE LESSOR AND LESSOR'S ARCHITECT/ENGINEER (SUCCEEDING) (APR 2011)

The Lessor shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Lessor under this contract. The Lessor shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, or other services.

3.08 QUALITY AND APPEARANCE OF BUILDING (SUCCEEDING) (SEPT 2011)

During the life of the Lease the Building shall project a professional and aesthetically pleasing appearance including an attractive front and entrance way. The facade, downspouts, roof trim, and window casing shall be clean and in good condition.

3.09 VESTIBULES (SUCCEEDING) (APR 2011)

A. Existing vestibules shall remain in place at public entrances and exits wherever weather conditions and heat loss are important factors for consideration. In the event of negative air pressure conditions, provisions shall be made for equalizing air pressure.

B. Existing grilles and grates shall remain in place to control dirt and particulates from entering the Building at all primary exterior entryways.

3.10 MEANS OF EGRESS (SEP 2013)

A. The Premises and any parking garage areas shall meet the applicable egress requirements in the National Fire Protection Association, Life Safety Code (NFPA 101) or the International Code Council, International Building Code (IBC), (both current as of the Lease Award Date).

B. The Space shall have unrestrictive access to a minimum of two remote exits on each floor of Government occupancy.

C. Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.

D. A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.

E. Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

3.11 AUTOMATIC FIRE SPRINKLER SYSTEM (SEP 2013)

A. Any portion of the Space located below-grade, including parking garage areas, and all areas in a Building referred to as "hazardous areas" (defined in National Fire Protection Association (NFPA) 101) that are located within the entire Building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

B. For Buildings in which any portion of the Space is on or above the sixth floor, then, at a minimum, the Building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.

C. For Buildings in which any portion of the Space is on or above the sixth floor, and lease of the Space will result, either individually or in combination with other Government Leases in the Building, in the Government leasing 35,000 or more ANSI/BOMA Office Area SF of Space in the Building, then the entire Building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.

D. Automatic fire sprinkler system(s) shall be installed in accordance with the requirements of NFPA 13, Standard for the Installation of Sprinkler Systems that was in effect on the actual date of installation.

E. Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements of NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the Lease Award Date).

F. "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

3.12 FIRE ALARM SYSTEM (SEP 2013)

A. A Building-wide fire alarm system shall be installed in the entire Building in which any portion of the Space is located on the 3rd floor or higher.

B. The fire alarm system shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code that was in effect on the actual date of installation.

C. The fire alarm system shall be maintained in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date).

D. The fire alarm system shall transmit all fire alarm signals to the local fire department via any of the following means: directly to the local fire department, to the (911) public communications center, to a central station, to a remote supervising station, or to a proprietary supervising station.

E. If the Building's fire alarm control unit is over 25 years old as of the date of award of this Lease, Lessor shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date), prior to Government acceptance and occupancy of the Space.

3.13 ENERGY INDEPENDENCE AND SECURITY ACT (DEC 2011)

A. The Energy Independence and Security Act (EISA) establishes the following requirements for Government Leases in Buildings that have not earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within one year prior to the due date for final proposal revisions ("most recent year").

B. If this Lease was awarded under any of EISA's Section 435 statutory exceptions, the Lessor shall either:

1. Earn the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); or

2. Complete energy efficiency and conservation improvements if any, agreed to by Lessor in lieu of earning the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease).

C. If this Lease was awarded to a Building to be built or to a Building predominantly vacant as of the due date for final proposal revisions and was unable to earn the ENERGY STAR® label for the most recent year (as defined above) due to insufficient occupancy, but was able to demonstrate sufficient evidence of capability to earn the ENERGY STAR® label, then Lessor must earn the ENERGY STAR® label within 18 months after occupancy by the Government.

3.14 ELEVATORS (SEP 2013)

A. The Lessor shall provide suitable passenger and, when required by the Government, freight elevator service to any of the Premises not having ground level access. Service shall be available during the normal hours of operation specified in the in this Lease. However, one passenger and, when required by the Government, one freight elevator shall be available at all times for Government use. When a freight elevator is required by the Government, it shall be accessible to the loading areas. When possible, the Government shall be given 24-hour advance notice if the service is to be

interrupted for more than 1-1/2 hours. Normal service interruption shall be scheduled outside of the Government's normal working hours. The Lessor shall also use best efforts to minimize the frequency and duration of unscheduled interruptions.

B. Code: Elevators shall conform to the current requirements of the American Society of Mechanical Engineers ASME A17.1/CSA B44, Safety Code for Elevators and Escalators (current as of the Lease Award Date). Elevators shall be provided with Phase I emergency recall operation and Phase II emergency in-car operation in accordance with ASME A17.1/CSA B44. Fire alarm initiating devices (e.g., smoke detectors) used to initiate Phase I emergency recall operation shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code. The elevators shall be inspected and maintained in accordance with the current edition of the ASME A17.2, Inspector's Manual for Elevators. Except for the reference to ASME A17.1 in ABAAS, Section F105.2.2, all elevators must meet ABAAS requirements for accessibility in Sections 407, 408, and 409 of ABAAS.

C. Safety Systems: Elevators shall be equipped with telephones or other two-way emergency communication systems. The system used shall be marked and shall reach an emergency communication location staffed 24 hours per day, 7 days per week.

D. Speed: The passenger elevators shall have a capacity to transport in 5 minutes 15 percent of the normal population of all upper floors (based on 150 SF per person). Further, the dispatch interval between elevators during the up-peak demand period shall not exceed 35 seconds.

E. Interior Finishes: Elevator cab walls shall be hardwood, marble, granite, or an equivalent pre-approved by the LCO. Elevator cab floors shall be marble, granite, terrazzo, or an equivalent pre-approved by the LCO.

3.15 FLAGPOLE (SEP 2013)

If the Government is the sole occupant of the Building, a flagpole shall be provided at a location to be approved by the LCO. The flag of the United States of America will be provided by the Lessor, as part of shell rent and replaced at all times during the Lease term when showing signs of wear.

3.16 DEMOLITION (JUN 2012)

The Lessor shall remove existing abandoned electric, telephone, and data cabling and devices, as well as any other improvements or fixtures in place to accommodate the Government's requirements. Any demolition of existing improvements that is necessary to satisfy the Government's layout shall be done at the Lessor's expense.

3.17 ACCESSIBILITY (FEB 2007)

The Building, leased Space, and areas serving the leased Space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.18 CEILINGS (SEP 2013)

A complete acoustical ceiling system (which includes grid and lay-in tiles or other Building standard ceiling system as approved by the LCO) throughout the Space and Premises shall be required. The acoustical ceiling system shall be furnished, installed, and coordinated with TIs.

A. Ceilings shall be at a minimum 8 feet and 0 inches and no more than 12 feet and 0 inches measured from floor to the lowest obstruction. Areas with raised flooring shall maintain these ceiling-height limitations above the finished raised flooring. Bulkheads and hanging or surface mounted light fixtures which impede traffic ways shall be avoided. Ceilings shall be uniform in color and appearance throughout the Space, with no obvious damage to tiles or grid.

B. Prior to closing the ceiling, the Lessor shall coordinate with the Government for the installation of any items above the ceiling.

C. Should the ceiling be installed in the Space prior to construction of the TIs, then the Lessor shall be responsible for all costs in regard to the disassembly, storage during construction, and subsequent re-assembly of any of the ceiling components which may be required to complete the TIs. The Lessor shall also bear the risk for any damage to the ceiling or any components thereof during the construction of the TIs.

D. Ceilings shall be a flat plane in each room and shall be suspended and finished as follows unless an alternate equivalent is pre-approved by the LCO:

1. Restrooms. Plastered or spackled and taped gypsum board.

2. Offices and conference rooms. Mineral and acoustical tile or lay in panels with textured or patterned surface and tegular edges or an equivalent pre-approved by the LCO. Tiles or panels shall contain a minimum of 30% recycled content.

3. Corridors and eating/galley areas. Plastered or spackled and taped gypsum board or mineral acoustical tile.

3.19 EXTERIOR AND COMMON AREA DOORS AND HARDWARE (SEP 2013)

A. Exterior Building doors and doors necessary to the lobbies, common areas, and core areas shall be required. This does not include suite entry or interior doors specific to TIs.

B. Exterior doors shall be weather tight and shall open outward. Hinges, pivots, and pins shall be installed in a manner which prevents removal when the door is closed and locked. These doors shall have a minimum clear opening of 32" clear wide x 80" high (per leaf). Doors shall be heavy

duty, flush, (1) hollow steel construction, (2) solid core wood, or (3) insulated tempered glass. As a minimum requirement, hollow steel doors shall be fully insulated, flush, #16-gauge hollow steel. Solid-core wood doors and hollow steel doors shall be at least 1-3/4 inches thick. Door assemblies shall be of durable finish and shall have an aesthetically pleasing appearance acceptable to the LCO. The opening dimensions and operations shall conform to the governing building, fire safety, accessibility, and energy codes and/or requirements. Fire door assemblies shall be listed and labeled. Labels on fire door assemblies shall be maintained in a legible condition. Fire door assemblies and their accompanying hardware, including frames and closing devices shall be installed in accordance with the requirements of NFPA 80, Standard for Fire Doors and Other Opening Protectives.

C. Exterior doors and all common area doors shall have door handles or door pulls with heavyweight hinges. All doors shall have corresponding doorstops (wall or floor mounted) and silencers. All public use doors and restroom doors shall be equipped with kick plates. All doors shall have automatic door closers. All Building exterior doors shall have locking devices installed to reasonably deter unauthorized entry.

3.20 DOORS: IDENTIFICATION (APR 2011)

All signage required in common areas unrelated to tenant identification shall be provided and installed by the Lessor.

3.21 WINDOWS (SUCCEEDING) (SEPT 2011)

All windows shall be weather tight. Operable windows that open shall be equipped with locks. Off-street, ground-level windows and those accessible from fire escapes, adjacent roofs, and other structures that can be opened must be fitted with a sturdy locking device. Windows accessible from fire escapes must be readily operable from the inside of the Building.

3.22 PARTITIONS: GENERAL (APR 2011)

Partitions in public areas shall be marble, granite, hardwood, or drywall covered with durable wall covering or high performance coating, or equivalent pre-approved by the LCO.

3.23 PARTITIONS: PERMANENT (SEP 2013)

Permanent partitions shall extend from the structural floor slab to the structural ceiling slab. They shall be provided by the Lessor as part of shell rent as necessary to surround the Space, stairs, corridors, elevator shafts, restrooms, all columns, and janitor closets. They shall have a flame spread rating of 25 or less and a smoke development rating of 450 or less (ASTM E-84). Stairs, elevators, and other floor openings shall be enclosed by partitions and shall have the fire resistance required by the applicable building code, fire code and ordinances adopted by the jurisdiction in which the Building is located (such as the International Building Code, etc.) current as of the Lease Award Date.

3.24 INSULATION: THERMAL, ACOUSTIC, AND HVAC (SEP 2013)

A. All insulation products shall contain recovered materials as required by EPA's CPG and related recycled content recommendations.

B. No insulation installed with this project shall be material manufactured using chlorofluorocarbons (CFCs), nor shall CFCs be used in the installation of the product.

C. All insulation containing fibrous materials exposed to air flow shall be rated for that exposure or shall be encapsulated.

D. Insulating properties for all materials shall meet or exceed applicable industry standards. Polystyrene products shall meet American Society for Testing and Materials (ASTM) C578 91.

E. All insulation shall be low emitting with not greater than .05 ppm formaldehyde emissions.

F. The maximum flame spread and smoke developed index for insulation shall meet the requirements of the applicable local codes and ordinances (current as of the Lease Award Date) adopted by the jurisdiction in which the Building is located.

3.25 WALL FINISHES – SHELL (SUCCEEDING) (JUN 2012)

A. All restrooms within the Building common areas of Government-occupied floors shall have 1) ceramic tile, recycled glass tile, or comparable wainscot from the finished floor to a minimum height of 4'-6" and 2) semi gloss paint on remaining wall areas, or other finish approved by the Government.

B. All elevator areas that access the Space and hallways accessing the Space shall be covered with wall coverings not less than 20 ounces per square yard, high performance paint, or an equivalent.

3.26 PAINTING - SHELL (JUN 2012)

A. The Lessor shall bear the expense for all painting associated with the Building shell. These areas shall include all common areas. Exterior perimeter walls and interior core walls within the Space shall be spackled and prime painted with low volatile organic compounds (VOC) primer. If any Building shell areas are already painted prior to TIs, then the Lessor shall repaint, at the Lessor's expense, as necessary during TIs.

B. The costs for cyclical painting requirements as outlined in Section 6 shall be included in the shell rent.

3.27 FLOORS AND FLOOR LOAD (AUG 2011)

A. All adjoining floor areas shall be of a common level not varying more than 1/4 inch over a 10-foot horizontal run in accordance with the American Concrete Institute standards, non-slip, and acceptable to the LCO.

B. Under-floor surfaces shall be smooth and level. Office areas shall have a minimum live load capacity of 50 pounds per ABOA SF plus 20 pounds per ABOA SF for moveable partitions. Storage areas shall have a minimum live load capacity of 100 pounds per ABOA SF, including moveable partitions. Lessor may be required to provide a report by a registered structural engineer showing the floor load capacity, at the Lessor's expense. Calculations and structural drawings may also be required.

3.28 FLOOR COVERING AND PERIMETERS – SHELL (SUCCEEDING) (JUN 2012)

A. All Building common areas shall have finished floors, as currently provided.

B. The costs for cyclical carpet replacement requirements as outlined in Section 6 shall be included in the shell rent.

3.29 MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)

The Lessor shall provide and operate all Building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office Space.

3.30 BUILDING SYSTEMS (APR 2011)

Whenever requested, the Lessor shall furnish to GSA as part of shell rent, a report by a registered professional engineer(s) showing that the Building and its systems as designed and constructed will satisfy the requirements of this Lease.

3.31 ELECTRICAL (JUN 2012)

A. The Lessor shall be responsible for meeting the applicable requirements of local codes and ordinances. When codes conflict, the more stringent standard shall apply. Main service facilities shall be enclosed. The enclosure may not be used for storage or other purposes and shall have door(s) fitted with an automatic deadlocking latch bolt with a minimum throw of 1/2 inch. Main distribution for standard office occupancy shall be provided at the Lessor's expense. All floors shall have 120/208 V, 3-phase, 4-wire with bond, 60 hertz electric service available. In no event shall such power distribution (not including lighting and HVAC) for the Space fall below 4 watts per ABOA SF.

B. Main power distribution switchboards and distribution and lighting panel boards shall be circuit breaker type with copper buses that are properly rated to provide the calculated fault circuits. All power distribution panel boards shall be supplied with separate equipment ground buses. All power distribution equipment shall be required to handle the actual specified and projected loads and 10 percent spare load capacity. Distribution panels are required to accommodate circuit breakers for the actual calculated needs and 10 percent spare circuits that will be equivalent to the majority of other circuit breakers in the panel system. Fuses and circuit breakers shall be plainly marked or labeled to identify circuits or equipment supplied through them.

C. Convenience outlets shall be installed in accordance with NFPA Standard 70, National Electrical Code, or local code, whichever is more stringent. The Lessor shall provide duplex utility outlets in restrooms, corridors, and dispensing areas.

3.32 INTENTIONALLY DELETED

3.33 DRINKING FOUNTAINS (APR 2011)

On each floor of Government-occupied Space, the Lessor shall provide a minimum of two drinking fountains with chilled potable water within 200 feet of travel from any Government-occupied area on the floor. The fountains shall comply with Section F211 of the Architectural Barriers Act Accessibility Standard.

3.34 RESTROOMS (SEP 2013)

A. If this Lease is satisfied by new construction or major alterations, Lessor shall provide water closets, sinks and urinals on each floor that is partially or fully occupied by the government per the following schedule. The schedule is per floor and based on a density of one person for each 135 ABOA SF of office Space, allocated as 50% women and 50% men. If major alterations to the restrooms occur during the term of this Lease, the number of fixtures must meet the schedule as part of the major alterations.

ESTIMATED TOTAL NUMBER OF PEOPLE PER FLOOR			(WOMEN'S) WATER CLOSETS	(WOMEN'S) SINKS	(MEN'S) WATER CLOSETS	(MEN'S) URINALS	(MEN'S) SINKS
1	to	8	2	1	1	1	1
9	to	24	3	2	2	1	1
25	to	36	3	2	2	1	2
37	to	56	5	3	3	2	2
57	to	75	6	4	4	2	2
76	to	96	6	5	4	2	3

97	to	119	7	5	5	2	3
120	to	134	9	5	6	3	4
Above 135			3/40	1/24	1/20	1/40	1/30

B. If no new construction or major renovation of a restroom is occurring, compliance with local code is sufficient. Separate restroom facilities for men and women shall be provided in accordance with local code or ordinances, on each floor occupied by the Government in the Building. The facilities shall be located so that employees will not be required to travel more than 200 feet, on one floor to reach the restrooms. Each restroom shall have sufficient water closets enclosed with modern stall partitions and doors, urinals (in men's room), and hot (set in accordance with applicable building codes) and cold water. Water closets and urinals shall not be visible when the exterior door is open.

C. Each main restroom shall contain the following:

1. A mirror and shelf above the lavatory.
2. A toilet paper dispenser in each water closet stall that will hold at least two rolls and allow easy, unrestricted dispensing.
3. A coat hook on the inside face of the door to each water closet stall and on several wall locations by the lavatories.
4. At least one modern paper towel dispenser, soap dispenser, and waste receptacle for every two lavatories.
5. A coin-operated sanitary napkin dispenser in women's restrooms with a waste receptacle in each water closet stall.
6. A disposable toilet seat cover dispenser.
7. A counter area of at least 2 feet, 0 inches in length, exclusive of the lavatories (however, it may be attached to the lavatories) with a mirror above and a ground-fault interrupter-type convenience outlet located adjacent to the counter area. The counter should be installed to minimize pooling or spilling of water at the front edge.
8. A floor drain.
9. For new installations and major renovations, restroom partitions shall be made from recovered materials as listed in EPA's CPG.

3.35 PLUMBING FIXTURES: WATER CONSERVATION (DEC 2011)

For new installations and whenever plumbing fixtures are being replaced (replacement per floor is required prior to Lease commencement in all instances of nonconformance where the Government occupies the full floor):

A. Water closets must conform to EPA WaterSense or fixtures with equivalent flush volumes must be utilized.

B. Urinals must conform to EPA WaterSense or fixtures with equivalent flush volumes must be utilized. Waterless urinals are acceptable.

C. Faucets must conform to EPA WaterSense or fixtures with equivalent flow rates must be utilized.

Information on EPA WaterSense fixtures can be found at http://www.epa.gov/watersense/.

3.36 INTENTIONALLY DELETED

3.37 HEATING VENTILATION AND AIR CONDITIONING – SHELL (SEP 2013)

A. Central HVAC systems shall be installed and operational, including, as appropriate, main and branch lines, VAV boxes, dampers, flex ducts, and diffusers, for an open office layout, including all Building common areas. The Lessor shall provide conditioned air through medium pressure duct work at a rate of .75 cubic feet per minute per ABOA SF and systems shall be designed with sufficient systems capacity to meet all requirements in this Lease.

B. Areas having excessive heat gain or heat loss, or affected by solar radiation at different times of the day, shall be independently controlled.

C. Equipment Performance. Temperature control for office Spaces shall be provided by concealed central heating and air conditioning equipment. The equipment shall maintain Space temperature control over a range of internal load fluctuations of plus 0.5 W/SF to minus 1.5 W/SF from initial design requirements of the tenant.

D. Ductwork Re-use and Cleaning. Any ductwork to be reused and/or to remain in place shall be cleaned, tested, and demonstrated to be clean in accordance with the standards set forth by NADCA. The cleaning, testing, and demonstration shall occur immediately prior to Government occupancy to avoid contamination from construction dust and other airborne particulates.

E. During working hours in periods of heating and cooling, ventilation shall be provided in accordance with the latest edition of American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) Standard 62.1, Ventilation for Acceptable Indoor Air Quality.

F. Air filtration shall be provided and maintained with filters having a minimum efficiency rating as determined by the latest edition of ASHRAE Standard 52.2, Method of Testing General Ventilation Air Cleaning Devices for Removal Efficiency by Particle Size. Pre-filters shall have a Minimum Efficiency Reporting Value (MERV) efficiency of 8. Final filters shall have a MERV efficiency of 13.

G. Restrooms shall be properly exhausted, with a minimum of 10 air changes per hour.

3.38 TELECOMMUNICATIONS: DISTRIBUTION AND EQUIPMENT (SUCCEEDING) (SEPT 2011)

Telecommunications switch rooms, wire closets, and related spaces shall meet applicable NFPA standards. Bonding and grounding shall be in accordance with NFPA Standard 70, National Electrical Code, and other applicable NFPA standards and/or local code requirements.

3.39 TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (JUN 2012)

A. The Government may elect to contract its own telecommunications (voice, data, video, Internet or other emerging technologies) service in the Space. The Government may contract with one or more parties to have INS wiring (or other transmission medium) and telecommunications equipment installed.

B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing Building wiring to connect its services to the Government's Space. If the existing Building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the Building to the Government's floor Space, subject to any inherent limitations in the pathway involved.

C. The Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennas (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or Building envelope as required. Access from the antennas to the Premises shall be provided.

D. The Lessor shall allow the Government's designated telecommunications providers to affix antennas and transmission devices throughout the Space and in appropriate common areas frequented by the Government's employees to allow the use of cellular telephones and communications devices necessary to conduct business.

3.40 LIGHTING: INTERIOR AND PARKING - SHELL (SUCCEEDING) (SEP 2013)

NOTE: FOR PRICING ESTIMATING PURPOSES, FIXTURES WILL BE INSTALLED AT THE AVERAGE RATIO OF 1 FIXTURE PER 80 ABOA SF.

A. INTERIOR FIXTURES: High efficiency T-8, T-5, or LED light fixtures (and associated ballasts or drivers) shall be installed as either ceiling grid or pendant mounted for an open-office plan. Ceiling grid fixtures shall be either 2' wide by 4' long or 2' wide by 2' long. Lessor shall provide, as part of Shell Rent, a minimum overall lighting fixture efficiency of 85 percent. Lamps shall maintain a uniform color level throughout the lease term.

B. LIGHTING LEVELS: Fixtures shall have a minimum of two tubes and shall provide 50 foot-candles at desktop level (30" above finished floor) with a maximum uniformity ratio of 1.5:1. Lessor shall provide, as part of Shell Rent, 10 average foot-candles in all other Building areas within the Premises with a uniformity ratio of 4:1. Emergency egress lighting levels shall be provided in accordance with the local applicable building codes (but not less than 1 foot-candle) by either an onsite emergency generator or fixture mounted battery packs.

F. BUILDING PERIMETER:

1. Exterior parking areas, vehicle driveways, pedestrian walks, and the Building perimeter lighting levels shall be designed per Illuminating Engineering Society (IES) standards. Provide 5 foot-candles for doorway areas, 3 foot-candles for transition areas and at least 5 foot-candles throughout the parking lot. Parking lot fixtures shall provide a maximum to minimum uniformity ratio of 10:1.
2. If the leased space is 100 percent occupied by Government tenants, all exterior parking lot fixtures shall be "Dark Sky" compliant with no property line trespass.

G. PARKING STRUCTURES: The minimum illuminance level for parking structures is 5 foot-candles as measured on the floor with a uniformity ratio of 10:1.

H. PARKING SENSORS: If the leased space is 100 percent occupied by Government tenants, exterior parking area and parking structure lighting shall be sensor or BAS controlled in order that it may be programmed to produce reduced lighting levels during non use. This non-use time period will normally be from 11:00 pm to 6:00 am.

I. EXTERIOR POWER BACKUP: Exterior egress, walkway, parking lot, and parking structure lighting must have emergency power backup to provide for safe evacuation of the Building.

3.41 ACOUSTICAL REQUIREMENTS (JUN 2012)

A. Reverberation Control. Private office and conference rooms using suspended acoustical ceilings shall have a noise reduction coefficient (NRC) of not less than 0.65 in accordance with ASTM C-423. Open office using suspended acoustical ceilings shall have an NRC of not less than 0.75. Private offices, conference rooms, and open offices using acoustical cloud or acoustical wall panels with a minimum of 70% coverage shall have an NRC of not less than 0.85.

B. Ambient Noise Control. Ambient noise from mechanical equipment shall not exceed noise criteria curve (NC) 35 in accordance with the ASHRAE Handbook of Fundamentals in offices and conference rooms; NC 40 in corridors, cafeterias, lobbies, and restrooms; NC 50 in other spaces.

C. Noise Isolation. Rooms separated from adjacent spaces by ceiling high partitions (not including doors) shall not be less than the following noise isolation class (NIC) standards when tested in accordance with ASTM E-336:

Conference rooms: NIC 40
Offices: NIC 35

D. Testing. The LCO may require, at Lessor's expense, test reports by a qualified acoustical consultant showing that acoustical requirements have been met.

3.42 INDOOR AIR QUALITY DURING CONSTRUCTION (SEP 2013)

A. The Lessor shall provide to the Government material safety data sheets (MSDS) or other appropriate documents upon request, but prior to installation or use for the following products, including but not limited to, adhesives, caulking, sealants, insulating materials, fireproofing or fire stopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finishes for wood surfaces, janitorial cleaning products, and pest control products.

B. The LCO may eliminate from consideration products with significant quantities of toxic, flammable, corrosive, or carcinogenic material and products with potential for harmful chemical emissions. Materials used often or in large quantities will receive the greatest amount of review.

C. All MSDS shall comply with Occupational Safety and Health Administration (OSHA) requirements. The Lessor and its agents shall comply with all recommended measures in the MSDS to protect the health and safety of personnel.

D. To the greatest extent possible, the Lessor shall sequence the installation of finish materials so that materials that are high emitters of volatile organic compounds (VOCs) are installed and allowed to cure before installing interior finish materials, especially soft materials that are woven, fibrous, or porous in nature, that may adsorb contaminants and release them over time.

E. Where demolition or construction work occurs adjacent to occupied Space, the Lessor shall erect appropriate barriers (noise, dust, odor, etc.) and take necessary steps to minimize interference with the occupants. This includes maintaining acceptable temperature, humidity, and ventilation in the occupied areas during window removal, window replacement, or similar types of work.

F. HVAC during Construction: If air handlers are used during construction, the Lessor shall provide filtration media with a MERV of 8 at each return air grill, as determined by the latest edition of ASHRAE Standard 52.2, Method of Testing General Ventilation Air Cleaning Devices for Removal Efficiency by Particle Size. The permanent HVAC system may be used to move both supply and return air during the construction process only if the following conditions are met:

1. A complete air filtration system with 60 percent efficiency filters is installed and properly maintained;
2. No permanent diffusers are used;
3. No plenum type return air system is employed;
4. The HVAC duct system is adequately sealed to prevent the spread of airborne particulate and other contaminants; and
5. Following the Building "flush out," all duct systems are vacuumed with portable high-efficiency particulate arrestance (HEPA) vacuums and documented clean in accordance with National Air Duct Cleaners Association (NADCA) specifications.

G. Flush-Out Procedure:

1. A final flush-out period of 72 hours minimum is required after installation of all interior finishes and before occupancy of the Space. The Lessor shall ventilate 24 hours a day, with new filtration media at 100% outdoor air (or maximum outdoor air while achieving a relative humidity not greater than 60%).

2. After the 3-day period the Space may be occupied; however, the flush-out must continue for 30 days using the maximum percentage of outdoor air consistent with achieving thermal comfort and humidity control.

3. Any deviation from this ventilation plan must be approved by the LCO.

4. The Lessor is required to provide regularly occupied areas of the Space with new air filtration media before occupancy that provides a MERV of 13 or better.

5. During construction, meet or exceed the recommended design approaches of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guideline for Occupied Buildings Under Construction, 1995, Chapter 3.

6. Protect stored onsite and installed absorptive materials from moisture damage.

3.43 SYSTEMS COMMISSIONING (APR 2011)

The Lessor shall incorporate commissioning requirements to verify that the installation and performance of energy consuming systems meet the Government's project requirements. The commissioning shall cover only work associated with TIs or alterations or at a minimum: heating, ventilating, air conditioning and refrigeration (HVAC&R) systems and associated controls, lighting controls, and domestic hot water systems.

3.44 DUE DILIGENCE AND NATIONAL ENVIRONMENTAL POLICY ACT REQUIREMENTS – LEASE (SEP 2014)

A. Environmental Due Diligence

Lessor is responsible for performing all necessary "response" actions (as that term is defined at 42 U.S.C. § 9601(25) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)) with regard to all "recognized environmental conditions," as that term is defined in ASTM Standard E1527-13, as such standard may be revised from time to time. This obligation extends to any contamination of the Property where such contamination is not attributable to the Government. Lessor must provide the Government with a summary report demonstrating completion of all required response actions prior to Substantial Completion. Any remediation performed by or on behalf of Lessor must be undertaken in strict compliance with all applicable federal, state and local laws and regulations.

B. National Environmental Policy Act

The National Environmental Policy Act regulations provide for analyzing proposed major federal actions to determine if there are ways to mitigate the impact of the proposed actions to avoid, minimize, rectify, reduce, or compensate for environmental impacts associated with such actions. Where the Government has determined that any or all of these mitigation measures should be or must be adopted to lessen the impact of these proposed actions, Lessor must incorporate all mitigation measures identified and adopted by the Government in the design and construction drawings and specifications. All costs and expenses for development of design alternatives, mitigation measures and review submittals for work to be performed under the Lease are the sole responsibility of Lessor.

3.45 NATIONAL HISTORIC PRESERVATION ACT REQUIREMENTS - LEASE (SEP 2014)

A. Where a Memorandum of Agreement or other pre-award agreement concluding the Section 106 consultation includes mitigation, design review or other continuing responsibilities of the Government, Lessor must allow the Government access to the Property to carry out compliance activities. Compliance may require excavation for artifact recovery, recordation and interpretation. For Tenant Improvements and other tenant-driven alterations within an existing historic building, new construction or exterior alterations that could affect historic properties, compliance also may require on-going design review. In these instances, Lessor will be required to retain, at its sole cost and expense, the services of a preservation architect who meets or exceeds the *Secretary of the Interior's Professional Qualifications Standards for Historic Architecture*, as amended and annotated and previously published in the Code of Federal Regulations, 36 C.F.R. part 61, and the *GSA Qualifications Standards for Preservation Architects*. These standards are available at: HTTP://WWW.GSA.GOV/HISTORICPRESERVATION>Project Management Tools> Qualification Requirements for Preservation Architects. The preservation architect will be responsible for developing preservation design solutions and project documentation required for review by the Government, the State Historic Preservation Officer (SHPO), the Tribal Historic Preservation Officer (THPO), if applicable, and other consulting parties in accordance with Section 106. For Tenant Improvements and other tenant-driven alterations within an existing historic building, the preservation architect must develop context-sensitive design options consistent with the *Secretary of the Interior's Standards for the Treatment of Historic Properties*. Where new construction or exterior alterations, or both, are located within a historic district, may be visible from historic properties or may affect archeological resources, compliance may require tailoring the design of the improvements to be compatible with the surrounding area. Design review may require multiple revised submissions, depending on the complexity of the project and potential for adverse effects to historic properties. GSA is responsible for corresponding with the SHPO, the THPO, if applicable, and any other consulting party.

B. Compliance requirements under Section 106 apply to all historic property alterations and new construction, regardless of the magnitude, complexity or cost of the proposed scope of work.

C. The costs for development of design alternatives and review submittals for work required under the Lease are the sole responsibility of Lessor. In addition, building shell costs relating to such design alternatives are the sole responsibility of Lessor and must be included in the shell rent. Such costs may be offset by federal, state or local preservation tax benefits. Lessor is encouraged to seek independent financial and legal advice concerning the availability of these tax benefits.

SECTION 4 DESIGN, CONSTRUCTION, AND POST AWARD ACTIVITIES

4.01 SCHEDULE FOR COMPLETION OF SPACE (SUCCEEDING) (JUN 2012)

No design and construction activities are required for this Succeeding Lease.

4.02 INTENTIONALLY DELETED

4.03 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (SUCCEEDING) (SEP 2013)

A. The Government shall accept the Space only if the construction of Building shell and TIs conforming to this Lease is substantially complete, a Certificate of Occupancy (C of O) has been issued as set forth below and the Building improvements necessary for acceptance as described in the paragraph "Building Improvements" are completed.

B. The Space shall be considered substantially complete only if the Space may be used for its intended purpose and completion of remaining work will not interfere unreasonably with the Government's enjoyment of the Space. Acceptance shall be final and binding upon the Government with respect to the completion of the TIs, with the exception of items identified on a punch list generated as a result of the inspection, concealed conditions, latent defects, or fraud, but shall not relieve the Lessor of any other Lease requirements.

C. The Lessor shall provide a valid C of O, issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue C of O's or if the C of O is not available, the Lessor may satisfy this condition by providing a report from a licensed fire protection engineer indicating the Space and Building are compliant with all fire protection and life safety-related requirements of this Lease.

D. At acceptance, the Lease term shall commence and the Lease Term Commencement Date shall be memorialized by Lease Amendment.

E. The Government will not be required to accept space prior to the schedule outlined in this Lease.

4.04 AS-BUILT DRAWINGS (JUN 2012)

No as-built drawings required for this Succeeding Lease.

4.05 INTENTIONALLY DELETED

SECTION 5 TENANT IMPROVEMENT COMPONENTS

5.01 TENANT IMPROVEMENT REQUIREMENTS (SEP 2013)

The TIs shall be designed, constructed, and maintained in accordance with the standards set forth in this Lease. For pricing, only those requirements designated as TIs within this section, or designated as TIs within the attached agency requirements and Security Requirements, shall be deemed to be TI costs.

5.02 FINISH SELECTIONS (SUCCEEDING) (SEPT 2011)

The Lessor must consult with the Government prior to developing a minimum of three (3) finish options to include coordinated samples of finishes for all interior elements such as paint, wall coverings, base coving, carpet, window treatments, laminates, and flooring. All samples provided must comply with specifications set forth elsewhere in this Lease. All required finish option samples must be provided at no additional cost to the Government within 10 Working Days after Lease award. GSA must deliver necessary finish selections to the Lessor within 10 Working Days after receipt of samples. The finish options must be approved by GSA prior to installation. The Lessor may not make any substitutions after the finish option is selected.

5.03 DOORS: INTERIOR (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

Doors within the Space shall be provided as part of the TIs and shall have a minimum clear opening of 32" wide x 80" high. Doors shall be flush, solid core, wood with a natural wood veneer face or an equivalent door pre-approved by the LCO. Hollow core wood doors are not acceptable. They shall be operable with a single effort, and shall meet the requirements of NFPA 101, Life Safety Code or the International Building Code (current as of the Lease Award Date). Doors shall be installed in a metal frame assembly which is primed and finished with a low VOC semi-gloss oil-based paint with no formaldehyde.

5.04 DOORS: HARDWARE (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

Doors shall have door handles or door pulls with heavyweight hinges. The Lessor is encouraged to avoid the use of chrome-plated hardware. All doors shall have corresponding doorstops (wall- or floor-mounted) and silencers. All door entrances leading into the Space from public corridors and exterior doors shall have automatic door closers. Doors designated by the Government shall be equipped with 5-pin, tumbler cylinder locks and strike plates. All locks shall be master keyed. Furnish at least two master keys for each lock to the Government. Any exterior entrance shall have a high security lock, with appropriate key control procedures, as determined by Government specifications. Hinge pins and hasps shall be secured against unauthorized removal by using spot welds or pinned mounting bolts. The exterior side of the door shall have a lock guard or astragal to prevent tampering of the latch hardware. Doors used for egress only shall not have any operable exterior hardware. All security-locking arrangements on doors used for egress shall comply with requirements of NFPA 101or the International Building Code current as of the Lease Award Date.

5.05 PARTITIONS: SUBDIVIDING (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

A. Office subdividing partitions shall comply with applicable building codes and local requirements and ordinances shall be provided as part of the TIs. Partitioning shall extend from the finished floor to the finished ceiling and shall be designed to provide a minimum sound transmission class (STC) of 37. They shall have a flame spread rating of 25 or less and a smoke development rating of 450 or less (ASTM E-84).

B. HVAC shall be rebalanced and lighting repositioned, as appropriate, after installation of partitions.

C. If installed in accordance with the "Automatic Fire Sprinkler System" and "Fire Alarm System" paragraphs, sprinklers and fire alarm notification appliances shall be repositioned as appropriate after installation of partitions to maintain the level of fire protection and life safety.

5.06 WALL FINISHES (JUN 2012)

If the Government chooses to install a wall covering, the minimum standard is vinyl-free, chlorine-free, plasticizer-free wall covering with recycled content or bio-based commercial wall covering weighing not less than 13 ounces per square yard or equivalent. If the Government chooses to install a high-performance paint coating, it shall comply with the VOC limits of the Green Seal Standard GS-11.

5.07 PAINTING –TI (SEP 2013)

A. If the Government requests interior painting, at the Government's expense, the colors must be acceptable to the Government.

B. The Lessor shall provide interior paints and coatings that meet or are equivalent to the following standards for VOC off gassing:
1. Topcoat paints: Green Seal Standard GS-11, Paints, First Edition, May 20, 1993.
2. All other architectural coatings, primers, and undercoats: South Coast Air Quality Management District (SCAQMD) Rule 1113, Architectural Coatings, effective January 1, 2004.
3. Architectural paints, coatings, and primers applied to interior walls and ceilings:

a. Flats: 50 grams per liter (g/L).
b. Non-flats: 150 g/L.

4. Anti-corrosive and anti-rust paints applied to interior ferrous metal substrates: 250 g/L.
5. Clear wood finishes:
   a. Varnish: 350 g/L.
   b. Lacquer: 550 g/L.
6. Floor coatings: 100 g/L.
7. Sealers:
   a. Waterproofing sealers: 250 g/L.
   b. Sanding sealers: 275 g/L.
   c. All other sealers: 200 g/L.
8. Shellacs:
   a. Clear: 730 g/L.
   b. Pigmented: 550 g/L.
9. Stains: 250 g/L.

C. Use reprocessed latex paint in accordance with EPA's CPG (Comprehensive Procurement Guidelines) on all painted surfaces where feasible. The type of paint shall be acceptable to the Government.

5.08 FLOOR COVERINGS AND PERIMETERS (SEP 2013)

A. Broadloom carpet or carpet tiles shall meet the requirements set forth in the specifications below. Floor perimeters at partitions shall have wood, rubber, vinyl, or carpet base. Floor covering shall be installed in accordance with manufacturing instructions to lay smoothly and evenly.

B. The use of existing carpet may be approved by the Government; however, existing carpet shall be repaired, stretched, and cleaned before occupancy and shall meet the static buildup requirement as stated in the specifications below.

C. Any alternate flooring shall be pre-approved by the Government.

D. SPECIFICATIONS FOR CARPET TO BE NEWLY INSTALLED OR REPLACED

1. Product sustainability and environmental requirements. In order to achieve superior performance in multiple environmental attribute areas, carpet must have third party certification in accordance with ANSI/NSF 140 2007e Sustainable Carpet Assessment Standard at a "Gold" level minimum. Carpet manufacturer must supply certificate as part of the procurement documentation.

2. Recycled content: Recycled content is measured by total product weight of pre-consumer and/or post-consumer materials.

3. Low emitting materials. The carpet and floor adhesive (for glue-down installations) must meet the Green Label Plus (GLP) and floor adhesive (for direct glue down) requirements of the Carpet and Rug Institute (CRI). GLP number must be provided. Carpet and all installation components including adhesives, sealers, seam welds, and seam sealers must meet the Low Emitting Materials standards as outlined in U.S. Green Building Council LEED criteria. Adhesives must meet VOC content standards per South Coast Air Quality Management District Rule #1168.

4. Face fiber content. Face yarn must be 100 percent nylon fiber. Loop Pile shall be 100 percent Bulk Continuous Filament (BCF); cut and loop shall be 100 percent BCF for the loop portion and may be BCF or staple for the cut portion; cut pile carpet shall be staple or BCF.

5. Performance requirements for broadloom and modular tile.

a. Static: Less than or equal to 3.5 kV when tested by AATCC Test Method 134 (Step Test Option).
b. Flammability: Meets CPSC-FF-1-70, DOC-FF-1-70 Methenamine Tablet Test criteria.
c. Flooring Radiant Panel Test: Meets NFPA 253 Class I or II depending upon occupancy and fire code when tested under ASTM E-648 for glue down installation.
d. Smoke Density: NBS Smoke Chamber - Less than 450 Flaming Mode when tested under ASTM E-662.

NOTE: Testing must be performed in a NVLAP accredited laboratory.

6. Texture Appearance Retention Rating (TARR). Carpet must meet TARR ratings specified below:

Space Definition	Traffic Classification	TARR Classification
Private Offices	Moderate	≥ 3.0 TARR
Training, conference, courtrooms, etc	Heavy	≥ 3.0 TARR
Open Office, cafeteria, corridors, lobbies	Severe	≥ 3.5 TARR

The carpet must be evaluated using ASTM D-5252 Hexapod Drum Test as per the commercial carpet test procedure and the TARR classification determined using ASTM D-7330.

- 7. Carpet reclamation. Reclamation of existing carpet to be determined with potential vendor. When carpet is replaced, submit certification documentation from the reclamation facility to the LCO.

8. Warranty. Submit a copy of the manufacturer's standard warranty to the LCO within the first 60 days of Government occupancy. The Government is to be a beneficiary of the terms of this warranty.

5.09 HEATING AND AIR CONDITIONING (SUCCEEDING) (JUN 2012)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

Zone Control. Provide individual thermostat control for office Space with control areas not to exceed 1,500 ABOA SF. Interior spaces must be separately zoned. Specialty occupancies (conference rooms, kitchens, etc.) must have active controls capable of sensing Space use and modulating HVAC system in response to Space demand. Areas that routinely have extended hours of operation shall be environmentally controlled through dedicated heating and air conditioning equipment. Special purpose areas (such as photocopy centers, large conference rooms, computer rooms, etc.) with an internal cooling load in excess of 5 tons shall be independently controlled. Provide concealed package air conditioning equipment to meet localized spot cooling of tenant special equipment. Portable space heaters are prohibited.

5.10 ELECTRICAL: DISTRIBUTION (SUCCEEDING) (JUN 2012)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

A. All electrical outlets shall be installed in accordance with NFPA Standard 70.

B. All outlets within the Space shall be marked and coded for ease of wire tracing; outlets shall be circuited separately from lighting. All floor outlets shall be flush with the plane of the finished floor. Outlet cover colors shall be coordinated with partition finish selections.

C. The Lessor shall in all cases safely conceal outlets and associated wiring (for electricity, voice, and data) to the workstation(s) in partitions, ceiling plenums, in recessed floor ducts, under raised flooring, or by use of a method acceptable to the Government.

5.11 LIGHTING: INTERIOR AND PARKING – TI (SUCCEEDING) (SEP 2013)
The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

A. FIXTURES: The Lessor shall provide interior lighting to comply with requirements under the paragraph, "Lighting: Interior and Parking – Shell (Succeeding)."

B. BUILDING PERIMETER: There may be additional requirements for lighting in exterior parking areas, vehicle driveways, pedestrian walkways, and Building perimeter in the Security Requirements attached to this Lease.

SECTION 6 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (JUN 2012)

A. The Government's normal hours of operations are established as **7:00 AM to 5:00 PM**, Monday through Friday, with the exception of Federal holidays. Services, maintenance, and utilities shall be provided during these hours. The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, restrooms, lights, and electric power. Cleaning shall be performed during normal hours.

B. The Lessor and the Lessor's representatives, employees and contractors shall demonstrate a cooperative, positive, welcoming, respectful, professional and business-like demeanor and shall present a neat, clean, job-appropriate (professional) appearance.

6.02 UTILITIES (APR 2011)

The Lessor is responsible for providing all utilities necessary for base Building and tenant operations as part of the rental consideration.

6.03 INTENTIONALLY DELETED

6.04 UTILITY CONSUMPTION REPORTING (JUN 2012)

Upon request from the Lease Contracting Officer or Contracting Officer's Representative, the Lessor shall provide regular quarterly reports of the amount of all utilities consumed at the Building in monthly detail for the duration of the Lease. These reports must be provided within 45 days of the end of each quarterly period and shall be in either written or electronic form, as requested by the Government. The reports shall contain the number of actual units consumed. If reports are available detailing only the Government's consumption, then the reports shall be limited solely to the Government's consumption. Additionally, said reports shall indicate, for each utility being reported, the use of the specific utility. For example, electricity consumption shall indicate if it includes heating or air conditioning, and if so, whether just diffusers or diffusers and heating are included in electricity consumption.

6.05 HEATING AND AIR CONDITIONING (SEP 2014)

A. In all office areas, temperatures shall conform to local commercial equivalent temperature levels and operating practices in order to maximize tenant satisfaction. These temperatures shall be maintained throughout the leased Premises and service areas, regardless of outside temperatures, during the hours of operation specified in the Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, humidity shall be maintained below 60% relative humidity.

B. During non working hours, heating temperatures shall be set no higher than 55° Fahrenheit, and air conditioning shall not be provided except as necessary to return Space temperatures to a suitable level for the beginning of working hours. Thermostats shall be secured from manual operation by key or locked cage. A key shall be provided to the Government's designated representative.

C. Thermal comfort. During all working hours, comply with the latest edition of ASHRAE Standard 55, Thermal Comfort Conditions for Human Occupancy.

D. Warehouse or garage areas require heating and ventilation only. Cooling of this Space is not required. Temperature of warehouse or garage areas shall be maintained at a minimum of 50° Fahrenheit.

E. The Lessor shall conduct HVAC system balancing after any HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.

F. Normal HVAC systems' maintenance shall not disrupt tenant operations.

G. The Server room located on the Premises shall receive cooling at all times (24 hrs a day, 365 days a year) for purposes of cooling the designated server room. The temperature of this room shall be maintained at 65 degrees F, with humidity control not to exceed 60% relative humidity, regardless of outside temperature or seasonal changes. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

6.06 OVERTIME HVAC USAGE (JUN 2012)

A. If there is to be a charge for heating or cooling outside of the Building's normal hours, such services shall be provided at the hourly rates set forth elsewhere in the Lease. Overtime usage services may be ordered by the Government's authorized representative only.

B. When the cost of service is $3,000 or less, the service may be ordered orally. An invoice shall be submitted to the official placing the order for certification and payment. Orders for services costing more than $3,000 shall be placed using GSA Form 300, Order for Supplies or Services, or other approved service requisition procurement document. An invoice conforming to the requirements of this Lease shall be submitted to the official placing the order for certification and payment.

C. Failure to submit a proper invoice within 120 days of providing overtime utilities shall constitute a waiver of the Lessor's right to receive any payment for such overtime utilities pursuant to this Lease.

6.07 JANITORIAL SERVICES (JUN 2012)

The Lessor shall maintain the Premises and all areas of the Property to which the Government has routine access in a clean condition and shall provide supplies and equipment for the term of the Lease. The following schedule describes the level of services intended. Performance will be based on the LCO's evaluation of results, not the frequency or method of performance.

A. Daily. Empty trash receptacles. Sweep entrances, lobbies, and corridors. Spot sweep floors, and spot vacuum carpets. Clean drinking fountains. Sweep and damp mop or scrub restrooms. Clean all restroom fixtures, and replenish restroom supplies. Dispose of all trash and garbage generated in or about the Building. Wash inside and out or steam clean cans used for collection of food remnants from snack bars and vending machines. Dust horizontal surfaces that are readily available and visibly require dusting. Spray buff resilient floors in main corridors, entrances, and lobbies. Clean elevators and escalators. Remove carpet stains. Police sidewalks, parking areas, and driveways. Sweep loading dock areas and platforms. Clean glass entry doors to the Space.

B. Three times a week. Sweep or vacuum stairs.

C. Weekly. Damp mop and spray buff all resilient floors in restrooms and health units. Sweep sidewalks, parking areas, and driveways (weather permitting).

D. Every two weeks. Spray buff resilient floors in secondary corridors, entrance, and lobbies. Damp mop and spray buff hard and resilient floors in office Space.

E. Monthly. Thoroughly dust furniture. Completely sweep and/or vacuum carpets. Sweep storage Space. Spot clean all wall surfaces within 70 inches of the floor.

F. Every two months. Damp wipe restroom wastepaper receptacles, stall partitions, doors, window sills, and frames. Shampoo entrance and elevator carpets.

G. Three times a year. Dust wall surfaces within 70 inches of the floor, vertical surfaces and under surfaces. Clean metal and marble surfaces in lobbies. Wet mop or scrub garages.

H. Twice a year. Wash all interior and exterior windows and other glass surfaces. Strip and apply four coats of finish to resilient floors in restrooms. Strip and refinish main corridors and other heavy traffic areas.

I. Annually. Wash all venetian blinds, and dust 6 months from washing. Vacuum or dust all surfaces in the Building more than 70 inches from the floor, including light fixtures. Vacuum all draperies in place. Strip and refinish floors in offices and secondary lobbies and corridors. Shampoo carpets in corridors and lobbies. Clean balconies, ledges, courts, areaways, and flat roofs.

J. Every two years. Shampoo carpets in all offices and other non-public areas.

K. Every five years. Dry clean or wash (as appropriate) all draperies.

L. As required. Properly maintain plants and lawns. Provide initial supply, installation, and replacement of light bulbs, tubes, ballasts, and starters. Provide and empty exterior ash cans and clean area of any discarded cigarette butts.

M. Pest control. Control pests as appropriate, using Integrated Pest Management techniques, as specified in the GSA Environmental Management Integrated Pest Management Technique Guide (E402-1001).

6.08 SELECTION OF CLEANING PRODUCTS (APR 2011)

The Lessor shall make careful selection of janitorial cleaning products and equipment to:

A. Use products that are packaged ecologically;

B. Use products and equipment considered environmentally beneficial and/or recycled products that are phosphate free, non-corrosive, non-flammable, and fully biodegradable; and

C. Minimize the use of harsh chemicals and the release of irritating fumes.

NOTE: Examples of acceptable products may be found at www.gsa.gov/p2products.

6.09 SELECTION OF PAPER PRODUCTS (JUN 2012)

The Lessor shall select paper and paper products (e.g., restroom tissue and paper towels) with recycled content conforming to EPA's CPG.

6.10 SNOW REMOVAL (APR 2011)

Lessor shall provide snow removal services for the Government on all days for which this Lease has designated normal hours. Lessor shall clear parking lots if the accumulation of snow exceeds two inches. Lessor shall clear sidewalks, walkways and other entrances before accumulation exceeds 1.5 inches. The snow removal shall take place no later than 5:00 AM, without exception. Should accumulation continue throughout the day, the Lessor shall provide such additional snow removal services to prevent accumulation greater than the maximums specified in this paragraph. In addition to snow removal, the Lessor shall keep walkways, sidewalks and parking lots free of ice during the normal hours. The Lessor shall remove

excess buildup of sand and/or ice melt to minimize slipping hazards. If the Building entrance(s) has a northern exposure, then Lessor shall take additional measures to protect the safety of pedestrians.

6.11 MAINTENANCE AND TESTING OF SYSTEMS (SEP 2013)

A. The Lessor is responsible for the total maintenance and repair of the leased Premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Government's designated representative.

B. At the Lessor's expense, the Government reserves the right to require documentation of proper operations, inspection, testing, and maintenance of fire protection systems, such as, but not limited to, fire alarm, fire sprinkler, standpipes, fire pump, emergency lighting, illuminated exit signs, emergency generator. prior to occupancy to ensure proper operation. These tests shall be witnessed by the Government's designated representative.

6.12 MAINTENANCE OF PROVIDED FINISHES (SEP 2013)

A. Paint, wall coverings. Lessor shall maintain all wall coverings and high performance paint coatings in "like new" condition for the life of the Lease. All painted surfaces, shall be repainted at the Lessor's expense, including the moving and returning of furnishings, any time during the occupancy by the Government if the paint is peeling or permanently stained, except where damaged due to the negligence of the Government. All work shall be done after normal working hours as defined elsewhere in this Lease.

B. Carpet and flooring.

1. Except when damaged by the Government, the Lessor shall repair or replace flooring at any time during the Lease term when:

   a. Backing or underlayment is exposed;
   b. There are noticeable variations in surface color or texture;
   c. It has curls, upturned edges, or other noticeable variations in texture;
   d. Tiles are loose; or,
   e. Tears or tripping hazards are present.

2. Repair or replacement shall include the moving and returning of furnishings, including disassembly and reassembly of systems furniture per manufacturer's warranty, if necessary. Work shall be performed after the normal hours established elsewhere in this Lease.

6.13 ASBESTOS ABATEMENT (APR 2011)

If asbestos abatement work is to be performed in the Space after occupancy, the Lessor shall submit to the Government the occupant safety plan and a description of the methods of abatement and re-occupancy clearance, in accordance with OSHA, EPA, DOT, state, and local regulations and guidance, at least 4 weeks prior to the abatement work.

6.14 ONSITE LESSOR MANAGEMENT (APR 2011)

The Lessor shall provide an onsite Building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

6.15 IDENTITY VERIFICATION OF PERSONNEL (SEP 2013)

A. The Government reserves the right to verify identities of personnel with routine pre-occupancy and/or unaccompanied access to Government space. The Lessor shall comply with the agency personal identity verification procedures below that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and M11-11, and Federal Information Processing Standards Publication (FIPS PUB) Number 201, as amended.

B. The Government reserves the right to conduct additional background checks on Lessor personnel and contractors with routine access to Government leased space throughout the term of the Lease.

C. Upon request, the Lessor will notify the Government whether they will use either the manual process and submit completed fingerprint charts and background investigation forms, or use the electronic process of ID verification, completed through the e-QIP system. This would be done for each employee of the Lessor, as well as employees of the Lessor's contractors or subcontractors who will provide building operating services requiring routine access to the Government's leased space for a period greater than 6 months. The Government may also require this information for the Lessor's employees, contractors, or subcontractors who will be engaged to perform alterations or emergency repairs in the Government's space.

1. MANUAL PROCESS: The Lessor shall provide Form FD 258, Fingerprint Chart (available from the Government Printing Office at http://bookstore.gpo.gov), and Standard Form 85P, Questionnaire for Public Trust Positions, completed by each person and returned to the Lease Contracting Officer (or the contracting officer's designated representative) within 30 days from receipt of the forms.

2. ELECTRONIC PROCESS: The electronic process will be done through the e-QIP system. The Lessor's contractor/personnel will receive an email along with instructions for completing the Office of Personnel Electronic Questionnaire (e-QIP). The contractor/personnel will have up to (7)

seven business days to login and complete the e-QIP for the background investigation. The contractor/personnel will be instructed to access the website, and receive on screen instructions which include but it is not limited to:

a) How to Log In
b) How to Answer and Create New Golden Questions
c) What Additional Documents to Send
d) To Print and Sign two Signature Forms (Certification That My Answers Are True)
e) To complete the submission process, press the "Release /Request Transmit to the Agency" and exit the process
f) Where to Send.

The Lessor must ensure prompt input, and timely receipt of the following, from their contractor/personnel:

a) Two FBI Fingerprint Cards (Form FD-258) or one card produced by a livescan device,
b) Certification That My Answers Are True
c) Authorization for Release of Information.

D. The Lessor must ensure the contracting officer (or the contracting officer's designated representative) has all of the requested documentation to ensure the completion of the investigation.

E. Based on the information furnished, the Government will conduct background investigations of the employees. The contracting officer will advise the Lessor in writing if an employee fails the investigation, and, effective immediately, the employee will no longer be allowed to work or be assigned to work in the Government's space.

F. Throughout the life of the lease, the Lessor shall provide the same data for any new employees, contractors, or subcontractors who will be assigned to the Government's space. In the event the Lessor's contractor or subcontractor is subsequently replaced, the new contractor or subcontractor is not required to submit another set of these forms for employees who were cleared through this process while employed by the former contractor or subcontractor. The Lessor shall resubmit Form FD 258 and Standard Form 85P for every employee covered by this paragraph on a 5 year basis.

G. The Lessor shall insert this paragraph in all subcontracts when the subcontractor is required to have physical access to a federally controlled facility or access to a federal information system.

6.16 SCHEDULE OF PERIODIC SERVICES (JUN 2012)

Within 60 days after occupancy by the Government, the Lessor shall provide the LCO with a detailed written schedule of all periodic services and maintenance to be performed other than daily, weekly, or monthly.

6.17 LANDSCAPING (SUCCEEDING) (JUN 2012)

A. Landscape management practices shall prevent pollution by:

1. Employing practices which avoid or minimize the need for fertilizers and pesticides;

2. Prohibiting the use of the 2,4-Dichlorophenoxyacetic Acid (2,4-D) herbicide and organophosphates; and

3. Composting/recycling all yard waste.

B. The Lessor shall use landscaping products with recycled content as required by EPA's CPG Guidelines for landscaping products. Refer to EPA's CPG web site, www.epa.gov/cpg.

6.18 LANDSCAPE MAINTENANCE (APR 2011)

Landscape maintenance shall be performed during the growing season at not less than a weekly cycle and shall consist of watering, weeding, mowing, and policing the area to keep it free of debris. Pruning and fertilization shall be done on an as-needed basis. In addition, dead, dying, or damaged plants shall be replaced.

6.19 RECYCLING (JUN 2012)

A. For Leases greater than 10,000 rentable SF, with a Lease term greater than six months, the Lessor shall establish a recycling program for (at a minimum) paper, corrugated cardboard, glass, plastics, and metals where local markets for recovered materials exist.

B. Where state or local law, code, or ordinance requires recycling programs for the Premises, Lessor shall comply with such state and/or local law, code, or ordinance.

C. When implementing any recycling program, the Lessor shall provide an easily accessible, appropriately sized area (2 SF per 1,000 SF of Building gross floor area) that serves the Space for the collection and storage of materials for recycling. Telecom rooms are not acceptable as recycling space. During the Lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the Space.

6.20 RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)

During the term of the Lease, the Lessor may not establish vending facilities within the leased Space that will compete with any Randolph-Sheppard vending facilities.

6.21 INTENTIONALLY DELETED

6.22 INDOOR AIR QUALITY (SEP 2013)

A. The Lessor shall control contaminants at the source and/or operate the Space in such a manner that the GSA indicator levels for carbon monoxide (CO), carbon dioxide (CO2), and formaldehyde (HCHO) are not exceeded. The indicator levels for office areas shall be: CO 9 ppm time weighted average (TWA 8 hour sample); CO2 1,000 ppm (TWA); HCHO 0.1 ppm (TWA).

B. The Lessor shall make a reasonable attempt to apply insecticides, paints, glues, adhesives, and HVAC system cleaning compounds with highly volatile or irritating organic compounds, outside of working hours. Except in an emergency, the Lessor shall provide at least 72 hours advance notice to the Government before applying noxious chemicals in occupied Spaces and shall adequately ventilate those Spaces during and after application.

C. The Lessor shall promptly investigate indoor air quality (IAQ) complaints and shall implement the necessary controls to address the complaint.

D. The Government reserves the right to conduct independent IAQ assessments and detailed studies in Space that it occupies, as well as in space serving the Space (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by:

1. Making available information on Building operations and Lessor activities;
2. Providing access to Space for assessment and testing, if required; and
3. Implementing corrective measures required by the LCO.

E. The Lessor shall provide to the Government material safety data sheets (MSDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within:

1. The Space;
2. Common Building areas;
3. Ventilation systems and zones serving the Space; and
4. The area above suspended ceilings and engineering space in the same ventilation zone as the Space.

F. Where hazardous gasses or chemicals (any products with data in the Health and Safety section of the MSDS sheets) may be present or used, including large-scale copying and printing rooms, segregate areas with deck-to-deck partitions with separate outside exhausting at a rate of at least 0.5 cubic feet per minute per SF, no air recirculation. The mechanical system must operate at a negative pressure compared with the surrounding spaces of at least an average of 5 Pa (pascal) (0.02 inches of water gauge) and with a minimum of 1 Pa (0.004 inches of water gauge) when the doors to the rooms are closed.

6.23 RADON IN AIR (SUCCEEDING) (SEP 2013)

A. The radon concentration in the air of the Space shall be less than 4 picoCuries per liter (pCi/L) for childcare and 25 pCi/L for all other space, herein called "GSA action levels."

B. INITIAL TESTING:

1. The Lessor shall:
   a. Test for radon that portion of Space which is in ground contact or closest to the ground up to and including the second floor above grade (Space on the third or higher floor above grade need not be measured);.
   b. Report the results to the LCO upon award; and
   c. Promptly carry out a corrective action program for any radon concentration which equals or exceeds the GSA action levels.
2. Testing sequence. The Lessor shall measure radon by the standard test in sub-paragraph D.1, completing the test not later than 150 days after award, unless the LCO decides that there is not enough time to complete the test prior to Lease Term Commencement Date, in which case the Lessor shall perform the short test in subparagraph D.2.

C. CORRECTIVE ACTION PROGRAM:

1. Program Initiation and Procedures.
   a. If either the Government or the Lessor detects a radon concentration at or above the GSA action levels at any time after award or during the term of the Lease, the Lessor shall promptly carry out a corrective action program which reduces the concentration to below the GSA action levels.
   b. If either the Government or the Lessor detects a radon concentration at or above the GSA action levels at any time after Government occupancy, the Lessor shall promptly restrict the use of the affected area and shall provide comparable temporary space for the tenants, as agreed to by the Government, until the Lessor carries out a prompt corrective action program which reduces the concentration to below the GSA action levels and certifies the Space for re-occupancy.
   c. The Lessor shall provide the Government with prior written notice of any proposed corrective action or tenant relocation. The Lessor shall promptly revise the corrective action program upon any change in Building condition or operation which would affect the program or increase the radon concentration to or above the GSA action levels.

d. The Lessor shall perform the standard test in sub-paragraph D.1 to assess the effectiveness of a corrective action program. The Lessor may also perform the short test in sub-paragraph D.2 to determine whether the Space may be occupied but shall begin the standard test concurrently with the short test.
e. All measures to accommodate delay of occupancy, corrective action, tenant relocation, tenant re-occupancy, or follow-up measurement, shall be provided by the Lessor at no additional cost to the Government.
f. If the Lessor fails to exercise due diligence, or is otherwise unable to reduce the radon concentration promptly to below the GSA action levels, the Government may implement a corrective action program and deduct its costs from the rent.

D. TESTING PROCEDURES:

1. Standard Test. Place alpha track detectors throughout the required area for 91 or more days so that each covers no more than 2,000 ABOA SF. Use only devices listed in the EPA Radon Measurement Proficiency Program (RMP) application device checklists. Use a laboratory rated proficient in the EPA RMP to analyze the devices. Submit the results and supporting data (sample location, device type, duration, radon measurements, laboratory proficiency certification number, and the signature of a responsible laboratory official) within 30 days after the measurement.

2. Short Test. Place alpha track detectors for at least 14 days, or charcoal canisters for 2 days to 3 days, throughout the required area so that each covers no more than 2,000 ABOA SF, starting not later than 7 days after award. Use only devices listed in the EPA RMP application device checklists. Use a laboratory rated proficient in the EPA RMP to analyze the devices. Submit the results and supporting data within 30 days after the measurement. In addition, complete the standard test not later than 150 days after Government occupancy.

6.24 INTENTIONALLY DELETED

6.25 HAZARDOUS MATERIALS (SEP 2013)

A. The leased Space shall be free of hazardous materials, hazardous substances, and hazardous wastes, as defined by and according to applicable Federal, state, and local environmental regulations. Should there be reason to suspect otherwise, the Government reserves the right, at Lessor's expense, to require documentation or testing to confirm that the Space is free of all hazardous materials.

B. Lessor shall, to the extent of its knowledge, notify Government of the introduction of any hazardous materials onto the Property by Lessor or others, including but not limited to, co-tenants occupying Space in the Building.

6.26 MOLD (SEP 2013)

A. Actionable mold is mold of types and concentrations in excess of that found in the local outdoor air.

B. The Lessor shall provide Space to the Government that is free from actionable mold and free from any conditions that reasonably can be anticipated to permit the growth of actionable mold or are indicative of the possibility that actionable mold will be present (indicators).

C. At such times as the Government may direct, including but not limited to: after a flood, water damage not caused by the Government, or repairs caused by the Lessor, the Lessor, at its sole cost, expense and risk shall: (i) cause an industrial hygienist certified by the American Board of Industrial Hygienists or a qualified consultant (the Inspector) who, in either instance, is reasonably acceptable to the Government, to inspect and evaluate the Space for the presence of actionable mold or mold indicators; and (ii) cause the Inspector to deliver the results of its inspection and evaluation (the Report) to the Government within 30 days after it conducts same and, in all events, at the same time that it delivers the Report to Lessor. With the delivery of the Report to the Government, the Inspector shall notify the Government, in writing via cover letter to the report, if the Inspector discovers or suspects the existence of actionable mold or indicators in the leased Space.

D. The presence of actionable mold in the Premises may be treated as a Casualty, as determined by the Government, in accordance with the Fire and Other Casualty clause contained in the General Clauses of this Lease. In addition to the provisions of the Fire and Other Casualty clause of this Lease, should a portion of the Premises be determined by the Government to be un-tenantable due to an act of negligence by the Lessor or his agents, the Lessor shall provide reasonably acceptable alternative Space at the Lessor's expense, including the cost of moving, and any required alterations.

E. If the Report indicates that actionable mold or indicators are present in the leased Space, the Lessor, at its sole cost, expense, and risk, shall within 30 days after its receipt of the Report: 1) retain an experienced mold remediation contractor reasonably acceptable to the Government to prepare and submit to the Government and Lessor a remediation plan (the Plan) and within 90 days after the Government's approval of the Plan, remediate the actionable mold or the indicators in the leased Space, but prior to commencing such remediation, Lessor shall send the Government a notice stating: (i) the date on which the actionable mold remediation shall start and how long it is projected to continue; (ii) which portion of the leased Space shall be subject to the remediation; and (iii) the remediation procedures and standards to be used to implement the Plan and the clearance criteria to be employed at the conclusion of the remediation; and 2) notify, in accordance with any applicable Federal, state, and local health and safety requirements, the Government employees as well as all other occupants of and visitors to the leased Space of the nature, location and schedule for the planned remediation and reasons therefore.

F. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, March 2001), published by the U.S. Environmental Protection Agency, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards and guidelines.

G. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased Space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the Plan or any other applicable Federal, state, or local laws, regulatory standards or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.

H. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate the actionable mold, the Government may implement a corrective action program and deduct its costs from the rent.

6.27 OCCUPANT EMERGENCY PLANS (SEP 2013)

The Lessor is required to cooperate, participate and comply with the development and implementation of the Government's Occupant Emergency Plan (OEP) and if necessary, a supplemental Shelter-in Place (SIP) Plan. Periodically, the Government may request that the Lessor assist in reviewing and revising its OEP and SIP. The Plan, among other things, must include an annual emergency evacuation drill, emergency notification procedures for the Lessor's Building engineer or manager, Building security, local emergency personnel, and Government agency personnel.

6.28 FLAG DISPLAY (SEP 2013)

If the Lessor has supplied a flagpole on the Property as a requirement of this Lease, the Lessor shall be responsible for flag display on all workdays and Federal holidays. The Lessor may illuminate the flag in lieu of raising and lowering the flag daily. The Government will provide instructions when flags shall be flown at half-staff.

SECTION 7 ADDITIONAL TERMS AND CONDITIONS

7.01 SECURITY STANDARDS (JUN 2012)

The Lessor agrees to the requirements of Security Level II attached to this Lease.

SECURITY REQUIREMENTS - FACILITY SECURITY LEVEL II

THESE PARAGRAPHS CONTAIN ADDITIONAL SECURITY REQUIREMENTS, AND, UNLESS INDICATED OTHERWISE, ARE TO BE PRICED AS PART OF THE BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC). WHERE THEY ARE IN CONFLICT WITH ANY OTHER REQUIREMENTS ON THIS LEASE, THE STRICTEST SHALL APPLY.

DEFINITIONS:

CRITICAL AREAS - The areas that house systems that if damaged or compromised could have significant adverse consequences for the facility, operation of the facility, or mission of the agency or its occupants and visitors. These areas may also be referred to as "limited access areas," "restricted areas," or "exclusionary zones." Critical areas do not necessarily have to be within Government-controlled space (e.g., generators, air handlers, electrical feeds which could be located outside Government-controlled space).

SENSITIVE AREAS – Sensitive areas include vaults, SCIFs, evidence rooms, war rooms, and sensitive documents areas. Sensitive areas are primarily housed within Government-controlled space.

FACILITY ENTRANCES, LOBBY, COMMON AREAS, NON-PUBLIC, AND UTILITY AREAS.

FACILITY ENTRANCES AND LOBBY

EMPLOYEE ACCESS CONTROL AT ENTRANCES (SHELL)
The Lessor shall provide key or electronic access control for the entrance to this building. All Government employees, under this lease, shall be allowed access to the leased space (including after-hours access).

COMMON AREAS, NON-PUBLIC, AND UTILITY AREAS.

PUBLIC RESTROOM ACCESS (SHELL)
The Government reserves the right to control access to public restrooms located within the Space.

SECURING CRITICAL AREAS (SHELL)
The Lessor shall secure areas designated as Critical Areas to restrict access:

A. Keyed locks, keycards, or similar security measures shall strictly control access to mechanical areas. Additional controls for access to keys, keycards, and key codes shall be strictly maintained. The Lessor shall develop and maintain accurate HVAC diagrams and HVAC system labeling within mechanical areas.

B. Roofs with HVAC systems shall also be secured. Fencing or other barriers may be required to restrict access from adjacent roofs based on a Government Building Security Assessment. Roof access shall be strictly controlled through keyed locks, keycards, or similar measures. Fire and life safety egress shall be carefully reviewed when restricting roof access.

C. At a minimum, Lessor shall secure building common areas including sprinkler rooms, electrical closets, telecommunications rooms.

VISITOR ACCESS CONTROL (SHELL)
Entrances are open to the public during business hours. After hours, visitor entrances are secured, and have a means to verify the identity of persons requesting access prior to allowing entry into the Space.

INTERIOR (GOVERNMENT SPACE)

DESIGNATED ENTRANCES (SHELL)
The Government shall have a designated main entrance.

IDENTITY VERIFICATION (SHELL)
The Government reserves the right to verify the identity of persons requesting access to the Space prior to allowing entry.

FORMAL KEY CONTROL PROGRAM (SHELL)
The Government reserves the right to implement a formal key control program. The Lessor shall have a means of allowing the electronic disabling of lost or stolen access media, if electronic media is used.

SITES AND EXTERIOR OF THE BUILDING

SIGNAGE

POSTING OF SIGNAGE IDENTIFYING THE SPACE AS GOVERNMENTAL (SHELL)

The Lessor shall not post sign(s) or otherwise identify the facility and parking areas as a Government, or specific Government tenant, occupied facility, including during construction, without written Government approval.

POSTING OF REGULATORY SIGNAGE (SHELL)

The Government may post or request the Lessor to post regulatory, statutory, sensitive areas and site specific signage.

LANDSCAPING

LANDSCAPING REQUIREMENTS (SHELL)

Lessor shall maintain landscaping (trees, bushes, hedges, land contour, etc,) around the facility. Landscaping shall be neatly trimmed in order to minimize the opportunity for concealment of individuals and packages/containers. Landscaping shall not obstruct the views of security guards and CCTV cameras, or interfere with lighting or IDS equipment.

CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (SHELL)

The Lessor shall separate from public access, restricted areas as designated by the Government, through the application of Crime Prevention Through Environmental Design (CPTED) principles by using trees, hedges, berms, or a combination of these or similar features, and by fences, walls, gates and other barriers, where feasible and acceptable to the Government.

HAZMAT STORAGE

If there is HAZMAT storage, Lessor shall locate it in a restricted area or storage container away from loading docks, entrances, and uncontrolled parking.

PLACEMENT OF RECEPTACLES, CONTAINERS, AND MAILBOXES

Trash receptacles, containers, mailboxes, vending machines, or other fixtures and/or features that could conceal packages, brief cases, or other portable containers shall be located 10 feet away from building.

SECURITY SYSTEMS

CLOSED CIRCUIT TELEVISION SYSTEM (CCTV)

LESSOR PROVIDED DESIGN, INSTALLATION, AND MAINTENANCE

The lessor shall design, install, and maintain a Closed Circuit Television (CCTV) system as described in this section. The CCTV system will support the entry control system (at entrances and exits to the space), with time lapse video recording, that will allow Government employees

to view and communicate remotely with visitors before allowing access to the Space. As determined by the Government the CCTV system shall provide unobstructed coverage of designated pedestrian entrances and exits. Technical review of the proposed system shall be coordinated with the Government security representative, at the direction of the Contracting Officer, prior to installation. CCTV system testing and acceptance shall be conducted by the Government prior to occupancy. The CCTV system shall comply with the Architectural Barriers Act, section F230.0. The Government will centrally monitor the CCTV system. Government specifications are available from the Lease Contracting Officer. CCTV system components which fail or require maintenance or which fail during testing should be serviced in accordance with the Security System Maintenance Criteria listed below.

Security System Maintenance Criteria: The Lessor, in consultation and coordination with a security provider, either internal or external, as determined by the Lease Contracting Officer, and the Government security representative, shall implement a preventive maintenance program for all security systems the Lessor has installed. Any critical component that becomes inoperable must be replaced or repaired by the Lessor within 5 business days. Critical components are those required to provide security (IDS, CCTV, access control, etc.) for a perimeter access point or critical area. "Replacement" may include implementing other temporary measures in instances where the replacement or repair is not achievable within the specified time frame (e.g. a temporary barrier to replace an inoperable pop-up vehicle barrier, etc.). Failure by the Lessor to provide sufficient replacement measures within the timeframe identified above may result in the Government's providing guard service, the cost of which must be reimbursed by the Lessor.

GOVERNMENT PROVIDED PRODUCT, INSTALLATION, AND MAINTENANCE

The Government shall provide and install an entry control system, with time lapse video recording, that will allow Government employees to view and communicate remotely with visitors before allowing access. This Closed Circuit Television (CCTV) system shall provide the Government with unobstructed coverage, as determined by the Government, of designated pedestrian entrances and exits. The Lessor shall permit twenty-four hour CCTV coverage and recording, provided and operated by the Government. The Government will centrally monitor the CCTV surveillance. Government specifications are available from the Contracting Officer. The Lessor shall post necessary regulatory, statutory, and/or site specific signage, as determined by the Government.

The Lessor, at the notice to proceed stage of the procurement, shall advise the Government of the appropriate time to install the equipment during the construction of the Space The Lessor shall facilitate the installation by allowing access to electrical panels and other areas of the building as necessary.

INTRUSION DETECTION SYSTEM (IDS)
LESSOR PROVIDED DESIGN, INSTALLATION, AND MAINTENANCE

The Lessor shall design, install, and maintain an Intrusion Detection System (IDS) as described in this section. The Government requires an IDS, which will cover perimeter entry and exit doors, and operable ground-floor windows. Basic Security-in-Depth IDS components include: magnetic door switch(s), alarm system keypad, passive infrared sensor(s) (PIR), an alarm panel (to designated monitoring center) and appropriate communication method i.e. telephone and/or Internet connection, glass-break detector, magnetic window switches or shock sensors. Technical review of the proposed system shall be coordinated with the Government security representative, at the direction of the Lease Contracting Officer, prior to installation. System testing and acceptance shall be conducted by the Government prior to occupancy.

Basic Security-in-Depth IDS shall be connected to and monitored at a central station operated by the Department of Homeland Security Megacenter. Emergency notification lists shall be coordinated with the monitoring station to include all applicable Government and lessor points of contact. Monitoring shall be designed to facilitate a real-time detection of an incident, and to coordinate an active response to an incident. The Lessor must complete the Megacenter Alarm Requirements (MAR) application process specified by the Government to meet the monitoring requirements for a functional IDS. Components which fail or require maintenance or which fail during testing shall be serviced in accordance with the Security System Maintenance Criteria listed below..

Security System Maintenance Criteria: The Lessor, in consultation and coordination with a security provider, either internal or external, as determined by the Lease Contracting Officer, and the Government security representative, shall implement a preventive maintenance program for all security systems the Lessor has installed. Any critical component that becomes inoperable must be replaced or repaired by the Lessor within 5 business days. Critical components are those required to provide security (IDS, CCTV, access control, etc.) for a perimeter access point or critical area. "Replacement" may include implementing other temporary measures in instances where the replacement or repair is not achievable within the specified time frame (e.g. a temporary barrier to replace an inoperable pop-up vehicle barrier, etc.). Failure by the Lessor to provide sufficient replacement measures within the timeframe identified above may result in the Government's providing guard service, the cost of which must be reimbursed by the Lessor.

GOVERNMENT PROVIDED SCOPE AND PRODUCT, INSTALLATION, AND MAINTENANCE

The Lessor shall permit installation of a perimeter Intrusion Detection System (IDS) to be operated by the Government. The Government shall provide and install an IDS on perimeter entry and exit doors, and operable ground-floor windows. Basic Security-in-Depth IDS— include: magnetic door switch(s), alarm system keypad, passive infrared sensor(s) (PIR), an alarm panel (to designated monitoring center) and appropriate communication method i.e. telephone and/or Internet connection, glass-break detector, magnetic window switches or shock sensors.

Basic Security-in-Depth IDS shall be connected and monitored at a central station. Emergency notification lists shall be coordinated with the monitoring station to include all applicable Government and Lessor points of contact. Monitoring shall be designed to facilitate a real-time detection of an incident, and to coordinate an active response to an incident.

The Lessor, at the notice to proceed stage of the procurement, shall advise the Government of the appropriate time to install the equipment during the construction of the Space. The Lessor shall facilitate the installation by allowing access to electrical panels and other areas of the building, as necessary.

DURESS ALARM

LESSOR PROVIDED DESIGN, INSTALLATION, AND MAINTENANCE

The Lessor shall design, install, and maintain a duress alarm system as described Technical review shall be coordinated with the Government security representative, at the direction of the Contracting Officer, prior to installation. System testing and acceptance shall be conducted by the Government prior to occupancy. This system shall comply with the Architectural Barriers Act, section F230.0.

The Lessor in consultation and coordination with the security provider and Government shall conduct security system performance testing annually. Testing must be based on established, consistent agency-specific protocols, documented and furnished to the Contracting Officer. Components which fail or require maintenance or which fail during testing should be serviced in accordance with the Security System Maintenance Criteria listed below.

Security System Maintenance Criteria: The Lessor in consultation and coordination with a security provider, either internal or external, as determined by the Lease Contracting Officer, and the Government security representative shall implement a preventive maintenance program for all security systems they have installed. Any critical component that becomes inoperable must be replaced or repaired within 5 business days. Critical components are those required to provide security (IDS, CCTV, access control, etc.) for a perimeter access point or critical area. "Replacement" may include implementing other temporary measures in instances where the replacement or repair is not achievable within the specified time frame (e.g. a temporary barrier to replace an inoperable pop-up vehicle barrier, etc.). Failure by the Lessor to provide sufficient replacement measures within the timeframe identified above may result in the Government's providing guard service, the cost of which must be reimbursed by the Lessor.

GOVERNMENT PROVIDED SCOPE, PRODUCT, INSTALLATION, AND MAINTENANCE

The Lessor shall permit installation of a duress alarm system to be provided and operated by the Government. The Government, in coordination with a security provider, either internal or external, as determined by the Contracting Officer, shall document and implement duress procedures for emergency situations.

The Lessor, at the notice to proceed stage of the procurement, shall advise the Government of the appropriate time to install the equipment during the construction of the Space and shall facilitate the installation, including access to electrical panels and other areas of the building, as necessary.

STRUCTURE

WINDOWS

SHATTER-RESISTANT WINDOW PROTECTION

The Lessor shall provide and install, shatter-resistant material not less than 0.18 millimeters (7 mil) thick on all exterior windows in Government-occupied space meeting the following properties - Film composite strength and elongation rate measured at a strain rate not exceeding 50% per minute shall not be less than the following:

- Yield Strength: 12,000 psi
- Elongation at yield: 3%
- Longitudinal Tensile strength: 22,000 psi
- Traverse Tensile strength: 25,000 psi
- Longitudinal Elongation at break: 90%
- Traverse Elongation at break: 75%

THE ALTERNATIVE METHOD is for the Lessor to provide a window system that conforms to a minimum glazing performance condition of "3b" for a high protection level and a low hazard level. Window systems shall be certified as prescribed by WINGARD PE 4.3 or later to GSA performance condition 3b (in accordance with the GSA Standard Test Method for Glazing and Window Systems Subject to Dynamic Loadings or Very Low Hazard (in accordance with ASTM F 1642, Standard Test Method for Glazing or Glazing Systems Subject to Air Blast Loading) in response to air blast load of 4 psi/28 psi-msec.

If the Lessor chooses the Alternative Method, they shall provide a description of the shatter-resistant window system and provide certification from a licensed professional engineer that the system as offered meets the above standard. Prior to installation, this will be provided for evaluation by the Government, whose approval shall not be unreasonably withheld.

OPERATIONS AND ADMINISTRATION

LESSOR TO WORK WITH FACILITY SECURITY COMMITTEE (FSC) (SHELL)

The Lessor shall cooperate and work with the buildings Facility Security Committee (FSC) throughout the term of the lease.

ACCESS TO BUILDING INFORMATION (SHELL)

Building Information—including mechanical, electrical, vertical transport, fire and life safety, security system plans and schematics, computer automation systems, and emergency operations procedures—shall be strictly controlled. Such information shall be released to authorized personnel only, approved by the Government, by the development of an access list and controlled copy numbering. The Contracting Officer may direct that the names and locations of -Government tenants not be disclosed in any publicly accessed document or record. If that is the case, the Government may request that such information not be posted in the building directory.

Lessor shall have emergency plans and associated documents readily available in the event of an emergency.

8. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	John Portillo, Parking Manager
Co-Submitter:	David McIntire
Co-Submitter:	David McIntire
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Approval of Office Lease Agreement: Between the HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, 5200 E. Cortland Blvd., Suite E200 (Landlord) and the City of Flagstaff, a municipal corporation (Tenant);

Consideration and Approval of Sub-Lease: For a portion of the Hopi Building at Heritage Square Between City of Flagstaff (City) and the Flagstaff Metropolitan Planning Organization (FMPO);

Consideration and Approval of Sub-Lease: For a portion of the Hopi Building at Heritage Square Between the City of Flagstaff (City) and the Downtown Business Alliance (DBA).

STAFF RECOMMENDED ACTION:

1. Approve the Office Lease Agreement to provide office space for City staff (ParkFlag)
2. Approve the Sub-lease with the Flagstaff Metropolitan Planning Organization (FMPO)
3. Approve the Sub-lease with the Downtown Business Alliance (DBA)

Executive Summary:

The City of Flagstaff is currently leasing office space for ParkFlag at 120 N. Beaver Street. However, this lease is expiring. Staff was tasked with finding new office space in the downtown area, to also share space with the FMPO and the Downtown Business Alliance. Several options were researched.

Staff recommends that the City Council approve an Office Lease Agreement for office space at 6 E. Aspen Ave, #200, Flagstaff, AZ 86001 (Heritage Square). The City negotiated a few changes in the landlord's lease form, and those are reflected in the First Addendum, which is attached to the Office Lease Agreement. Rental space includes:

- An accessible and well-lit public space for customers to obtain parking permits and other parking-related business;

- A private office for the Parking Manager; Space to immediately accommodate six Parking Aides;
- Downtown location, desirable for implementation and enforcement of the parking program;
- Space requires no remodeling;
- Sufficient space for sub-lessees.

The Lease Term shall be for three (3) years and shall commence on January 1, 2020, and expire on December 31, 2022. The City has an option to extend the Lease for two (2) additional years ("Extended Term").

The City will sub-lease portions of the office space to FMPO and the DBA, which will offset the rent. The attached Sub-leases are still pending final review by FMPO and the DBA so that they may request a few changes before Council approval.

Financial Impact:

The City shall pay to the Landlord monthly rent of $5,129.06, includes taxes and utilities. A security deposit of $5,000.00 is also required prior to occupancy. The City will receive 1/3 of the deposit from FMPO and 1/3 of the deposit from DBA, plus their monthly rent for the use of the space.

Breakdown of costs for ParkFlag, DBA,FMPO the first year (Monthly Rent: $5,129.06):

- ParkFlag= $1,915.00 per month
- DBA= $1,300.00 per month
- FMPO= $1,915.00 month

Additional costs:

- Internet: Approximately $140.00 for internet which can be split three ways.
- Phone: Phone costs will be split between the parties.

Division of office space:

- ParkFlag to pay rent for two offices and use of common area;
- Downtown Business Alliance to pay rent for two offices and storage room;
- Flagstaff Metropolitan Planning Organization to pay rent for two offices, common area, and storage room.

ParkFlag was created as a special revenue fund. It was decided that rent would come directly from the parking revenue and would not be supported by other City funding. The budget team has approved an on-going budget for leasing office space for ParkFlag operations.

The City anticipates it will be able to reduce its current ParkFlag office space expenses by approximately $190.00 per month, or over $2,200.00 per year, not including phone or internet costs, as a result of entering into the new Office Lease Agreement and Sub-leases.

The FY 2020 budget of $20,000 for this lease is in account 061-07-231-0890-6-4241. The additional funding required will be pulled from the budgeted line item: Other Operating Supplies.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

CODE COMPLIANCE

Achieve comprehensive and equitable code compliance.

Has There Been Previous Council Decision on This:

Council approved Resolution No. 2016-01 to adopt the Comprehensive Parking Management Plan on January 19, 2016, which established the Parking Program.

Council approved Resolution No. 2018-28 to amend the IGA between the City, County, and FMPO on June 4, 2018, which clarified that FMPO staff may procure various services from either the public or private sectors including office space.

Options and Alternatives:

1. Approve the Lease Agreement and Sub-Leases.
2. Do not approve the Lease Agreement (this option is not recommended as there is currently no space for the additional employees to work at current City facilities and no available private office space to accommodate the needs of the three programs: ParkFlag, Downtown Business Alliance, and Flagstaff Metropolitan Business Alliance.

Background/History:

The current location at 120 N. Beaver Street met all of the space requirements for ParkFlag and was a desirable location to implement and enforce the Parking Management Plan. However, the Lessor recently preferred a month-to-month lease to have the flexibility to vacate the office space for their needs. ParkFlag would prefer the stability of a longer-term lease as the Lessor could give the notice to vacate, and ParkFlag would have 60-days to vacate. ParkFlag looked at several locations in the downtown area that were available, and none met the needs to accommodate ParkFlag, Downtown Business Alliance, and Flagstaff Metropolitan Planning Organization. The limitations included: not meeting the requirements of the Americans with Disability Act, costs exceeded current costs, locations were not centrally located in the ParkFlag management area, and office space did not meet the needs of the staff. Because of the uniqueness of the requirements it was determined that sole-source procurement was appropriate.

Key Considerations:

New Office Considerations:

- Lends efficient operations for customer service and enforcement patrols;
- Compliant with the Americans with Disabilities Act requirements;
- Size and configuration supports the program and the co-location with the Downtown Business Alliance and the Flagstaff Metropolitan Planning Organization;
- Offers safe entry and exit with adequate lighting for night shift security;
- Reduces or is equal to overall cost as compared to current parking office.

Community Benefits and Considerations:

The new office location keeps the ParkFlag office operations in downtown Flagstaff which is accessible to our parking public.

Attachments:

Office Lease
Sub-Lease FMPO
Sub-Lease DBA
ParkFlag Map
Procurement Request
Sole Source Memo

OFFICE LEASE AGREEMENT

Dated as of January 1st, 2020

For the Hopi Building at Heritage Square
6 E. Aspen Avenue, Suite 200
Flagstaff, AZ 86001

Between

HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION
A federally chartered corporation,
Wholly owned by the Hopi Tribe,
A federally recognized Indian tribe ("Landlord")

And

City of Flagstaff, a municipal corporation,
Park Flag("Tenant")

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OFFICE LEASE AGREEMENT

This Lease Agreement is made and entered into this 1st day of January, 2020, by and between

HOPI TRIBE ECONOMIC DEVELOPMENT CORPORATION, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, 5200 E. Cortland Blvd., Suite E200, Flagstaff, AZ 86004, hereafter referred to as "Landlord", and

City of Flagstaff, a municipal corporation hereafter "Tenant".

WITNESSETH: In consideration of the rents, covenants and agreements given and exchanged herein, Landlord leases to Tenant, and Tenant leases and accepts from Landlord, the office space described in Section 1.1, hereinafter referred to as the "Premises".

All covenants, agreements, terms and conditions between Landlord and Tenant with respect to the Premises are contained in this Office Lease Agreement ("Lease") and the following exhibits and addendum attached hereto and incorporated into the Lease by this reference:

- Exhibit A – Site Plan of the Hopi Building and retail building located at the Northeast corner of Aspen and Leroux, 6 E. Aspen Avenue, Flagstaff, AZ 86001, referred to herein as the "Building";
- Exhibit B – Floor Plan for the second floor of the Building locating Premises;
- Exhibit C – Sign Criteria;
- Exhibit D – Construction Rider; and
- First Addendum to Lease

ARTICLE 1: PREMISES

1.1 The Premises, known as 6 E. Aspen Avenue, Suite 200, Flagstaff, AZ 86001, consists of approximately 2806 square feet of Usable Area located on the second floor of the Building as outlined in red on Exhibit B.

1.2 Landlord reserves and excepts from the Premises the right of access in, over, under and upon the Premises as may be reasonably necessary or advisable for maintenance or construction of the building or other portions of the Building, including the right to install, maintain, use and replace pipes, duct work, conduits, utility lines and wires through ceiling plenum areas, column space, partitions and in or beneath floor slabs, for the benefit Landlord, Landlord's contractors and tenants and their respective contractors, subcontractors, employees, suppliers and customers and other patrons of the automobile parking garage. Landlord shall exercise such right of access only upon reasonable advance notice and without material interruption to Tenant's business.

1.3 Landlord further reserves the right to change the shape, dimensions and size of the Premises, provided, however, that no material changes shall be made to the Premises without the prior written approval of the Tenant which approval shall not be unreasonable withheld.

1.4 Tenant acknowledges that the surface level plaza, service roads and sidewalks (excluding the sidewalks designated "Arcade") shown on Exhibit A, are owned or controlled by the City of Flagstaff and are not leased to Tenant or made available by Landlord for Tenant's use.

1.5 As used in this Lease:

(1) Rentable Area means:
   (a) With respect to the Building, the sum of the total area of all floors in the Building computed by measuring to the outside finished surface of the dominant portion of permanent outside building walls. Rentable Area includes Interior Common Facilities but excludes major vertical penetrations (for example, stairwells, elevator shafts and vertical ducts) and their walls, and parking areas and exterior balconies.
   (b) With respect to the Premises, the Usable Area of the Premises multiplied by the Load Factor. No deductions from Rentable Area shall be made for columns or projections necessary to the Building.
(2) Usable Area means the area of the Premises (or other premises or space occupiable by tenants whether or not actually occupied) computed by measuring to the finished surface of the office side of the corridor walls, to the midpoint of demising walls and to the outside surface of the dominant portion of the permanent outside walls (other than corridor walls). No deductions from Usable Area shall be made for columns or projections necessary to the Building.
(3) Load Factor means 1.15.
(4) Interior Common Facilities means lobbies, corridors, hallways, elevator foyers, restrooms, mail rooms, janitor closets and other similar facilities used by tenants or for the benefit of tenants on a nonexclusive basis. Interior Common Facilities exclude major vertical penetrations and their enclosing walls.

ARTICLE 2: TERM

2.1 The term of this Lease ("Lease Term") shall be for a period of three (3) years, plus the remainder of any partial calendar month in which the term commences.

2.2 The Lease Term shall commence on January 1st, 2020 (the "Commencement Date"), subject to the terms of the First Addendum.

2.3 The date on which this Lease Term expires ("Expiration Date") shall be at midnight on December 31, 2022.

2.4 Notwithstanding the above definition of Lease Term, the Lease, all rights and remedies of the Landlord and all obligations of Tenant except the obligation to pay the Minimum Monthly Rent shall take effect upon the date in which Tenant takes possession of the Premises or January 1st, 2020, whichever is sooner.

2.5 Landlord hereby grants Tenant the right and option to extend the Lease Term for two (2) years (the "Extended Term") as follows:

(1) The Extended Term shall commence on the first day following the Expiration Date of the Lease Term set forth in Section 2.3. If Tenant fails or is unable to exercise the option for the Extended Term, Tenant's option for the Extended Term shall be void. Tenant's option to extend the Lease Term may be exercised only if:

(a) At the time Tenant is entitled to exercise the option, Tenant is not in default under the Lease and no event exists under paragraphs 27.1(d), 27.1(e), 27.1(f) or 27.1(g) of Section 27.1 of the Lease which, with the passage of time, would constitute a default under the Lease; and

(b) Tenant has given written notice to Landlord at least three (3) months prior to the date on which an Extended Term is to commence.

(2) Upon exercise of the option to extend the Lease Term, the phrase "Lease Term" shall thereafter include the Extended Term for which the option is exercised. Upon commencement of the Extended Term, the phrase "Expiration Date" shall thereafter mean the last day of the Extended Term. Except otherwise provided in this Section 2.5, all terms covenants and conditions of the Lease shall apply to the Extended Term; provided, however, Landlord shall have no construction obligations under the Lease during the Extended Term and the Minimum Monthly Rent shall be adjusted per the First Addendum to Lease.

ARTICLE 3: RENT

3.1 During the initial Lease Term, Tenant covenants and agrees to pay to Landlord, without deduction, set off, prior notice or demand, for the use and occupancy of the Premises the Minimum Monthly Rent of $5,000.00, plus tax. The Minimum Monthly Rent shall be payable in advance on the first day of each and every calendar month during the initial Lease Term and any subsequent extended terms, commencing on January 1st, 2020, in accordance with the First Addendum to Lease. The Minimum Monthly Rent during the Extended Terms shall be adjusted in accordance with the First Addendum to Lease.

ARTICLE 4: ADDITIONAL RENT/EXPENSE STOP

4.1 As used in this Lease:

(1) "Excess Costs" means Direct Costs in excess of the Expense Stop.
(2) "Direct Costs" means and includes:
(a) Those expenses paid or incurred by Landlord (whether directly or through independent contractors) for managing, maintaining, operating and repairing the Building, Parking Garage and Common Areas and the personal property used in conjunction therewith, including, but not limited to, the cost of utilities, supplies, insurance, amortization (over the reasonable life of the item) of the cost of installation of capital investment items which are installed after the Commencement Date and are installed primarily for the purpose of reducing Direct Costs or which may be required by any governmental authority; janitorial services; compensation (including employment taxes, similar government charges and fringe benefits) of all persons who perform on site operation, maintenance and repair of the Building, the Parking Garage and Common Areas are situated; management fees equal to 10% of Direct Costs; costs allocated to Landlord under an agreement for joint operation, maintenance and used of exterior Common Areas servicing the Building (but excluding the cost of maintenance of the plaza all of which shall be incurred by the City of Flagstaff); and any other necessary and reasonable expense or charges whether or not hereinabove described which, in accordance with consistently applied generally accepted accounting and management principles would be considered and expense of managing, maintaining, operating or repairing the Building, Parking Garage and the Common Areas; and
(b) All impositions, taxes, assessments (special or otherwise) and other governmental levies and charges of any and every kind, ordinary or extraordinary, foreseen or unforeseen, assessed or imposed upon or with respect to the ownership of, or other taxable interest attributable to, the Building, Parking Garage and Common Areas and land upon which they are located and any improvements, fixtures, equipment and other property of Landlord, real or personal, located in or used in connection with the operation of the Building, Parking Garage and Common Areas and the land upon which

they are located and any tax which shall be imposed on any interest or excise in substitution for taxes commonly known as real estate taxes.

(c) Direct Costs shall not include:

1. Income, estate and inheritance taxes levied against Landlord.
2. Taxes paid by any tenant under Article 6.
3. Depreciation, capital investment items (except as provided in Section 4.1 and debt service.
4. Costs of leasing space in the Building, including leasing commissions and leasehold improvement costs.
5. The cost of utilities separately metered to any tenant or resulting from Excess Consumption under Article 16 and billed directly to that tenant.
6. The cost of special services provided to any tenant and billed directly to that tenant.
7. Repairs and maintenance paid by proceeds of insurance or from tenants.

(d) "Common Areas" means all areas both interior and exterior provided by Landlord for the common or joint use and benefit of the occupants of the Building, their employees, agents, customers, and other invitees including but not limited to the Parking Garage, landscaping, loading docks, exterior lighting, drainage facilities, traffic controls, sidewalks, building lobbies and hallways, mechanical rooms, elevators and stairways, but excluding the plaza maintained by the City of Flagstaff.

(e) "Expense Stop" means an amount equal to $11.18 multiplied by the number of square feet of Rentable Area in the Premises.

(f) "Operating Year" means the year beginning January 1 and ending December 31.

(g) "Tenant's Pro Rata Share" means that fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the aggregate Rentable Area of the Building. If any of Landlord's other tenants in the Building pay Taxes directly to the taxing authority or provide insurance or operational or maintenance services in lieu of payment of a share of the cost of these services, the Rentable Area of such tenant's premises shall be deducted from the denominator in the calculation of the Tenant's Proportionate Share of the taxes so paid or the charges or expenses for the insurance or services so provided.

~~4.2 Tenant covenants and agrees to pay Landlord an amount equal to Tenant's Pro Rata Share of Excess Costs paid or incurred by Landlord during the Lease Term, as follows:~~

~~1)Within sixty (60) days after the end of each Operating Year, Landlord shall provide Tenant with a written statement of Landlord's estimate of Direct Costs for the next succeeding Operating Year. If Landlord's estimate of Direct Costs for any Operating Year exceeds the Expense Stop thereby resulting in Excess Costs, Tenant agrees to pay Landlord, in addition to and concurrently with each payment of the Minimum Monthly Rent for such Operating Year, an amount equal to one-twelfth (1/12th) of Tenant's Pro Rata Share of such estimated Excess Costs. Notwithstanding the~~

~~foregoing, during any Operating Year Landlord may provide Tenant with a revised estimate of the Excess Costs for the Operating Year. If the revised estimate of Excess Costs exceeds Landlord's original estimate for Excess Costs for the Operating Year, Tenant agrees to pay Landlord, for the remainder of the Operating Year, in addition to and concurrently with the Minimum Monthly Rent and in addition to the amounts payable pursuant to Landlord's previous estimates, Tenant's Pro Rata Share of the excess divided by the number of remaining months in the Operating Year.~~

~~2)Within approximately sixty (60) days after the end of each Operating Year, Landlord shall provide Tenant with a statement showing he actual Direct Costs for the preceding Operating Year and any adjustments to be made as a result thereof. If Tenant's Pro Rata share of the actual Excess Costs paid or incurred by Landlord during such Operating Year exceeds the estimates of Excess Costs paid by Tenant to Landlord during the same Operating Year, Tenant shall pay Landlord the excess at the time the next succeeding payment of minimum Monthly Rent is payable. If Tenant's estimated payments of Excess Costs for the Operating Year have exceeded Tenant's Pro Rata Share of excess Costs during such Operating year, Landlord shall apply the excess against the next succeeding payments due Landlord from Tenant under this Article. If Direct Costs for the Operating Year have not exceeded the Expense Stop, Tenant's estimated payment for such Operating Year shall be credited against the next installment of Minimum Monthly Rent due from Tenant. In no event shall the Minimum Monthly Rent be reduced below that set forth in Section 3.1.~~

~~4.3 The determination and statement of Direct Costs shall be made by Landlord and a copy of such statements shall be made available to tenant upon demand.~~

~~4.4 Notwithstanding anything in this Lease to the contrary, no failure by Landlord to give notices or statements of Direct Costs within the time specified shall waive Landlord's right to require payment by Tenant of Direct Costs in excess of the Expense Stop.~~

ARTICLE 5: PARKING

5.1 The Building includes a parking garage ("Parking Garage") under the Building and adjacent Heritage Square. This Lease grants no right to Tenant to use the Parking Garage other than such rights granted to the general public and those rights set forth in Section 5.2. Tenant understands that the Parking Garage is managed by American Valet, 8902 N. Central Avenue, Phoenix, AZ 85020 (1-623-221-2646). Nothing contained herein shall be deemed to create liability upon Landlord or American Valet, or any subsequent management company, for any damage to motor vehicles of customers or employees or from loss of property from within such motor vehicles. Landlord and American Valet, or any subsequent management company, shall have the right to establish and from time to time change, alter and amend, and to enforce against all users of the Parking Garage, reasonable rules and regulations (including the exclusion of parking from designated areas) as may be deemed necessary and advisable for the proper and efficient operation and maintenance of said Parking Garage including, without limitation, the hours during which the Parking Garage shall be open for use.

5.2 If Tenant elects to lease space(s) in the Parking Garage, Tenant understands that any contract between Tenant and the Parking Garage management company is separate from the terms of this Lease. Likewise, if Tenant elects to lease parking space(s), Tenant covenants and agrees to pay, for each parking space, directly to the management company, separate from and in addition to the Minimum Monthly Rent. Unreserved spaces are available on a first come, first served basis to tenants in the Building and the general public, and Landlord does not guarantee unreserved spaces will available for Tenant's use. Rights to lease spaces or parking rights shall not extend beyond the Lease Term.

ARTICLE 6: RENT TAX, PERSONAL PROPERTY TAXES, WOOD INFESTATION AND PEST CONTROL

6.1 Tenant covenants and agrees to pay to Landlord, in addition to, and simultaneously with any other amounts payable to Landlord under this Lease, a sum equal to the aggregate of any municipal, county, state or federal excise, sales, use or transaction privilege taxes now or hereafter legally levied or imposed against or on account of any or all amounts payable under this Lease by Tenant or the receipts thereof by Landlord (except taxes which are commonly referred to as income, estate or inheritance taxes.)

6.2 Tenant shall pay, prior to delinquency, all taxes levied upon fixtures, furnishings, equipment and personal property placed on the Premises by Tenant. If any or all of Tenant's fixtures, furnishings, equipment or personal property shall be assessed and taxed with the Landlord's real property, Tenant shall reimburse Landlord for such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to the Tenant's property.

6.3 Tenant shall pay for any Wood/Pest Infestation Report for Tenant's premises, the cost of treatment of infestation, repair of any damage caused by infestation and correction of any conditions conducive to infestation that are caused by Tenant. Tenant shall pay for the cost of any pest control within the Premises.

ARTICLE 7: PAYMENT OF RENT/LATE CHARGES

7.1 Tenant shall pay the rentals and all other charges herein specified to Landlord at the addresses set forth in Article 32: NOTICES below, or to another person and at another address as Landlord shall from time to time designate in writing.

7.2 Any payment of rent, additional rent or charge required to be made by Tenant to Landlord under the terms of this Lease not received within FIVE (5) DAYS after the due date thereof shall be subject to a late charge of five percent (5%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, plus interest on the overdue amount at the rate of eighteen percent (18%) per annum from the due date until paid; provided, however, nothing charged hereby shall ever exceed the amount that may properly be charged or recovered under the laws of the State of Arizona. Tenant understands and acknowledges that the foregoing late charge is not intended as punitive damages, but rather as liquidated damages, being a reasonable estimate of the damages that will be suffered by Landlord as a consequence of Tenant's failure to pay rent

and other charges when due. The foregoing late charges and interest shall be in addition to any other remedies of the Landlord provided in this Lease.

ARTICLE 8: SECURITY DEPOSIT

8.1 Prior to occupancy Tenant shall deposit with Landlord $5,000.00, to be held as security for the full and faithful performance of each and every term, provision, covenant and condition of this Lease.

8.2 If Tenant defaults in the performance of any of the terms, provisions, covenants or conditions of this Lease, including but not limited to the payment of rent, additional rent or other charge, Landlord may, but need not, use, apply, or retain the whole or any part of this security not as liquidated damages but the for the payment of any rent or charge in default or for any other sum which Landlord may spend or be required to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash or certified funds with Landlord in an amount sufficient to restore the security deposit to its original amount. Should Tenant fully and faithfully comply with all of the terms, provisions, covenants, and conditions of this Lease, the security deposit or any balance of the security deposit shall be returned to Tenant or, at the option of the Landlord, to the last assignee of Tenant's interest in this Lease within fourteen (14) business days after the Lease Expiration Date and surrender of the Premises by Tenant. Landlord's right with reference to the security deposit shall be in addition to and shall not preclude any other rights, remedies, or recoveries available to Landlord by law or under the terms of this Lease.

8.3 Tenant agrees that incase the landlord shall sell or exchange Landlord's interest in the Premises during the Lease Term, Landlord may pay the deposit to any subsequent owner and in that event, Tenant does hereby agree to release Landlord from all liability for the return of such deposit. Landlord shall not be required to maintain such funds in a segregated account, but may deposit such funds in any general account of Landlord, provided that such commingling shall in no way affect Landlord's obligations to Tenant regarding such funds hereunder. Tenant shall not be entitled to any interest on the security deposit.

ARTICLE 9: CONSTRUCTION OF THE PREMISES

9.1 All construction work, alterations and improvements to the interior of the Premises are subject to the prior approval of Landlord. No construction work, alterations or improvements shall be made to the interior or exterior of the Premises without Landlord's consent, which may be withheld on the basis of aesthetic or other standards, Tenant shall not:

1) Make any changes to the store front including the affixing and maintenance upon the glass panes and upon the exterior walls of the Premises any signs, advertising placards, names, insignia, trademarks or descriptive materials;

2) Install any exterior lighting, awning or canopy, or any exterior decorations or paintings; or

3) Install any exterior sign which is not in accordance with Landlord's sign criteria.

During the course of any construction by Tenant, Landlord may enter upon the premises at all times for the purpose of inspecting the construction.

If Landlord shall find any workmanship inferior, defective or not in accordance with the plans and specifications, Landlord may notify Tenant and if so notified, Tenant shall promptly correct such inferior, defective or deficient construction. Landlord's authority to act under this paragraph shall not give rise to a duty of Landlord to make inspections or otherwise enforce Tenant's compliance with this Article. Tenant's failure to perform or cause to have performed Tenant's construction in a good and workmanlike manner shall constitute a default under this Lease.

9.2 In the event Tenant receives approval from Landlord to perform construction work, alterations and/or improvements to the interior of the premises, then at the time Tenant or Tenant's contractor performs the work, subject to Exhibit D: Construction Rider ("Tenant's Work"):

1) All of Tenant's obligations under this Lease, including the obligation to pay rent, shall continue to be in full force and effect;

2) Tenant shall maintain liability insurance in accordance with Article 19 of this Lease; and

3) Tenant shall require Tenant's contractor to maintain Worker's Compensation Insurance as required by law and public liability insurance with limits equal to those set forth in Article 19. Tenant agrees to indemnify, save, and hold Landlord harmless against any loss, liability, injury or damage to persons or property resulting from such work including the activities of Tenant's contractor.

9.4 The Building and common areas are at all times subject to the exclusive control and management of Landlord. Without limiting the generality of the foregoing, Landlord has the right in its management and operation of the Building to do and perform such acts in and to the Building as in the use of good business judgment the Landlord determines to be advisable for the more efficient and proper operation of the Building, including:

1) Obstruct or close off all or any part of the Building for the purpose of maintenance, repair or construction;

2) Change area, level, arrangement or use of Building or any part thereof;

3) Construct other structures or improvements in the Building and make alterations thereof, additions thereto, subtractions therefrom, or rearrangements thereof, build

additional stories, and construct additional buildings or facilities adjoining or proximate to the Building; and

4) Expand, reduce or alter the Parking Garage in any manner whatsoever.

9.5 After completion of tenant's construction obligations under this Article, Tenant shall not make, or cause to be made any further additions to, or alterations of the premises, or the store front, or any part thereof, without the prior written consent of Landlord. Any alterations or improvements to be made by Tenant will be subject to the conditions of this Article and the following Article 10. Any additions to, or alterations of, the Premises except movable furniture and trade fixtures, shall become at one part of the realty and belong to Landlord. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense.

9.6 Landlord's current sign criteria shown on Exhibit C allows Tenant signage, at Tenant's expense, to consist solely of an entry on the Building directory and upon the entry door to the Premises.

ARTICLE 10: FIXTURES/PERSONAL PROPERTY

All trade fixtures installed by Tenant and movable furniture that are not permanently affixed to the Premises shall remain the property of Tenant and may be removed by Tenant no later than the Expiration Date, provided that Tenant is not then in default hereunder. Tenant shall promptly repair, at its own expense, any damages occasioned by such removal. All cabinetry, built-in appliances, wall coverings, floor covering, window coverings, electrical and plumbing fixtures and conduits, lighting and other special fixtures that may be placed upon, installed in or attached to the Premises by Tenant shall, at the Expiration Date or earlier termination of this Lease for any reason, be the property of Landlord and remain upon and be surrendered with the Premises, without disturbance, molestation or injury unless designated by Landlord to be removed.

ARTICLE 11: LIENS

Tenant shall keep the Premises and the property on which the Premises are situated free from any liens arising out of work performed, material furnished or obligations incurred due to Tenant's actions or the failure of Tenant to comply with any law excluding, however, security interests in Tenant's personal property. In the event any such lien does attach against the Premises, and Tenant does not discharge the lien or post bond (which under law would prevent foreclosure or execution under the lien) within ten (10) days after demand by Landlord, Landlord may take any action necessary to discharge the lien. Tenant shall pay Landlord upon demand for or on account of any cost or expense (including reasonable attorney's fees) incurred by Landlord by reason of attachment or discharge of such lien and shall indemnify Landlord against any liability arising out of attachment of such lien.

ARTICLE 12: USE OF PREMISES/ RULES AND REGULATIONS

12.1 Tenant shall use the Premises solely for general business office purposes for the operations of ParkFlagand shall not use or permit the Premises to be used for any other purpose or purposes except with the prior written consent of Landlord.

12.2 Tenant shall comply with all statues, ordinances, rules, regulations and orders of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of the Premises, including such laws governing the storage or disposal of hazardous wastes and protection of the environment. Tenant shall not use or permit the Premises to be used in whole or in part for any purpose or use in violation of any of the laws, ordinances, regulations or rules of any public authority at any time applicable thereto. Specifically, Tenant shall not use at or sell from the Premises anything deemed obscene by community standards or conduct or operate or display any form of adult entertainment as defined in the City of Flagstaff Land Development Code as the same may be amended and judicially interpreted from time to time.

12.3 Tenant shall not:

1) Commit, or suffer to be committed, any waste upon the Premises;

2) Engage in any activity which will increase the existing premium rate of insurance on the Premises or cause a cancellation of any insurance policy or permit to remain in or about the Premises any article that may be prohibited by standard form fire insurance policies;

3) Use the Premises for or carry on or permit any offensive, noisy, or dangerous trade, business, manufacture or occupation, or any nuisance or anything against public policy, or interfere with the business of or disturb the quiet enjoyment of any other tenant in the Building;

4) Use the exterior of the roof or walls of the Premises or Building for any purpose;

5) Cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises or the Building, whether by Tenant, its invitees, agents, employees, contractors or subleases. "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "infectious wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations including, without limitation, oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds, and other chemical products, asbestos, PCB's and similar compounds, including any

different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

12.4 Tenant shall faithfully observe and comply with rules and regulations for the Building and Parking Garage from time to time put into effect by Landlord.

ARTICLE 13: RIGHTS RESERVED BY LANDLORD

13.1 Landlord shall have the following rights, exercisable upon reasonable notice to Tenant without effecting an eviction, constructive or actual, or disturbance or Tenant's use or possession of the Premises and without giving rise to any claim for set-off or abatement of rent:

(1) To install, affix and maintain any and all signs on the exterior and interior of the Building.

(2) To designate and approve, prior to installation, all types of window shades, blinds, drapes, awnings, window ventilators and other similar equipment, and to control all internal lighting that may be visible from the exterior of the Building.

(3) To retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises. No locks shall be changed or added without the prior written consent of Landlord.

(4) To decorate and to make repairs, alterations, additions, changes or improvements, whether structural or otherwise, in and about the Building.

(5) To grant to anyone the exclusive right to conduct any business or render any service in or to the Building, provided such exclusive right shall not operate to exclude Tenant from the use expressly permitted herein.

(6) To approve the weight, size and location of safes and other heavy equipment and articles in and about the Premises and the Building, and to require all such items and furniture and similar items to be moved into and out of the Building and Premises only at such times and in such manner as Landlord shall direct in writing. Movements of Tenant's property into or out of the Building and within the Building are entirely at the risk and responsibility of Tenant and shall be conducted pursuant to Building rules and regulations.

(7) To take all such reasonable measures as Landlord may deem advisable for the security of the Building and its occupants, including, without limitation, the search of all persons entering or leaving the Building, the evacuation of the

Building for cause, suspected cause, or for drill purposes, the temporary denial of access to the Building, and the restriction of access to the Building at times other than normal business hours.

Reservation of the rights set forth in this Article shall impose no obligation or duty upon Landlord to exercise said rights.

ARTICLE 14: QUIET ENJOYMENT

Landlord covenants that upon Tenant's paying the rentals and keeping and performing all of the terms, covenants and conditions of this Lease, Landlord will do nothing that will prevent Tenant from peaceably and quietly enjoying, holding and occupying the Premises during the Lease Term. This covenant shall not extend to any disturbance, act or condition brought about by any other tenant in the Building and shall be subject to the rights of the Landlord set forth in this Lease. Tenant agrees this Lease Agreement shall be subordinate to any Easements, Covenants and Restrictions or any amendments thereto hereafter imposed upon the property upon which the Building is located. This subordination agreement shall be self-operative; however, Tenant agrees to execute and deliver such further instruments necessary to subordinate this Lease to the lien of Easements, Covenants and Restrictions or amendments hereafter imposed by Landlord.

ARTICLE 15: MAINTENANCE AND SANITATION

15.1 Subject to Articles 20 and 21, Landlord covenants to maintain the Building in good and tenable condition and repair. Tenant hereby waives all rights to make repairs at the expense of Landlord. Landlord's maintenance and repair costs under this Section 15.1 will be deemed a Direct Cost. The foregoing notwithstanding, Landlord shall not be liable to Tenant for failure to make repairs as required herein unless Tenant has previously notified Landlord, in writing, of the need for such repairs and Landlord has failed to commence said repairs within fifteen (15) days following receipt of Tenant's written notification. Landlord shall have no obligation to alter, remodel, improve, renovate, decorate or paint the Premises.

15.2 If Landlord would be required to perform any maintenance or make any repairs under Section 15.1 because of : (a) modifications to the roof, walls, foundation and floor of the Building from that set forth in Landlord's plans and specifications which are required by Tenant's design for improvements, alterations and addition; (b) installation of Tenant's improvements, fixtures or equipment; (c) Tenant's or Tenant's employees; or customers; negligence or wrongful act; or (d) Tenant's failure to perform any agreements contained in this Lease, Landlord may perform the maintenance or repairs and Tenant shall pay Landlord the cost thereof plus a reasonable amount for Landlord's overhead upon receipt of a statement from Landlord. Landlord's costs under this section shall not be a Direct Cost for purposes of Article 4.

ARTICLE 16: UTILITIES AND JANITORIAL SERVICES

16.1 Landlord agrees to furnish to the Premises electricity suitable for the intended use of the Premises, heat and air conditioning required for normal use and occupation of the Premises

and janitorial services for the Common Areas. Tenant shall provide its own janitorial service, at Tenant's expense, within the Premises.

~~16.2 As used in this Article 16, "Excess Consumption" means (i) the consumption of (excluding electricity used for heating, ventilation and air conditioning) including water, and compressed air (if compressed air if furnished by Landlord) in excess of that which would be provided to the Premises were the Premises to be built out with Building Standard Improvements only and used as general office space; and (ii) heating, ventilation and air conditioning during times other than 7:00 am to 6:00 pm Monday through Friday. Tenant will not, without the written consent of Landlord, use any apparatus, device or equipment in the Premises, or use heating, ventilation or air conditioning which will in any way result in Excess Consumption nor connect, except through existing electrical outlets, water pipes, ducts or air pipes (if any there be) in the Premises, any apparatus, or device, for the purposes of using electric current, water, heating, cooling or air. If Tenant shall require water, heating, cooling, air or electric current which will result in Excess Consumption, Tenant shall first procure the consent of the Landlord to the use thereof, and Landlord may cause separate meters to be installed to measure Excess Consumption or establish another basis for determining the amount of excess Consumption. Landlord's installation of after-hours air conditioning override controls and cost monitoring equipment in or for the Premises will be deemed to be Landlord's consent to the use of after-hours heating, ventilation and air condition. Landlord may disable such controls upon Tenant's default in payment for such Excess Consumption. Tenant covenants and agrees to pay for the cost of the Excess Consumption based on Landlord's cost, plus any additional expense incurred in installing meters or keeping account of the Excess Consumption, at the same time as payment of the minimum Monthly Rent is made. Tenant further agrees to pay Landlord the cost, if any, to upgrade existing mechanical, electrical, plumbing and air facilities, if required to provide Excess Consumption, upon receipt of a statement therefor. Excess Consumption costs will not be a Direct Cost for purposes of Article 4.~~

16.3 Landlord shall not be liable in damages or otherwise in the event of any failure or interruption of any utility or service supplied to the Premises or Building by a regulated utility or municipality and no such failure shall entitle Tenant to terminate this Lease.

ARTICLE 17: ENTRY AND INSPECTION

17.1 Landlord and Landlord's agent shall have the right to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same; performing Landlord's maintenance and repair obligations under this Lease; maintaining or making repairs, alterations, or additions to any other portion of the Building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required; posting notices of non-liability for alterations, additions or repairs, or of the availability of the Premises for lease or sale; or exhibiting the Premises to potential tenants and purchasers. Tenant shall permit Landlord, at any time within one hundred fifty (150) days prior to the expiration of the Lease Term, to place upon the premises any usual or ordinary "For Lease" signs.

17.2 If Tenant shall not be personally present to open and permit an entry into said Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or

Landlord's agents may use a master key to enter, without rendering Landlord or such agents liable therefor, and without any manner affecting the obligations and covenants of this Lease. Landlord shall be permitted to take any action under this Article without any abatement of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the Premises thereby occasioned, nor shall such action by Landlord be deemed an actual or constructive eviction.

ARTICLE 18: ACCEPTANCE OF THE PREMISES, LIABILITY INSURANCE AND INDEMNIFICATION OF LANDLORD

18.1 Tenant acknowledges that it has fully inspected the Premises, including but not limited to any and all mechanical equipment, and hereby accepts such "As-Is". Tenant also acknowledges that the Premises are suitable for the purposes for which the same are leased, in their present condition. Tenant further acknowledges that Landlord has made no warranties or representations as to either condition or the suitability of the Premises for the Use specified in Article 12 hereof.

18.2 All merchandise, furniture, floor and wall coverings and personal property and fixtures belonging to Tenant and all persons claiming by or through Tenant which may be on the Premises shall be at Tenant's sole risk. Tenant hereby waives all claims against Landlord for loss, injury or damage to all persons and property on the Premises or the Common Areas from theft, fire, water, gas or otherwise, including sprinkler and roof leakage or bursting pipes.

18.3 Tenant hereby agrees to indemnify and to hold Landlord and any mortgagee of Landlord harmless against all Claims arising from: tenant's possession, use, maintenance and repair of the Premises; any act or omission of tenant or tenant's agents and employees; any default of Tenant under this Lease; or other acts or omissions which result in personal injury, loss of life or property damage sustained in and about the Premises.

18.4 Upon taking possession of the Premises and thereafter during the Lease Term, the Tenant shall, at Tenant's sole cost and expense, maintain comprehensive liability insurance, including, without limitation products liability and contractual liability endorsements, against Claims for personal injury, death, or property damage occurring in, upon, or about the Premises and in the hallways, elevator and stairwells and on any sidewalks or patio areas directly adjacent to the Premises and Building. The Limits of Liability of such insurance shall not be less than Two Million Dollars ($2,000,000) combined single limit or in such higher amounts as Landlord may require. All such policies of insurance shall name Landlord and/or such other party or parties as Landlord may require as additional insured.

18.5 Tenant's insurance shall be maintained with an insurance company qualified to do business in the state in which the Premises are located and have a current A.M. Best manual rating of at least A or better. Tenant's insurance policies will contain an endorsement stating that the insurance will not be canceled nor will the carrier fail to renew or materially change the policy without first giving Landlord thirty (30) days written notice. Before entry into the Premises and before expiration of any policy, Tenant shall provide Landlord with evidence that

the requirements of this Article have been met and that the applicable premiums or renewal premiums have been paid.

18.6 During the entire Lease Term, Landlord shall maintain or cause to be maintained public liability insurance against Claims for personal injury, death, or property damage occurring on the common areas. The Limits of Liability of such insurance shall be in such amounts as Landlord shall determine.

18.7 Landlord shall not be responsible or liable to Tenant for any Claims for loss or damage caused by the acts or omissions of any person occupying any space adjacent to or adjoining the Premises.

18.8 As used in this Article, "Claims" means any claims, suites, proceedings, actions, causes of action, responsibility, liability, demands, judgements and executions.

18.9 Tenant hereby agrees to indemnify, defend ad hold Landlord and any Mortgagee of Landlord harmless against all claims arising from: Tenant's possession, use maintenance and repair of the Premises; any act or omission of Tenant or Tenant's invitees, contractors, subtenants, agents and employees including acts occurring on the Common Areas (except to the extent of Landlord's gross negligence); any default of Tenant under this Lease; or other acts or omissions which result in personal injury, loss of life or property damage sustained in and about the Premises.

ARTICLE 19: CASUALTY INSURANCE

19.1 Tenant, at Tenant's expense, shall maintain fire and extended coverage insurance (full replacement value) on merchandise, personal property, equipment and trade fixtures owned or used by Tenant and other property which Tenant may remove on the Expiration Date. Tenant shall not maintain insurance on any structural portion of the Premises, roof, demising or interior walls or floors. In the event of a violation of this obligation, Tenant agrees all proceeds of Tenant's insurance policies, except proceeds related to tenant's personal property or improvements supplied by Tenant, will be held in trust for the benefit of Landlord.

19.2 Tenant shall be responsible for the maintenance of plate glass in or a part of the Premises, but shall have the option either to insure the risk or to self-insure, provided Landlord's written consent to self-insure is previously obtained.

19.3 Tenant's fire and extended coverage insurance shall be maintained in accordance with the standards set forth in Sections 18.4 and 18.5.

19.4 Landlord shall maintain special form property coverage insurance ("all risk") including vandalism and malicious mischief, sprinkler leakage damage and flood and boiler explosion endorsements throughout the Lease Term on the Building (excluding Tenant's trade fixtures and personal property) and may name the holder of a first mortgage or deed of trust and any ground lessor as additional insured. Landlord may elect to self-insure any component comprising the Common Areas. AT Landlord's option, the policy of insurance may include a business

interruption insurance endorsement for loss of rents. The cost of the insurance obtained under this Section shall be a Direct Cost under Article 4 of this Lease, subject to the First Addendum to Lease. If it is determined that Landlord's fire and extended coverage insurance premium, due to Tenant's special fixtures, Non-Building Standard Improvements or business, is in excess of the premium which would have been charged, but for Tenant's fixtures, improvements or business, Tenant agrees to pay Landlord such excess. Tenant shall have no rights in said policy procured by Landlord under this Section and shall not be entitled to be named as insured thereunder.

19.5 Tenant hereby waives any right of recovery from Landlord, and Landlord's agents, officers and employees, and Landlord hereby waives any right of recovery from Tenant and Tenant's agents, officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against by either's fire and extended coverage insurance policy. Neither Landlord nor Tenant shall be liable to the other or to any insurance company insuring the other party (by way of subrogation or otherwise) for any loss or damage to any building, structure or other tangible property; or any resulting loss of income, even though such loss or damage might have been occasioned by the negligence such party, its agents or employees, if any such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Lease. If either Landlord or Tenant elects to self-insure property, equipment or fixtures (including self-insurance implicit in insurance policies having deductibles in excess of $1,000.00 under a program of self-insurance risk management), the waiver in this Section 19.5 shall extend to losses that would have been covered by insurance but for a party's selection to self-insure such loss or damage.

ARTICLE 20: DAMAGE AND DESTRUCTION OF PREMISES

20.1 In the event of (a) fire or other casualty damage to the Premises or the Building during the Lease Term which requires repairs to either the Premises or the Building or (b) the Premises or the Building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either the Premises or the Building, Landlord shall commence to make said repairs within sixty (60) days of written notice by Tenant of the necessity therefore. The minimum Monthly Rent shall be proportionately reduced while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in the Premises.

20.2 Landlord's obligation to repair the Premises shall, however, be subject to the following. If

(a) during the last one (1) year of the Lease Term the Premises or the Building is damaged as a result of fire or any other insured casualty; or,

(b) the Premises is damaged to the extent of twenty-five percent (25%) or more of its then current replacement value; or,

(c) the Premises or the Building are damaged or destroyed as a result of a casualty not insured against, unless the lack of insurance arises from Landlord's election to self-

insure matters which are normally covered in "all risk" policies by reasonable and prudent property managers in the Flagstaff area; or,

(d) the Building shall be damaged or destroyed by fire or other cause to the extent of twenty percent (20%) or more of the Building's then current replacement value, Landlord shall have the right, to be exercised by notice in writing to Tenant given within ninety (90) days from said occurrence, to cancel and terminate this Lease. Upon notice to Tenant, the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Premises and surrender the same to landlord. If Landlord elects to terminate this Lease under this Section, all rents shall be prorated as of the date of damage or destruction and Landlord shall be released from liability or obligation to Tenant arising after such termination. If Landlord, however, elects to make said repairs, and provided Landlord uses due diligence in making said repairs, this Lease shall continue in full force and effect and the Minimum Monthly Rent shall be proportionately reduced as provided in Section20.1.

20.3 With respect to any destruction (including any destruction necessary in order to make repairs) which Landlord is obligated to repair or may elect to repair under the terms of this Article, Tenant waives Tenant's statutory right under Arizona law to terminate this Lease as a result of such destruction and no such destruction shall annul or void this Lease.

20.4 The provisions of this Article 20 shall supersede the obligations of Landlord to make repairs under Section 15.1 of the Lease. Landlord shall not be obligated to make repairs to the extent that the cost thereof exceeds the insurance proceeds or to the extent such repairs would exceed the Building Standards.

20.5 Unless the Lease is terminated under this Article, within thirty (30) days of substantial completion of Landlord's restoration obligations, Tenant shall re-fixture the Premises according to the specifications set forth in Article 9 of the Lease. Upon completion of Tenant's re-fixturing or upon passage of thirty (30) days from the date Landlord substantially completes repairs and restoration of the Premises, the Minimum Monthly Rent shall be restored to the amounts which would have been in effect but for the damage or destruction.

If fire or casualty causing damage to the Premises or other parts of the Building shall have been caused by negligence or misconduct of the Tenant, its agents, representatives, employees, or of any person entering the Premises under the express or implied invitation of Tenant, such damage shall be repaired by Landlord with any costs not paid for by insurance paid for by Tenant and in such event there shall be no abatement or reduction of rent despite contrary provisions appearing in this Lease.

ARTICLE 21: EMINENT DOMAIN

21.1 As used in this Article, "Taking" means a taking of or damage to the Premises or Building or any part thereof by exercise of the power of eminent domain, condemnation or sale under the threat of or in lieu of eminent domain or condemnation.

21.2 If the whole of the Building or the whole of the Premises shall be acquired by a Taking, then this Lease shall terminate as of the date of taking of possession by the Taking authority.

21.3 If more than ten percent (10%) of the value of the Building is acquired by a Taking, whether or not any portion of the Premises is so taken, Landlord shall have the right to terminate this Lease as of the date of such Taking by giving Tenant ninety (90) days written notice of Landlord's intent to terminate this Lease.

21.4 If more than twenty-five percent (25%) of the Premises is acquired in a Taking, either Landlord or Tenant may terminate this Lease upon notice to the other within ninety (90) days prior to taking of possession. If less than twenty-five percent (25%) of the Premises is acquired in a Taking and the award received is sufficient to restore the Premises, subject to Section 21.3, Landlord shall promptly restore the Premises to a condition comparable to its condition at the time of such condemnation less the portion acquired in the Taking, this Lease shall continue in full force and effect with respect to the part not acquired, and the Minimum Monthly Rent shall be reduced in the proportion that the rental value of the Premises after the taking bears to the rental value before the Taking.

21.5 standing Section 21.2, if any part of the Parking Garage shall be acquired by a Taking, this Lease shall continue in full force and effect unless a governmental entity forces the closing of the Building. If a closing is required, this Lease shall terminate on the date of closing.

21.6 In the event of a Taking as hereinbefore provided, whether whole or partial, the Tenant shall not be entitled to any party of the award, as damages or otherwise for diminution in value of the leasehold, reversion or free, and Landlord is to receive the full amount of such award. Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall have no claim against Landlord for the value of the unexpired Lease Term if the Lease is terminated under this Article. Although all damages in the event of any condemnation are to belong to the Landlord, Tenant shall have the right to claim and recover from the condemning authority, and shall have the right to maintain separate action against the condemning authority as long as such does not diminish Landlord's award, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, trade fixtures and equipment.

21.7 If this Lease s terminated partially or in total under Article 21, all rent shall be prorated as of the date of Taking including refunds for amounts paid in advance by Tenant.

ARTICLE 22: ASSIGNMENT AND SUBLETTING

22.1 Tenant shall not transfer or assign this Lease, or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, including spaces in the Parking Garage, without Landlord's consent, which shall not be unreasonable withheld. Consent by the Landlord to one assignment, subletting, occupation or use by another

person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Neither this Lease nor any interest therein shall be assignable, as to the interest of Tenant, by operation of law, without prior written consent of Landlord. Any attempted transfer, assignment or subletting without the prior written consent of Landlord shall be void and shall constitute a default under this Lease.

If Tenant is a corporation, a limited liability company, an unincorporated association or a partnership, unless listed on a national stock exchange, the transfer, assignment or hypothecation of any stock or interest in such corporation, limited liability company, association or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment of this Lease.

22.2 If Tenant, with Landlord's prior written approval, assigns this Lease or sublets the Premises and the assignee or sub lessee maintains the liability insurance coverage required by the Lease, Tenant shall be relieved of such obligation but no other obligation under this Lease. Tenant agrees to pay Landlord reasonable legal fees and handling fees incurred in connection with the processing of any documents necessary to give consent. In the event of default by any assignee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting or pursuing any remedies against said assignee or successor.

22.3 The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or sub tenancies, or may, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or sub tenancies.

ARTICLE 23: SALE OF PREMISES BY LANDLORD

In the event of any sale of the Building or the property upon which the Building is located or assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of Landlord's covenants and obligations contained in or derived from this Lease or arising out of any act, occurrence of omission occurring after such sale or assignment; and the assignee or purchaser, at such sale or any subsequent sale of the Premises or assignment of this Lease, shall be deemed, without any further agreement between the parties and only such assignee or purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this lease.

ARTICLE 24: SUBORDINATION/ATTORNMENT/MODIFICATION/ASSIGNMENT

Tenant's interest under this Lease shall be subordinate to all terms of the lien of any ground lease, first deed of trust, first mortgage or security agreement (hereinafter collectively referred to as "Mortgage") now or hereafter place on the Landlord's interest in the Premises, the Building or on the land upon which the Building is located and any amendments thereto. If Landlord has not obtained permanent financing for the Building having a term of at least fifteen (15) years at the time of execution of this Lease, Tenant agrees to reasonable amendments to this Lease as may be requested by a lender who proposes to fund permanent financing provided the amendment does not increase Tenant's monetary obligations under this Lease. Tenant further consents to an

assignment of Landlord's interest in this Lease to Landlord's lender as required under such financing. If the Premises or the Building is sold pursuant to default on the Mortgage, or pursuant to a transfer in lieu of foreclosure, Tenant shall, at the Mortgage holder's or purchasers election, not disaffirm this Lease but shall attorn to the Mortgage holder or purchaser and if so requested, enter into a new lease for the remainder of the Lease Term. This Article shall be self-operative, however, Tenant agrees to execute and deliver, within ten (10) days after requested by Landlord, such further instruments necessary to subordinate this Lease to a lien of any Mortgage, to acknowledge the consent to assignment and to affirm the attornment provisions set forth herein.

ARTICLE 25: RIGHT TO CURE

In the event of breach, default, on noncompliance hereunder by Landlord, Tenant shall, before exercising any right or remedy available to it, give Landlord written notice of the claimed breach, default, or noncompliance. If prior to its giving such notice Tenant has been notified in writing (by way of Notice of Assignment of Rents and Leases, or otherwise) of the address of a lender which has furnished financing secured by a Mortgage, as defined in Article 24, on the Premises or the Building, concurrently with giving the aforesaid notice to Landlord, Tenant shall also give notice by certified mail to such lender. For the thirty (30) days following such notice (or such longer period of time as may be reasonably required to cure a matter which, due to its nature, cannot reasonably be remedied within thirty (30) days, Landlord shall have the right to cure the breach, default, or noncompliance involved. If Landlord has failed to cure a default within said period, any such lender shall have an additional thirty (30) days within which to cure the same or, if such default cannot be cured within that period, such additional time as may be necessary if within such thirty (30) day period said lender has commenced and is diligently pursuing the actions or remedies necessary to cure the breach, default, or noncompliance involved (including, but not limited to, commencement and prosecution of proceedings to foreclose or otherwise exercise its rights under its mortgage or other security instrument, if necessary to effect such cure) in which event this Lease shall not be terminated by Tenant so long as such actions or remedies are being diligently pursued by said lender.

ARTICLE 26: ESTOPPEL CERTIFICATES

Tenant agrees at any time and from time to time upon request by the Landlord, to execute, acknowledge and deliver to Landlord a statement within five (5) calendar days of demand in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modifications), (b) the dates to which the Minimum Monthly Rent and other charges have been paid in advance, if any, (c) Tenant's acceptance and possession of the Premises, (d) the commencement of the Lease Term, (e) the rent provided under the Lease, (f) that Landlord is not in default under this Lease (or is Tenant claims such default the nature thereof), (g) that Tenant claims no offsets against the rent, and (h) such other information as shall be reasonably necessary to establish the status of the tenancy created by this Lease. It is intended that any such statement delivered pursuant to this Article may be relied upon by any prospective purchaser, Mortgage holder or assignee of any mortgage holder of the Premises or the Building.

ARTICLE 27: DEFAULT AND CONDITIONAL LIMITATIONS

27.1 The following shall constitute a default under this Lease:

(a) If Tenant fails to pay any installment of the Minimum Monthly Rent or additional rent herein provided or any other sum required by this Lease to be paid to Landlord, or any part thereof, within five (5) days following Landlord's written notice that the rent or sum is due and unpaid; or

(b) If Tenant fails to perform any covenants or conditions agreed to be performed under Exhibit "D" and such failure shall continue for ten (10) days after notice thereof from Landlord to Tenant; or

(c) If Tenant fails to perform any other covenants or conditions on its part agreed to be performed under the Lease and such failure to perform other covenants shall continue for thirty (30) days after notice thereof from Landlord to Tenant; or

(d) If a petition or proceeding under the Federal Bankruptcy Act or any amendment thereto is filed or commenced by or against Tenant or any guarantor of this Lease, and if against Tenant, said proceedings shall not be dismissed within sixty (60) days following commencement thereof; or

(e) If Tenant or any guarantor of this Lease is adjudged insolvent, makes an assignment for the benefit of its creditors or enters into an arrangement with its creditors; or

(f) If a writ of attachment or execution is levied on the leasehold estate hereby created and is not released or satisfied within sixty (60) days thereafter; or

(g) If a receiver is appointed in any proceeding or action to which Tenant is a part with authority to take possession or control of the Premises or the business conducted thereon within a period of thirty (30) days after his appointed; or

(h) Tenant abandons the Premises and is not paying rent.

27.2 Upon default of Tenant as defined in Section 27.1 Landlord, or Landlord's agents and employees shall have the right and option to:

(a) Prosecute and maintain an action or actions, as often as Landlord deems advisable, for collection or rent, other charges and damages as the same accrue, without entering into possession and without terminating this Lease. No judgment obtained shall constitute a merger or otherwise bar prosecution of subsequent actions for rent and other charges and damages as they accrue. Tenant agrees to pay Landlord all costs of collection of past due rent, including court costs and attorney's fees.

(b) Immediately or any time thereafter reenter and take possession of the Premises and remove Tenant, Tenant's agents, any subtenants, licensees, concessionaires, or invitees and any or all of their property from the Premises. Reentry and removal may be effected by summary proceedings or any other action or proceedings at law or by self-help. Landlord shall not be liable in any way in connection with any action taken under this paragraph. No action taken, commenced or prosecuted by Landlord, no execution on any judgment and no act or forbearance on the part of Landlord in taking or accepting possession of the Premises shall be construed as an election to terminate this Lease unless Landlord expressly exercises this option under Section 27.2. (c).

Upon taking possession of the Premises, Landlord may from time to time, without termination of this Lease relet the Premises or any part thereof as agent for Tenant for such rental terms and conditions (which may be for a term extending beyond the Lease Term) as Landlord, in its sole discretion, may deem advisable, with the right to make reasonable alterations and repairs to said Premises required for reletting. The rents received by Landlord from such reletting shall be applied first to the payment of any costs of reletting and second to the payment of rent due and unpaid hereunder. The residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If the rents received from such reletting during any month are insufficient to reimburse Landlord for any cost of reletting or rent due and payable, Tenant shall pay any deficiency to Landlord. Such deficiency shall be calculated and paid monthly. Notwithstanding any such reletting without termination, Landlord may at any time, thereafter, elect to terminate this Lease for such previous breach.

(c) Elect to terminate this Lease by written notice to Tenant. Upon such termination, Tenant agrees to immediately surrender possession of the Premises. If Tenant fails or refuses to surrender the Premises, Landlord may take possession in accordance with Paragraph (b) above. If Landlord terminates this Lease, Tenant shall have no further interest in this Lease or in the Premises, however, Tenant shall remain liable to Landlord for all damages Landlord may sustain by reason of Tenant's default, including without limitation (1) the cost of reletting the Premises, and (2) an amount equal to the rent which, but for termination of this Lease, would have been payable by Tenant during the remainder of the Lease Term, less any proceeds from reletting the Premises. Rent which would have been payable for the remainder of the Lease Term shall be calculated on the basis of the Minimum Monthly Rent and Additional rent payable by Tenant at the time of default plus any future increases which are determinable at the time of calculation.

27.3 As used in this Article "costs of reletting" means any reasonable cost necessary to collect past due rent, take possession of the Premises and lease the Premises to another tenant, including, but not limited to:

(a) legal costs and expenses of collecting past due rent and recovery of the Premises including court costs and attorney's fees,

(b) brokerage costs for leasing,

(c) costs and expenses of alterations, repairs and improvements,

(d) indebtedness other than minimum rent due from Tenant to Landlord under this Lease,

(e) costs of protecting the Premises, and

(f) removal and storage of Tenant's property.

27.4 No act or conduct of the Landlord, whether consisting of reentry, taking possession or reletting the Premises or obtaining appointment of a receiver or accepting the keys to the Premises, or otherwise, prior to the expiration of the Lease Term shall be deemed to be or constitute an acceptance of the surrender of the Premises by the Landlord or an election to terminate this Lease unless Landlord exercises its election under Section 27.2 (c) of this Lease. Such acceptance or election by Landlord shall only be effected, and must be evidenced, by written acknowledgement of acceptance of surrender or notice of election to terminate signed by Landlord.

27.5 Tenant agrees that in the event it is due to render performance in accordance with any term or condition of this Lease and it fails to render such performance within ten (10) days after written notification thereof is given in accordance with the notice provision hereof or immediately if required for protection of the Premises, Landlord shall have the right, but not the obligation, to render such performance and to charge all costs and expenses incurred in connection therewith to Tenant. All amounts so charged shall be considered additional rent and shall be due and payable immediately to Landlord upon presentment of a statement to Tenant indicating the amount and nature of such cost or expense.

27.6 No remedy herein conferred upon Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission of Landlord to exercise any right or power arising from any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

27.7 Any requirement that Landlord provide a consent or approval under this Lease shall be subject to the condition that at the time the approval or consent is requested that Tenant shall not be in default under this Lease, and no circumstances shall exist, which with the giving of notice and the passage of any grace period would constitute a default by Tenant under this Lease.

ARTICLE 28: FORCE MAJUERE

Except as otherwise provided in the Lease, if either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, civil disorder, inability to produce materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated, performance of such act shall be excused for the period of delay and then for a period of time reasonably necessary to perform the act; provided, however, nothing in this Article shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder.

ARTICLE 29: SURRENDER OF PREMISES

At the Expiration Date, Tenant shall surrender the Premises in good order and condition reasonable wear and tear and casualty damage expected, and shall deliver all keys to Landlord. Before surrendering the Premises, Tenant shall remove all of its personal property and trade fixtures and such alterations or additions to the Premises made by Tenant as may be specified for removal by Landlord, and shall repair any damage caused by such property of the removal thereof. If Tenant fails to remove its personal property and fixtures upon the Expiration Date, the same shall, at Landlord's election, be deemed abandoned and shall become the property of the Landlord. Tenant shall further surrender to Landlord any Parking Garage cards/keys issued under Article 5.

ARTICLE 30: HOLDING OVER

If Tenant shall hold over after the Expiration Date, or any extension thereof, Tenant shall become a tenant on a month-to-month basis at a minimum rental of one and one-half times the amount Tenant is paying for Minimum Monthly Rent at the time the holdover period begins, which rental shall be payable in advance on the first day of such holdover period and on the first day of each month thereafter, upon all the terms, covenants and conditions herein specified.

ARTICLE 31: GENERAL PROVISIONS

31.1 If Tenant is composed of more than one person or entity, then the obligations of such entities or parties shall be joint and several.

31.2 If any term, covenant, condition or provision of this Lease is held by a court of authorized jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

31.3 The various headings and numbers herein and the grouping of the provisions of this Lease into separate articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

31.4 Time is of the essence of this Lease.

31.5 Subject to the express provisions of this Lease, in the event either party initiates legal proceedings to enforce any right or obligation under this Lease or to obtain relief for the breach of any covenant hereof, the party ultimately prevailing in such proceedings shall be entitled to recover from the defaulting party the costs of such proceedings, including reasonable attorney's fees as determined by the court and not by a jury. If Landlord is involuntarily made a party defendant to any litigation commenced by a party other than Tenant concerning this Lease or the Premises by reason of any act or omission of Tenant, Tenant shall indemnify and hold Landlord harmless from all liability by reason thereof, including Landlord's reasonable costs and attorney's fees.

31.6 This Lease, and ay Exhibit or Addendum attached hereto, set forth all the covenants, promises, agreements, conditions or undertakings, either oral or written, between the Landlord and Tenant. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties. If a provision of the Addendum and this base Lease are in conflict, the provision of the Addendum shall govern.

31.7 Subject to Article 22, the covenants herein contained shall apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto.

31.8 No covenant, term or condition of this Lease shall be waived except by written waiver of Landlord, and the forbearance or indulgence by Landlord in any regard whatsoever shall not constitute a waiver of the covenant, term or condition to be performed by Tenant to which the same shall apply, and until complete performance by Tenant of such covenant, term or condition, Landlord shall be entitled to invoke any remedy available under this Lease or by law despite such forbearance or indulgence. The waiver by Landlord of any breach or term, covenant or condition hereof shall apply to and be limited to the specific instance invoked and shall not be deemed to apply to any other instance or to any subsequent breach of the same or any other term, covenant or condition hereof. Acceptance or rent by Landlord during a period in which Tenant is in default in any respect other than payment of rent shall not be deemed a waiver of the other default. Any payment made in arrears shall be credited to the oldest amount outstanding and no contrary application will waive this right.

31.9 The use of a singular term in this Lease shall include the plural and the use of the masculine, feminine or neuter genders and shall include all others.

31.10 Notwithstanding anything to the contrary in this Lease, no Lease provisions, or provisions of any attached exhibits or addendum shall constitute a waiver of Landlord's sovereign rights, including but not limited to sovereign immunity, which is hereby expressly preserved.

ARTICLE 32: NOTICES

Wherever in this Lease it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and delivered personally or forwarded by certified mail, return receipt requested.

TO LANDLORD: All payments or rent and other monies due to Landlord shall be payable to "Hopi Tribe Economic Development Corporation" or "HTEDC" and mailed to:

HTEDC
Sterling Real Estate Management
323 S. River Run Road, Suite 1
Flagstaff, AZ 86001

AJS

All other notices, demands, insurance certificates and correspondence to Landlord shall be made to:

HTEDC
Sterling Real Estate Management
323 S. River Run Road, Suite 1
Flagstaff, AZ 86001

TO TENANT: All notices, demands, and correspondence to Tenant shall be made to:

_____
_____
_____
_____
_____

Either party may change such address by written notice by certified mail to the other. Service of any notice or demand shall be deemed completed forty-eight (48) hours after deposit thereof in the United States Postal Service or, if delivered in person, upon receipt thereof.

ARTICLE 33: ENVIRONMENTAL MATTERS

Tenant shall, at Tenant's sole expense, comply with all federal, State, and local laws and regulations relating to environmental matters and workplace safety.

If Tenant or its employees, agents, contractors, invitees, or visitors shall ever violate the provisions of Section 12.3(e) or otherwise contaminate the Premises or the Building, or any portion thereof, then Tenant shall clean up, remove and dispose of the material causing the violation, in compliance with all applicable governmental standards, laws, rules and regulations and then prevalent industry practice and standards and shall repair any damage to the Premises or the Building within such period of time as may be reasonable under the circumstances after written notice by Landlord. Tenant shall notify Landlord of its method, time and procedure for any clean up or removal and Landlord shall have the right to require reasonable changes in such method, time or procedure or to require the same to be done after normal business hours. Tenant's obligations under this Article 33 shall survive the termination of this Lease.

TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE LANDLORD FROM AND AGAINST ALL OBLIGATIONS (INCLUDING REMOVAL AND REMEDIAL ACTIONS), LOSSES, CLAIMS, SUITS, JUDGMENTS, LIABILITIES, PENALTIES, DAMAGES (INCLUDING CONSEQUENTIAL AND PUNITIVE DAMAGES), COSTS AND EXPENSES (INCLUDING ATTORNEY'S AND CONSULTANTS' FEES AND EXPENSES) OF ANY KIND OR NATURE WHATSOEVER THAT MAY AT ANY TIME BE INCURRED BY, IMPOSED ON OR ASSERTED AGAINST LANDLORD DIRECTLY OR INDIRECTLY BASED ON, OR ARISING OR RESULTING FROM (a) THE ACTUAL OR ALLEGED PRESENCE OF HAZARDOUS OR TOXIC TENANT, AND (b) ANY CLAIM OR

CAUSE OF ACTION RELATING IN ANY WAY TO TENANT'S OPERATION OR USE OF THE PREMISES AND COMMON AREAS OF THE BUILDING. THE PROVISIONS OF THIS ARTICLE 33 SHALL SURVIVE THE EXPIRATION OF SOONER TERIMINATION OF THIS LEASE.

Landlord represents that, to the best of its knowledge, there is no hazardous or toxic material on or about the Premises or the property of which the Premises are a part. Landlord shall be solely responsible for all costs and expenses and the removal of hazardous or toxic material introduced by Landlord and Landlord agrees to indemnify Tenant for any costs or damages resulting from contamination arising as a result of the Landlord introducing hazardous or toxic material to the Premises or the property.

ARTICLE 34: BROKER'S COMMISSIONS

No brokerage commissions or finder's fees are payable in connection with this Lease. Tenant shall indemnify and hold Landlord harmless from and against any other claim, demand or suit for any brokerage commission, finder's fee or similar charge in respect of the execution of this Lease or the transaction contemplated by this Lease based on any act by or agreement or contract (or alleged act, agreement or contract) of Tenant, and for all losses, obligations, costs, expenses and fees (including attorneys' fees) incurred by Landlord on account of or arising from the same. Landlord shall indemnify and hold Tenant harmless from and against any other claim, demand or suit for any brokerage commission, finder's fee or similar charge in respect of the execution of this Lease of the transaction contemplated by his Lease based on any act by or agreement or contract (or alleged act, agreement or contract) of Landlord, and for all losses, obligations, costs, expenses and fees (including attorneys' fees) incurred by Tenant on account of or arising from the same.

ARTICLE 35: CORPORATE STATUS

If Tenant executes this Lease as a corporation or other entity, Tenant represents and warrants that (a) the execution of this Lease has been duly authorized as an act of the corporation or other entity; (b) upon execution of this Lease, the Lease will constitute a binding and valid undertaking of the corporation or other entity; and (c) the persons executing this Lease on behalf of the corporation or other entity are authorized and empowered to bind the corporation or other entity as provided in this Lease.

ARTICLE 36: AMERICANS WITH DISABILITIES ACT

Landlord represents and Tenant understands that any failure of the Premises, the Building, the Common Areas and/or the Parking Garage serving the Premises to comply under the Americans with Disabilities Act (the "Act") has been grand-fathered and is accepted from compliance as specified under the Act. It is further agreed between Landlord and Tenant that Landlord shall hold Tenant harmless and indemnify Tenant for all costs and expenses related to such compliance or for any claims, liabilities, costs, or expenses (including Tenant's reasonable attorneys' fees and expenses) resulting from any complaint, suit, or action brought against the Landlord and/or Tenant resulting from Landlord's non-compliance with the Act, if any. This

covenant shall survive the termination of this Lease for any reason. This agreement to hold harmless and indemnify shall not extend to ay failure of Tenant to comply with the Act within the leased Premises, excluding common areas.

IN THE WITNESS WHEREOF, the parties have duly executed this Lease as of the day and year first above written.

LANDLORD:

HOPI TRIBE ECONOMIC
DEVELOPMENT CORPORATION
A federally chartered corporation,
Wholly owned by the Hopi Tribe,
A federally recognized Indian tribe

By: _____ 11/5/19
(Date)
Name Printed: Lucinda Smith
Its: CEO

TENANT:

_____

By: _____
(Date)
Name Printed _____
Its:

LEASE ABSTRACT

DATE: September 17, 2019

PROPERTY: Hopi Building at Heritage Square
6 E. Aspen Ave, Suite 200
Flagstaff, AZ 86001

TENANT: City of Flagstaff, ParkFlag

CONTACT PERSON: John Portillo
Work:
Cell: 928-699-8861
Email: JPortillo@flagstaffaz.gov

BILLING ADDRESS: 6 E. Aspen Ave, Suite 200, Flagstaff, AZ 86001

LEASE COMMENCEMENT: 11/1/2019 LEASE EXPIRATION: 10/31/2022

LEASE TERM: Five (5) years

RENTABLE SQ. FT.: +/- 2806 PRO-RATA: N/A

SECURITY DEPOSIT: $5,000.00

BASE YEAR: 2019 NEXT ADJUSTMENTS: N/A

CURRENT TOTAL MONTHLY RENT: $5,129.05 RENT / SF: $21.93/sf/yr; $1.83 sf/mo

BASE RENT/MO: $5,000.00 NNN: N/A CITY TAX: $129.05

ADDITIONAL RENT: None

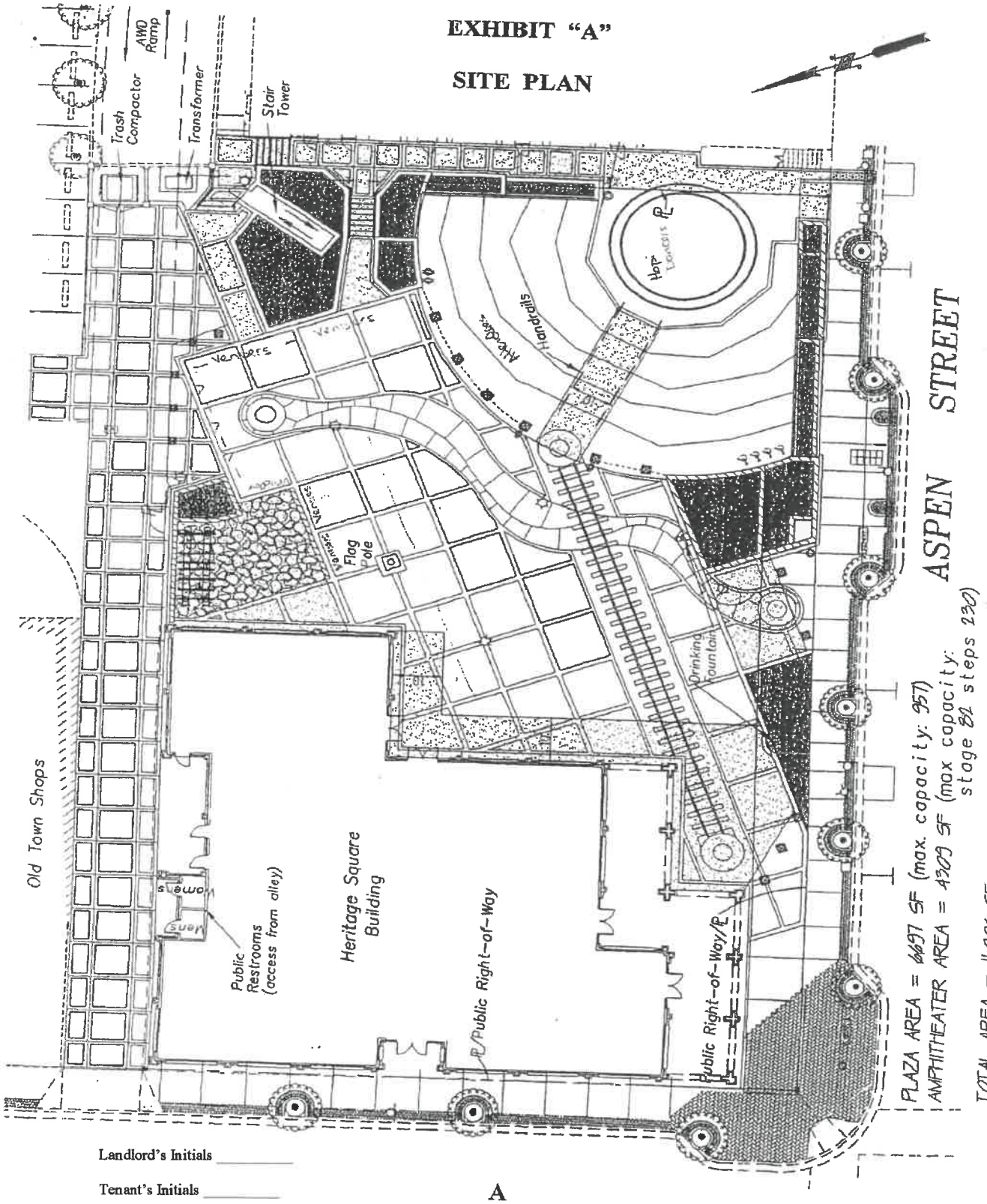
LATE FEES: If received on the 6th or after = 10% of base rent; if received 11th or after = additional 10% of base rent.

USE: General Administrative Office Use

SPECIAL PROVISIONS: This is a gross lease. Landlord responsible for gas, electric, water, HVAC servicing. Tenant responsible for communications/internet services. Tenant may sublease to Downtown Business Alliance and Flagstaff Metropolitan Planning Organization.

EXHIBIT "A"

SITE PLAN



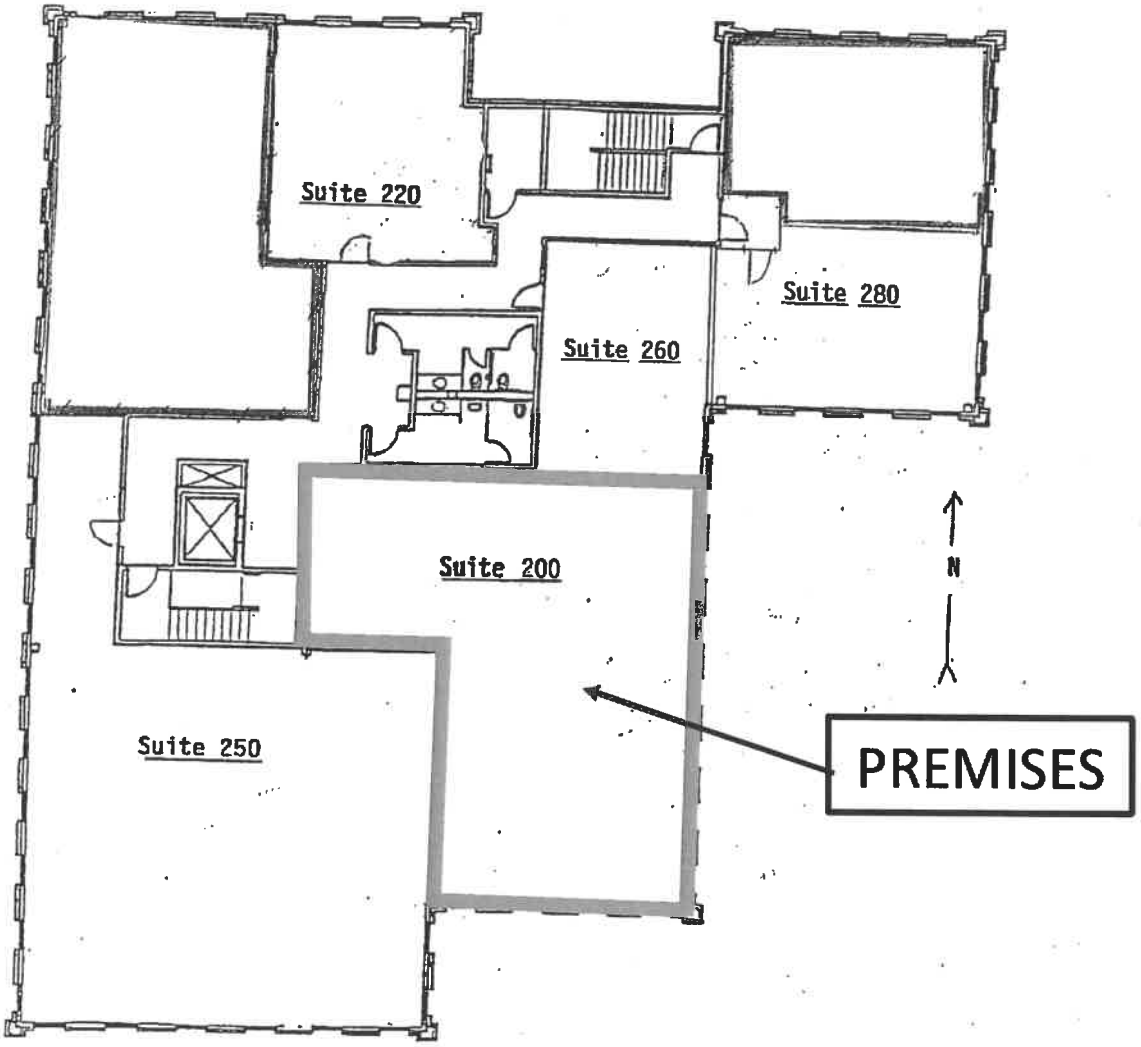
Landlord's Initials _____

Tenant's Initials _____

PARKFLAG
CITY OF FLAGSTAFF

EXHIBIT "B"

SECOND FLOOR PLAN



This floor plan is not to scale.

Landlord Initials _____

Tenant Initials _____

EXHIBIT "C"

BOOTZ & DUKE Signs

SIGN CRITERIA

Approved Sign package Per. C of F 5/12/94

SIGN CRITERIA
HERITAGE SQUARE
FLAGSTAFF, ARIZONA

A) Introduction

This criteria has been established for the purpose of assuring an outstanding center for the mutual benefit of all tenants, and are in addition to the requirements as stated in the lease between landlord and tenant. Conformance shall be strictly enforced and any installed non-conforming or unapproved signs shall be brought into conformance at the sole expense of the tenant.

Landlord shall administer and interpret the criteria. Bootz & Duke Sign Co. is the consulting company for Heritage Square.

The City of Flagstaff shall issue sign permits and have final interpretation of this criteria.

B) General Requirements

1. Painted lettering directly to the wall shall not be permitted.

2. Flashing or audible signs shall not be permitted.

3. All electrical signs and their installations must comply with all uniform building and electrical codes.

4. No exposed conduit, tubing, transformer or raceways shall be permitted.

5. All letters, conductors, transformers and other equipment shall be neatly concealed in a water tight condition.

Landlord's Initials _____
Tenant's Initials _____

& Duke Sign Co. • 4028 West Whitton Ave. • Phoenix, Arizona 85019 • Phone (602) 272-9356

6. All business identification sign's will flag mounted wall signs as per the attached Detail A.

7. Tenant or his representative must submit two copies of detailed sign drawings to the landlord for approval fifteen (15) days prior to submitting for permits or manufacturing.

C. Construction Requirements

1. All exterior bolts, fastening and clips shall be of hot dipped galvanized iron and no black iron materials of any type shall be permitted.

2. Locations of all openings for conduit and sleeves in building walls shall be indicated by the sign contractor on drawings submitted for approval of landlord's architect. The contractor shall install the same in accordance with the approved drawings.

3. No labels shall be permitted on the exposed surface of signs, except those required by ordinance, which shall be applied in an inconspicuous place.

4. All penetrations of the building structure required for sign installation shall be neatly sealed in a water tight condition.

5. Tenant and his contractor shall repair any damage caused during installation of signage.

6. Tenant shall be fully responsible for the operations of tenant's sign contractor.

D) Design Requirements

1. Identification signs shall be designed as an integral part of the storefront in a manner complimentary to adjacent and facing storefronts and the overall design concept of the shopping center. Second story tenants are not allowed building signs.

2. Signs are to be a maximum 16 Sq. feet, flag mounted off the building as per Detail A. The steel mounting bracket shall be the same for each sign, but tenants are encouraged to be innovative and use unique 2 or 3 dimensional graphics on their sign panel. Alternative designs may be allowed with landlord approval. All design elements and lighting details are subject to landlord and City of Flagstaff approval.

3. Window lettering is allowed with the landlord and City of Flagstaff approval. Acceptable materials for window lettering are gold leaf and "Signgold" vinyl lettering. Painted "gold" lettering will not be approved.

If you have any questions regarding this criteria or if you would like a competitive bid, please contact Steve Nelsen at:

Bootz & Duke Sign Co.
4028 W. Whitton Avenue
Phoenix, AZ 85019
(602) 272-9356

Landlord's Initials _____

Tenant's Initials _____

Addendum to Sign Criteria
Heritage Square

Changes to Sign Criteria:

1. Remove Detail A as submitted by Bootz & Duke Signs. Replace with new drawing marked "Empress Plaza, Heritage Square" dated April 26, 1999.

2. All projecting signs shall be mounted at the same height on the building with the top of the sign support structure installed at the centerline of brick capital on building face as indicated in Detail A.

3. All illumination fixtures for externally illuminated signs shall be of the same design and shall consist of down-directed and shielded fixtures.

4. The City of Flagstaff will issue sign permits only for signs which are in conformity with the Flagstaff Sign Code and with the Flagstaff Historic District Design Criteria.

Dated: May 12, 1999

Landlord's Initials _____

Tenant's Initials _____

Amended Addendum to Sign Criteria

Additional Changes to approved Sign Criteria:

5. City of Flagstaff, hereby, approves sign permits for two flush building wall-mounted signs identifying the name of the building. The size, materials and method of installation of these signs shall be the same, or similar, in intent to the attached exhibit E. The location of such signs shall be as specified in the attached exhibit F.

6. City of Flagstaff, hereby, approves one projecting wall mounted sign identifying the name of the building; the size, materials, and method of installation of such sign shall be the same in nature to the typical projecting wall-mounted sign as previously approved on 5/12/99 by the City of Flagstaff for the general Sign Criterea for Heritage Square (attached here to as exhibit A). The location of such sign shall be the northern column immediately adjacent to the main entrance on Leroux Street.

7. City of Flagstaff, hereby, approves two flush-mounted building plaques identifying the name of the building. The size, materials, and location of such signs shall be specified at submittal of sign permit application for said signs.

8. City of Flagstaff, hereby, approves one projecting wall mounted sign identifying tenants of the building; the size, materials, and method of installation of such sign shall be the same in nature to the typical projecting wall-mounted sign as previously approved on 5/12/99 by the City of Flagstaff for the general Sign Criterea for Heritage Square (attached here to as exhibit A). The location of such sign shall be the southern column immediately adjacent to the main entrance on Leroux Street.

The foregoing is agreed and accepted today, 4/21/00

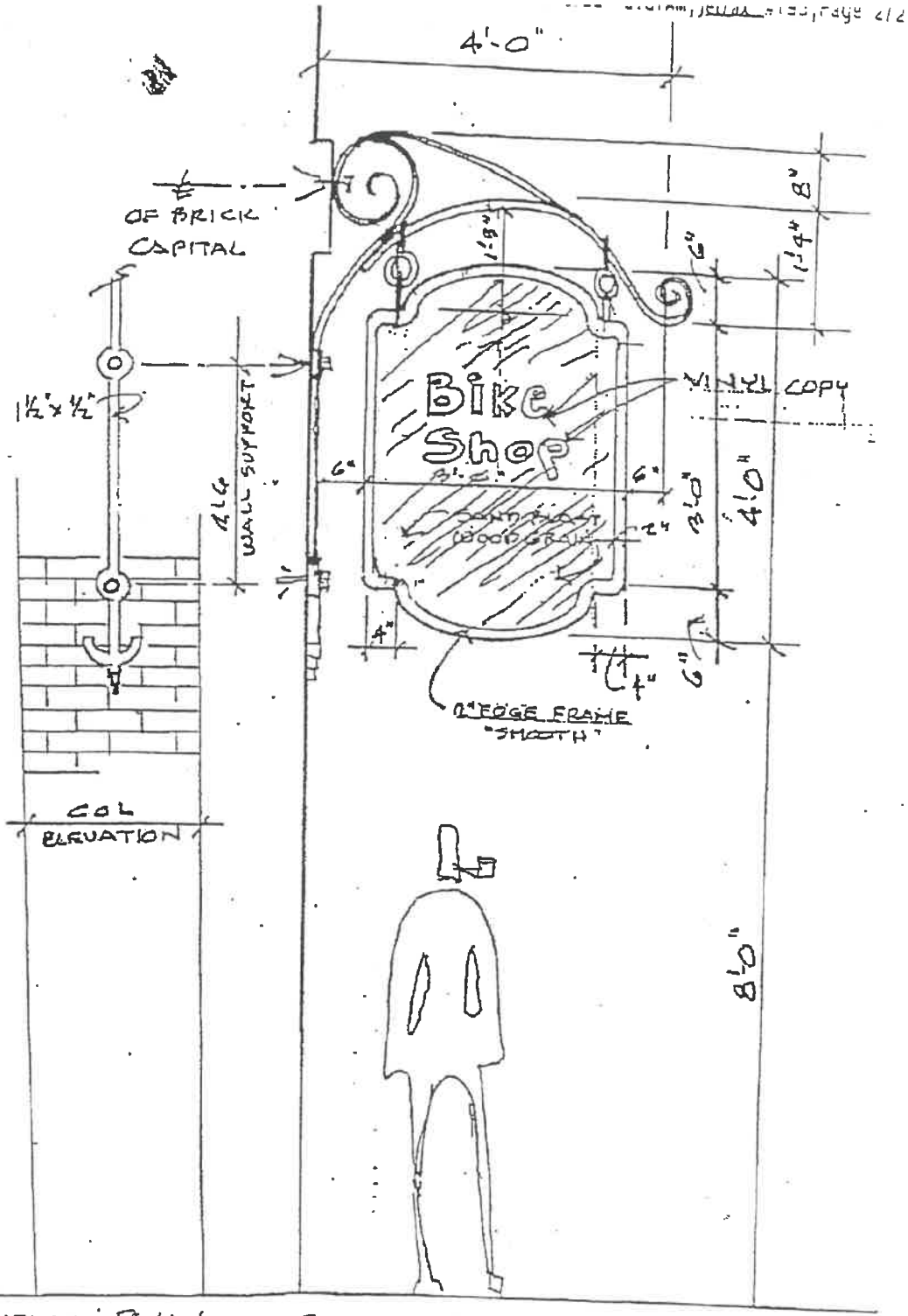
Peter W. Nelson
Empress Plaza, L.L.C.

Steve Lere
Steve Lere
City of Flagstaff

Billy Trimble
City of Flagstaff

Landlord's Initials _____

Tenant's Initials _____



EMPRESS PLAZA
HERITAGE SQUARE

SCALE: 1"=1'-0"

LCM ARCHITECTS.
APRIL 26.1999

Landlord's Initials _____
Tenant's Initials _____

EXHIBIT "D"

CONSTRUCTION RIDER

D1. Tenant has inspected the Premises and accepts them in their present condition. Tenant has the responsibility, except as stated elsewhere in this Lease, to repair/replace all existing construction as required for Tenant's use and occupancy, including, but not limited to: signs, light bulbs/tubes, window and door glass, and all finishes.

D2. Tenant shall, at Tenant's sole expense, furnish to Landlord construction drawings and specifications (hereinafter called "Plans"), describing all work necessary to construct the Premises for Tenant's use and occupancy (hereinafter called "Tenant Work"). Tenant shall furnish to Landlord three (3) copies of the Plans for Landlord's review and approval, which is required prior to the initiation of any work on the Tenant Work. Landlord shall have fourteen (14) working days from the date of receipt of the Plans to review them. If Landlord makes no written objection to Tenant within the said fourteen (14) days, then the Plans shall be deemed approved by Landlord.

D3. Tenant shall, at Tenant's sole expense, perform all work necessary to complete the Tenant Work as approved by Landlord.

D4. Tenant shall cause the Tenant Work to be constructed in compliance with all applicable ordinances, laws, rules and regulations of all governmental authorities, and shall secure written approval of the Plans from such governmental authorities before beginning work on the Tenant Work. In the event that said governmental authorities require changes or alterations in the Plans before granting Tenant written approval, then Tenant shall, at Tenant's sole expense, cause the Plans to be revised to indicate the required changes or alterations, and shall furnish to Landlord two (2) copies of the revised Plans for Landlord's records. Without limiting the foregoing, Tenant shall specifically ensure that all construction complies with the Americans with Disabilities Act.

D5. Tenant shall cause the Tenant Work to be constructed by a contractor (hereinafter called "Tenant's Contractor") licensed by the appropriate governmental authorities, and shall require Tenant's Contractor to furnish to Landlord a Certificate of Insurance as proof of insurance coverage in at least the following amounts:

(a) Worker's Compensation Insurance in the amounts required by law in Arizona;

(b) Comprehensive general liability insurance and personal injury liability insurance, specifying a single occurrence policy limit of at least $1,000,000;

(c) Products/Completed Operations Insurance

(d) Independent Contractors Insurance

(e) Personal liability insurance specifying a single occurrence policy limit of at least $1,000,000;

(f) Owned and hired automobile and equipment liability insurance; and

(g) Builder's Risk Insurance in the minimum amount of the contract between Tenant and Tenant's Contractor.

D6. Tenant shall, upon completion of all Tenant Work, furnish to Landlord a Certificate of Occupancy or other documentation indicating acceptance of construction by the appropriate governmental authorities. Tenant shall also furnish to Landlord an acceptable Affidavit of No Liens and Waivers of Liens from Tenant's Contractor and its subcontractors.

D7. Tenant shall, at Tenant's sole expense, furnish signs and the electrical connections thereto, in compliance with Landlord's sign criteria.

D8. Roof/Building Penetrations. There shall be no penetrations of the roof or the exterior walls of the Building without the prior written approval of Landlord. If Tenant employs any contractor or person to perform roof or Building penetrations or Tenant performs roof or Building wall penetrations personally, Tenant will be responsible for the cost of repair or replacement to said roof or Building walls required because of any damage resulting from Tenant's or Tenant's Contractor. Landlord shall have the right to have Landlord's roofing contractor and/or maintenance contractor make said repairs or replacement at Tenant's expense.

FIRST ADDENDUM TO LEASE
(Park Flag)

This FIRST ADDENDUM TO LEASE ("ADDENDUM") is effective January 1, 2020, and is incorporated by reference into the Lease. This ADDENDUM amends and supplements the Lease. In the event of any conflict between the terms of the Lease and the ADDENDUM, the terms of this ADDENDUM shall prevail. The paragraph numbers below correspond to the Lease.

2. TERM (EXTENDED TERM). If the term is extended, rent shall be as set forth in 3.1.

3.1. RENT. The Minimum Monthly Rent during the initial Lease Term shall be as follows:

YEAR	MONTHLY RENT	TAX*	MONTHLY TOTAL*
1	$5,000.00	$129.05	$5,129.05
2	$5,150.00	$132.92	$5,282.92
3	$5,150.00	$132.92	$5,282.92

*Based on the current rate of 2.581% and subject to change.

Upon full execution of Lease Documents, Tenant shall pay a total of $10,129.05, which includes the Security Deposit of $5,000.00

OPTION TO EXTEND

YEAR	MONTHLY RENT	TAX*	MONTHLY TOTAL*
4	$5,304.50	$136.91	$5,441.41
5	$5,304.50	$136.91	$5,441.41

*Based on the current rate of 2.581% and subject to change.

4. ADDITIONAL RENT/EXPENSE STOP. This is a gross lease. The terms of the Lease, paragraphs 4, paragraphs 4.2; 4.3, and 4.4 are deleted and shall not apply.

13. RIGHTS RESERVED BY LANDLORD. Except in case of emergencies, Landlord shall give at least 48 hours' notice to Tenant before exercising its rights to enter the Premises for any purposes allowed under the Lease.

16. UTILITIES AND JANITORIAL SERVICES. Paragraph 16.2 is deleted. Tenant will not use space heaters, air conditioners, or any other apparatus or device that may result in overloading electrical circuits or cause disruption to a neighboring tenant. Tenant and its subtenants will have the following office hours, and these will necessitate utility services:

- Park Flag: 7 days a week, 7:30 a.m. to 10:00 p.m.
- Downtown Business Alliance: Monday through Friday, 9:00 a.m. to 5:00 p.m.
- FMPO: Monday through Friday, 8:30 a.m. to 5:00 p.m.

18. ACCEPTANCE OF THE PREMISES, LIABILITY INSURANCE AND INDEMNIFICATION OF LANDLORD. Prior to commencement of the Lease, Landlord will professionally clean the Premises, including carpets and all facilities, and patch and repaint the walls of the Premises.

Tenant shall be granted access prior to commencement of the Lease:

- To establish telephone, internet, and similar communication services at its expense;
- To rekey any locks on the Premises at Tenant's expense, provided Landlord is given a master set of the keys.

22. ASSIGNMENT AND SUBLETTING. Landlord has approved Downtown Business Alliance and Flagstaff Metropolitan Planning Organization ("FMPO") as subtenants of Tenant. Tenant understands that Tenant shall be fully responsible for the full terms of this Lease.

All other terms and conditions of the Lease apply.

ACCEPTED AND APPROVED:
Landlord:

Hopi Tribe Economic Development Corporation,
A federally chartered corporation, wholly owned
By the Hopi Tribe, a federally recognized
Indian tribe

By: Lucinda Smith 11/5/19
(Date)

Name Printed: Lucinda Smith
Its: CEO

ACCEPTED AND APPROVED:
Tenant:

City of Flagstaff

By: _____
(Date)

Coral Evans, Mayor

Attest:

By: _____

Approved as to form:

By: _____

–

S:\Legal\Civil Matters\2019\2019-256 Park Flag Hopi Building Lease\11-1-19 ParkFlag first addendum.rtf

Sub-Lease

For a portion of the Hopi Building at Heritage Square

Between City of Flagstaff and the Flagstaff Metropolitan Organization

This Sub-Lease Agreement ("Sub-Lease") is made and entered into this _____ day of _____, 2020 by and between the City of Flagstaff, an Arizona municipal property corporation ("City") and the Flagstaff Metropolitan Planning Organization, an Arizona nonprofit corporation ("FMPO").

RECITALS

A. The City of Flagstaff ("Tenant") and the Hopi Tribe Economic Development Corporation, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, 5200 E. Cortland Blvd., Suite E200, Flagstaff, AZ 86004, ("Landlord") entered into an Office Lease Agreement and First Addendum to the Lease (hereafter collectively referred to as the "Lease"), attached hereto as Exhibit A, for the lease of 2806 square feet of office space, located at 6 E. Aspen Avenue, Suite 200, Flagstaff, AZ 86001, and depicted in Exhibit B, attached hereto and incorporated by reference the ("Premises") effective January 1, 2020; and

B. City wishes to sublease a portion of the Premises to FMPO; and

C. Landlord has consented to allow City to sublease space to FMPO, as set forth in the First Addendum to Lease dated January 1, 2020.

AGREEMENT

NOW THEREFORE, in consideration of the good faith negotiations and mutual promises between the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms of the Sub-Lease as follows.

1. SUBLEASE. The City hereby subleases to the FMPO for its business operations, and FMPO hereby leases from City those areas of the Premises shown on the attached Exhibit B-1 of the Premises, as follows:

Office space #5
Office space #6
Office space #7
One Half of Desk Area

Collectively referred to as the "FMPO Areas".

2. COMMON AREAS. FMPO will also have the nonexclusive right to use the common areas of the Premises as shown on Exhibit B-1, which include:

The Kitchen ("K")
The Conference room ("C")
The shared restroom facilities used by all Landlord tenants.

The Conference Room may be reserved through a shared calendar on a first-come, first-served basis, or other fair and reasonable rules established by City and agreed to by the FMPO. The FMPO will have access to the conference room at least 12 hours per week on average. The City agrees that the City and other occupants including the FMPO will leave the conference room free of collateral materials when the conference room is not in use.

3. OTHER OCCUPANTS OF THE PREMISES. City will be occupying office spaces #3 and #4 and half of the front desk. City intends to sublease the office spaces #1, #2, and the storage area to the Downtown Business Alliance but reserves the right to sublease this space to others.

4. USES. FMPO may use the FMPO Areas and the Common Areas for all lawful purposes. FMPO has read the underlying Lease and will not engage in activities that will cause City to breach the underlying Lease. FMPO will conduct its business so as to cause minimal disturbance to other occupants of the Premises.

5. TERM. The Initial Term of the Sub-Lease shall be three (3) years, commencing on **January 1st, 2020**, and shall expire on **December 31, 2022** unless the option to extend is exercised, then the expiration date shall be **December 31, 2024**.

6. OPTION FOR EXTENDED TERM. FMPO shall have one (1) option to extend the Sub-Lease, for two (2) additional years ("Extended Term"), provided that the City has extended the underlying Lease, and provided that FMPO has met its obligations in a timely manner, has provided notice to City at least three (3) months prior to the expiration date of the Sub-Lease, and is not otherwise in default on its obligations of the Sub-Lease.

7. DEPOSIT. FMPO shall pay City $1,667.00 ("the Deposit") as its share of the $5,000.00 Security Deposit on or before December 15, 2019. City will remit the Security Deposit to Landlord.

8. RENT. FMPO will pay monthly rent to City during the Initial Term, as set forth below. The rent shall be paid to City on or before the 1st day of each month. All rent shall be made payable to City of Flagstaff, and either hand delivered or mailed to the attention of the City Finance Director, 211 W. Aspen Avenue, Flagstaff, Arizona 86001.

Initial Term

YEAR	MONTLY RENT (includes sales tax and utilities)
1	$1915.00
2	$1972.00
3	$1972.00

If the option to extend is exercised the monthly rent shall be as follows.

Extended Term

YEAR	MONTHLY RENT (Includes sales tax and utilities)
4	$2032.00
5	$2032.00

9. LATE PAYMENTS. Any payment of rent not received within five (5) days after the due date shall be subject to a late charge of five percent (5%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, plus interest on the overdue amount at the rate of eighteen percent (18%) per annum from the due date until paid.

10. UTILITIES AND EXCESS CONSUMPTION. The rent includes utilities a for the Premises; provided, however, FMPO shall pay one third of any additional charges related to heating, ventilation and air condition that may assessed by the Landlord as a result of the use of the Premises outside of normal business hours of Monday through Friday 7:00 AM to 6:00 PM.

11. COMMUNICATIONS AND INTERNET. FMPO shall pay one third of the City's cost to provide telephone services and internet service to the Premises. City will separately invoice FMPO, and payment is due within 30 days from receipt of the invoice.

12. CLEANING. Cleaning responsibilities of the Premises includes vacuuming, dusting, taking out trash, and cleaning the Common Areas. Each Party and occupant of the Premises is responsible for cleaning its own office space, taking out its own trash and recycling, and washing its own dishes. Cleaning of the Common Areas will be shared. If City determines that cleaning is not satisfactory, it may charge actual reasonable costs for providing cleaning services as additional rent under this Sub-Lease.

13. PARKING. This Sub-Lease does not include any parking spaces. FMPO may use the parking garage located under the Landlord's facility in the same manner as any other member of the public.

14. TAXES. FMPO shall pay any and all taxes required by the government in relation to their business operations.

15. RETURN OF PROPERTY. Upon the expiration or earlier termination of this Sub-Lease, FMPO shall remove all personal property and trade fixtures from the Premises. Any damage resulting from such removal shall be paid for by the FMPO. FMPO shall return the Premises in good repair, ordinary wear and tear excepted.

16. RIGHTS RESERVED BY LANDLORD.

16.1 The Landlord retains the right to enter the Premises at all reasonable times for the purpose of inspecting the same; performing Landlord's maintenance and repair obligations under the Lease.

16.2 The Landlord or Landlord's agents may use a master key to enter the Premises at any time, when for any reason an entry therein shall be necessary or permissible.

17. DELIVERY AND ACCEPTANCE OF PREMISES. FMPO has inspected the Premises and accepts the property "as is" and without condition.

18. DAMAGE AND DESTRUCTION OF PREMISES. FMPO has read and agrees to comply with the requirements under Article 20: DAMAGE AND DESTRUCTION OF PREMISES Lease attached hereto as Exhibit A.

19. INDEMNIFICATION.

19.1 FMPO has read understands Article 18: ACCEPATANCE OF THE PREMISES, LIABLITY INSURANCE AND INDEMNIFICATION OF LANDLORD and hereby agrees that all merchandise, furniture, floor and wall coverings and personal property and fixtures belonging to FMPO and all persons claiming by and through FMPO which may be on Premises shall be at FMPO sole risk. FMPO hereby waives all claims against City and Landlord for loss or injury.

19.2 FMPO agrees to indemnify and to hold the Landlord and Tenant harmless and any mortgagee of Landlord harmless against all Claims arising from: FMPO possession, use, maintenance and repair of the Premises; any act or omission of FMPO or FMPO'S agents and employees; any default of FMPO under this Sub-Lease; or other acts or omissions which result in personal injury, loss of life or property damage sustained in and about the Premises.

20. INSURANCE.

20.1 Upon taking possession of the Premises and thereafter, FMPO shall, at its sole cost and expense, maintain comprehensive liability insurance, including, without limitation products liability and contractual liability endorsements, against Claims for personal injury, death, or property damage occurring in, upon, or about the Premises and in the hallways, elevator, and stairwells and on any sidewalks or patio areas directly adjacent to the Premises and building. The limits of liability of such insurance shall not be less than Two Million Dollars ($2,000,000)

26. SAVING CLAUSE. If any term or provision of this Lease or any application thereof shall be declared or held to be invalid or unenforceable, then the remaining terms and provisions of this Lease shall not be affected thereby.

27. CHOICE OF LAW. This Sub-Lease shall be governed by and construed under the laws of the State of Arizona, and the parties agree that jurisdiction shall be deemed to be Coconino County, Arizona.

28. ATTORNEY'S FEES. In the event that any action is filed in relation to this Sub-Lease, each Party will have all remedies available at law, and the unsuccessful party in the action shall pay to the successful party, in addition to all other sums that either party may be called upon to pay, a reasonable sum for the successful party's attorney's fees.

29. THIRD PARTY BENEFICIARIES. This agreement is entered into for the benefit of and may only be enforced by the Parties.

30. ENTIRE AGREEMENT. This Sub-Lease serves as the entire agreement between the Parties and may be modified only by a writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Sub-Lease on the day and year first above written.

CITY

By: _____
Coral Evans, Mayor

FLAGSTAFF METROPOLITAN PLANNING ORGANIZATION

By: _____

Attest:

By: _____
Stacy Saltzburg, City Clerk

Approved as to form:

By: _____
City Attorney's Office

combined single limit or in such higher amounts as Landlord may require. All such policies of insurance shall name the Landlord and Tenant as additional insured.

20.2 FMPO'S insurance shall be maintained with an insurance company qualified to do business in the state of Arizona and have a current A.M. Best manual rating of at least A or better. The insurance policy will contain an endorsement stating that the insurance will not be canceled nor will the carrier fail to renew or materially change the policy without first giving City thirty (30) days written notice.

21. ASSIGNMENT. This Sub-Lease is a personal right to FMPO and shall not be assigned without the prior approval of City and Landlord, which shall not be unreasonably withheld.

23. HAZARDOUS MATERIALS. FMPO shall comply will all requirements as listed in the Lease Agreement under ARTICLE 33: ENVIRONMENTAL MATTERS.

24. NOTICES. Any communications between City and FMPO, and notices provided herein to be given or made, shall be given or made by hand delivery or mailing to the addresses below.

City
Attention: City Manager
211 W. Aspen Avenue
Flagstaff, Arizona 86001

With a copy to:
Attention: Real Estate Manager
211 W. Aspen Avenue
Flagstaff, Arizona 86001

Flagstaff Metropolitan Planning Organization
Attn. Executive Director
[6 E. Aspen Avenue?? MWSW address??]
Flagstaff, Arizona 86001

With a copy to:
Mangum Wall Stoops & Warden, PLLC
Attn: Brandon J. Kavanagh
112 N. Elden Street
Flagstaff, Arizona 86001

25. ACKNOWLEDGEMENT. FMPO acknowledges that this Sub-Lease is subject to the terms and conditions of the Lease which may or may not be specifically called out in this agreement and knowingly enters into this agreement with City.

Attachments:

Exhibit A Lease and First Addendum to Lease
Exhibit B-1 Premises map, showing Areas and other areas

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Sub-Lease

For a portion of the Hopi Building at Heritage Square

Between City of Flagstaff and the Downtown Business Alliance

This Sub-Lease Agreement ("Sub-Lease") is made and entered into this _____ day of _____, 2020 by and between the City of Flagstaff, an Arizona municipal property corporation ("City") and the Downtown Business Alliance, a 501(c)(3) nonprofit organization ("DBA").

RECITALS

A. The City of Flagstaff ("Tenant") and the Hopi Tribe Economic Development Corporation, a federally chartered corporation, wholly owned by the Hopi Tribe, a federally recognized Indian tribe, 5200 E. Cortland Blvd., Suite E200, Flagstaff, AZ 86004, ("Landlord") entered into an Office Lease Agreement and First Addendum to the Lease (hereafter collectively referred to as the "Lease"), attached hereto as Exhibit A, for the lease of 2806 square feet of office space, located at 6 E. Aspen Avenue, Suite 200, Flagstaff, AZ 86001, and depicted in Exhibit B, attached hereto and incorporated by reference the ("Premises") effective January 1, 2020; and

B. City wishes to sublease a portion of the Premises to DBA; and

C. Landlord has consented to allow City to sublease space to DBA, as set forth in the First Addendum to Lease dated January 1, 2020.

AGREEMENT

NOW THEREFORE, in consideration of the good faith negotiations and mutual promises between the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the terms of the Sub-Lease as follows.

1. SUBLEASE. The City hereby subleases to the DBA for its business operations, and DBA hereby leases from City those areas of the Premises shown on the attached Exhibit B-1 of the Premises, as follows:

Office space #1
Office space #2
Storage area "S"

Collectively referred to as the "DBA Areas".

2. COMMON AREAS. DBA will also have the nonexclusive right to use the common areas of the Premises as shown on Exhibit B-1, which include:

The Kitchen ("K")
The Conference room ("C")
The shared restroom facilities used by all Landlord tenants.

The Conference Room may be reserved through a shared calendar on a first-come, first-served basis, or other fair and reasonable rules established by City and agreed to by the DBA. The DBA will have access to the conference room at least 12 hours per week on average. The City agrees that the City and other occupants including DBA will leave the conference room free of collateral materials when the conference room is not in use.

3. OTHER OCCUPANTS OF THE PREMISES. City will be occupying office spaces #3 and #4, half of the front desk. City intends to sublease the office spaces #5, #6, and #7 and half of the front desk to the Flagstaff Metropolitan Planning Organization but reserves the right to sublease this space to others.

4. USES. DBA may use the DBA Areas and the Common Areas for all lawful purposes. DBA has read the underlying Lease and will not engage in activities that will cause City to breach the underlying Lease. DBA will conduct its business so as to cause minimal disturbance to other occupants of the Premises.

5. TERM. The Initial Term of the Sub-Lease shall be three (3) years, commencing on **January 1st, 2020**, and shall expire on **December 31, 2022** unless the option to extend is exercised, then the expiration date shall be **December 31, 2024**.

6. OPTION FOR EXTENDED TERM. DBA shall have one (1) option to extend the Sub-Lease, for two (2) additional years ("Extended Term"), provided that the City has extended the underlying Lease, and provided that DBA has met its obligations in a timely manner, has provided notice to City at least three (3) months prior to the expiration date of the Sub-Lease, and is not otherwise in default on its obligations of the Sub-Lease.

7. DEPOSIT. DBA shall pay City $1,667.00 ("the Deposit") as its share of the $5,000.00 Security Deposit on or before December 15, 2019. City will remit the Security Deposit to Landlord.

8. RENT. DBA will pay monthly rent to City during the Initial Term, as set forth below. The rent shall be paid to City on or before the 1st day of each month. All rent shall be made payable to City of Flagstaff, and either hand delivered or mailed to the attention of the City Finance Director, 211 W. Aspen Avenue, Flagstaff, Arizona 86001.

Initial Term

YEAR	MONTLY RENT (includes sales tax and utilities)
1	$1300.00
2	$1339.00
3	$1339.00

If the option to extend is exercised the monthly rent shall be as follows.

Extended Term

YEAR	MONTHLY RENT (Includes sales tax and utilities)
4	$1380.00
4	$1380.00

9. LATE PAYMENTS. Any payment of rent not received within five (5) days after the due date shall be subject to a late charge of five percent (5%) of the delinquent amount or fifty dollars ($50.00), whichever is greater, plus interest on the overdue amount at the rate of eighteen percent (18%) per annum from the due date until paid.

10. UTILITIES AND EXCESS CONSUMPTION. The rent includes utilities a for the Premises; provided, however, DBA shall pay one third of any additional charges related to heating, ventilation and air condition that may assessed by the Landlord as a result of the use of the Premises outside of normal business hours of Monday through Friday 7:00 AM to 6:00 PM.

11. COMMUNICATIONS AND INTERNET. DBA shall pay one third of the City's cost to provide telephone services and internet service to the Premises. City will separately invoice DBA, and payment is due within 30 days from receipt of the invoice.

12. CLEANING. Cleaning responsibilities of the Premises includes vacuuming, dusting, taking out trash, and cleaning the Common Areas. Each Party and occupant of the Premises is responsible for cleaning its own office space, taking out its own trash and recycling, and washing its own dishes. Cleaning of the Common Areas will be shared. If City determines that cleaning is not satisfactory, it may charge actual reasonable costs for providing cleaning services as additional rent under this Sub-Lease.

13. PARKING. This Sub-Lease does not include any parking spaces. DBA may use the parking garage located under the Landlord's facility in the same manner as any other member of the public.

14. TAXES. DBA shall pay any and all taxes required by the government in relation to their business operations.

15. RETURN OF PROPERTY. Upon the expiration or earlier termination of this Sub-Lease, DBA shall remove all personal property and trade fixtures from the Premises. Any damage resulting from such removal shall be paid for by the DBA. DBA shall return the Premises in good repair, ordinary wear and tear excepted.

16. RIGHTS RESERVED BY LANDLORD.

16.1 The Landlord retains the right to enter the Premises at all reasonable times for the purpose of inspecting the same; performing Landlord's maintenance and repair obligations under the Lease.

16.2 The Landlord or Landlord's agents may use a master key to enter the Premises at any time, when for any reason an entry therein shall be necessary or permissible.

17. DELIVERY AND ACCEPTANCE OF PREMISES. DBA has inspected the Premises and accepts the property "as is" and without condition.

18. DAMAGE AND DESTRUCTION OF PREMISES. DBA has read and agrees to comply with the requirements under Article 20: DAMAGE AND DESTRUCTION OF PREMISES Lease attached hereto as Exhibit A.

19. INDEMNIFICATION.

19.1 DBA has read understands Article 18: ACCEPATANCE OF THE PREMISES, LIABLITY INSURANCE AND INDEMNIFICATION OF LANDLORD and hereby agrees that all merchandise, furniture, floor and wall coverings and personal property and fixtures belonging to DBA and all persons claiming by and through DBA which may be on Premises shall be at DBA's sole risk. DBA hereby waives all claims against City and Landlord for loss, injury

19.2 DBA agrees to indemnify and to hold the Landlord and Tenant harmless and any mortgagee of Landlord harmless against all Claims arising from: DBA's possession, use, maintenance and repair of the Premises; any act or omission of DBA or DBA's agents and employees; any default of DBA under this Sub-Lease; or other acts or omissions which result in personal injury, loss of life or property damage sustained in and about the Premises.

20. INSURANCE.

20.1 Upon taking possession of the Premises and thereafter, DBA shall, at their sole cost and expense, maintain comprehensive liability insurance, including, without limitation products liability and contractual liability endorsements, against Claims for personal injury, death, or property damage occurring in, upon, or about the Premises and in the hallways, elevator, and stairwells and on any sidewalks or patio areas directly adjacent to the Premises and building. The limits of liability of such insurance shall not be less than Two Million Dollars ($2,000,000)

combined single limit or in such higher amounts as Landlord may require. All such policies of insurance shall name the Landlord and Tenant as additional insured.

20.2 DBA's insurance shall be maintained with an insurance company qualified to do business in the state of Arizona and have a current A.M. Best manual rating of at least A or better. The insurance policy will contain an endorsement stating that the insurance will not be canceled nor will the carrier fail to renew or materially change the policy without first giving City thirty (30) days written notice.

21. ASSIGNMENT. This Sub-Lease is a personal right to DBA and shall not be assigned without the prior approval of City and Landlord, which shall not be unreasonably withheld.

23. HAZARDOUS MATERIALS. DBA shall comply will all requirements as listed in the Lease Agreement under ARTICLE 33: ENVIRONMENTAL MATTERS.

24. NOTICES. Any communications between City and DBA, and notices provided herein to be given or made, shall be given or made by hand delivery or mailing to the addresses below.

City
Attention: City Manager
211 W. Aspen Avenue
Flagstaff, Arizona 86001

With a copy to:
Attention: Real Estate Manager
211 W. Aspen Avenue
Flagstaff, Arizona 86001

Downtown Business Alliance
Attn. _____
_____

25. ACKNOWLEDGEMENT. DBA acknowledges that this Sub-Lease is subject to the terms and conditions of the Lease which may or may not be specifically called out in this agreement and knowingly enters into this agreement with City.

26. SAVING CLAUSE. If any term or provision of this Lease or any application thereof shall be declared or held to be invalid or unenforceable, then the remaining terms and provisions of this Lease shall not be affected thereby.

27. CHOICE OF LAW. This Sub-Lease shall be governed by and construed under the laws of the State of Arizona, and the parties agree that jurisdiction shall be deemed to be Coconino County, Arizona.

28. ATTORNEY'S FEES. In the event that any action is filed in relation to this Sub-Lease, each Party will have all remedies available at law, and the unsuccessful party in the action shall pay to the successful party, in addition to all other sums that either party may be called upon to pay, a reasonable sum for the successful party's attorney's fees.

29. THIRD PARTY BENEFICIARIES. This agreement is entered into for the benefit of and may only be enforced by the Parties.

30. ENTIRE AGREEMENT. This Sub-Lease serves as the entire agreement between the Parties and may be modified only by a writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Sub-Lease on the day and year first above written.

CITY

By: _____
Coral Evans, Mayor

Attest:

By: _____
Stacy Saltzburg, City Clerk

Approved as to form:

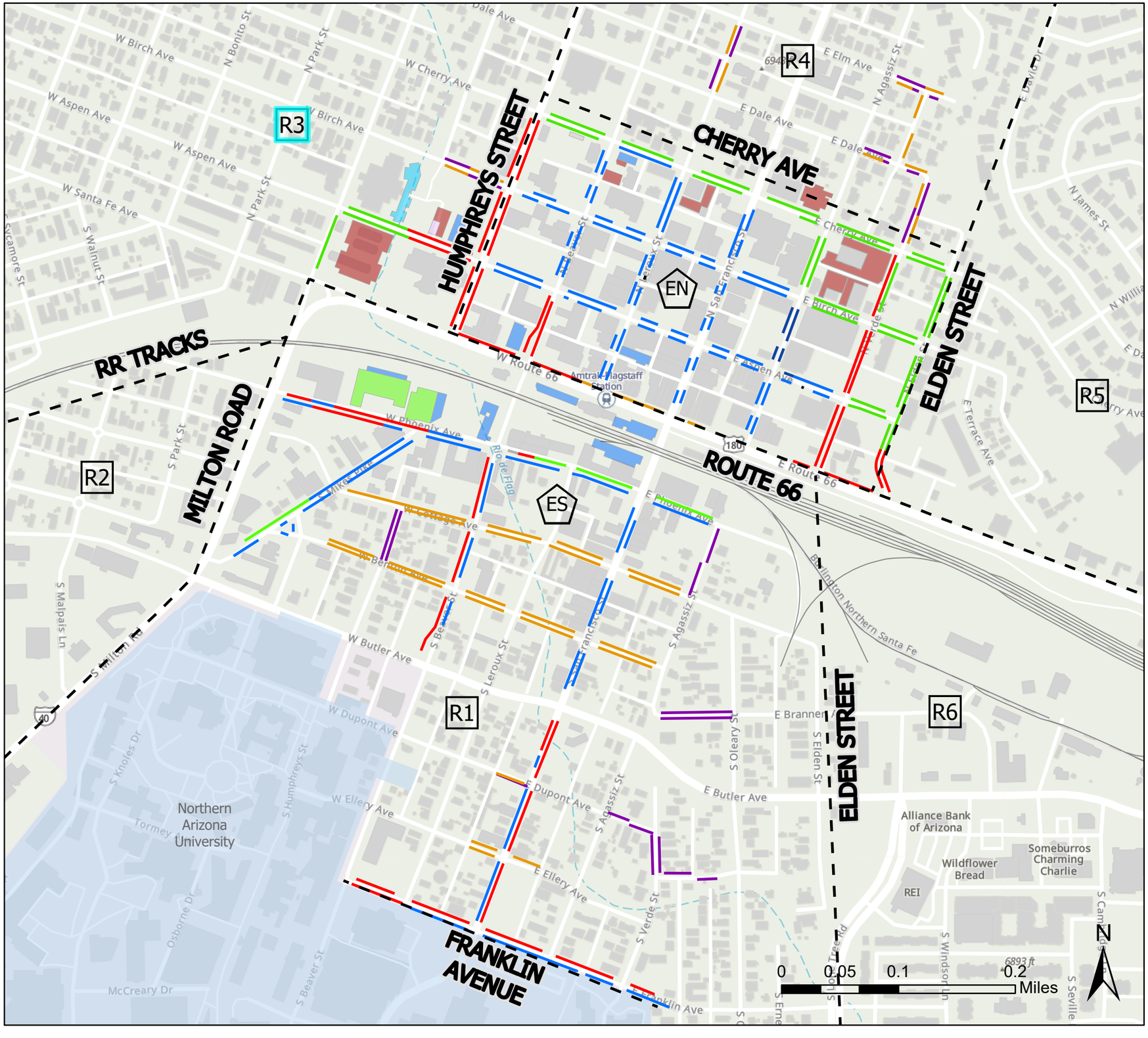
By:_____
City Attorney's Office

DOWNTOWN BUSINESS ALLIANCE

By: _____

Attachments:

Exhibit A Lease and First Addendum to Lease
Exhibit B-1 Premises map, showing DBA Areas and other areas



PARK P FLAG

On Street Parking

- Loading
- Metered
- Metered - EN Permit Exempt
- Metered - ES Permit Exempt
- Metered - Motorcycle
- No Parking
- Residential
- Time Limited - 2 hour
- Time Limited - Short term

Parking Lots

- ADA Accessible - 2 Hour Time Limited
- ADA Accessible - Metered
- ADA Exempt from Permit
- Amtrak 15 Day Permit Parking
- C Permit Required
- Facility Permit Parking Lot - F1 Permit Required
- Facility Permit Parking Lot - F2 Permit Required
- Facility Permit Parking Lot - F3 Permit Required
- Facility Permit Parking Lot - F5 Permit Required
- Metered
- Metered - ES Permit Exempt
- Time Limited - 2 hour
- Time Limited - 30 min

Parking Zones

- Zone Boundary
- Employee Permit Parking (Also D Permitted)
- Residential Permit Parking (Also GX Permited)

Validation Codes: Valid for on-street, Pay-to-Park only. Not valid for F1 Zones. F1 Zones are free to park without permit after 5pm weekdays.

CITY OF FLAGSTAFF
SOLE SOURCE, PROPRIETARY AND EMERGENCY PROCUREMENT REQUEST
(Divisions/Sections Requesting Sole Source, Proprietary or Emergency Procurement Must Complete This Form)

TO: Purchasing Section Buyer

PREPARER: John Portillo **DEPARTMENT**: Economic Vitality

REQUISITION NUMBER: _____ DATE SUBMITTED: 10/2/19

Check one:

__X__ ***Is this a sole source procurement?*** "Sole Source" is defined as a product or service available from only one known source. *Please answer the 4 questions below and attach all documentation and sign.*

_____ ***Is this a proprietary procurement?*** A proprietary specification restricts the acceptable product(s) or service(s) to one manufacturer or vendor. A common example would be specification by brand name which excludes consideration of approved "equals". Although all sole source specifications are proprietary, all proprietary specifications are not necessarily sole source. Proprietary items may be available from several distributors. If available, please attach a list of proprietary suppliers which might assist in expediting this procurement. *Please answer the 4 questions below and attach all documentation and sign.*

_____ ***Is this an emergency procurement?*** "Emergency" *is a threat to public health, welfare, or safety. Emergency procurements shall be made with such competition as is practicable under the circumstances. Please answer the 3 questions below and attach all documentation and sign.*
City Policy is to maximize competition in the procurement process. Exceptions to competition (sole source/propriety procurement/emergency) must be fully justified, documented, and pre-approved. The following is a list of questions which will substantiate a Sole Source, Proprietary or Emergency Procurement. It will help expedite processing if you provide thorough and sufficient detail when answering each of these questions. Please use additional sheets and attach all additional information to this form if necessary.

Sole Source/Proprietary Justification

1. Briefly, what is the scope of the project in which this product or service will be used.
   - *Provision of space for ParkFlag meeting all required conditions*

2. Who is the identified vendor and why is this the only product or service that can meet the City's requirements? Uniqueness? Compatibility? Integral component? Availability? Delivery Date? If purchase qualifies as proprietary and there are multiple Distributors, why is this the only Distributor who can satisfy the City's purchasing request?
   - *Please see attached*

3. Why is this vendor the only available source from which to obtain this product or service? You must provide clear and convincing evidence.
   - *Please see attached*

4. What efforts have been made to obtain the best price possible? Why do you feel this price is fair and reasonable?
   - *Negotiation and consideration of comparables. This price is less than we are currently*

paying and less than items which are not acceptable.

Emergency Justification

1. Briefly, what is the scope of the project or emergency related issue in which this product or service will be used.

2. What is the threat to the health, safety or welfare of the public and/or staff? Clearly describe the potential danger from a health, safety or welfare perspective if not corrected.

3. Who is the identified vendor and why were they chosen for this product or service? Example: Only vendor available or most available? Already onsite and mobilized? Have provided same work on this site in past?

E Kretz 10/8/19
Authorized Departmental Signature Date
for David McIntire

[signature] 10/8/19
Purchasing Section Buyer's Signature Date

[signature] 10/8/19
Director of Purchasing Signature Date

Community Investment Memo

October 2, 2019

TO: **Rick Compau, Purchasing Section**

Through: **David McIntire, Community Investment Director**

FROM: **John Portillo, ParkFlag-Parking Manager**

RE: **Sole Source: Commercial Office Lease, Hopi Tribe Developmental Corporation**

ParkFlag currently leases a building at 120 N. Beaver Street. The Lessor revised the lease to reflect a month-to-month lease. The Lessor preferred the month-to-month lease in order to have the flexibility to vacate the office space for their needs. ParkFlag would prefer the stability of a longer-term lease as the Lessor could give notice and ParkFlag would have 60-days to vacate.

Available office space is limited in the downtown area of Flagstaff which meets the needs for ParkFlag operations. Office space for ParkFlag operations in the downtown area is essential for serving the public and for efficiency of operation for the Parking Aides to walk the jurisdiction of the parking district.

Critical factors for a ParkFlag location:

- Location on the interior of the ParkFlag Management Area
- Location supportive of efficient operations for customer service and enforcement patrols
- Compliance with the Americans with Disabilities Act requirements
- Size and configuration which supports the program and the co-location with the Downtown Business Alliance and potentially the Flagstaff Metropolitan Planning Organization.

- Safe entry and exit with adequate lighting for night shift security
- Reduced or equal overall cost as compared to the current location
- Security of tenure

ParkFlag has been researching available office space and has identified the property at 6 E. Aspen Ave, #200, Flagstaff, AZ 86001 as uniquely meeting the specific needs listed above and available for lease. Each item listed above will be addressed in more detail below.

As referenced briefly above, ParkFlag currently, and intentionally, shares office space with the Downtown Business Alliance (DBA) and values the partnership and efficiency developed since the inception of the parking program. The DBA performs a number of roles beneficial to ParkFlag and the co-location has been extremely helpful to the success of the program. ParkFlag is looking for office space that will allow that co-location to continue and is interested in also co-locating with the Flagstaff Metropolitan Planning Organization (FMPO). The City of Flagstaff is planning to sub-lease to the two organizations.

Property location and costs

The property identified is addressed 6 E. Aspen Ave, #200, Flagstaff, AZ 86001(Located at Heritage Square). The offices are a 2nd floor suite, approximately 2806 square feet, better known as Suite 200. There is elevator and stair access to the offices with an accessible entry to the elevator for those with disabilities.

The rent proposed is $5,000/month. Hopi Corporation will accept this for year one, but there will be a 3% increase in year two, which will be held for year 3. The rent payment schedule would look like this:

YEAR	MONTHLY RENT	TAX*	MONTHLY TOTAL*
1	$5,000.00	$129.05	$5,129.05
2	$5,150.00	$132.92	$5,282.92
3	$5,150.00	$132.92	$5,282.92

*Based on the current rate of 2.581% and subject to change.

For the Option to Extend, there would be another 3% increase in year 4, which will be held for year 5. The rent payment schedule during the Option to Extend would be as follows:

OPTION TO EXTEND

YEAR	MONTHLY RENT	TAX*	MONTHLY TOTAL*
4	$5,304.50	$136.91	$5,441.41
5	$5,304.50	$136.91	$5,441.41

*Based on the current rate of 2.581% and subject to change.

Costs for ParkFlag, Downtown Business Alliance and Flagstaff Metropolitan Planning Organization in the first year:

Total Rent: $5129.05

Cost for each program:

ParkFlag= $ 1914.53
DBA=$1300.00
FMPO= $1914.53

The rental payment includes the cost for most utilities and janitorial services which, after the partners cover the approximately $140.00 for internet, results in a reduced overall cost to the program.

Additional Rationale
During the search for office space, the following attributes were identified:

- Location on the interior of the ParkFlag Management Area
    - The location at the corner of Leroux and Aspen is well within the boundaries of the ParkFlag Management Area. It is near some of the highest use areas and in the heart of the commercial corridor.
- Location supportive of efficient operations for customer service and enforcement patrols
    - The location provides more effective walking access to the critical enforcement areas and easy driving connectivity to the areas further south. The location should be more effective as a location than the current site.
- Compliance with the Americans with Disabilities Act requirements

    - The location has elevator access and accessible office space. Many locations that were reviewed were not accessible.
- Size and configuration which supports the program and the co-location with the Downtown Business Alliance and potentially the Flagstaff Metropolitan Planning Organization.
    - The office space has been determined sufficient for effective operations and the co-location with essential partners
- Safe entry and exit with adequate lighting for night shift security
    - The location has sufficient light for customer and staff security during night operations
- Reduced or equal overall cost as compared to the current location
    - As demonstrated above, the cost to the program will be reduced if considered with the inclusion of utilities, janitorial services and other items essential to effective operations.
- Security of tenure
    - The owner has offered a 3-year lease which is considered excellent security of tenure for the program

Conclusion

The proposed location is unique in its ability to meet the requirements listed and addressed above. The location is centrally located in Heritage Square and well-lighted which improves safety for staff working nights. ParkFlag seeks terms in a lease which are longer than the current lease it is under and partnering with Downtown Business Alliance and Flagstaff Metropolitan Planning Organization will reduce costs. Review of available locations within the district found that all other locations had some area of concern for ParkFlag and did not meet all required conditions.

13. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Dylan Lenzen, Sustainability Specialist
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Adoption of Resolution No. 2019-53 and Ordinance No. 2019-36: A resolution of the Flagstaff City Council declaring as a public record that certain document filed with the City Clerk and entitled " *Animal Keeping Code Amendments*;" and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 6, Police Regulations, Chapter 3, Animal Keeping, by referencing that certain document entitled " *Animal Keeping Code Amendments*"; providing for repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date.

STAFF RECOMMENDED ACTION:

1) Adopt Resolution No. 2019-53
2) Read Ordinance No. 2019-36 by title only for the final time
3) City Clerk reads Ordinance No. 2019-36 by title only (if approved above)
4) Adopt Ordinance No. 2019-36

Executive Summary:

In 2016, the Animal Keeping Code was revised to clarify rules, reduce barriers for animal keeping on small lot sizes within City limits and incorporate animal welfare considerations. As part of that process, staff committed to re-evaluate the effectiveness of the revisions and return to Council with any necessary updates.

Revisions to the Code are designed reduce nuisances for neighbors and make enforcement easier, while still allowing for backyard livestock to be raised in City limits. The proposed revisions to the Animal Keeping Code are in response to feedback from residents, City staff, and direction from City Council. The revisions also address inconsistencies within the Zoning Code. Key revisions include:

- A permitting system modeled after the existing Minor Improvement Permit process
- Prohibiting pygmy and miniature goats in zones other than estate residential and rural residential
- Adjusting setback requirements, including a 20-foot distance requirement between livestock shelters and neighboring dwellings
- Containing livestock in shelters from sunset until sunrise
- Requiring wings of winged animals be clipped to ensure containment
- Guidelines for reducing nuisances, including the proper location for feed and water, as well

as disposal of waste

Financial Impact:

Staff is seeking guidance from City Council on what the cost of the animal keeping permit and level of cost recovery for City staff labor. At 100% cost recovery, Community Development staff can process an animal keeping permit application at a cost of $80.

If City Council would prefer to offer a more affordable permit fee, such as $20, the permit could be processed by Sustainability staff. In either scenario, staff will evaluate the impacts over the first year and propose adjustments to costs and components as necessary.

Policy Impact:

Backyard animal keeping supports the Climate Action and Adaptation Plan by increasing access to healthy, affordable food that also has a lower carbon footprint.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Council Goals:

- Take meaningful climate change action
- Actively manage and protect all environmental and natural resources
- Achieve comprehensive and equitable code compliance

Regional Plan:

- Goal E&C.2. Reduce greenhouse gas emissions
- Goal E&C.3. Strengthen community and natural environment resiliency through climate adaptation efforts

Has There Been Previous Council Decision on This:

Yes. In 2016, City Council approved amendments to Animal Keeping Code that made it feasible to practice animal keeping on small lot sizes within City limits.

Options and Alternatives:

1. Approve the ordinance amending the Animal Keeping Code as proposed on November 19th, 2019.
2. Approve the ordinance amending the Animal Keeping Code with revisions as detailed below.
3. Do not approve the ordinance.

Additional Options for Consideration

Based on City Council's request for additional options, staff have outlined revisions for consideration:

1. Permitting

Option A – Proposed robust permitting requirements:

- Permit fee – likely to cost $80 at 100% cost recovery
- A signed statement acknowledging requirements of the code
- Short questionnaire
- Plot drawing with location of animal shelter

- Site inspection

Pros: Improved data tracking and evaluation of animal keeping activity. It provides an opportunity for basic education prior to receiving a permit. It also allows the City to verify plot drawings and reduce potential nuisances.
Cons: Significant financial and time investment for applicants.

Option B – Proposed robust permitting requirement with a reduced permit fee

Pros: Improved data tracking and evaluation of animal keeping activity. It provides an opportunity for basic education prior to receiving a permit. It also allows the City to verify plot drawings and reduce potential nuisances.
Cons: Financial and time investment for applicants.

Option C – Free and streamlined permit that limits processing costs and can be offered for free. This option would include:

- No permit fee
- Short questionnaire and acknowledgement of code requirements
- Plot drawing with location of animal shelter
- Inspection only in the case of neighbor complaints and suspected violations

Pros: Property would be on record, which improves data collection and evaluation of animal keeping activity. It provides the opportunity for basic education on animal keeping best-practices. The City could also reserve the right to inspect the property in the case of complaints from neighbors.
Cons: Without an inspection, staff would not be able to verify adequate setback requirements and preempt possible violations or nuisances.

Option D – No permitting requirements

Pros: No staff time required for processing
Cons: No data on animal keeping activity other than through complaints. No opportunity to preempt nuisances through basic education. No ability to inspect unless property owners allow staff to do so.

2. Setback Requirements for Animal Shelters

Option A – The proposed setback requirements for shelters are:

- At least 10 feet from shelter to property line abutting a residential lot
- May extend up to the property line abutting an alley
- At least 20 feet from shelter to neighboring dwelling

Option B – Allow shelters to be located up to 5 feet from property lines abutting residential lots.

3. Goats

Option A – Prohibit miniature and pygmy goats in all residential zones other than Estate and Rural Residential.

Option B – Limit goat keeping by lot size rather than zoning.

- For example, the City could allow miniature goats on lot sizes greater than 20,000 square feet. This

would allow for more property owners to consider keeping goats, while still prohibiting on small lot sizes where it may be difficult to limit nuisances.

Option C – Create longer setback requirements for goat shelters.

- For example, if keeping miniature goats, shelters must be located 15 feet from the property line and 30 feet from neighboring dwelling.

Background/History:

In 2016, the Animal Keeping Code was revised to clarify rules, reduce barriers for animal keeping on small lot sizes within City limits and incorporate animal welfare considerations. As part of that process, staff committed to re-evaluate the effectiveness of the revisions and return to Council with any necessary updates.

Allowing animal keeping in urban areas has multiple benefits, including increasing access to locally grown food and an inexpensive source of eggs, meat, and dairy. Yet, without proper regulations, backyard animal keeping can create nuisances for the surrounding neighborhood that are difficult to address.

Community Feedback

A community-wide satisfaction survey was conducted in December 2018 through January 2019 and received 233 responses. The results indicate that the majority (58% of respondents) are satisfied with the existing code. The survey also indicated that 46% of residents aware of animal keeping by their neighbors experienced some nuisance. Noise and odor were the most common complaints. While many respondents recommended shortening the existing set back requirements for animal shelters (10 feet from the property line), the restrictiveness and setback requirements of the code were mentioned only five times out of 153 comments.

City Personnel Feedback

When discussing the animal keeping code with Code Compliance and Animal Control personnel, they are receiving calls for service for noise and odor nuisances which can be difficult to enforce, animals escaping owner's property, kept animals becoming prey to predators, attraction of rodents and/or other pests, and increasing number of kept animals due to yearlings.

Key Considerations:

Currently, livestock are allowed to roam up to the property line, as well as in the side and front yards, which can lead to containment issues and the creation of odor and noise near neighboring houses.
Currently, the setback requirements for animal shelters are inconsistent with similar requirements stipulated in the Zoning Code. Staff recommend modeling these requirements after accessory structure setbacks in the Zoning Code, with the additional requirement that shelters be at least 20 feet from the neighboring dwelling residence.

The current code also allows for pygmy and miniature goats, which can create significant nuisances and do not provide as large of a food security benefit.

Expanded Financial Considerations:

If the City Council is interested in 100% cost recovery for the permit application process, Community Development staff would process permits. If City Council desires a lower permit fee, Sustainability staff will handle the permitting process, which will have a financial impact. The processing of permits and inspection efforts will be absorbed by existing Sustainability staff. The impacts to existing workload are unknown at this time.

Community Benefits and Considerations:

The proposed revisions are designed to reduce nuisances experienced by neighbors. The permitting process requires additional effort on the part of residents interested in keeping livestock and will allow staff to educate residents on key best-practices.

Community Involvement:

Consult: A community-wide satisfaction survey was conducted in December 2018 through January 2019 and received 233 responses.

Attachments: Animal Keeping Code Presentation
Res. 2019-53
Ord. 2019-36

Animal Keeping Code Revisions

Dylan Lenzen
Sustainability Specialist

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

Discussion

1. Clarify goals for this round of revisions

   - Animal Keeping Code revisions is an iterative process

2. 4-H considerations
3. Existing data on animal keeping activity
4. Options for Council consideration:
   - Permitting requirements
   - Setback requirements
   - Goat restrictions

An Iterative Process

The Animal Keeping Code was overhauled 3 years ago:

- Previous code was antiquated
- Reduce nuisances
- Increase food security and self-reliance
- Improve animal welfare standards

Goals for this round of revisions:

- Improve data tracking and program evaluation
- Shift from reactive to proactive management
- Increase flexibility for locating chicken coops within backyards
- Reduce nuisances
- Maintain food security and self-reliance
- Maintain animal welfare standards

4-H Considerations

4-H Considerations

How do proposed revisions affect 4-H participants?

- Existing code:
  - In zones other than Estate and Rural Residential, only chickens, rabbits, ducks, and pygmy/miniature goats are allowed
  - Large livestock (goats, cattle, pigs, horses, etc.) only allowed in Estate and rural residential
  - No exemption for 4-H participants
- Proposed revisions prohibit pygmy/miniature goats in zones other than Estate and Residential

4-H Considerations

Type of Animal	Zones in which Specific Animals are Permitted	Maximum Number of Animals Permitted per Lot Size						
Large Livestock		≤19,999 sq ft	20,000 – 29,999 sq ft	30,000 – 39,999 sq ft	40,000 – 79,999 sq ft	80,000 – 119,999 sq ft	120,000 – 159,999 sq ft	≥160,000 sq ft
Equine, Cattle, Swine, Llamas, Alpacas, Goats, Sheep	Estate Residential and Rural Residential	0	0	0	4	5	6	7
Small Livestock								
Goats (miniature, pygmy, dwarf)	All zones*	~~2~~0	~~2~~0	~~2~~0	4	4	4	4
Ducks, Rabbits, Chickens	All zones*	5	10	15	20	25	25	25
Bees								
Bee Colonies	All zones*	2	4	6	8	8	8	8

*Table reflects the proposed revisions that prohibit goats in zones other than Estate and Rural Residential

4-H Considerations

Exemption for 4-H participants?

- If so, what lot sizes would qualify for an exemption?
- What animals would qualify for an exemption?
- Exemptions included in this round of revisions?

Existing Data on Animal Keeping

Existing Animal Data Tracking

Existing data is limited and inconsistent

- No record of animal keeping unless a property receives a complaint
- Need to improve data tracking

Since previous code update (Feb. 2016) to present:

- Code Compliance received 27 complaints
- Violations include:
  - Smell, noise , seepage to other property, rodents, flies, excessive number of animals, and structure to close to property line

Options for City Council Consideration

Permitting, Setbacks, Goats

Options for Consideration:

Permitting

Option A – As currently proposed permitting process:

1. Fee for permit ($80 for 100% cost recovery)
2. Short questionnaire
3. Acknowledgment of code requirements
4. Plot drawing with location of shelter
5. Site inspection

Pros: Improved data tracking, up-front education, verification of plot drawing

Cons: Significant financial and time investment for applicants

Options for Consideration:

Permitting

Option B - Proposed permitting process above with reduced permit fee:

1. Fee for permit (TBD)
2. Short questionnaire
3. Acknowledgment of code requirements
4. Plot drawing with location of shelter
5. Site inspection

Pros: Improved data tracking, up-front education, verification of plot drawing

Cons: Financial and time investment for applicants

Options for Consideration:

Permitting

Option C – Free and streamlined permitting system:

1. No Fee
2. Short questionnaire
3. Acknowledgment of code requirements
4. Plot drawing with location of shelter
5. City could reserve the right to inspect in the case of neighbor complaints

Pros: Improved data tracking and evaluation, reduced processing costs, low barrier of entry for residents, up-front education

Cons: Cannot verify plot drawing and compliance at the start

Options for Consideration:

Permitting

Option D – No permit:

Continue with existing policy and enforce the code through complaints

Pros: Low barrier to entry for residents keeping backyard animals

Cons: No data tracking, no opportunity for up-front education

Options for Consideration:

Setbacks

Option A – As currently proposed setbacks:

Shelters for small livestock must meet the following requirements:

1. Be located no less than ten feet from property lines abutting another lot or parcel
2. May extend up to any property line abutting a public alley right-of-way or private alley tract
3. Be located at least twenty feet from the nearest neighboring dwelling

Options for Consideration:

Setbacks

Option B – Reduced setbacks:

Shelters for small livestock must meet the following requirements:

1. Be located no less than five feet from property lines abutting another lot or parcel
2. May extend up to any property line abutting a public alley right-of-way or private alley tract
3. Be located at least twenty feet from the nearest neighboring dwelling

Options for Consideration:

Goats

Option A – As currently proposed revisions:

Prohibit miniature and pygmy goats from residential zones other than Estate and Rural Residential

- These are lot sizes larger than 40,000 square feet

Options for Consideration:

Goats

Option B – Regulate by lot size:

Prohibit goat keeping activity by lot size

> ***Example:*** *Prohibit miniature and pygmy goats on lot sizes smaller than 20,000 square feet*

Options for Consideration:

Goats

Option C – Increase setbacks for goats:

Increase setback requirements for shelters meant for goats

Example: *Animal shelters for miniature and pygmy goats must be located at least 15 feet from property lines abutting a residential lot and 30 feet from neighboring dwelling*

Discussion

RESOLUTION NO. 2019-53

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "*ANIMAL KEEPING CODE AMENDMENTS*"

RECITALS:

WHEREAS, pursuant to A.R.S. § 9-802, a municipality may enact or amend provisions of the City Code by reference to a public record, provided that the adopting ordinance is published in full.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

That certain document known as *"Animal Keeping Code Amendments"* attached hereto as Exhibit A is hereby declared to be a public record, and one (1) paper copy and one (1) electronic copy shall remain on file with the City Clerk in compliance with A.R.S. § 44-7041, and said copies shall remain on file with the City Clerk.

SECTION 2. Effective Date.

This resolution shall be effective six (6) months following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of November, 2019.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Animal Keeping Code Amendments

EXHIBIT A

Chapter 6-03
ANIMAL KEEPING

SECTIONS:

6-03-001-0001	**PURPOSE**
6-03-001-0002	**DEFINITIONS**
6-03-001-0003	**KEEPING OF LIVESTOCK**
6-03-001-0004	**BEE KEEPING**
6-03-001-0005	**VIOLATION**

SECTION 6-03-001-0001 PURPOSE:

The purpose of this Chapter is to ensure that the keeping, raising, and maintenance of livestock animals and bees within the City does not create an adverse impact on adjacent properties by reason of dust, fumes, noise, odor, insect or vermin infestations, or visual blight, and to maintain the animal welfare and public health, safety, and well-being. This chapter does not pertain to common domestic household pets such as dogs, cats, and others.

SECTION 6-03-001-0002 DEFINITIONS:

For the purposes of this Chapter, the following terms, phrases and words and their derivations will have the meaning given as set forth below when not inconsistent with the context.

Beehive: A structure for housing honey bees.

Bee Colony: The hive and its equipment and appurtenances including honey bees, comb, honey, pollen and brood.

Equine: Horse or other member of the horse family including mules and donkeys.

Flyway Barrier: A solid wall, fence, dense vegetation, or combination of these materials at least six feet high that extends at least 10 feet beyond the hives on each end of a ~~b~~Bee ~~c~~Colony.

Poultry: A domesticated bird that is used to produce meat or eggs, including but not limited to, chickens, ducks, pigeons, and quail.

Livestock: Domesticated animals commonly raised to produce commodities such as food, fiber, and labor.

Large Livestock: Equine, cattle, swine, donkeys, mules, llamas, ostriches, goats, sheep, alpaca, and other similarly sized animals.

Small Livestock: Rabbits, chickens, miniature, dwarf or pygmy goats that are neutered, and other similarly sized animals.

Pasture: Open, uncultivated land used for the grazing of ~~l~~Livestock.

Shelter: A structure or environment, adequate to the species of animal, which provides protection from adverse weather conditions and predators (e.g., chicken coop, rabbit hutch, barn, etc).

Shelters must be covered, properly ventilated, and designed to be easily accessed, cleaned, and maintained.

Livestock Containment Area: The portion of a property where Livestock are held or kept, including runs, pens, stalls, yards, and cages. The location of Shelters, including any associated fencing or screen walls, shall comply with the Accessory Structures and Fencing and Screening requirements of Section 10-50.50 (Fencing and Screening) and 10-40.60.020 (Accessory Structures).

Nuisance: Anything offensive or obnoxious to the health and welfare of the inhabitants of the City; or any act or thing repugnant to, or creating a hazard to, or having a detrimental effect on the property of another person or to the community.

Manager: The Sustainability Manager, or designee.

SECTION 6-03-001-0003 KEEPING OF LIVESTOCK

The following standards apply to the keeping of livestock animals within city limits.

A. GENERAL RULES AND RESTRICTIONS

1. The number of animals permitted in each Zone is established in Table 6-03-001-0003.A (Number of Animals Permitted by Zoning Designation) below.

2. The principal use of the property on which livestock animals are kept must be residential or educational.

3. ~~No livestock may be kept in the front yard setback area~~At all times, Livestock must be contained in rear yard of residence unless such residence is on a parcel zoned Estate Residential or Rural Residential. Livestock Containment Areas or Shelters must be provided to sufficiently contain the Livestock on the property and keep them from roaming at large.

4. Offspring of animals maintained on the same property that are less than four months old or that have not been weaned, whichever is longer, will not be subject to the maximum number of animals permitted per lot size established by this Chapter.

5. All animals, Livestock Containment Areas, and Shelters must~~, and the pens, stalls, stables, yards, shelters, cages, and premises where they are held or kept, shall~~ be maintained in such a manner so as to not become a public health nuisance. ~~Livestock shelters and runs~~Livestock Containment Areas and Shelters must be clean and sanitary, and generally free of fecal and other matter that may attract flies, rodents, or cause an offensive odor ~~that may disturb the comfort of any person~~that can be detected from beyond the property line. Fecal and other matter must be double-bagged and disposed of in City garbage receptacles. Nothing in this Subsection shall be deemed to prohibit the use of animal manure or droppings to fertilize any farm, garden, lawn or ranch in such a manner and for such purposes as are compatible with customary methods of good horticulture.

6. ~~Feed troughs shall be provided for the f~~Feeding of Livestock ~~vegetables, meat scraps, or garbage, and such feeding~~ shall be done exclusively from containers (e.g., troughs) or on an impervious platform. The area where Livestock is fed must be located at least twenty feet from any neighboring dwelling. Food for feeding ~~l~~Livestock shall be stored in rodent and predator resistant containers.

7. Watering troughs or tanks shall be provided for Livestock, which shall be equipped with adequate facilities for draining the overflow, so as to prevent the ponding of water, the breeding of flies, mosquitoes or other insects, or any additional health hazards. Watering troughs must be located at least twenty feet from a neighboring dwelling.

~~8. Shelter and fencing (e.g. barn, coop, corral, pens, stables, etc.) shall be provided to sufficiently contain the animals and keep them from roaming at large.~~

~~9. Shelters must be covered, predator-resistant, properly ventilated, and designed to be easily accessed, cleaned and maintained.~~

8~~10~~. Shelters must be maintained to reduce the risk of fire in accordance with the City of Flagstaff Fire Code.

9~~11~~. No incineration of animal refuse shall be permitted on the premises.

10~~12~~. Only chickens, domestic fowl, or rabbits can be slaughtered on site. Slaughter shall not occur in view from any public area or any adjacent property owned by another. Slaughter shall be done in a humane and sanitary manner. Slaughter must be for personal consumption and in compliance with all county, state, and federal laws.

11~~13~~. All animal-keeping facilities must be designed in a manner such that water runoff does not become a health hazard or nuisance to uses on other properties, and is contained and disposed of and does not contribute to the pollution of local groundwater or the flooding of adjacent properties.

12~~14~~. No person shall keep or harbor any animal which by frequent or habitual howling, yelping, barking, crowing or the making of any other noise, day or night, unreasonably disturbs the peace and quiet of any person or persons.

13. Small Livestock must be kept in a Shelter from sunset to sunrise.

14. All waste from animals must be contained on site. Any pollutants or non-stormwater related discharges shall be subject to Chapter 12-03 (Stormwater Illicit Discharges).

B. Permitting Requirements

1. No person shall keep, harbor, or maintain care, custody, or control over any Livestock without obtaining a permit. Any person desiring a permit shall submit an application to the Sustainability Section.

2. Permit applications shall include:

a. A signed statement that the applicant will comply with the provisions of this Chapter.

b. Proof of satisfactory knowledge of animal keeping best practices by completing a short questionnaire designed by the Sustainability Section.

c. The submittal of a site plan demonstrating the design, size, and location of Shelters and Livestock Containment Areas, as well as feed and watering trough locations.

3. Animal Keeping in Estate Residential and Rural Residential zones is exempt from the permit requirements of this Chapter.

4. Prior to the issuance of any permit, the applicant must allow an inspection of the property, Shelter, and Livestock Containment Area to determine conformance with the submitted site plan.

5. Approval of a permit application may be subject to reasonable conditions in the Manager's sole discretion.

6. The Manager may suspend, revoke or take other authorized adverse action against any permit granted pursuant to this section if any condition or requirement of this chapter is violated, if the keeping of animals becomes a public nuisance, or for other good cause.

7. An applicant or permit holder may appeal the denial or revocation of a permit by submitting a written appeal to the City of Flagstaff Sustainability Section within ten (10) days after issuance of the denial or notice of revocation. Within five (5) days after receipt of the written appeal, or such longer period of time agreed to by the applicant, the appeal will be reviewed, and a response will be provided by the City Manager or designee, who shall be a Deputy City Manager.

C~~B~~. RULES AND RESTRICTIONS – LARGE LIVESTOCK

1. Shelters for ~~l~~Large ~~l~~Livestock must be located:

   a. No less than 75 feet from any dwelling unit.

   b. No less than ten feet from any property line.

2. At least 10,000 square feet of pasture must be made available for each ~~l~~Large ~~l~~Livestock animal.

3. No pigsty shall be built or maintained on marshy ground or land subject to overflow, or within 150 feet of any watercourse or other source of water supply, or within 300 feet of a dwelling unit on an adjoining property.

D~~C~~. RULES AND RESTRICTIONS – SMALL LIVESTOCK

1. Male miniature goats must be neutered by four months of age.

2. Shelters ~~and fenced enclosures for housing, keeping or caring~~ for ~~s~~Small ~~l~~Livestock must meet the following requirements:

a. Be located no less than ten feet ~~ten feet~~ from property lines abutting another residential lot or parcel.

b. May extend up to any property line abutting a public alley right-of-way or private alley tract.

c. Be located at least twenty feet from the nearest neighboring dwelling.

~~b~~d. Have a minimum of four square feet of indoor space per ~~p~~Poultry or rabbit.

~~c~~. ~~Have a minimum of ten square feet of permeable outdoor space per poultry or rabbit.~~

~~d. Have a minimum of 130 square feet of permeable space per miniature goat~~.

3. Winged animals must have wings clipped or be contained in a covered enclosure at all times in order to ensure containment on property.

4. Livestock Containment Areas must have a minimum of ten square feet of permeable outdoor space per Poultry or rabbit, and 130 square feet of permeable space per miniature goat.

5~~3~~. Turkeys, peafowl, geese, and all other similarly noisy birds are prohibited in all zones within the City.

6~~4~~. Male ~~p~~Poultry over the age of four months shall not be permitted within the City.

SECTION 6-03-001-0004 BEE KEEPING

The following standards apply to provide for the safe and orderly keeping of bees.

A. Bee keeping is allowed in all zones where the use of the property on which beehives are kept is residential or educational.

B. Beehives shall only be located in rear yards and shall be placed a minimum of 10 feet from any property line, except that in the Rural Residential (RR) Zone beehives also may be placed in the interior side yards. In all zones the entrance to the beehive shall face away from the property line closest to the hive.

C. A flyway barrier shall be established and maintained so that all bees are forced to fly at an elevation of at least six feet above ground level in the vicinity of the beehive. Any fence, wall, or natural barrier proposed as a flyway barrier shall comply with the provisions of City Code Title 10, Zoning Code, Division 10-50.50 (Fences and Screening), as well as the following:

1. Be a minimum of six feet tall;

2. Be solid such that bees cannot fly through it;

3. Be placed parallel to the property line; and

4. Extend a minimum of five feet beyond the beehive(s) in each direction.

D. A convenient source of water shall be made available for the bees at all times of the year so that bees are less likely to congregate at swimming pools, pet watering bowls, bird baths, or other water sources.

E. In any instance in which a colony exhibits unusually defensive characteristics by stinging or attempting to sting without provocation or exhibits an unusual disposition toward swarming, beekeepers shall promptly re-queen the colony with another queen. Queens shall be selected with a gentle disposition from stock bred for gentleness. Beekeepers must be able to produce proof of a receipt from a queen breeder.

Table 6-03-001-0003.A Number of Animals Permitted by Zoning Designation

Type of Animal	**Zones in which Specific Animals are Permitted**	**Maximum Number of Animals Permitted per Lot Size**						
Large Livestock		**≤19,999 sq ft**	**20,000 – 29,999 sq ft**	**30,000 – 39,999 sq ft**	**40,000 – 79,999 sq ft**	**80,000 – 119,999 sq ft**	**120,000 – 159,999 sq ft**	**≥160,000 sq ft**
Equine, Cattle, Swine, Llamas, Alpacas, Goats, Sheep, Other Large Livestock Not Prohibited By This Chapter	ER and RR	0	0	0	4	5	6	7
Small Livestock								
Goats (miniature, pygmy, dwarf)	All zones*	~~2~~0	~~2~~0	~~2~~0	4	4	4	4
Ducks, Rabbits, Chickens	All zones*	5	10	15	20	25	25	25
Bees								
Bee Colonies	All zones*	2	4	6	8	8	8	8

***** The principal use of the property must be residential or educational.

SECTION 6-03-001-0005 VIOLATION

A. It shall be unlawful for any person to cause, facilitate, or aid or abet a violation of any provision of this Chapter or to fail to perform any act or duty required by this Chapter in connection with the keeping of animals.

B. Any person found responsible for violating any provision of this Chapter will be subject to a fine of no less than $100 for every offense. Recurring violations will be subject to larger

fines. Any violation that is continuing in nature shall constitute a separate offense on each successive date the violation continues.

C. Civil actions or proceedings to enforce the requirements of this Chapter will be commenced and prosecuted in compliance with City Code Title 1, Administration, Chapter 1-15, Municipal Court, Section 1-15-001-0011, Civil Enforcement Procedures.

ORDINANCE NO. 2019-36

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 6, POLICE REGULATIONS, CHAPTER 3, ANIMALS, BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED *"ANIMAL KEEPING CODE AMENDMENTS"*; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Council of the City of Flagstaff believes it is in the best interest of the City to allow City residents to keep certain animals as a healthy and affordable source of food, fiber, and labor;

WHEREAS, the City Council has determined that Chapter 6-03 of the City Code regarding animal keeping should be amended to clarify the rules and regulations related to the keeping of animals within the City; and

WHEREAS, the City Council intends, by adopting the proposed amendments, to protect and promote the public health, safety, convenience, and general welfare of the citizens of the City of Flagstaff.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That certain document known as *"Animal Keeping Code Amendments",* one(1) paper copy and (1) electronic copy are on file in the office of the City Clerk of the City of Flagstaff, Arizona, which document is declared a public record by Resolution No. 2019-53 of the City of Flagstaff, Arizona, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

SECTION 2. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 3. Severability

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 5. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of November, 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

13. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacey Brechler-Knaggs, Grants and Contracts Manager

Co-Submitter: David McIntire

Date: 11/13/2019

Meeting Date: 11/19/2019

TITLE:

Consideration of Intergovernmental Agreement and Adoption of Resolution No. 2019-55:
A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the Northern Arizona Council of Governments (NACOG) and the City of Flagstaff for Arizona Route 66 Brownfields Coalition Grant; providing for delegation of authority; and establishing an effective date.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-55 by title only
2) City Clerk reads Resolution No. 2019-55 by title only (if approved above)
3) Adopt Resolution No. 2019-55

Executive Summary:

Approving the Intergovernmental Agreement (IGA) with NACOG will formally establish the City of Flagstaff as a coalition member to participate in the 2019 Brownfield Coalition Assessment Grant.

Other coalition members are the City of Winslow, the Town of Camp Verde, Coconino County, and Yavapai County.

Financial Impact:

The Environmental Protection Agency (EPA) grant award to NACOG is $386,124 for hazardous substances and $211,562 for petroleum environmental site assessments. Each coalition member will identify site locations to be prioritized for potential funding for either hazardous substance and petroleum environmental site assessments. NACOG will select the locations for site assessments. The grant funds will be shared among coalition members. NACOG will receive a portion of the grant funding to pay for expenses in administering the grant. NACOG will disburse grant funds directly to contractors selected for the project work.

The City FY20 budget includes $50,000 for grant-related costs if needed.

Policy Impact:

By approving the IGA, the City will be able to participate in the coalition and access funding that will assist in identifying contaminants on parcels and assist the community in addressing them. It will help with revitalizing and redeveloping the land and support economic development efforts by assisting businesses to assess available parcels. This IGA will also provide better leadership and management to clean up contaminated sites properly, to revitalize them, and return the usefulness to our community.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Economic Development - Grow and strengthen a more equitable and resilient economy.

Has There Been Previous Council Decision on This:

On 11/06/2012, Council approved an EPA 2012 Brownfield Assessment Grant and intergovernmental agreements with the City of Winslow, City of Holbrook, Coconino County, and Navajo County. Staff is recommending that the Council approve participation in this EPA 2019 Brownfield Assessment Grant, which is similar in structure and based on similar considerations.

Options and Alternatives:

- Approve the IGA with NACOG to participate in the Arizona Route 66 Coalition Brownfield Assessment Grant.
- Not approve the IGA, in which case grant funds will be utilized by other coalition members.

Background/History:

The EPA's Brownfields Program empowers states, communities, and other stakeholders to work together to prevent, assess, safely clean up, and sustainably reuse brownfield sites. A brownfield site is real property, the expansion, redevelopment, or reuses of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

In November 2018, NACOG applied for an AZ Route 66 Coalition, Brownfield Assessment Grant. On June 5, 2019, U.S. EPA announced NACOG was selected to receive a $597,686 grant award to target brownfield sites on the historic Route 66 Corridor. Under this grant, the coalition partners - the cities of Flagstaff and Winslow, the Town of Camp Verde and Coconino and Yavapai counties - will address economic development, historical and cultural preservation, and environmental protection along the Route 66 Corridor.

Key Considerations:

The Coalition will utilize EPA funds to develop the Coalition governance structure, update brownfield inventories, conduct community outreach, identify, prioritize and select sites for Phase 1 and Phase 2 assessments, all to support redevelopment within Coalition member communities. Based on assessments and corresponding planning processes, Coalition members envision the following for potential redevelopment activities: 1) Promotion of historical and cultural tourism opportunities, especially with regard to Route 66, railroads, and unique natural and scenic resources; 2) Economic diversification to broaden employment opportunities in existing and emerging industry sectors, including forest restoration and biomass energy production; and, 3) Rehabilitation and/or construction of low-to-moderate income and workforce housing.

Community Benefits and Considerations:

The target area for the Arizona Route 66 Brownfields Coalition grant encompasses two counties and a contiguous city located in a neighboring county. This area is approximately 26,800 square miles and is home to 366,000 residents based on recent American Community Survey data. Population density within the target area is 13.7 persons per square mile.

Building on prior inventories and assessments completed by Coalition members from 2012 - 2015, and consistent with local planning efforts such as the Flagstaff Sustainability Plan, Coalition members and community-based organizations will continue to proactively address economic development and job creation, historical and cultural preservation, environmental protection and mitigation throughout the target area counties and Route 66 Corridor.

Community Involvement:

Project outputs will include the following:

- Community meetings and outreach materials,
- Development of a project website,
- Quality Assurance Project Plan (QAPP),
- Health and Safety Plan (HASP),
- 25 Phase I site assessments,
- 8 Phase II site assessments,
- Update of existing inventories from previous grant,
- Complete new inventories,
- Measurement and reporting of project outcomes.

Attachments: Res. 2019-55
IGA with NACOG

RESOLUTION NO. 2019-55

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE NORTHERN ARIZONA COUNCIL OF GOVERNMENTS AND CITY OF FLAGSTAFF FOR ARIZONA ROUTE 66 BROWNFIELDS COALITION GRANT; PROVIDING FOR DELEGATION OF AUTHORITY; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the Northern Arizona Council of Governments ("NACOG") and the City of Flagstaff desire to enter into an Intergovernmental Agreement for participation in the Arizona Route 66 Brownfields Coalition Grant funded by the federal Environmental Protection Agency; and

WHEREAS, grant funds will be used for environmental site assessments for hazardous substances and/or petroleum of properties along the Route 66 corridor, to help reduce contamination and blighted conditions, and to revitalize land;

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Intergovernmental Agreement between the Northern Arizona Council of Governments and the City of Flagstaff for the Arizona Route 66 Brownfields Coalition Grant attached hereto is hereby approved.

SECTION 2. Delegation of Authority.

The Mayor is hereby authorized to execute the agreement, and to take all other necessary and appropriate actions to implement the agreement. The Contracts and Grants Manager and Community Investment Director are hereby delegated authority to work together to evaluate sites located within the City of Flagstaff eligible for grant funding and submit those to NACOG for funding consideration.

SECTION 3. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of November, 2019.

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
AND CITY OF FLAGSTAFF
FOR
ARIZONA ROUTE 66 BROWNFIELDS COALITION GRANT

This Agreement ("Agreement") is entered into this _____day of _____, 2019, by and between the Northern Arizona Council of Governments ("NACOG"), an Arizona non-profit corporation, with offices at 119 East Aspen Avenue, Flagstaff, Arizona, and City of Flagstaff, a municipal corporation of the State of Arizona, with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Coalition Member"). NACOG and the Coalition Member may also be referred to as "Party" or "Parties" in this Agreement.

Northern Arizona Council of Governments is the Lead Coalition Member/Grantee/Fiscal Agent. The members of the Brownfields Coalition ("Coalition") include at the time of the original signing of this IGA: NACOG, the City of Flagstaff, the City of Winslow, the Town of Camp Verde, Coconino County, and Yavapai County (collectively, the "Brownfields Coalition Members"). This Intergovernmental Agreement ("IGA") documents the roles and responsibilities of NACOG and Coalition Member with regard to Environmental Protection Agency ("EPA") Cooperative Agreement No: BF99T91501, a copy of which is attached as **Exhibit A** and incorporated herein by reference ("Cooperative Agreement"). Separate IGAs will document the roles and responsibilities of the other Brownfields Coalition Members. The EPA may also be referred to as the "Funding Agency".

1. **EPA Grant to NACOG:** On June 11, 2019, the EPA awarded the Cooperative Agreement to NACOG as the Lead Coalition Member/Grantee/Fiscal Agent. The grant period is October 1, 2019, through September 30, 2022. NACOG is responsible to the EPA for management of the Cooperative Agreement and compliance with the statutes, regulations, and terms and conditions of the award, and ensuring that all members of the coalition comply with the terms and conditions.

2. **Information Sharing.** It is the responsibility of NACOG to provide timely information to the Coalition Member regarding the management of the Cooperative Agreement and any changes that may be made to the Cooperative Agreement over the period of performance.

3. **Contacts:** The contact information for NACOG is as follows:

Northern Arizona Council of Governments
Chris Fetzer (Principal Investigator)
Executive Director
119 East Aspen Avenue
Flagstaff, Arizona 86001
(928) 213-5209
chris.fetzer@nacog.org

Northern Arizona Council of Governments
Cindy Binkley (Administrative Contact)
Administrative Specialist
119 East Aspen Ave
Flagstaff, Arizona 86001
(928) 213-5228
cbinkley@nacog.org

The contact information for the other Brownfields Coalition Members as of the signing of this IGA are as follows:

City of Flagstaff
David McIntire / Stacey Brechler-Knaggs
211 West Aspen Avenue
Flagstaff, Arizona 86001
(928) 213-2907 / (928) 213-2227
dmcintire@flagstaffaz.gov
sknaggs@flagstaffaz.gov

Coconino County
Eve Wolters
2625 North King Street
Flagstaff, Arizona 86004
(928) 679-8761
ewolters@coconino.az.gov

Town of Camp Verde
Steve Ayers
475 South Main Street, Suite 102
Camp Verde, Arizona 86322
(928) 554-0007
steve.ayers@campverde.az.gov

Yavapai County
Phil Bourdon
1015 Fair Street
Prescott, Arizona 86305
(928) 771-3200
phil.bourdon@yavapai.us

City of Winslow
Paul Ferris
21 Williamson Avenue
Winslow, Arizona 86047
(928) 289-1415
pferris@winslowaz.gov

4. **Grant Funded Activities.** Activities funded through the Cooperative Agreement may include, but are not limited to, inventory preparation, site selection criteria development, assessments, planning (including cleanup planning) relating to brownfield sites, outreach materials and implementation, and other eligible activities.

5. **Contracts – in General.** NACOG will retain and manage all consultants and contractors under 2 CFR, PART 200 to undertake various activities funded through the Cooperative Agreement.

5.1 Procurement. NACOG will procure consultants and contractors in compliance with 2 CFR, PART 200 requirements. NACOG will issue Requests for Proposals or Requests for Qualifications and will be the entity responsible for receipt of the submitted proposals and selection and award of contracts. NACOG will cooperate with the Coalition Members in making selections of consultants and contractors.

5.2 Invoicing and Payment. Consultant and contractor invoices for work conducted through the Cooperative Agreement will be issued to NACOG for approval. Funds will be provided to NACOG from the EPA via wire-transfer and NACOG will pay invoices through established accounts payable mechanisms.

6. **NACOG Administrative Costs.** A portion of the grant funds not to exceed 7.5% will be retained by NACOG from the initial grant amount to cover management and oversight of the contract for the duration of the contract term.

7. **Use of Grant Funds by Coalition Members.** Grant funds (less administrative costs) will be available to any Coalition Member on a "first-come-first-served" basis, limited as follows:

7.1 Application. A Coalition Member seeking funds for assessment activities during the course of the grant period will be required to submit an application to the Coalition describing the project, necessary tasks, estimated costs, and other pertinent information.

7.2 Approval Process. The Coalition will meet quarterly (or more often, if needed) to review applications and approve or deny funding. The Coalition shall not meet unless there is a quorum present (at least four Coalition Members, including NACOG). An application must be approved or denied by a majority vote of all attending parties, regardless of other factors.

7.3 Grant Compliance. NACOG will have authority to determine whether any application does not, or cannot, meet the terms of the grant requirements. In the case of unresolvable disagreement, NACOG has ultimate authority (as fiscal agent/grantee).

7.4 Funding Sharing. The intention of the parties is that each Coalition Member will receive grant funding. A single Coalition Member may receive more than twenty-five percent (25%) of the total available grant funds only with a super majority vote of all Brownfields Coalition Members (total of five votes in favor).

7.5 Brownfields Site Selection Process. The site selection process must ensure that a minimum of five (5) brownfields sites per Coalition member are assessed over the life of the Cooperative Agreement. Selected sites will be submitted to the EPA for prior approval to ensure eligibility. (Note: NACOG and each of the Brownfields Coalition Members may agree upon a minimum number of sites assessed per member at the start of the Cooperative Agreement to ensure equitable distribution of funds across all members' jurisdictions.)

7.6 Further Procedures. NACOG shall develop procedures for implementing the requirements of this Section (7).

8. **Contracts - Requirements.**

8.1 Scope of Work. Upon designation of the specific sites, it will be the responsibility of NACOG, or its authorized designee, to work with the Coalition Member in whose geographic area the site is located to finalize the scope of work for the consultant or contractor.

8.2 Permits, Approvals, Easements, and Access. It will be the responsibility of the Coalition Member at its own expense to obtain all required permits, easements, and/or access agreements, as may be necessary, to undertake assessments at the selected site. If the Coalition Member does not have the capacity to perform these activities, NACOG may include such work in the contract scope of work.

8.3 Work Plan (General Conditions of any Contract). A Work Plan (**Exhibit B**) has been prepared and submitted to the EPA as required by the Application for Grant Award. The work plan contains the specific details relating to community outreach and involvement, Coalition Member compliance, site selection, distribution of funds, schedule, etc. NACOG is responsible for ensuring that activities as negotiated in the Work Plan are implemented in accordance with a schedule agreed upon by the Coalition Member in whose geographic area the site to be assessed is located.

9. **No Disbursements to Coalition Member**. NACOG will disburse funds directly to the consultant or contractor procured for the various projects for satisfactory performance of the work. Coalition Members will not receive disbursements.

10. **Fiscal Responsibility**. The funds disbursed by NACOG under this Agreement shall be used only for the projects as described in the grant application, grant agreement, and in the Work Plan.

11. **Financial Audit: Programmatic Monitoring**. The Coalition Member agrees to the terms specified in A.R.S. § 35-214 and § 35-215. To the extent that Coalition Member expends any of the grant funds directly during the term of this Agreement, the Coalition Member shall be monitored periodically by NACOG, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria, are being met. Monitoring will be accomplished through a combination of office-based reviews and onsite monitoring visits. Monitoring can involve aspects of the work involved under this contract including but not limited to the review and analysis of the financial, programmatic, performance, and administrative issues relative to each program, and will identify areas where technical assistance and other support may be needed. All on-site monitoring shall take place during normal business hours, upon advance written notice, on dates and at times as mutually agreed upon by NACOG and the Coalition Member.

12. **Debarment Certification.** The Coalition Member agrees to comply with the Federal debarment and suspension regulations as outlined in the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions."

13. **Funds Management (NACOG).** To the extent that Coalition Member receives directly any funds under this IGA, Coalition Member must maintain such funds received under this Agreement in separate ledger accounts and cannot mix these funds with other sources. The Coalition Member must manage funds according to applicable Federal regulations for administrative requirements, costs principles, and audits. Brownfields Coalition Members must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are: Financial Management, Procurement, Personnel, Property, and Travel. A system is adequate if it is written, followed consistently (it applies to similar items), and consistently applied (it applies to all sources of funds).

14. **Reporting Requirements (NACOG).** Regular reports by the Coalition Member shall include:

    14.1. **Progress Reports**. The Coalition Member shall provide quarterly programmatic reports to NACOG within five (5) working days of the last day of the month in which services are provided. The Coalition Member shall use the form provided by NACOG to submit quarterly programmatic reports. The report shall contain such information as deemed necessary by NACOG. If the scope of the project has been fully completed and implemented, and there will be no further updates, then the quarterly programmatic report for the quarter in which the project was completed will be sufficient as the final report. The report should be marked as final and should be inclusive of all necessary and pertinent information regarding the project as deemed necessary by NACOG. Quarterly programmatic reports shall be submitted to NACOG until the entire scope of the project is completed. Notwithstanding anything to the contrary in this Section 14, NACOG shall not request, and Coalition Member shall not be required to provide, any of Coalition Member's confidential

or proprietary information in reports provided to NACOG, including, without limitation, any information regarding research collaborators, research plans, or any data, results or other information resulting from Coalition Member's performance of research or any other activities relating thereto.

15. **Assignment and Delegation.** The Coalition Member may not assign any rights under this Agreement without the express, prior written consent of NACOG.

16. **Amendments.** Any change in this Agreement including but not limited to the Description of Services and budget, whether by modification or supplementation, must be accomplished by a formal Agreement amendment signed and approved by the duly authorized representatives of the Coalition Member and NACOG. Any such amendment shall specify: 1) an effective date; 2) any increases or decreases in the amount of the Coalition Member's compensation, if applicable; 3) be titled as an "Amendment," and 4) be signed by the parties identified in the preceding sentence. The Coalition Member understands and agrees that no other method of communication, including any other document, correspondence, act, or oral communication by or from any person, shall be used or construed as an amendment or modification or supplementation to this Agreement.

17. A**greement Renewal.** This Agreement shall not bind nor purport to bind NACOG for any contractual commitment in excess of the original Agreement period.

18. **Right to Assurance.** If NACOG in good faith has reason to believe that the Coalition Member does not intend to, or is unable to perform or continue performing under this Agreement, NACOG may demand in writing that the Coalition Member give a written assurance of intent to perform. If the Coalition Member fails to provide written assurance within the number of days specified in the demand, NACOG, at its option, may terminate this Agreement with the Coalition Member without impacting the effect of IGAs with the other Brownfields Coalition Members.

19. **Cancellation for Conflict of Interest.** Pursuant to A.R.S. § 38-511, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of NACOG is an employee or agent of the other party in any capacity or a consultant to the other party to the Agreement with respect to the subject matter of the Agreement, this Agreement may be canceled for conflict of interest.

20. **Availability of Funds.** Every payment obligation of NACOG under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations. If the funds are not allocated and available for the continuance of this Agreement, NACOG may terminate this Agreement at the end of the period for which funds are available. NACOG will provide thirty (30) days written notice and shall pay the Coalition Member for termination costs as allowable under OMB UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (2 CFR, PART 200).

21. **Force Majeure.** If either party hereto is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes,

civil disorder, or other causes without fault and beyond the control of the party obligated, performance of such act will be excused for the period of the delay.

22. **Partial Invalidity.** Any term or provision of this Agreement that may be declared contrary to any current or future law, order, regulation, or rule, or which is otherwise invalid, shall be deemed stricken from this Agreement without impairing the validity of the remainder of this Agreement.

23. **Mediation and Venue**

23.1. **Mediation**. If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation within forty-five (45) days of notification of the dispute, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation shall be self-administered and conducted in Flagstaff, Arizona, under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, NY 10017, (212) 949-6490, www.cpradr.org, unless other procedures are agreed upon by the parties. The parties shall select one or more trained mediators acceptable to all parties. Each party agrees to bear its own costs in mediation. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation. This Agreement does not constitute a waiver of the parties' right to initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona or Federal Rules of Civil Procedure.

23.2. **Venue**. For purposes of any form of dispute resolution, venue shall be in Coconino County, State of Arizona, or in the Federal District Court for the District of Arizona, if litigation under diversity jurisdiction is involved.

24. **Governing Law.** This Agreement shall be governed and interpreted in accordance with the laws of the State of Arizona.

25. **Entire Agreement.** This Agreement is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms in this document. This Agreement and its Exhibits constitute the entire agreement between the parties and may not be changed or added to except in writing signed by the parties, provided, however, that NACOG shall have the right to immediately amend this Agreement so that it complies with any new legislation, laws, ordinances, or rules affecting this Agreement. The Coalition Member agrees to execute any such amendment within ten (10) business days of its receipt.

26. **Non Waiver.** Neither party's failure to insist on strict performance of any term or condition of the Agreement shall be deemed a waiver of that term or condition, even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object.

27. **Restrictions on Lobbying.** NACOG and the Coalition Member shall not use funds made available to it under this Agreement to pay for, influence, or seek to influence any officer or employee of any governmental entity.

28. **Licensing.** The Coalition Member, unless otherwise exempted by law, shall obtain and maintain all licenses, permits, and authority necessary to perform those acts it is obligated to perform under this Agreement.

29. **Non-Discrimination.** NACOG and the Coalition Member shall comply with all State and Federal equal opportunity and non-discrimination requirements and conditions of employment, including the Americans with Disabilities Act, in accordance with A.R.S. Title 41, Chapter 9, Article 4 and Executive Order 2009-09.

30. **Sectarian Requests.** Funds disbursed pursuant to this Agreement may not be expended for any sectarian purpose or activity, including sectarian worship or instruction, in violation of the United States or Arizona Constitutions.

31. **Advertising and Promotion of Agreement.** The Coalition Member shall not advertise or publish information for commercial benefit concerning this Agreement without the prior written approval of NACOG.

32. **Ownership of Information, Printed and Published Material.** The Funding Agency and NACOG shall have full and complete rights to reproduce, duplicate, disclose, perform, and otherwise use all reports provided to NACOG under this Agreement in accordance with Section 14 above.

33. **Indemnification.** To the extent permitted by law, each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs, or expenses, including reasonable attorney's fees, (collectively referred to as "Claims") arising out of bodily injury of any person, including death, or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents or employees.

34. **Termination.** Either party reserves the right to terminate the Agreement in whole or in part due to the failure of the other party to comply with any term or condition of the Agreement, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Agreement. Either party shall provide a written thirty (30) day advance notice of the termination to the other party and the reasons for it.

    If the Coalition Member chooses to terminate the Agreement before the grant purposes have been met, then NACOG reserves the right to collect all amounts distributed to the Coalition Member directly that have not been spent, and the Coalition Member is not contractually obligated to pay to any third party as of the date Coalition Member receives notice of said termination.

    The Coalition Member shall continue to perform, in accordance with the requirements of the Agreement, up to the date of termination, as directed in the termination notice.

35. **Paragraph Headings.** The paragraph headings in this Agreement are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this Agreement or any of its provisions.

36. **Special Conditions.** NACOG and the Coalition Member agree that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: **"Purchased with funds provided by the Environmental Protection Agency, 2019 Brownfields Assessment Grant."**

    The Coalition Member agrees to cooperate with any assessments, state/national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this agreement.

37. **Notices.** Any and all notices, requests, demands, or communications by either party to this Agreement, pursuant to or in connection with this Agreement, shall be in writing and delivered in person or shall be sent to the respective parties at the following addresses:

To NACOG:	To Coalition Member:
Executive Director Northern Arizona Council of Governments 119 East Aspen Avenue Flagstaff, AZ 86001	City Manager City of Flagstaff 211 West Aspen Flagstaff, AZ 86001

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

The Northern Arizona Council of Governments, Lead Coalition Member

_____ Date_____

Chris Fetzer, Executive Director

Approved as to form:

_____

NACOG Attorney

City of Flagstaff, Coalition Member

_____ Date_____

Greg Clifton, City Manager

ATTEST:

_____

Clerk

Approved as to form:

_____

City Attorney

EXHIBIT A

EPA COOPERATIVE AGREEMENT

[See Attached]

U.S. ENVIRONMENTAL PROTECTION AGENCY

Cooperative Agreement

GRANT NUMBER (FAIN):	**99T91501**
MODIFICATION NUMBER:	**0**
PROGRAM CODE:	**BF**
DATE OF AWARD	08/29/2019
TYPE OF ACTION	New
MAILING DATE	09/05/2019
PAYMENT METHOD:	ASAP
ACH#	PEND

RECIPIENT TYPE:
Not for Profit

Send Payment Request to:
Las Vegas Finance Center email:
lvfc-grants@epa.gov

RECIPIENT:
Northern Arizona Council of Governments
119 E. Aspen Avenue
Flagstaff, AZ 86001
EIN: 86-0262631

PAYEE:
Northern Arizona Council of Governments
119 E. Aspen Avenue
Flagstaff, AZ 86001

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Chris Fetzer 119 E. Aspen Avenue Flagstaff, AZ 86001 **E-Mail:** chris.fetzer@nacog.org **Phone:** 928-213-5209	Jose Garcia 75 Hawthorne Street, LND-2-1 San Francisco, CA 94105 **E-Mail:** garcia.jose@epa.gov **Phone:** 213-244-1811	Kimberli Smith Grants Branch, MSD-6 **E-Mail:** smith.kimberli@epa.gov **Phone:** 415-972-3778

PROJECT TITLE AND DESCRIPTION
BROWNSFIELD ASSESSMENT COOPERATIVE AGREEMENT
This agreement will provide funding for Northern Arizona Council of Governments to inventory, characterize, assess, and conduct cleanup planning and community involvement related activities for brownfield sites in the Route 66 corridor in Arizona. Coalition members envision the following redevelopment activities: 1) Promotion of historic and cultural tourism opportunities, especially with regard to Route 66, railroads, and unique natural and scenic resources; 2) Economic diversification to broaden employment opportunities in existing and emerging industry sectors, including forest restoration and biomass energy production; and, 3) Rehabilitation and/or construction of low-to-moderate income and workforce housing.

This agreement provides full federal funding in the amount of $597,686.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
10/01/2019 - 11/30/2022	10/01/2019 - 11/30/2022	$597,686.00	$597,686.00

NOTICE OF AWARD

Based on your Application dated 01/31/2019 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards $597,686. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $597,686. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	**ORGANIZATION / ADDRESS**
U.S. EPA, Region 9 Grants Branch, MSD-6 75 Hawthorne Street San Francisco, CA 94105	U.S. EPA, Region 9 Land, Chemicals and Redevelopment Division, LND-1 75 Hawthorne Street San Francisco, CA 94105

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

Digital signature applied by EPA Award Official Carolyn Truong - Grants Management Officer

DATE 08/29/2019

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$	$ 597,686	$ 597,686
EPA In-Kind Amount	$	$	$ 0
Unexpended Prior Year Balance	$	$	$ 0
Other Federal Funds	$	$	$ 0
Recipient Contribution	$	$	$ 0
State Contribution	$	$	$ 0
Local Contribution	$	$	$ 0
Other Contribution	$	$	$ 0
Allowable Project Cost	$ 0	$ 597,686	$ 597,686

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.818 - Brownfields Multipurpose Assessment Revolving Loan Fund and Cleanup Cooperative Agreements	CERCLA: Sec. 104(k)(2)	2 CFR 200 2 CFR 1500 and 40 CFR 33

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	1909QE0207	19	E4	09Q1AG7	000D79	4114	G900NY00	-	386,124
-	1909QE0207	19	E4	09Q1AG7	000D79XBP	4114	G900OR00	-	211,562
									597,686

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	$21,600
2. Fringe Benefits	$6,480
3. Travel	$18,000
4. Equipment	$0
5. Supplies	$0
6. Contractual	$549,500
7. Construction	$0
8. Other	$0
9. Total Direct Charges	$595,580
10. Indirect Costs: 7.50**% Base** see General T/C	$2,106
11. Total (Share: Recipient 0.00 **% Federal** 100.00 **%.)**	$597,686
12. Total Approved Assistance Amount	$597,686
13. Program Income	$0
14. Total EPA Amount Awarded This Action	$597,686
15. Total EPA Amount Awarded To Date	$597,686

Administrative Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2018
These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at https://www.epa.gov/grants/grant-terms-and-conditions#general

A. Federal Financial Reporting (FFR)
For awards with cumulative project and budget periods greater than 12 months, the recipient will submit an annual FFR (SF 425) covering the period from "project/budget period start date" to **September 30** of each calendar year to the U.S. EPA Las Vegas Finance Center (LVFC). The FFR will be submitted electronically to lvfc-grants@epa.gov no later than **December 30** of the same calendar year. The form with instructions can be found on LVFC's website at https://www.epa.gov/financial/grants.

B. Procurement

The recipient will ensure all procurement transactions will be conducted in a manner providing full and open competition consistent with 2 CFR Part 200.319. In accordance 2 CFR Part 200.323 the grantee and subgrantee(s) must perform a cost or price analysis in connection with applicable procurement actions, including contract modifications.

State recipients must follow procurement procedures as outlined in 2 CFR Part 200.317.

C. Six Good Faith Efforts 40 CFR Part 33, Subpart C

Pursuant to 40 CFR Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

(a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

(b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

(c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

D. Utilization of Disadvantaged Business Enterprises

General Compliance, 40 CFR Part 33

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR Part 33.

Fair Share Objectives, 40 CFR Part 33, Subpart D

A recipient must negotiate with the appropriate EPA award official, or his/her designee, fair share objectives for MBE and WBE participation in procurement under the financial assistance agreements.

In accordance with 40 CFR Section 33.411 some recipients may be exempt from the fair share objective requirements as described in 40 CFR Part 33, Subpart D. Recipients should work with their DBE coordinator if they think their organization may qualify for an exemption.

The dollar amount of this assistance agreement, or the total dollar amount of all of the recipient's financial assistance agreements in the current federal fiscal year from EPA, exceeds the Simplified Acquisition Threshold as defined by the Federal Acquisition Regulation. The recipient accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the Arizona Department of Environmental Quality (ADEQ) as follows:

	MBE	WBE
Construction	1%	1%
Equipment	10%	10%
Services	1%	1%
Supplies	1%	1%

The recipient accepts the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as ADEQ.

Negotiating Fair Share Objectives/Goals, Section 33.404

The recipient has the option to negotiate its own MBE/WBE fair share objectives/goals. If the recipient wishes to negotiate its own MBE/WBE fair share objectives/goals, the recipient agrees to submit proposed MBE/WBE objectives/goals based on an availability analysis, or disparity study, of qualified MBEs and WBEs in their relevant geographic buying market for construction, services, supplies and equipment.

The submission of proposed fair share goals with the supporting analysis or disparity study means that the recipient is **not** accepting the fair share objectives/goals of another recipient. The recipient agrees to submit proposed fair share objectives/goals, together with the supporting availability analysis or disparity study, to the Regional MBE/WBE Coordinator, Elizabeth Armour at Armour.Elizabeth@epa.gov, within 120 days of its acceptance of the financial assistance award. EPA will respond to the proposed fair share objective/goals within 30 days of receiving the submission. If proposed fair share objective/goals are not received within the 120-day time frame, the recipient may not expend its EPA funds for procurements until the proposed fair share objective/goals are submitted.

Contract Administration Provisions, 40 CFR Section 33.302

The recipient agrees to comply with the contract administration provisions of 40 CFR Section 33.302.

Bidders List, 40 CFR Section 33.501(b) and (c)

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR Section 33.501 (b) and (c) for specific requirements and exemptions.

E. MBE/WBE Reporting

General Compliance, 40 CFR Part 33, Subpart E – Reporting Condition

MBE/WBE reporting is required annually for the life of the grant. Reporting is required for assistance

agreements where there are funds budgeted for procuring construction, equipment, services and supplies, including funds budgeted for direct procurement by the recipient or procurement under subawards or loans in the "Other" category, that exceed the Simplified Acquisition Threshold as defined by the Federal Acquisition Regulation, including amendments and/or modifications.

Based on EPA's review of the planned budget, this award meets the conditions above and is subject to Disadvantaged Business Enterprise (DBE) Program reporting requirements. Conversely, the recipient must submit to the GrantsRegion9@epa.gov a justification and budget detail within 21 days of the award date demonstrating that this award is not subject to the DBE reporting requirements.

The recipient agrees to complete and submit a "MBE/WBE Utilization under Federal Grants, Cooperative agreements" report (EPA Form 5700-52A) on an annual basis. All procurement actions that are reportable, not just that portion which exceeds the Simplified Acquisition Threshold.

When completing the annual report, recipients are instructed to check the box titled "annual:" in section 1B of the form. For the final report, recipients must check the box indicated for the "last report" of the project in section 1B of the form. Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first.

The reporting requirement is based on total procurements. Recipients with expended and/or budgeted funds for procurement are required to report annually whether the planned procurements take place during the reporting period or not. If no budgeted procurements take place during the reporting period, the recipient should check the box in section 5B when completing the form.

MBE/WBE reports should be sent to GrantsRegion9@epa.gov and assigned EPA Grants Specialist. The current EPA Form 5700-52A is located at https://www.epa.gov/grants/epa-form-5700-52a-united-states-environmental-protection-agency-minority-business.

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR Part 33, Section 33.502; however, the other requirements outlined in 40 CFR Part 33 remain in effect, including the Good Faith Effort requirements as described in 40 CFR Part 33, Subpart C, and Fair Share Objectives negotiation as described in 40 CFR Part 33, Subpart D.

Programmatic Conditions

Refer to Attachment A for applicable Programmatic Terms & Conditions.



BF-99T91501-0_NACG_Attachment A.docx

END OF DOCUMENT

EXHIBIT B

WORK PLAN

[See Attached]

U.S. ENVIRONMENTAL PROTECTION AGENCY BROWNFIELDS ASSESSMENT PROGRAM

WORK PLAN

Cooperative Agreement #: (TBD)

FOR

ARIZONA ROUTE 66 COALITION

June 20, 2019

Submitted by
NORTHERN ARIZONA COUNCIL OF GOVERNMENTS
119 E. ASPEN AVE.
FLAGSTAFF, AZ 86001
Chris Fetzer
928-213-5209
chris.fetzer@nacog.org

Arizona Route 66 Coalition
Brownfields Assessment Grant
Work Plan

A. Recipient Title

Northern Arizona Council of Governments (NACOG)

B. Background

The target area for the Arizona Route 66 Coalition grant encompasses two counties and a contiguous city located in a neighboring county. This area is approximately 26,800 square miles and is home to 366,000 residents based on recent American Community Survey data. Population density within the target area is 13.7 persons per square mile.

Building on prior inventories and assessments completed by Coalition members from 2012 - 2015, and consistent with local planning efforts such as the Flagstaff Sustainability Plan, Coalition members and community-based organizations will continue to proactively address economic development and job creation, historical and cultural preservation, environmental protection and mitigation throughout the target area counties and Route 66 Corridor.

C. Goals and Objectives

a. EPA Strategic Plan

This project supports EPA's Strategic Plan and GPRA Goal 3: Objective 1.3 Revitalize Land and Prevent Contamination - Provide better leadership and management to properly clean up contaminated sites to revitalize and return the land back to communities.

b. Project Goals

Project Goals:

The Coalition will utilize EPA funds to develop the Coalition governance structure, update brownfield inventories, conduct community outreach, identify, prioritize and select sites for Phase 1 and Phase 2 assessments, all to support redevelopment within Coalition member communities. Based on assessments and corresponding planning processes, Coalition members envision the following for potential redevelopment activities: 1) Promotion of historic and cultural tourism opportunities, especially with regard to Route 66, railroads, and unique natural and scenic resources; 2) Economic diversification to broaden employment opportunities in existing and emerging industry sectors, including forest restoration and biomass energy production; and, 3) Rehabilitation and/or construction of low-to-moderate income and workforce housing.

Outputs:
Project outputs will include community meetings and outreach materials, development of a project website, QAPP, HASP, 25 Phase I site assessments, 8 Phase II site assessments, update of existing inventories from previous grant, conduct new inventories, and measurement and reporting of project outcomes.

Outcomes:
Anticipated outcomes for the project that will be measured and reported include:

- Identify and quantify contaminants present to determine remediation needs for priority sites
- Reduce direct exposure to contaminants, run-off and subsurface pollution that may impact surface and groundwater (# of sites identified that present off-site risks)
- Reduce blighted conditions (# of blighted sites cleaned up or redeveloped)
- Increase in property values ($ values)
- Increase property and sales tax revenues ($ values)
- # of sites and acreage redeveloped
- Amount of private investment leveraged ($ value)
- Amount of other funding leveraged ($ value)
- # of jobs created or retained from redevelopment projects

D. Tasks

Task 1 - Project Oversight (Project Management, Reporting & Other Eligible Activities)

a. Task Description

This task will include activities needed to oversee and manage the project and may include:

- Development of a Request for Proposal/Request for Qualifications (RFP/RFQ), scopes of work, and/or other materials related to selecting a contractor
- Establishing Coalition administrative structure; Coordination with Coalition members
- Attending meetings and conferences related to brownfields at the project.
- Routine project reporting per EPA grant requirements

b. Task Budget

Cost: Brownfields Grant $48,186

c. Schedule

Task Start Date: October 1, 2019 (on-going) Task Completion Date: September 30, 2022

d. Deliverables

The deliverables may include:

- RFP/ RFQ, scopes of work, or other contractor selection documents
- Report describing Coalition administrative structure, roles and responsibilities
- Performance monitoring and reporting
- Training opportunities for Coalition members
- Quarterly Progress Reports, annual and interim Federal Financial Reports, Annual Minority Business Enterprise/Women-Owned Business Enterprise (MBE/WBE) Reports
- ACRES Reports
- Final Summary Report
- Project & Administrative Closeout

Task 2 - Community Engagement

a. Task Description

NACOG, with the assistance of the contractor, Coalition members and community partners, will engage their respective constituents and members to provide for timely interaction and meaningful community input for project planning and implementation activities. A project website, community meetings, social media posts, and engagement at local community events will all be utilized to provide project information and receive local input. Community input will be reviewed regularly by Coalition members to determine applicability to assessment, planning and revitalization efforts. Quarterly project updates will be posted on the project webpage and will also be provided to all Coalition members and community partners for distribution through their extensive networks of community members, business owners, developers and financial institutions. To provide opportunities for input the Coalition will coordinate meetings with those of other organizations, such as chambers of commerce, neighborhood associations, and municipal planning commissions, in order to maximize community education and participation. Early on in the implementation of the grant the Coalition will review and update the methods for site identification, prioritization and selection process previously utilized, placing a weighted emphasis on sites with the greatest potential for redevelopment.

NACOG will acknowledge EPA as a funding partner in outreach material produced under this grant (brochures, handouts, websites, etc.).

b. Task Budget

Cost: Brownfields Grant $27,000

c. Schedule – Community Outreach

Task Start Date: December 1, 2019 (on-going) Task Completion Date: September 30, 2022

d. Deliverables

Deliverables may include:

- Community outreach plan, including meeting frequency, total number of meetings, meeting locations (by February 2020)

- Fact sheets and other outreach materials (by March 30, 2020)
- Notes from outreach meetings and Coalition meetings (on-going)
- Project webpage for community outreach (Initial completed by March 30, 2020 with quarterly progress updates)
- Quarterly Coalition meetings

Task 3 – Site Assessment

a. Task Description

The contactor will prepare a master Quality Assurance Project Plan (QAPP) to be used as guidance for all assessment work under the grant. Prior to the selection of sites, which has not yet occurred, the Coalition will review and update the site identification, prioritization and selection process previously utilized, with a weighted emphasis on sites with the greatest potential for redevelopment. A property access agreement will be executed or each site to be assessed.

It is currently estimated that twenty-five Phase I Environmental Site Assessments (ESAs) (6 petroleum products and 19 hazardous substances) will be conducted on priority sites using ASTM E1527-13, which complies with All Appropriate Inquiry requirements found in 40 CFR 312. Phase I assessments estimated at a cost of $5,000 each.

Approximately eight Phase II ESAs (3 petroleum products and 5 hazardous substances) will be conducted on sites that have been identified through the Phase I ESA process**.** Work for each of these sites will include the preparation of a Field Sampling Plan, as well as Remedial planning activities for any sites that require clean up. Phase II assessments estimated at a cost of $40,000 each.

b. Task Budget

Cost: Brownfields Grant $461,000

c. Schedule

Task Start Date: February 1, 2020 Task Completion Date: March 30, 2022

d. Deliverables

Deliverables will include:

- Description of the site identification, prioritization and selection process
- Draft/Final QAPP
- Phase I ESA reports (estimated 25 total)
- Phase II ESA reports, including Field Sampling Plans and Remedial Plans for sites requiring clean up (estimated 8 total)

Task 4 – Inventory & Database Management

a. Task Description

New inventories will be prepared as needed during the lifecycle of the grant. In addition, existing inventories may be reviewed and updated, as applicable. This work will be performed by the contactor. NACOG, and its contractor, will manage the existing Coalition database via quarterly updates to track all property assessments and their progress during the lifecycle of the grant.

b. Task Budget

Cost: Brownfields Grant $61,500

c. Schedule

Task Start Date: February 1, 2020 Task Completion Date: September 30, 2022

d. Deliverables:

Deliverables will include:

- Update of existing brownfield inventories
- Conduct new brownfield inventories for new Coalition members
- Updated site assessment database for Coalition

E. Schedule of Milestones & Deliverables

Fiscal Year	Quarter	Quarterly Report Due	Milestones and Deliverables Due with Quarterly Report	Status
2020	1st	Jan 30th	• Quarterly Coalition meeting • Issue of RFP/RFQ • Select contractor • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	2nd	April 30th	• Quarterly Coalition meeting • Develop QAPP • Develop Community Outreach Plan (Feb. 2020) • Develop Project Website & Outreach Materials (Mar. 2020) • Update progress by Task • Update Budget summary	

			• Update ACRES database • Update Assessed Sites spreadsheet	
	3rd	July 30th	• Quarterly Coalition meeting • Conduct first round of community outreach meetings (at least Flagstaff, Camp Verde, Winslow) as defined in Outreach Plan • Identify initial sites for assessment • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	4th	Oct. 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet • Update MBE/WBE report • Submit SF-425 (12/31/20)	
2021	1st	Jan 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	2nd	April 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	3rd	July 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database	

			• Update Assessed Sites spreadsheet	
	4th	Oct. 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Quarterly Coalition meeting • Update Assessed Sites spreadsheet • Update MBE/WBE report • Submit SF-425 (12/31/21)	
2022	1st	Jan. 30	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	2nd	April 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	3rd	July 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet	
	4th	Oct. 30th	• Quarterly Coalition meeting • Update progress by Task • Update Budget summary • Update ACRES database • Update Assessed Sites spreadsheet • Update MBE/WBE report • Final SF-425 • Final Summary Report • Final Project & Administrative Closeout	

Ongoing	--	--	• Coalition Meetings • Community Outreach • Site Assessment & Planning	

F. Budget Summary

Budget Category	Task 1 - Project Oversight	Task 2 - Community Involvement	Task 3 - Site Assessment	Task 4 - Inventory & Database Management	Total
Personnel+Fringe: Petroleum	$ 9,360				$ 9,360
Personnel+Fringe: Hazardous	$ 18,720				$ 18,720
Travel: Petroleum	$ 6,000				$ 6,000
Travel: Hazardous	$ 12,000				$ 12,000
Contractual: Petroleum		$ 9,000	$ 158,000	$ 28,500	$ 195,500
Contractual: Hazardous		$ 18,000	$ 303,000	$ 33,000	$ 354,000
Indirect* Costs: Petroleum	$ 702				$ 702
Indirect* Costs: Hazardous	$ 1,404				$ 1,404
Total: Petroleum	**$ 16,062**	**$ 9,000**	**$ 158,000**	**$ 28,500**	**$ 211,562**
Total: Hazardous	**$ 32,124**	**$ 18,000**	**$ 303,000**	**$ 33,000**	**$ 386,124**
Combined Total	**$ 48,186**	**$ 27,000**	**$ 461,000**	**$ 61,500**	**$ 597,686**

* - Indirect Costs charged at 7.5% of total personnel and fringe per approved Indirect Cost Rate Agreement with U.S. Dept of Health & Human Services

G. Greening Grants

During the implementation of this grant NACOG will continue its use of videoconferencing to allow all Coalition members to participate in meetings without the need for vehicular travel since the members are located throughout a large geographic area. All meeting materials for Coalition meetings will be shared via electronic distribution only, eliminating the use of printing hard copy materials for meetings. NACOG also recycles at our office locations based on available recycling programs in communities where our offices are located throughout the region.

13. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

:

Co-Submitter: Bret Petersen

Co-Submitter: Bret Petersen

Date: 11/13/2019

Meeting Date: 11/19/2019

TITLE:

Consideration and Adoption of Resolution No. 2019-56: Arizona Department of Transportation (ADOT) Intergovernmental Agreement between the City of Flagstaff and ADOT for the Project Assessment (PA), 30% design plans, and cost estimate for additional bridge scoping work related to lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-56 by title only
2) City Clerk reads Resolution No. 2019-56 by title only (if approved above)
3) Adopt Resolution No. 2019-56

Executive Summary:

Approval of the IGA will authorize ADOT to administer a PA, provide 30% design plans, and a cost estimate for additional bridge scoping work related to lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road. Approval of the IGA will authorize the City to provide funds from the Transportation Tax Fund estimated at $107,850.00 for this work. The City will be responsible for any and all actual costs exceeding the initial estimate; however, if the actual amount is less than the initial estimate the difference between the final amount and initial estimate will be refunded to the City. Final design and construction costs will be addressed in a separate agreement.

Financial Impact:

This council action will approve $107,850.00 as outlined in the IGA. The City will be responsible for all additional costs related to the PA should actual costs exceed $107,850.00. Should the PA actual amount be less than the initial estimate the difference between the final amount and the initial estimate will be refunded to the City. The funding will be paid with Transportation Taxes within the budgeted line item in account #040-05-112-3355-6-4441.

Policy Impact:

There is no policy impact.

Connection to Council Goal, Regional Plan:

Council Goal 2017 – 2019 - Transportation and Other Public Infrastructure

Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

Regional Plan – Goal T.1.

Improve mobility and access throughout the region.

Regional Plan – Goal T.2.

Improve transportation safety and efficiency for all modes.

Regional Plan – Goal T.3.

Provide transportation infrastructure that is conducive to conservation, preservation, and development goals to avoid, minimize, or mitigate impacts on the natural and built environment.

Regional Plan – Goal T.8.

Establish a functional, safe, and aesthetic hierarchy of roads and streets.

Team Flagstaff Strategic Plan – Priority 3 || *Foster a Resilient and Economically Prosperous City*

Deliver outstanding services through a healthy environment, resources, and infrastructure.

Team Flagstaff Strategic Plan – Priority 4 || *Work in Partnership to Enhance a Safe and Livable Community*

Foster a safe, healthy, equitable, and accessible community.

Has There Been Previous Council Decision on This:

No specific Council action has been issued with this agreement.

Options and Alternatives:

1. Approve the IGA to authorize City funding to pay ADOT for work related to the project assessment, 30% design plans, and cost estimate for the lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road.
2. Reject the IGA and forfeit the opportunity to partner with ADOT on project assessment, 30% design plans, and cost estimate for the lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road.

Background/History:

ADOT has programmed and planned the design of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road. As such, ADOT has reached out to the City to accommodate the City's preferred roadway cross-section of total right-of-way on Lone Tree Road under Interstate 40.

By currently partnering with ADOT, the City's future Lone Tree Road cross-section width can be

accommodated by ADOT's new replacement bridges. This will allow the City the ability to construct, at a future date, the appropriate Lone Tree Road cross-section without having to modify the new Interstate 40 eastbound and westbound bridges.

The cost of this IGA is estimated at $107,850.00 for the PA, 30% design plans, and cost estimate for additional bridge scoping related to lengthening the current eastbound and westbound bridges on Interstate 40 over Lone Tree Road. Final design and construction costs will be addressed in a separate agreement and are not within the scope of this IGA.

Key Considerations:

Approval and execution of the IGA outlines the terms and conditions of this agreement and the responsibilities for the City. The agreed upon work described in the IGA will accommodate the City's future roadway cross-section width of Lone Tree Road. This will allow ADOT to program the City's roadway cross-section into the design of the new eastbound and westbound bridges on Interstate 40 over Lone Tree Road. ADOT will be administering the project, including the work described in the IGA.

Expanded Financial Considerations:

Funding for the IGA work, estimated at $107,850.00, will come from the Transportation Tax Fund in account 040-05-112-3355-6-4421 with a FY2020 budgeted amount of $250,000. The City will be responsible and pay for the difference between the estimated and actual costs for the PA, with a refund back to the City should the final amount be less than the $107,850.00 figure.

Community Benefits and Considerations:

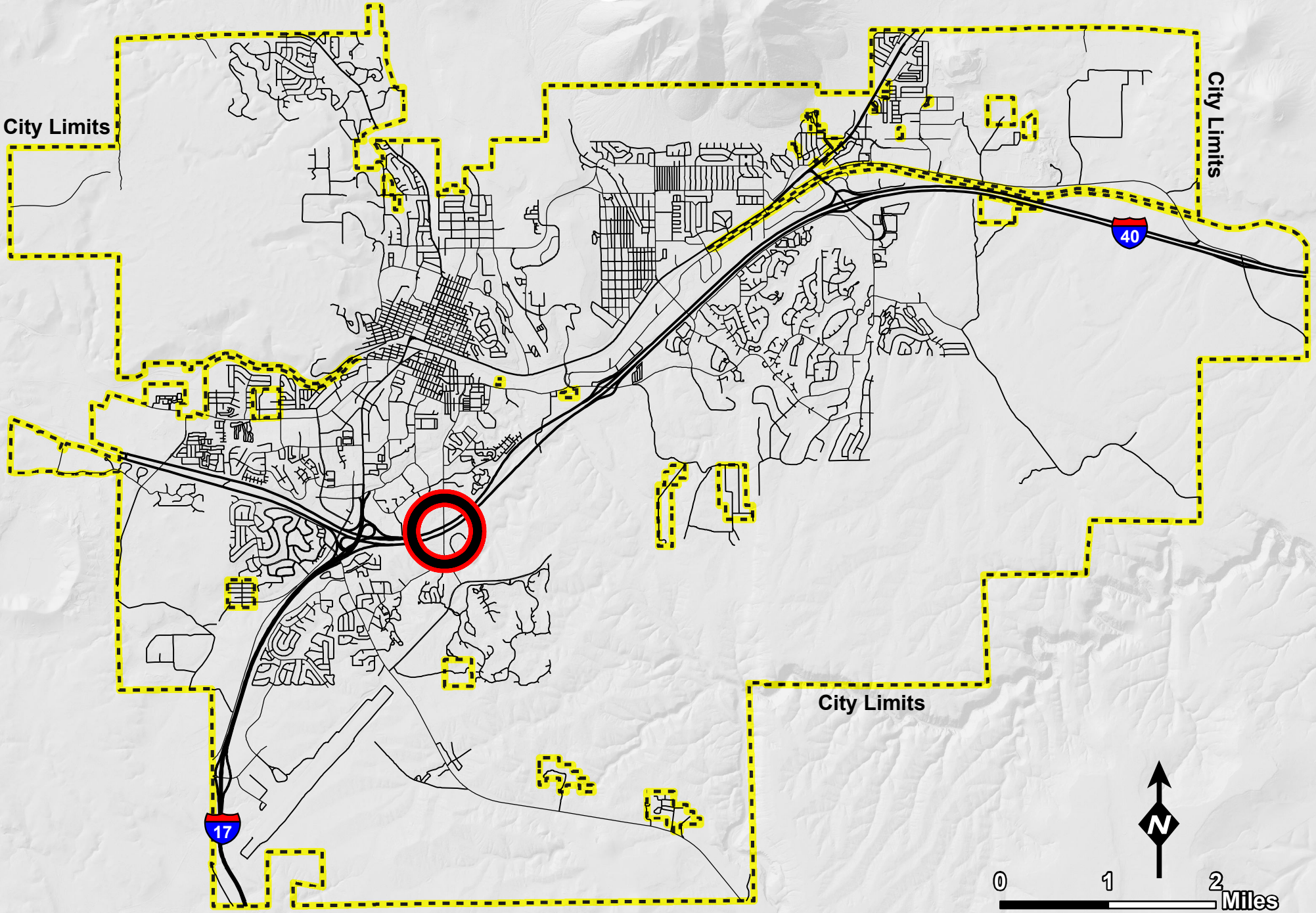
ADOT will be administering the project assessment, 30% design effort, and affiliated cost estimate.

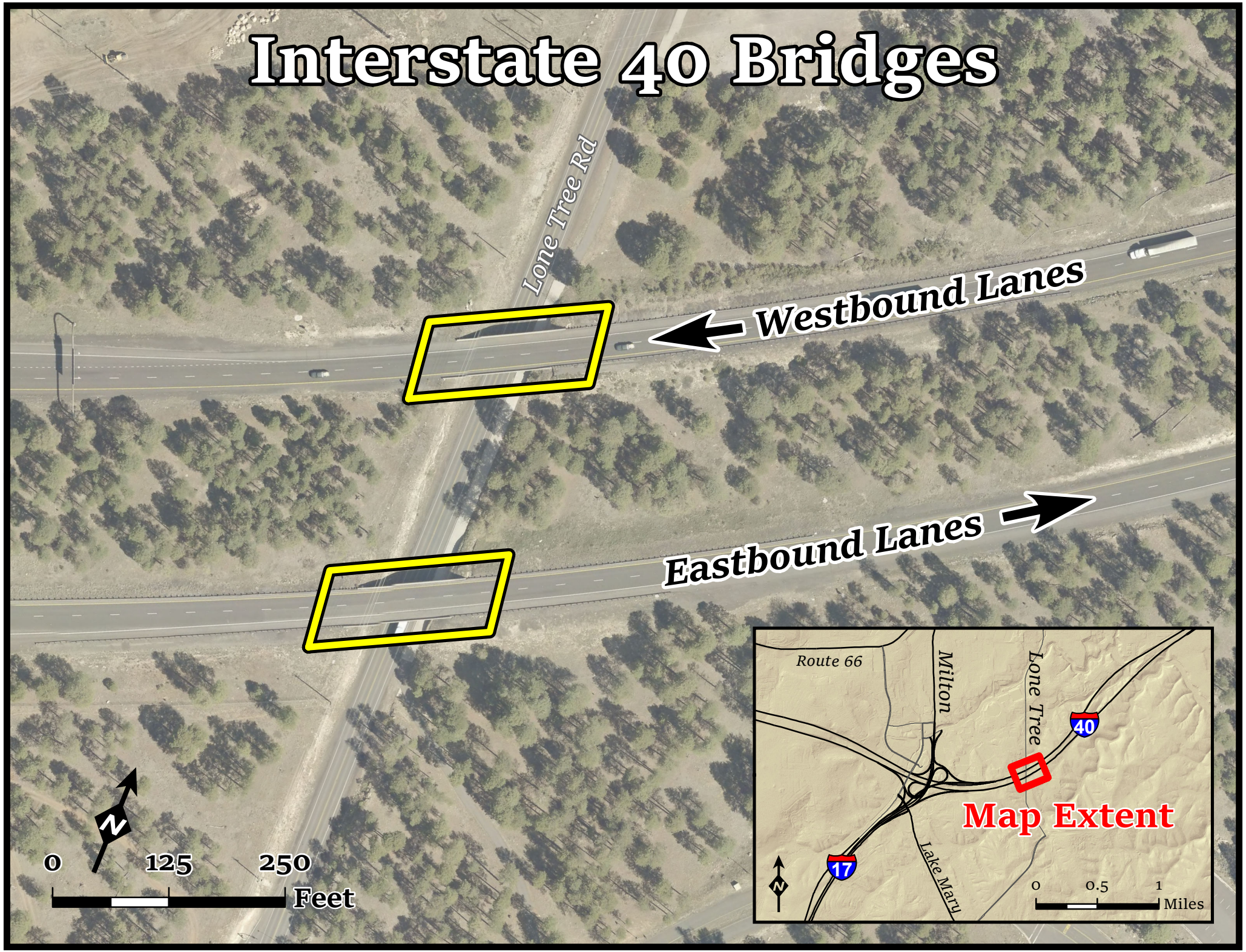
Expanded Options and Alternatives:

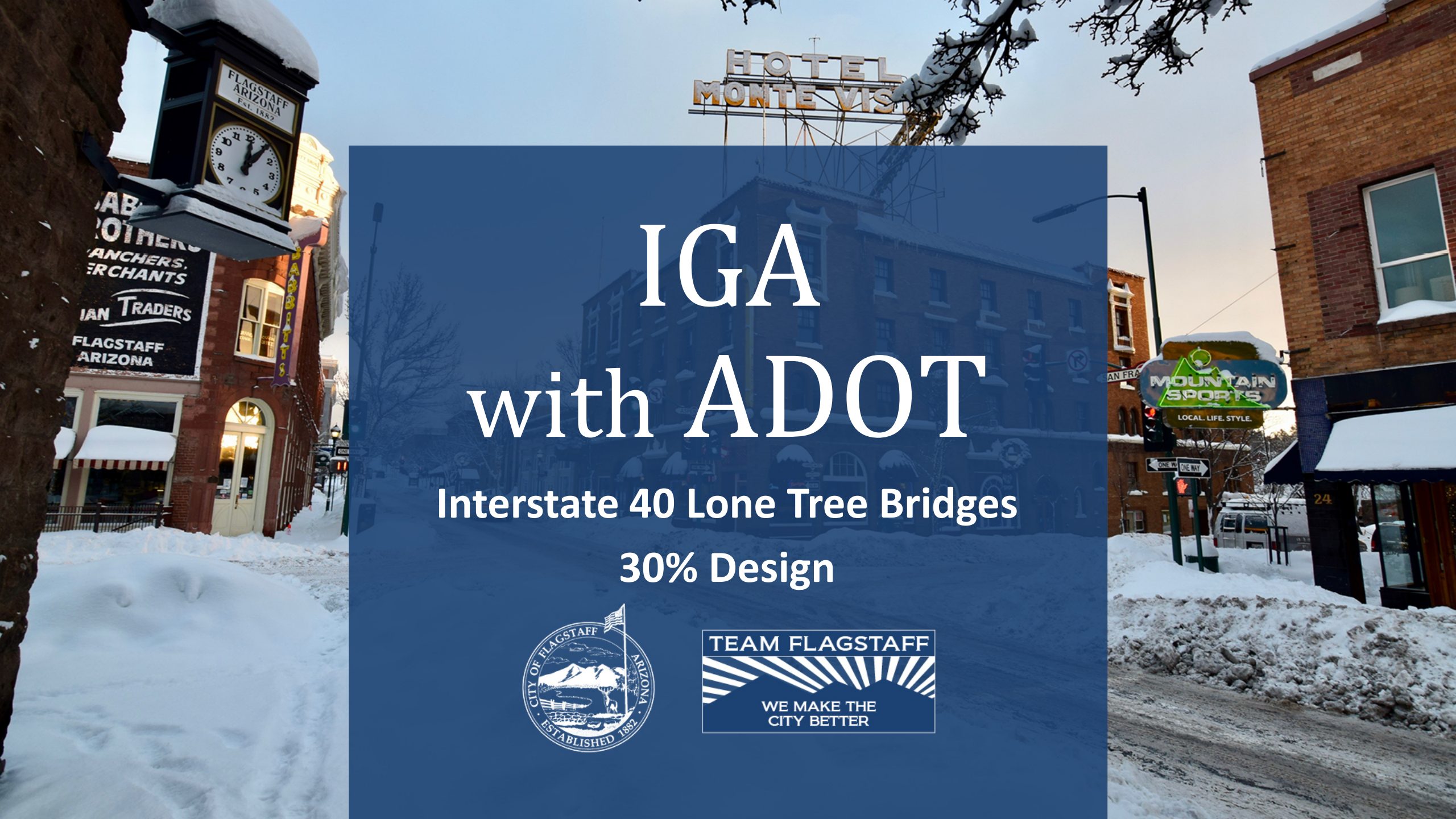
1. Approve the IGA to authorize City funding to pay ADOT to administer a project assessment, provide 30% design plans, and a cost estimate for additional bridge scoping work related to lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road.
2. Reject the IGA and forfeit the opportunity to partner with ADOT on project assessment, 30% design plans, and cost estimate for the lengthening of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road.

Attachments: Context Map
Larger-Scale Project Map
Presentation on IGA
IGA
Res. 2019-56

Interstate 40 Bridges at Lone Tree Road




Interstate 40 Bridges
Lone Tree Rd
Westbound Lanes
Eastbound Lanes
N
0
125
250
Feet
Route 66
Milton
Lone Tree
40
17
Lake Mary
Map Extent
N
0
0.5
1
Miles



IGA with ADOT

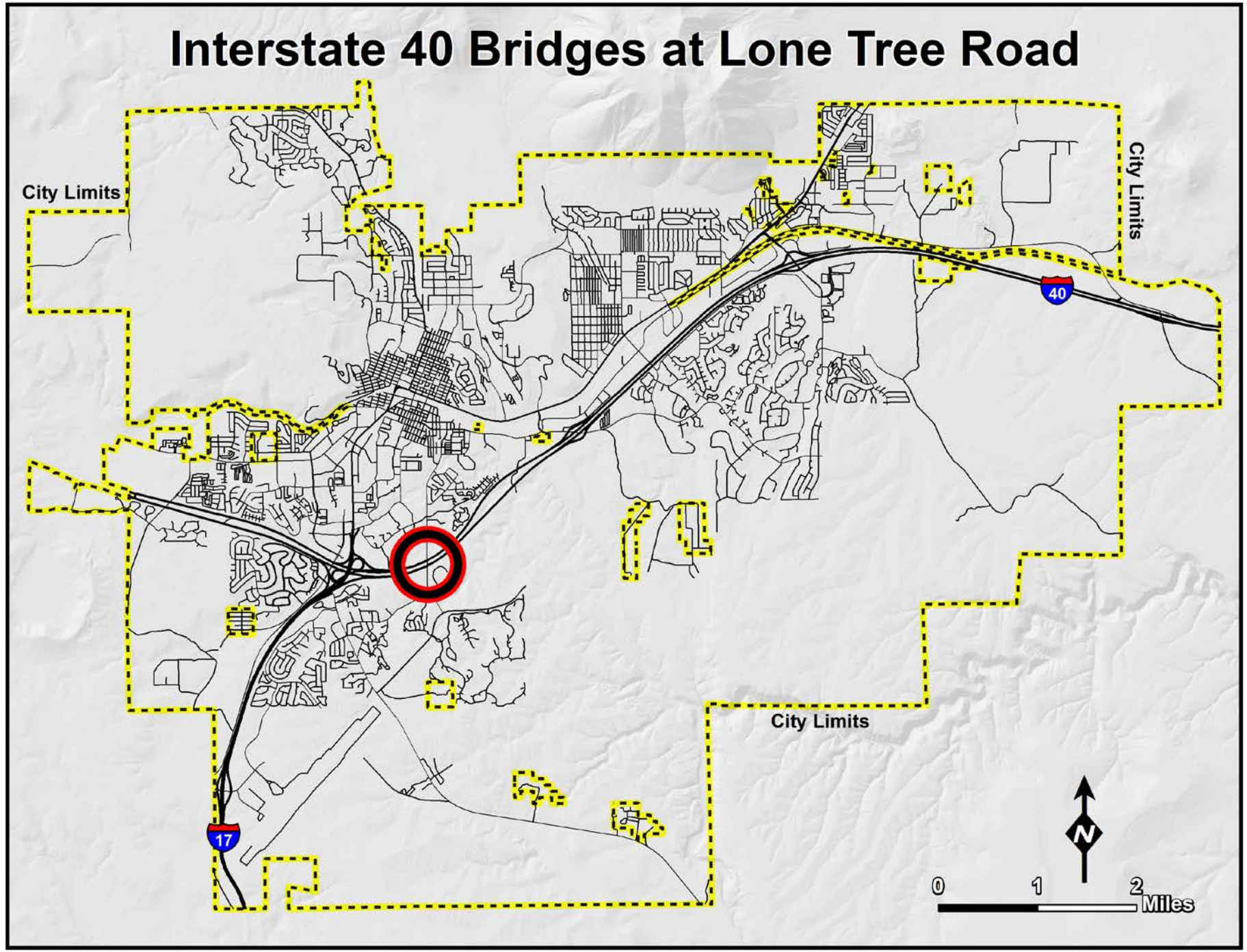
Interstate 40 Lone Tree Bridges

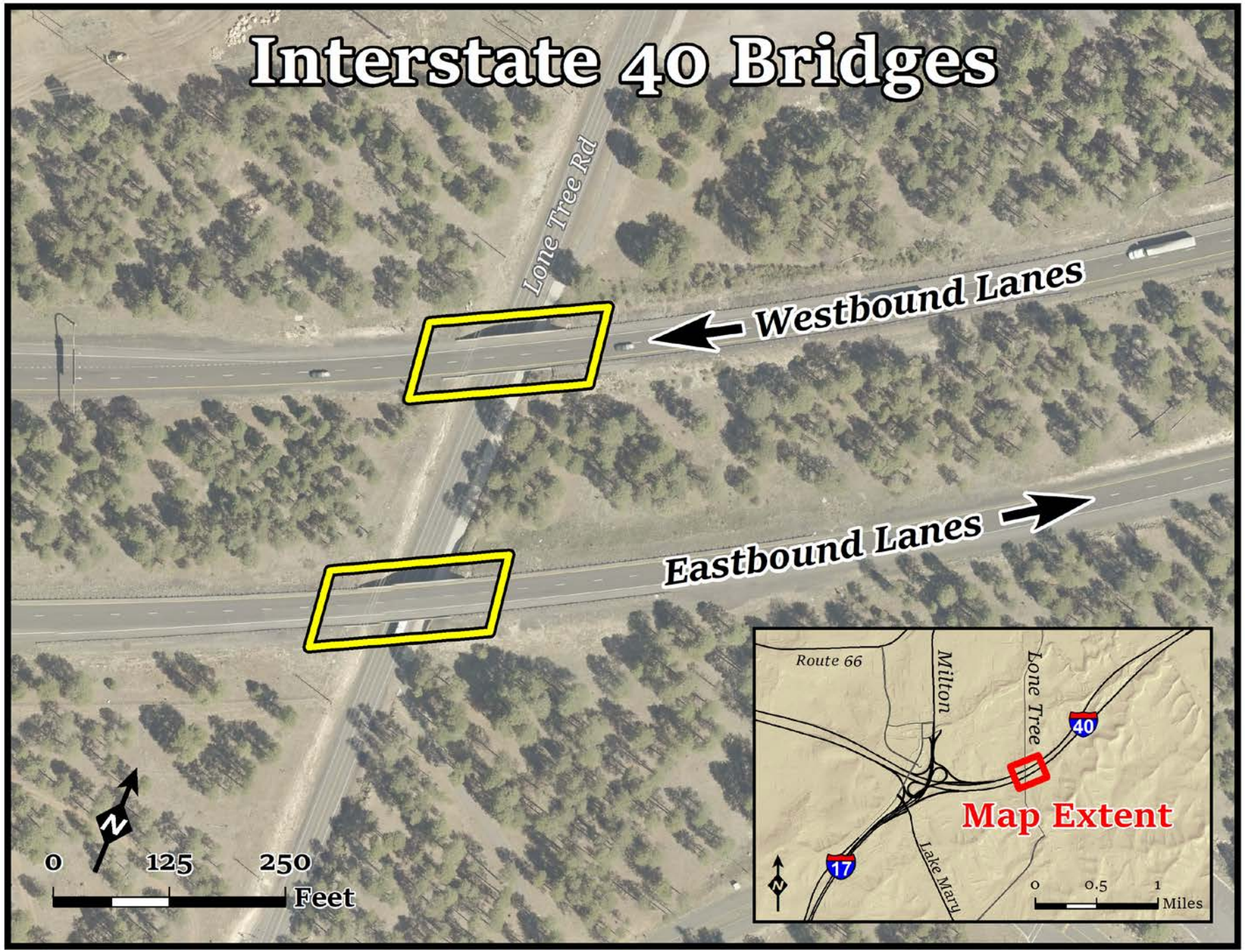
30% Design

CITY OF FLAGSTAFF · ARIZONA · ESTABLISHED 1882

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER


Interstate 40 Bridges at Lone Tree Road
City Limits
City Limits
City Limits
40
17
N
0
1
2
Miles


Interstate 40 Bridges
Lone Tree Rd
Westbound Lanes
Eastbound Lanes
N
0
125
250
Feet
Route 66
Milton
Lone Tree
40
Map Extent
17
Lake Mary
N
0
0.5
1
Miles

I-40 Bridges @ Lone Tree Road

IGA Details

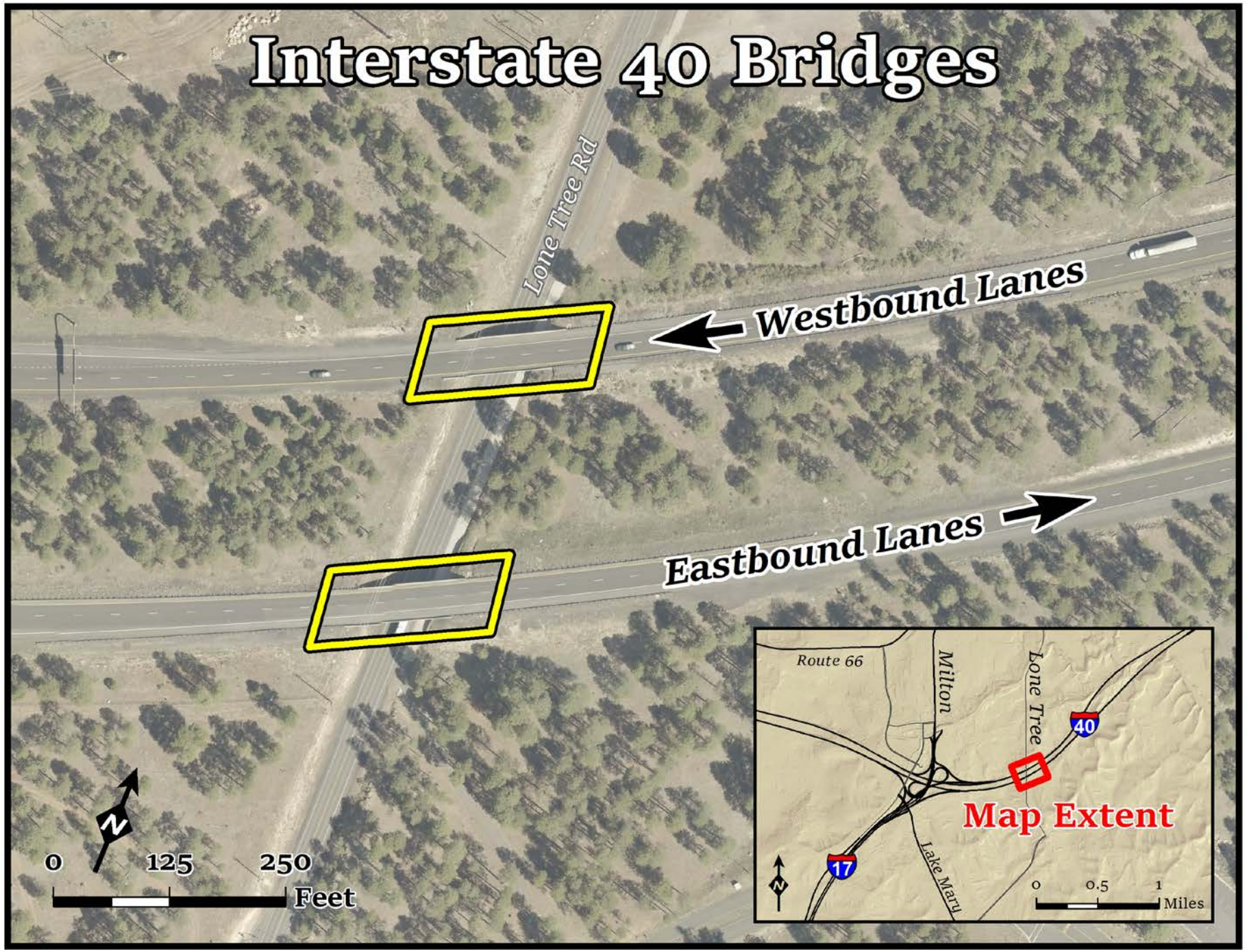
- **ADOT will administer on the City's behalf**
  - Project Assessment (PA)
  - 30% Design Plans
  - Cost estimate for additional bridge lengthening to accommodate the City's future width of Lone Tree Road
- **Project Assessment**
  - Will accommodate the City's preferred cross-section, at a total right-of-way on Lone Tree Road (under the I-40 Bridges)

I-40 Bridges @ Lone Tree Road

IGA Details

- **Cost estimated at $107,850.00**
  - City is responsible for additional costs related to PA
  - ADOT will notify City Staff of pricing changes as soon as possible, but before significant costs are incurred
  - If PA is less than estimate the difference will be refunded to City
- **Final Design and Construction will be covered in future IGAs**

Questions?


Interstate 40 Bridges
Lone Tree Rd
Westbound Lanes
Eastbound Lanes
N
0
125
250
Feet
Route 66
Milton
Lone Tree
40
Map Extent
17
Lake Mary
N
0
0.5
1
Miles

ADOT CAR No.: IGA 19-0007328-I
AG Contract No.: P001 2019 001342
Project Location/Name: I-40 Lone Tree Road OP Bridges
Type of Work: Project Assessment
Federal-aid No.: 040-C(227)T
ADOT Project No.: F0185 01D
TIP/STIP No.: NA
CFDA No.: 20.205 - Highway Planning and Construction
Budget Source Item No.: 8162

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF FLAGSTAFF

THIS AGREEMENT is entered into this date _____, pursuant to the Arizona Revised Statutes ("A.R.S.") §§ 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State" or "ADOT") and the CITY OF FLAGSTAFF, acting by and through its Mayor and City Council (the "City"). The State and the City are collectively referred to as "Parties."

I. RECITALS

1. The State is empowered by A.R.S. § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.

2. The City is empowered by A.R.S. § 48-572 to enter into this Agreement and has by resolution, a copy of which is attached and made a part of, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the City.

3. At the City's request, the State will administer a project assessment (PA), provide 30% design plans, and a cost estimate for additional bridge scoping work related to lengthening of the bridges on Interstate 40 ("I-40") eastbound and westbound over Lone Tree Road at approximately mile post 196.26, structure numbers 1180 and 1181, (the "PA"). The PA will accommodate the City's preferred cross-section, at a total right-of-way width on Lone Tree Road (under the I-40 bridges) of 98' to 102'. The City will pay to the State the estimated $107,850.00 for the PA costs and be responsible for all additional costs related to the PA. The final design and construction costs will be addressed in a separate agreement.

THEREFORE, in consideration of the mutual terms expressed in this Agreement, it is agreed as follows:

II. SCOPE OF WORK

1. The Parties agree:

   a. The final PA costs may exceed the initial estimate, and in such case, the City is responsible for, and agrees to pay, any and all actual costs exceeding the initial estimate. If the final PA amount is less than the initial estimate, the difference between the final amount and the initial estimate will be refunded to the City.

   b. The scope and costs for final design, construction and maintenance will be negotiated in a future intergovernmental agreement (IGA).

2. The State will:

   a. Execute this Agreement and be the City's authorized agent for the PA.

   b. After this Agreement is executed, invoice the City in the amount of $107,850.00, for the costs of the PA. After the PA has been finalized, the State will either invoice or reimburse the City for the difference between estimated and actual costs.

   c. Prepare and provide the 30% design plans, estimate, and other such documents and services requested by the City for decision making purposes, and incorporate comments from the City as appropriate.

   d. Notify the City of changes in pricing between the estimated and actual costs as soon as practicable, but before significant costs are incurred.

   e. Address any comments made by the City in regards to the draft PA.

   f. After addressing any comments made by the City, provide the City with a final PA, at which time the project will be deemed complete, subject to final invoicing or reimbursement and set forth below.

3. The City will:

   a. Designate the State as the City's authorized agent for the PA.

   b. After this Agreement becomes effective, within 30 days of receipt of an invoice from the State, pay to the State $107,850.00 for the PA costs. After the PA is complete, the State will either invoice or reimburse the City for the difference between estimated and actual costs of the PA.

   c. Provide the State with any information in its possession that is needed for the completion of the PA.

   d. Review the draft PA documents produced in the PA and provide comments to the State as appropriate.

e. Grant to the State, its agents and/or contractors, by way of right-of-way permit, without cost, the temporary right to enter City rights-of-way, as required, to conduct any and all preconstruction related activities for the PA, on, to and over said City rights-of-way. This temporary right will expire with completion of the PA.

f. Perform Subsurface Utility Engineering (SUE), Phase 1 in accordance with ASCE 38-02. This is the horizontal locating of all utilities within the project and showing the information on the 30% plans.

g. Provide final approval of the PA to the State after all the City's comments have been addressed.

III. MISCELLANEOUS PROVISIONS

1. Pursuant to this Agreement, the City designates ADOT as the City's authorized agent for the PA.

2. This Agreement shall become effective upon signing and dating of the Determination Letter by the State's Attorney General.

3. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of the PA and all related deposits and/or reimbursements are made.

4. This Agreement may be cancelled at any time prior to completion of the PA and after 30 days written notice to the other Party. It is understood and agreed that, in the event the City terminates this Agreement, the City shall be responsible for all costs incurred by the State up to the time of termination. It is further understood and agreed that in the event the City terminates this Agreement, the State shall in no way be obligated to complete the PA.

5. The City shall indemnify, defend, and hold harmless the State, any of its departments, agencies, officers or employees (collectively referred to in this paragraph as the "State") from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses (collectively referred to in this paragraph as the "Claims"), which may be brought or made against or incurred by the State on account of loss of or damage to any property or for injuries to or death of any person, to the extent caused by, arising out of, or contributed to, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of the City, its employees, officers, directors, agents, representatives, or contractors, their employees, agents, or representatives in connection with or incident to the performance of this Agreement. The City's obligations under this paragraph shall not extend to any Claims to the extent caused by the negligence of the State, except the obligation does apply to any negligence of the City which may be legally imputed to the State by virtue of the State's ownership or possession of land. The City's obligations under this paragraph shall survive the termination of this Agreement.

6. The Parties warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner,

the City shall provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

7. The City acknowledges and will comply with Title VI of the Civil Rights Act Of 1964.

8. This Agreement shall be governed by and construed in accordance with Arizona laws.

9. This Agreement may be cancelled in accordance with A.R.S. § 38-511.

10. The City shall retain all books, accounts, reports, files and other records relating to the Agreement for five years after completion of the PA. These documents shall be subject at all reasonable times to inspection and audit by the State. Such records shall be produced by the City at the request of ADOT.

11. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 35 and 36. The Parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated by reference regarding "Non-Discrimination."

12. Non-Availability of Funds: Every obligation of the State under this Agreement is conditioned upon the availability of funds appropriated or allocated for the fulfillment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which the funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments as a result of termination under this paragraph.

13. In the event of any controversy, which may arise out of this Agreement, the Parties agree to abide by arbitration as is set forth for public works contracts if required by A.R.S. § 12-1518.

14. The Parties shall comply with the applicable requirements of A.R.S. § 41-4401.

15. The Parties shall certify that all contractors comply with the applicable requirements of A.R.S. §35-393.01.[1]

16. The Parties shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

17. All notices or demands upon any Party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

[1] In *Jordahl v. Brnovich et al.*, Case No. 3:17-cv-08263 (D. Ariz.), the U.S. District Court entered a preliminary injunction that enjoins the State from enforcing A.R.S. § 35-393.01(A) (the "Anti-Israel Boycott Provision"). That statute states that: "[a] public entity may not enter into a contract with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel." Unless and until the District Court's injunction in *Jordahl* is stayed or lifted, the Anti-Israel Boycott Provision (A.R.S. § 35-393.01(A)) is unenforceable and the State will take no action to enforce it.

For Agreement Administration:

Arizona Department of Transportation
Joint Project Administration
205 S. 17th Avenue, Mail Drop 637E
Phoenix, Arizona 85007
JPABranch@azdot.gov

City of Flagstaff
Attn: Bret Petersen
211 W. Aspen Avenue
Flagstaff, AZ 86001
928.213.2680

For Project Administration:

Arizona Department of Transportation
Project Management Group
205 S. 17th Avenue, Mail Drop 614E
Phoenix, AZ 85007
PMG@azdot.gov

City of Flagstaff
Attn: Bret Petersen
211 W. Aspen Avenue
Flagstaff, AZ 86001
928.213.2680

For Financial Administration:

Arizona Department of Transportation
Project Management Group
205 S. 17th Avenue, Mail Drop 614E
Phoenix, AZ 85007
PMG@azdot.gov

City of Flagstaff
Attn: Brandi Suda
211 W. Aspen Avenue
Flagstaff, AZ 86001
928.213.2217

18. In accordance with A.R.S. § 11-952 (D), attached and incorporated in this Agreement is the written determination of each Party's legal counsel that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

CITY OF FLAGSTAFF

By _____
CORAL EVANS
Mayor

ATTEST:

By _____
STACY SALTZBURG
City Clerk

STATE OF ARIZONA
Department of Transportation

By _____
STEVE BOSCHEN, PE
Division Director

ATTORNEY APPROVAL FORM FOR THE CITY OF FLAGSTAFF

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its DEPARTMENT OF TRANSPORTATION, and the CITY OF FLAGSTAFF, an agreement among public agencies which, has been reviewed pursuant to Arizona Revised Statutes §§ 11-951 through 11-954 and declare this Agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this _____ day of _____, 2019.

_____

City Attorney

RESOLUTION NO. 2019-56

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF ARIZONA, DEPARTMENT OF TRANSPORTATION, AND THE CITY OF FLAGSTAFF FOR THE PROJECT ASSESSMENT, 30% DESIGN PLANS, AND COST ESTIMATE FOR ADDITIONAL BRIDGE SCOPING WORK RELATED TO LENGTHENING OF THE EASTBOUND AND WESTBOUND BRIDGES ON INTERSTATE 40 OVER LONE TREE ROAD.

RECITALS:

WHEREAS, the Arizona Department of Transportation ("ADOT") has programmed and planned the design of the eastbound and westbound bridges on Interstate 40 over Lone Tree Road and the City desires to partner with ADOT so that the City's future Lone Tree Road cross-section width can be accommodated by ADOT's new replacement bridges, enabling the City to construct, at a future date, the appropriate Lone Tree Road cross-section without having to modify the new Interstate 40 eastbound and westbound bridges; and

WHEREAS, the ADOT and the City of Flagstaff desire to enter into an intergovernmental agreement to further this partnership for the project assessment, 30% design plans and cost estimate for additional bridge scoping work related to lengthening of the eastbound and westbound bridges on interstate 40 over Lone Tree Road; and

WHEREAS, approval of the IGA will authorize the City to provide funds to ADOT in the amount of $107,850 for described work.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between the State of Arizona, Department of Transportation, and the City of Flagstaff, Arizona, attached hereto as Exhibit A, which shall become effective upon the date set forth in the Agreement ("Effective Date").

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of November, 2019.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

13. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

:

Date: 11/13/2019

Meeting Date: 11/19/2019

TITLE:

Consideration and Adoption of Resolution No. 2019-54: A resolution of the Flagstaff City Council, approving an intergovernmental agreement between the Summit Fire and Medical District; the Highlands Fire District; and the City of Flagstaff for joint hiring and promotional processes.

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-54 by title only
2) City Clerk reads Resolution No. 2019-54 by title only (if approved above)
3) Adopt Resolution No. 2019-54

Executive Summary:

The parties to this agreement wish to expand interagency cooperation to include hiring new firefighters and conducting promotional exams. Hiring and promoting processes can be taxing and labor intensive, especially conducting hiring processes for new firefighters. The IGA allows for greater efficiency for the parties and a standardization of processes among the partners to improve results towards hiring and promoting the best candidates while maintaining our shared desire to be non-discriminatory and equal opportunity employers.

Financial Impact:

None

Policy Impact:

No identified policy impacts from this IGA.

Connection to Council Goal, Regional Plan:

City Council Goals 2017-2019

- Personnel: Attract and retain quality staff.
- Social Justice: Advance Social Justice in our community.

Team Flagstaff Strategic Plan 2017

- Strategic priority #1: Provide exceptional service.

- Strategic priority #4: Work in partnership to enhance a safe and livable community.

General Plan

- Goal PF.I. Work across all government operations and services to prepare for the impacts of natural and human caused hazards.
- Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.

Has There Been Previous Council Decision on This:

While not specific to human resource processes, the City Council has entered into several collaborative opportunities to the benefit of public and firefighter safety.

- December 2015 City entered into an IGA with the Summit Fire and Medical District for management services.
- December 2017 City extended the 2015 IGA with Summit Fire Medical District for management services.
- June 2018 City entered into a mutual aid agreement with seven regional fire departments.
- September 2018 City entered into a 5-year IGA for expanded functional consolidation with the Summit Fire and Medical District.

Community Benefits and Considerations:

The intent of the IGA is to work collaboratively with our partners to conduct hiring and promotional processes that yield the best results in the most efficient manner possible.

Hiring.

As demonstrated by Addendum B of the IGA, firefighter hiring and selection is a multi-faceted and arduous process both in terms of process requirements and impacts to the applicants. The opportunity to share resources and streamline the process is an efficiency to each participant organization and to the actual applicants. When fire departments engaged in this IGA participate in hiring, there is one physical agility test, not multiple. There will be one peer interview not multiple. The Greater Flagstaff Region's goal in this IGA is to attract and hire the best candidates and keep them in our region.

Promotions.

The IGA further describes a mechanism in Addendum E by which the participants may choose to cooperate in promotional assessment centers. Assessment Centers are a reliable method for the promotion of skilled and management positions based upon demonstrated skills and using outside and unbiased observers with the required backgrounds to participate in the assessment. As such, there are expenses to the conduct of this type of promotional process that benefits from interagency collaboration. The results of the collaboration are improved standardization of knowledge, skills and abilities used in determination of promotional lists and reduced costs and efforts to achieve them.

Participation in shared hiring and promotional processes is elective on a case by case basis.

Attachments: Res. 2019-54
Joint Hiring IGA

RESOLUTION NO. 2019-54

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE SUMMIT FIRE AND MEDICAL DISTRICT, THE HIGHLANDS FIRE DISTRICT AND THE CITY OF FLAGSTAFF FOR JOINT HIRING AND PROMOTIONAL PROCESSES.

RECITALS:

WHEREAS, the Highlands Fire District, the Summit Fire and Medical District and City of Flagstaff desire to enter into an intergovernmental agreement for joint hiring and promotional processes;

WHEREAS, the PARTIES desire to enter into this Agreement for a Joint Hiring and Promotion Processes; and

WHEREAS, the PARTIES recognize the importance of interagency cooperation; and

WHEREAS, the PARTIES participate in the "Cooperative Greater Flagstaff Area Fire Agencies All Risk Emergency Intergovernmental Agreement," an IGA intended to maximize interagency cooperation to include training; and

WHEREAS, the PARTIES of this agreement make up the Greater Flagstaff Region Hiring and Promotion Group (GFR Hiring and Promotion Group) comprised of the Fire Chiefs of the Departments participating; and

WHEREAS, the PARTIES concur that working collaboratively yields the highest levels of services in conjunction with the most effective use of local fire, rescue, and emergency medical department resources; and

WHEREAS, the PARTIES recognize that a Joint Hiring and Promotion Process will assist the PARTIES in recruiting, selecting, and promoting the most qualified candidates.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between Highlands Fire District, the Summit Fire and Medical District and the City of Flagstaff, Arizona, attached hereto as Exhibit A, which shall become effective upon the date first executed by both parties ("Effective Date").

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of November, 2019.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:
IGA

INTERGOVERNMENTAL AGREEMENT
FOR JOINT HIRING AND PROMOTIONAL PROCESS

between

the City of Flagstaff

and

_____

This intergovernmental agreement ("Agreement") is entered into this ___ day of _____, ____, between the City of Flagstaff ("CITY"), an Arizona municipal corporation, with offices at 211 W. Aspen Avenue, Flagstaff, Arizona, and Highlands Fire District, Pinewood Fire District, Ponderosa Fire District, and Summit Fire and Medical District ("GREATER FLAGSTAFF REGION HIRING AND PROMOTION GROUP"), all of which are independent political subdivisions of the State of Arizona, duly organized and administered pursuant to Chapter 5 of Title 48 of the Arizona Revised Statutes (all of the foregoing entities hereafter collectively together referred to as the "PARTIES OR PARTY").

RECITALS

A. The PARTIES desire to enter into this Agreement for a Joint Hiring and Promotion Processes; and

B. The PARTIES recognize the importance of interagency cooperation; and

C. The PARTIES participate in the "Cooperative Greater Flagstaff Area Fire Agencies All Risk Emergency Intergovernmental Agreement," an IGA intended to maximize interagency cooperation to include training; and

D. The PARTIES of this agreement make up the Greater Flagstaff Region Hiring and Promotion Group (GFR Hiring and Promotion Group) comprised of the Fire Chiefs of the Departments participating; and

E. The PARTIES concur that working collaboratively yields the highest levels of services in conjunction with the most effective use of local fire, rescue, and emergency medical department resources; and

F. The PARTIES recognize that a Joint Hiring and Promotion Process will assist the PARTIES in recruiting, selecting, and promoting the most qualified candidates.

NOW THEREFORE, pursuant to A.R.S. § 11-952, authorizing contracts between public agencies for services or the joint exercise of powers common to both, and the inherent powers of each party to protect the health and welfare of its constituents, for and in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

AGREEMENT

1. Purpose

The purpose of this Agreement is to set forth the process and agreement between the PARTIES for the Joint Hiring and Promotional Processes to pool resources and recruit, hire and promote qualified candidates for each PARTY.

2. Scope

The PARTIES agree to confer and develop a Joint Hiring Process that will be attached and incorporated as Addendum A/to this agreement which sets forth the process for the joint hiring and selection of qualified candidates for the position of Firefighter/EMT and/or Firefighter/Paramedic. Addendum B which is attached and incorporated into this agreement is a flow chart visual representation of the process set forth in Addendum A. The process described in Addendums A and B may be amended by the unanimous agreement of the Fire Chiefs of the Departments that are parties to this agreement and the City of Flagstaff Human Resources Division.

The PARTIES agree to confer and develop a Joint Promotion Process that will be attached and incorporated as Addendum D. Addendum E which is attached and incorporated into this agreement is a flow chart visual representation of the process set forth in Addendum D to this agreement which sets forth the process for the joint promotion process to select and promote qualified candidates for the positions of, Engineer, Captain, and Battalion Chief. The process described in Addendums E and D may be amended by the unanimous agreement of the Fire Chiefs of the Departments that are parties to this agreement and the City of Flagstaff Human Resources Division.

The personnel from the different PARTIES who participate in the Joint Hiring Process shall be familiar with and shall follow the Greater Flagstaff Region Hiring Group Interview Panel Guidelines attached and incorporated as Addendum C, while participating in the Joint Hiring Process. Addendum C may be amended by the unanimous agreement of the Fire Chiefs of the Departments that are parties to this agreement and the City of Flagstaff Human Resources Division.

3. Indemnification

Each PARTY to this Agreement shall indemnify, defend and hold harmless the other PARTIES, their members, directors, officers, employees, agents, attorneys and assigns from and against any and all claims, losses, liability, costs or expenses resulting from the negligence or willful misconduct of the indemnifying PARTY or PARTIES, provided however, nothing herein shall be construed to expand the liability of any PARTY or its employees beyond the gross negligence/intentional misconduct standard applicable to emergency medical technicians or paramedics providing emergency medical aid as provided for in A.R.S. §48-818. This indemnification shall survive termination of this Agreement or the termination of the participation of any of its PARTIES.

4. Liability Insurance

Each PARTY shall bear the risk of its own actions and shall determine for itself an appropriate level of liability insurance coverage and maintain such coverage. Nothing in this Agreement shall be construed as a waiver of any limitation on liability that may apply to a PARTY.

5. Effective Date; Term; Effect of Termination on Remaining PARTIES; Renewal

A. Effective Date. This Agreement will become effective for each PARTY after approval by its governing body (the "Effective Date").

B. Term. Except as otherwise provided in this Agreement, this Agreement will remain in effect for a period of five years, unless extended or terminated by action of the PARTIES.

C. Termination. Any PARTY may terminate its participation in this Agreement by providing the other PARTY (or PARTIES) thirty (30) days written notice. Termination by one or more

of the PARTIES to this Agreement shall not affect the operation of the Agreement as between the other PARTIES thereto.

D. Renewal. This Agreement may be renewed for two (2) additional five (5) year periods, subject to agreement by the PARTIES. For the City of Flagstaff, the City Manager shall be authorized to approve such renewals.

6. Cancellation for Conflict of Interest

This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.

7. Compliance with All Laws

Each PARTY shall comply with all federal, state, and local laws, rules and regulations.

8. Execution Procedure

This Agreement will be executed in counterparts by the governing body of each PARTY.

9. Non-Discrimination

Each PARTY warrants that it complies with any state and federal laws, rules and regulations which mandate that all persons, regardless of race, color, pregnancy, religion, sex, sexual orientation, gender identify, genetic information, age, national origin, disability, veterans status, care-giving responsibilities, or familial status shall have equal access to employment opportunities. Each PARTY shall take affirmative action to ensure that it will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Pregnancy Discrimination Act of 1978, Americans with Disabilities Act of 2008 as amended, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, Age Discrimination and Employment Act of 1967 as amended, Genetic Information Nondiscrimination Act of 2008.

10. Legal Arizona Workers Act Compliance

PARTIES are required to comply with A.R.S. §41-4401, and hereby warrants that they will, at all times during the term of this Agreement, comply with all federal immigration laws applicable to the employment of their respective employees, the requirements of A.R.S. §41-4401, and with the e-verification requirements of A.R.S. §23-214(A) (together the "state and federal immigration laws"). Parties further agree to ensure that each subcontractor that performs any work under this Agreement likewise complies with the state and federal immigration laws.

A breach of a warranty regarding compliance with the state and federal immigration laws shall be deemed a material breach of the Agreement and the Party who breaches may be subject to penalties up to and including termination of the Agreement.

Each Party retains the legal right to inspect the papers of any contractor or subcontract employee working under the terms of the Agreement to ensure that the other Party is complying with the warranties regarding compliance with the state and federal immigration laws.

11. Non-appropriation

This Agreement shall be subject to shared costs which may include but is not limited to human resources personnel, legal personnel, and advertising, and to available funding for each PARTY,

and nothing in this Agreement shall bind any PARTY to expenditures in excess of funds appropriated and allotted for the purposes outlined in this Agreement.

12. No Third Party Beneficiaries

The PARTIES acknowledge and agree that the terms, provisions, conditions, and obligations of this Agreement are for the sole benefit of, and may be enforceable solely by, the PARTIES, and none of the terms, provisions, conditions, and obligations of this Agreement are for the benefit of, or may be enforced by, any person or entity not a PARTY to this Agreement.

13. Right to Enter into Additional Agreements

The PARTIES to this Agreement are not precluded from participating in additional or supplemental IGA's or contracts as deemed appropriate by the PARTIES. Nothing in this Agreement shall limit the ability of a PARTY to provide or collaborate with another jurisdiction, which is not a participant in this Agreement.

14. Waiver of Potential Conflict

The HIGHLANDS FIRE DISTRICT and the SUMMIT FIRE & MEDICAL DISTRICT (these foregoing hereafter collectively referred to as the "jointly-represented parties") consent to the Coconino County Attorney's Office representing all of them jointly, and acknowledge that they have all been advised of the potential for conflicts of interest, including the specific advantages and risks involved with joint representation, and potential consequences that would be created by future conflicts, if any should arise. For instance, these jointly-represented parties were instructed that although joint representation could yield a cost savings on attorneys' fees and also result in easier coordination, no one party's interests could be advocated above that of the others by the attorney. It was explained to all of the jointly-represented parties that this could result in less favorable terms for either one or another of them, because negotiations could not be conducted in a partisan manner with the assistance of counsel as between and amongst the jointly-represented parties. It was further explained to the jointly-represented parties that as amongst them only, joint representation would result in the loss of confidentiality as to each other with regard to the subject matter of the joint representation. It was further explained that if the joint representation should result in an irreconcilable conflict in the future, which either required or resulted in one or more of their number filing a lawsuit against one or more of the others with respect to the subject matter of the joint representation, or else resulted from another non-waivable conflict, then the Coconino County Attorney's Office would be required to withdraw from representing all parties involved with the irreconcilable and non-waivable conflict, and all such parties involved therewith would have to incur the expense of retaining new replacement counsel. The jointly-represented parties additionally acknowledge that they have been advised and are aware that the Coconino County Attorney does represent several fire districts, including the undersigned. The jointly-represented parties additionally acknowledge that they have the right to have independent counsel review this Agreement and/or the Coconino County Attorney's Office's joint representation in this matter, and all of the jointly-represented parties hereby acknowledge that they have consulted such counsel or have waived the right to consult such counsel. The jointly-represented parties further acknowledge that they understand their rights, and notwithstanding this disclosure, do hereby confirm their waiver any conflict of interest that may arise by reason of the Coconino County Attorney's Office's

representation of the undersigned in this matter, and consent to the joint representation of all of the jointly-represented parties by the Coconino County Attorney's Office.

15. Signatures

Each PARTY represents and warrants that all necessary approvals for this Agreement have been obtained, and the persons whose signatures appear below have the authority necessary to execute this Agreement on behalf of the PARTIES indicated.

City of Flagstaff

_____
Mayor

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney

Date of formal approval by governing body:

_____

INTERGOVERNMENTAL AGREEMENT
FOR JOINT HIRING PROCESS

Signature Page

IN WITNESS WHEREOF, the PARTIES each sign this Intergovernmental Agreement on a separate signature page. The signatories warrant that they have been duly authorized to bind the jurisdiction to the terms and conditions in this Agreement by formal approval of the jurisdiction's governing body.

PARTY:

Highlands Fire District
Authorized signatory:

_____
Name: _____
Title: _____

Attest:

_____
Name: _____
Title: _____

Date of formal approval by governing body:

_____

Highlands Fire District
Authorized signatory:

_____
Name: _____
Title: _____

Attest:

_____
Name: _____
Title: _____

Date of formal approval by governing body:

_____

Attorney's Approval:

_____
Name: Brian Y. Furuya,
Title: Attorney for Highlands Fire District
Attorney for Summit Fire & Medical District

Addendum A
Joint Hiring Process

The PARTIES, who have vacant, funded positions to fill, will participate in the following steps of the Joint Hiring Process:

1. Advertisement and posting for Joint Hiring Process
2. Written Test
3. Employment Application
4. Matrix
5. Physical Agility Test
6. Peer Interviews
7. Ranked List of Candidates

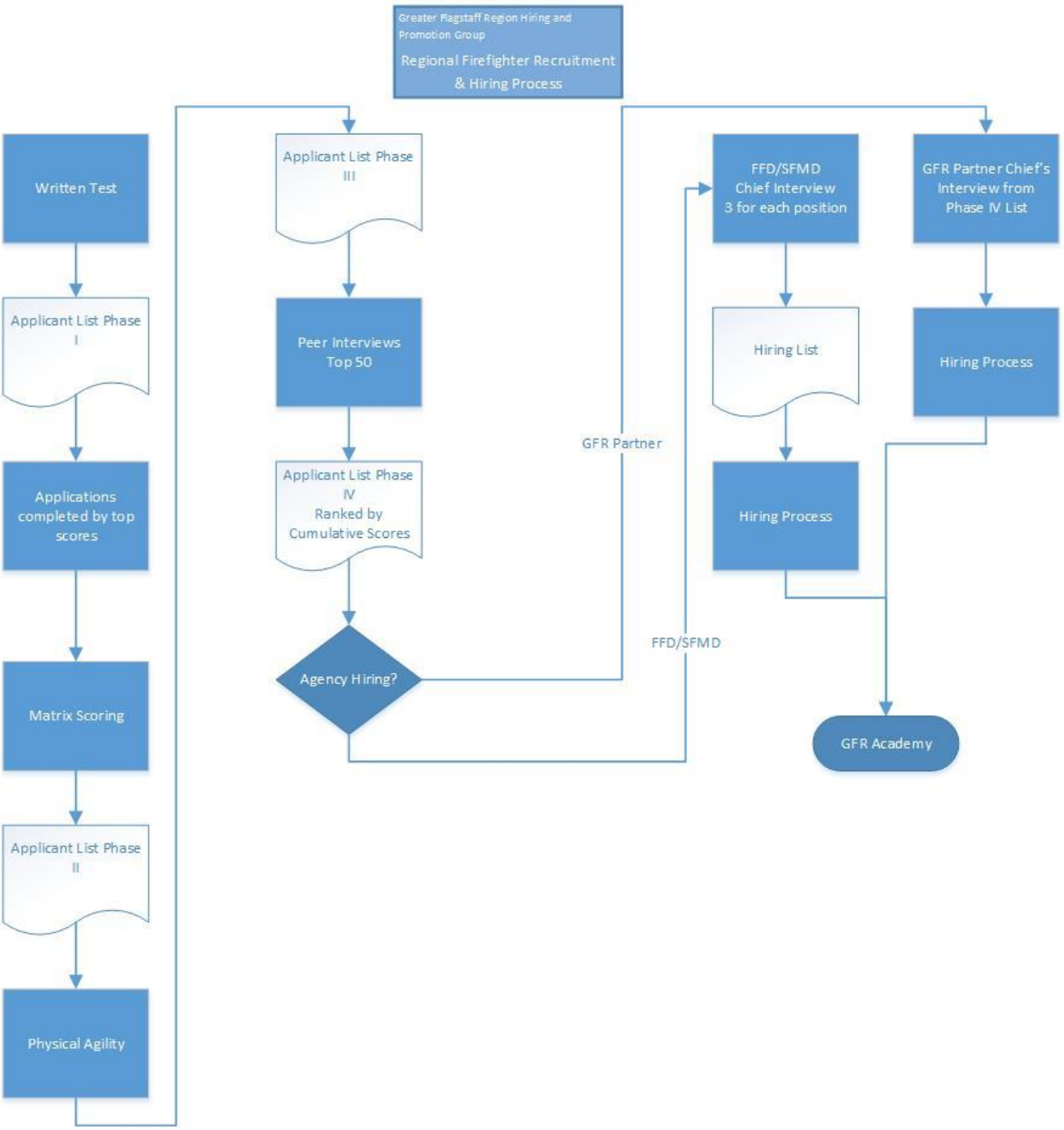
The PARTIES, who have vacant, funded positions to fill, will provide personnel to participate in the assessment of the Employment Application, Matrix, Physical Agility Test, and the Peer Interviews. The personnel from the different PARTIES who participate in the Joint Hiring Process shall be familiar with and shall follow the Greater Flagstaff Region Hiring Group Interview Panel Guidelines in Addendum C, while participating in the Joint Hiring Process.

The Fire Chiefs of those agencies who are participating in that Joint Hiring Process and the City of Flagstaff Human Resources Department shall develop the Matrix to be used during that Joint Hiring Process. The Fire Chiefs of the participating agencies will be provided copies of candidate testing and matrix results. The number of applicants who will move on to the next phase of the Joint Hiring Process will be agreed upon by the PARTIES who are participating in that Joint Hiring Process.

The cumulative scores including the Written Test, Matrix, Physical Agility Test, and Peer Interviews are calculated and ranked. The Ranked List of Candidates will be provided to each PARTY who have vacant, funded position to fill and who are participating in the Joint Hiring Process.

Each PARTY will use the Ranked List of Candidates to separately complete the final step in their agency's hiring process. The PARTIES shall not confer in the final step of the process or share information obtained in the final step of the process but will coordinate the timing of the final step. However, the single Fire Chief for the City of Flagstaff and the Summit Fire and Medial District may jointly conduct the Executive Fire Chief Interview pursuant to the Intergovernmental Agreement for Shared Services between the City of Flagstaff and Summit Fire and Medical District Section 5.4.2 as seen in Addendum B Joint Hiring .

Addendum B


Greater Flagstaff Region Hiring and Promotion Group
Regional Firefighter Recruitment & Hiring Process
Written Test
Applicant List Phase I
Applications completed by top scores
Matrix Scoring
Applicant List Phase II
Physical Agility
Applicant List Phase III
Peer Interviews Top 50
Applicant List Phase IV Ranked by Cumulative Scores
Agency Hiring?
GFR Partner
FFD/SFMD
FFD/SFMD Chief Interview 3 for each position
Hiring List
Hiring Process
GFR Partner Chief's Interview from Phase IV List
Hiring Process
GFR Academy

Addendum C
Greater Flagstaff Region Hiring Group
Interview Panel Guidelines

Position Title: _____
Panel Chair: _____ Date: _____

Introduction:

- ❑ Thank you panel members for agreeing to participate on the panel.
- ❑ The Chair's role will be to introduce the candidates to the panel, start and keep the interviews moving, and explain the next steps in the process.

Recommendations:

- ✓ Treat all candidates the same.
- ✓ Keep the atmosphere relaxed.
- ✓ Practice good listening skills and let the candidate do most of the talking.
- ✓ Let candidate know that you will be taking notes.
- ✓ Discourage rambling by explaining the time limit and the number of questions at the beginning of the interview. It is okay to cut someone off if they are taking too much time on any one question.
- ✓ Avoid commenting on the candidate's responses, for example, "Great Answer".

Panel's Charge:

- ❑ You will provide the hiring supervisor with your recommendation for the most highly qualified candidate(s) for the position. When the panel comes to a consensus on the scoring of candidates, these scores are provided to Human Resources. These scores are given to Human Resources who will use your recommendation, as well as other factors, in finalizing a ranked list for the participating departments.
- ❑ Remember that interviews are considered tests under the EEOC and as such must be job related, administered fairly, and not be discriminatory.
- ❑ Each candidate will be asked the same questions. You may ask follow-up questions to clarify answers, but not to explore new areas or lead the candidate to a particular answer.
- ❑ Document and objectively evaluate each candidate's answer. Notes should provide a record of what the candidate said, how well the question was answered, and the likelihood for success in the position based on the candidate's response. Your notes will be collected at the end of the interview process. Remember not to include any information that isn't job related in your notes as they may be used in any EEOC investigations or in the event of a public record request.
- ❑ Be sure to secure panel materials (i.e. applications, questions, hiring summaries, etc.) if you will be leaving for lunch. Return all materials to Human Resources at the conclusion of the interviews.
- ❑ Interviews should be considered confidential and you should not discuss candidates' performance or the process with anyone other than Human Resources, other panel members, or the hiring authority. Also, remember that if there are any internal candidates that you should not share any information regarding their candidacy with others inside or outside the organization.

Panel's Conduct:

- ❑ The City Of Flagstaff is a Tobacco and Smoke Free Workplace. Tobacco and use of electronic cigarettes are prohibited in all city property including indoor, outdoor work areas, buildings and city vehicles. Tobacco products include cigarettes, e-cigarettes, pipes, cigars, and chewing tobacco, etc. Electronic cigarette is any product containing or delivering nicotine or any other similar substance and includes e-cigarette, e-cigar, e-pipe, e-hookah, or vape pen.
- ❑ The GFR prohibits discrimination and harassment and is an equal employment opportunity employer.
    - Discrimination means to exclude individuals from an opportunity or participation in any activity because of race, color, religion, sex, pregnancy, national origin, age, disability, genetic information, sexual orientation, gender identity, veteran status, familial status, care giving responsibilities, and occurs whenever similarly situated individuals of a different group are accorded different and/or unequal treatment in the context of a similar situation.
    - Harassing conduct includes but is not limited to: derogatory comments, offensive words or comments on the basis of any protected status, inappropriate comments on appearance including dress or physical features, sexual rumors, code words, or stories.
    - The GFR ensures equal employment opportunity employment to all qualified persons based solely upon an individual's ability to perform the essential functions of the job without discrimination or harassment.
- ❑ The GFR does not discriminate against qualified individuals in hiring or employment practices. Applicants may be asked about their ability to perform specific job functions. The GFR shall make reasonable accommodations for the known physical or mental limitations of a qualified applicant upon request.

Acknowledgement:

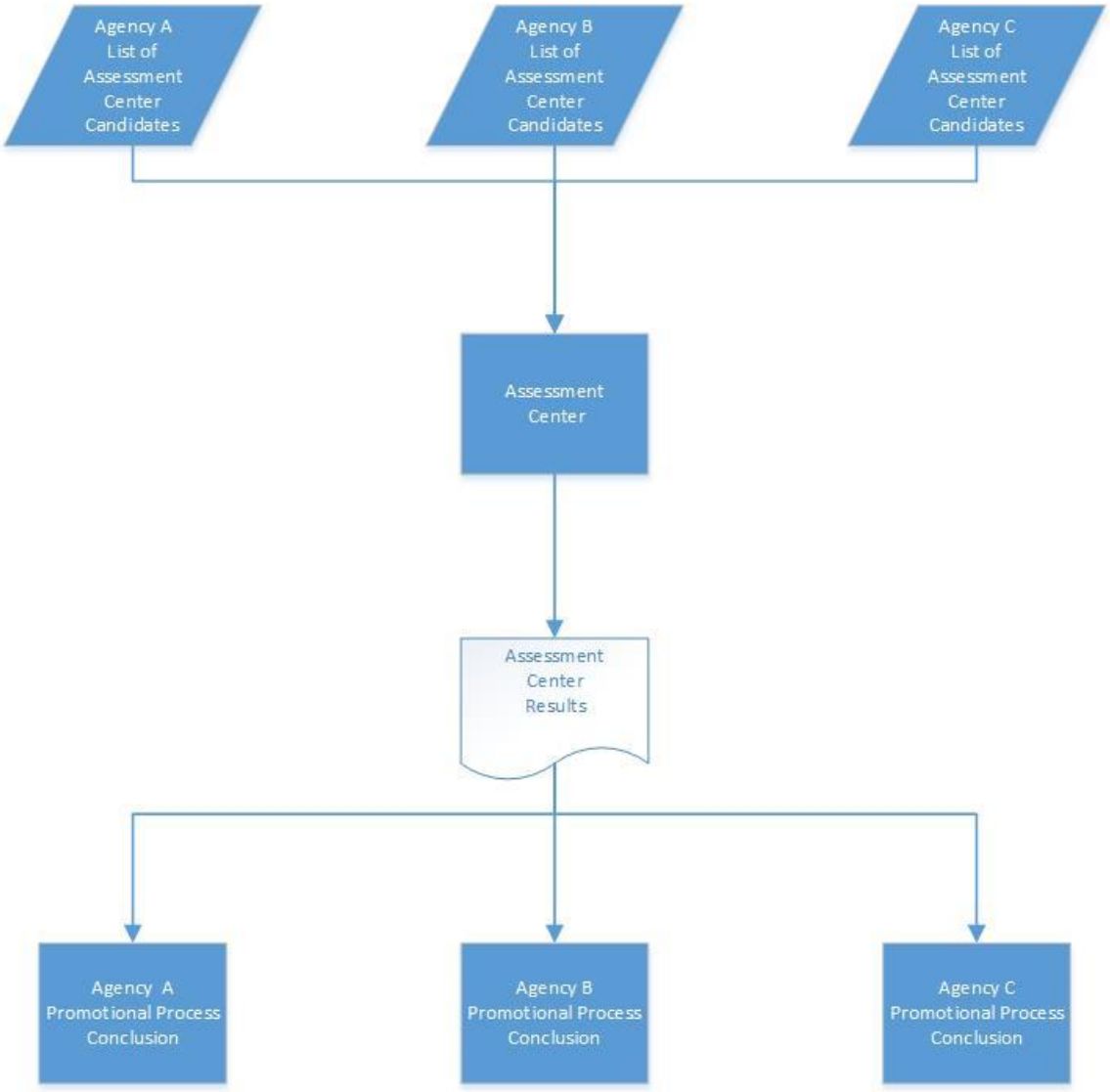
X_____	**X**_____	**X**_____
X_____	**X**_____	**X**_____
X_____	**X**_____	**X**_____
X_____	**X**_____	**X**_____

Addendum D
Joint Promotional Process

The PARTIES, who have a promotional vacancy to fill, may participate in the following steps of the Joint Promotional Process:

1. Each PARTY will post their own vacancy announcement setting their own minimum qualifications for the vacant position.
2. Each PARTY will conduct their own evaluation of the applicants in the manner they choose.
3. Each PARTY will participate in a combined Assessment Center, designating agency representatives to plan and implement the Assessment Center for the qualified candidates.
4. Each Party will take the results of the assessment center evaluation and independently choose the candidate for the promotional vacancy.

Addendum E


Agency A List of Assessment Center Candidates
Agency B List of Assessment Center Candidates
Agency C List of Assessment Center Candidates
Assessment Center
Assessment Center Results
Agency A Promotional Process Conclusion
Agency B Promotional Process Conclusion
Agency C Promotional Process Conclusion

13. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Sterling Solomon, City Attorney
Date:	11/15/2019
Meeting Date:	11/19/2019

TITLE:

Consideration and Adoption of Resolution No. 2019-59: A resolution adopting the City Council Policy on the Display of Flags (City Flag Policy).

STAFF RECOMMENDED ACTION:

1) Read Resolution No. 2019-59 by title only
2) City Clerk reads Resolution No. 2019-59 by title only (if approved above)
3) Adopt Resolution No. 2019-59

Executive Summary:

The City does not have a policy regarding the display of flags at City facilities. The City Council may establish a policy regarding the display of: (1) the United States Flag, (2) the Arizona State Flag, (3) the POW-MIA Flag; (4) the display of the City of Flagstaff Flag (City Flag), and (5) on a temporary pole at City Hall, the display of commemorative flags.

In the proposed policy which the City Council may adopt by this resolution, the City Council has the option to declare that the City's flagpoles (permanent or temporary) are not intended to serve as a forum for free expression of the public, but rather for the display of Federal, State, the POW-MIA Flag, the City Flag, and a maximum of two commemorative flags per month. In doing so, the City Council could display on a temporary pole one commemorative flag per month, but in no event would the City Council display more than two commemorative flags per month (to be displayed separately - the first commemorative flag for the first half of the month, and the second commemorative flag for the second half of the month), for the ensuing year as determined by the City Council. Authorization by the City Council to display commemorative flags under such a policy would occur in one annual resolution only of the City Council to be considered and potentially adopted in December of each year as an expression of the City's official sentiments.

Financial Impact:

None.

Policy Impact:

New policy for the display of flags.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Advance social justice in our community.

Has There Been Previous Council Decision on This:

No decision has been made, however, direction was given to staff at the November 12, 2019 Council Work Session to bring this proposed City Flag Policy back to the Council as soon as possible for possible adoption by resolution.

Attachments: Res. 2019-59

RESOLUTION NO. 2019-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF ADOPTING THE *CITY COUNCIL POLICY ON THE DISPLAY OF FLAGS* AS THE FLAG POLICY FOR THE CITY OF FLAGSTAFF

RECITALS:

WHEREAS, City Council desires to establish a policy for the display of flags; and

WHEREAS, on November 12, 2019 the City Council directed staff to finalize and present to the City Council a policy regarding the display of commemorative flags that the City Council may authorize to have displayed each year; and

WHEREAS, it is desirable that such a policy be incorporated with a general policy regarding the display of federal, state, POW/MIA and City Flags, and any commemorative flags that the City Council may authorize to have displayed; and

WHEREAS, The City's flagpoles do not serve as a forum for free expression by the public, but rather for the display of federal, state, POW-MIA, and City Flags, and any commemorative flags as may be authorized by the City Council as an expression of the City Council's official sentiments;

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The City Flag Policy attached hereto as Exhibit A is hereby adopted.

SECTION 2. The City Manager and City Clerk are authorized and directed to edit and correct typographical and grammatical errors of wording and punctuation.

This resolution shall be effective thirty (30) days following adoption by the City council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of November, 2019.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Exhibit A – Flag Policy

EXHIBIT A

CITY OF FLAGSTAFF, ARIZONA
CITY COUNCIL POLICY ON THE DISPLAY OF FLAGS

PURPOSE

The purpose of this policy it to provide procedural guidance for the display of flags at City facilities.

POLICY

I. Standards

The City Council desires to establish a policy regarding the display of: (1) the United States Flag, (2) the Arizona State Flag, (3) the POW-MIA Flag; (4) the display of the City of Flagstaff Flag (City Flag), and (5) on a temporary pole at City Hall, the display of commemorative flags. In adopting this policy, the City Council declares that the City's flagpoles (permanent or temporary) are not intended to serve as a forum for free expression of the public, but rather for the display of Federal, State, the POW-MIA Flag, the City Flag, and a maximum of two commemorative flags per month. The City Council may display on a temporary pole one commemorative flag per month, but in no event shall the City Council display more than two commemorative flags per month (to be displayed separately - the first commemorative flag for the first half of the month, and the second commemorative flag for the second half of the month), for the ensuing year as determined by the City Council. Authorization by the City Council to display commemorative flags shall occur in one annual resolution only of the City Council to be considered and potentially adopted in December of each year as an expression of the City's official sentiments.

Flags shall be displayed in accordance with Federal and State statutes, including, but not limited to United States Code, Title 4, Chapter 1; and, Arizona Revised Statutes §§ 41-852; 38-449, and this policy.

II. Procedures

A. Federal and State

1. The United States Flag and the Arizona State Flag shall be displayed as required by law and in accordance with this policy.
2. No other flag shall be placed above the United States Flag.
3. Flags shall be displayed during operating hours and beyond if illuminated during darkness on all days and nights when the City is open for business, upon or in front of all City facilities equipped for flag display.
4. The Flag of the City of Flagstaff may also be displayed from time to time.
5. Flags shall not be displayed during inclement weather. However, all-weather flags may be displayed on a twenty-four (24) hour basis as long as they are illuminated during darkness, aside from commemorative flags.

B. POW/MIA Flag

1. The POW/MIA Flag is a nationally recognized flag, created in 1971 and recognized by an act of Congress through the adoption of U.S. Public Law 101-355, to represent concern of individuals who are identified as prisoners of war or missing in action. The POW-MIA Flag has become a symbol of commitment to achieving the fullest possible accounting for those in the future who may become prisoners of war, missing in action, or otherwise unaccounted for as a result of hostile action.
2. In accordance with the Arizona State law, the POW/MIA flag shall continue to be displayed at City Hall. The POW/MIA flag may also be displayed at other City facilities in accordance with State Law.

C. Commemorative Flags

1. Commemorative flags may be displayed only as authorized by an annual resolution of the City Council and as an expression of the City's official sentiments.
2. Commemorative flags shall be displayed for a period of time that is reasonable or customary for the subject that is to be commemorated, but no longer than thirty day (30) continuous days.
3. Commemorative flags shall be displayed at City Hall, exclusively on a temporary pole.
4. The City will not display a commemorative flag based on a request from a third party, nor will the City use its flagpoles to sponsor the expression of a third party.

D. Display of Flags

Flags shall be displayed as follows:

The United States Flag shall be displayed in the first position of honor. The Arizona State Flag shall be placed in the second position of honor. The POW/MIA Flag shall be displayed in the third position of honor. The City of Flagstaff Flag, if displayed, shall be placed in the fourth position of honor.

Commemorative flags shall be displayed on a temporary pole on the front lawn of City Hall.

All commemorative flags shall be displayed under this policy according to the annual resolution of the City Council in December of each year rather than by proclamation of the Mayor. The Mayor shall no longer make proclamations to display commemorative flags at City facilities. All commemorative flags will be displayed by City staff only not in conjunction with any ceremonies.

14. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE
Stronger as One Coalition Presentation

STAFF RECOMMENDED ACTION:
Presentation and Discussion

EXECUTIVE SUMMARY:

INFORMATION:

Attachments: Presentation

Stronger as One Coalition

Increasing knowledge, empathy, and action related to mental health and wellbeing

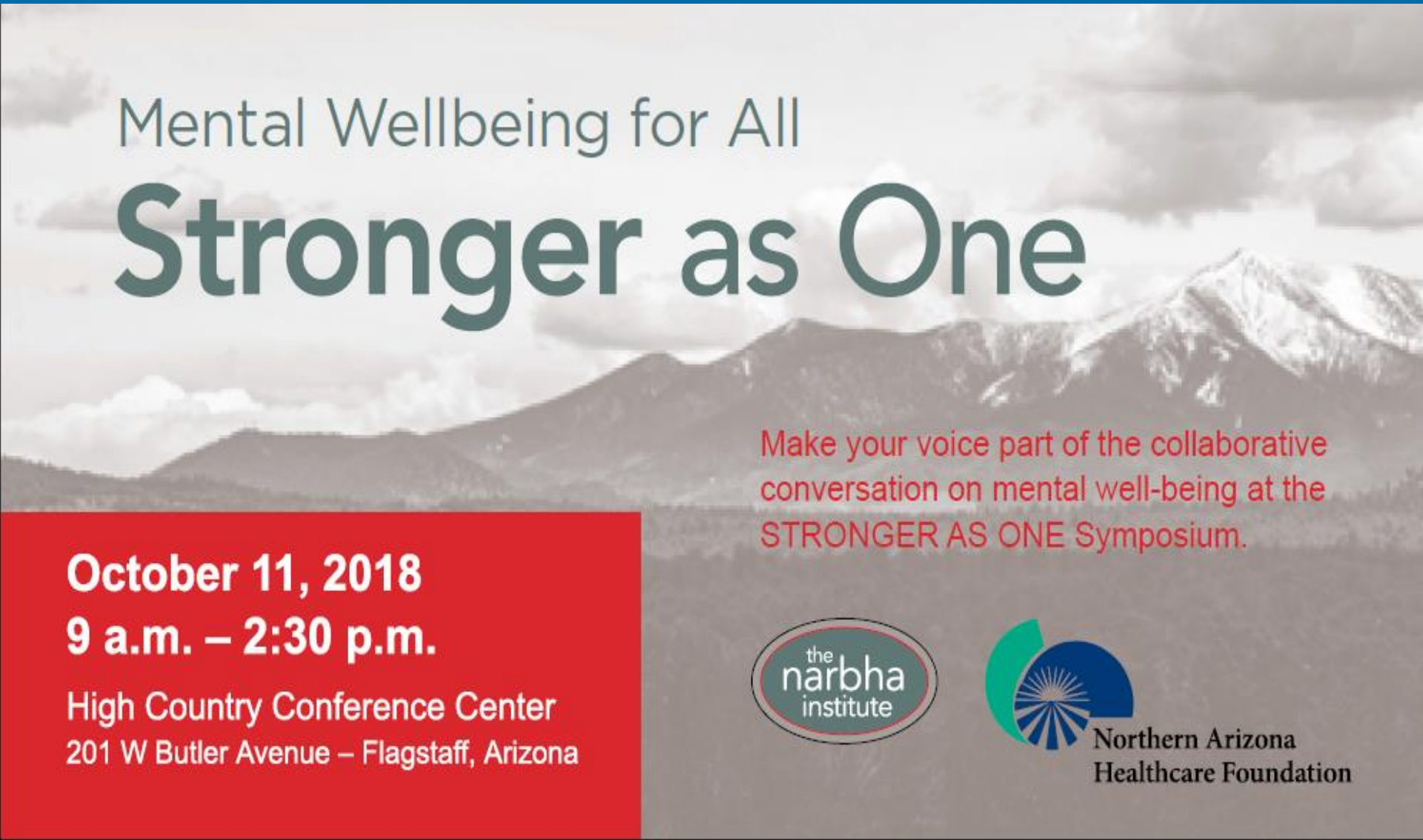


History of the Coalition

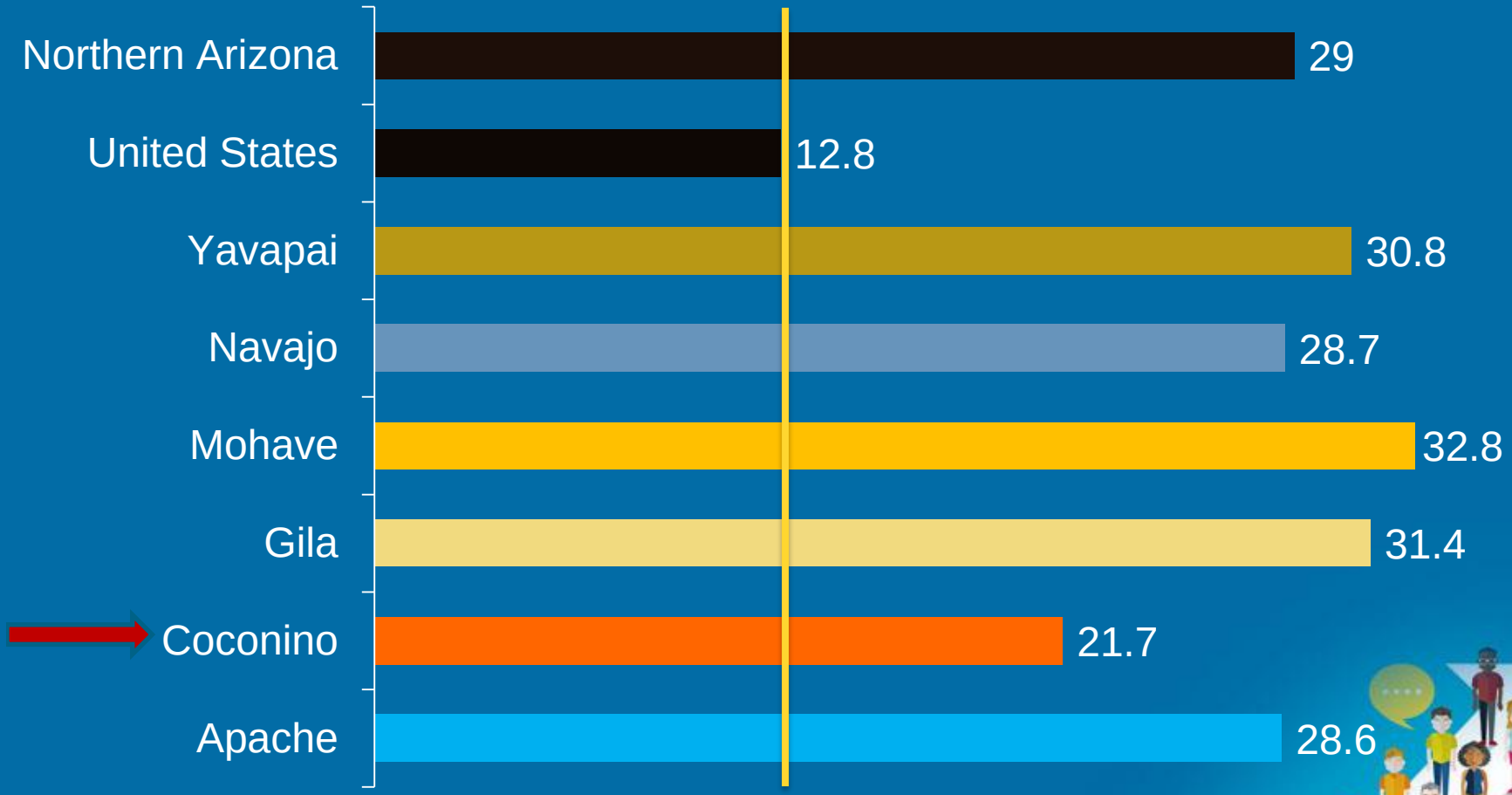
1. Data: Recognition of an increase in deaths by suicide
2. Symposium
3. Formation of Coalition
4. Teen and Young Adult Focus Group
5. Meeting with Dr. Adelsheim



Stronger as One Symposium



Age-Adjusted Suicide Rate 2011-2015 by County





Suicide is the 4th Leading Cause of Death in Coconino County & 10th in the U.S

United States

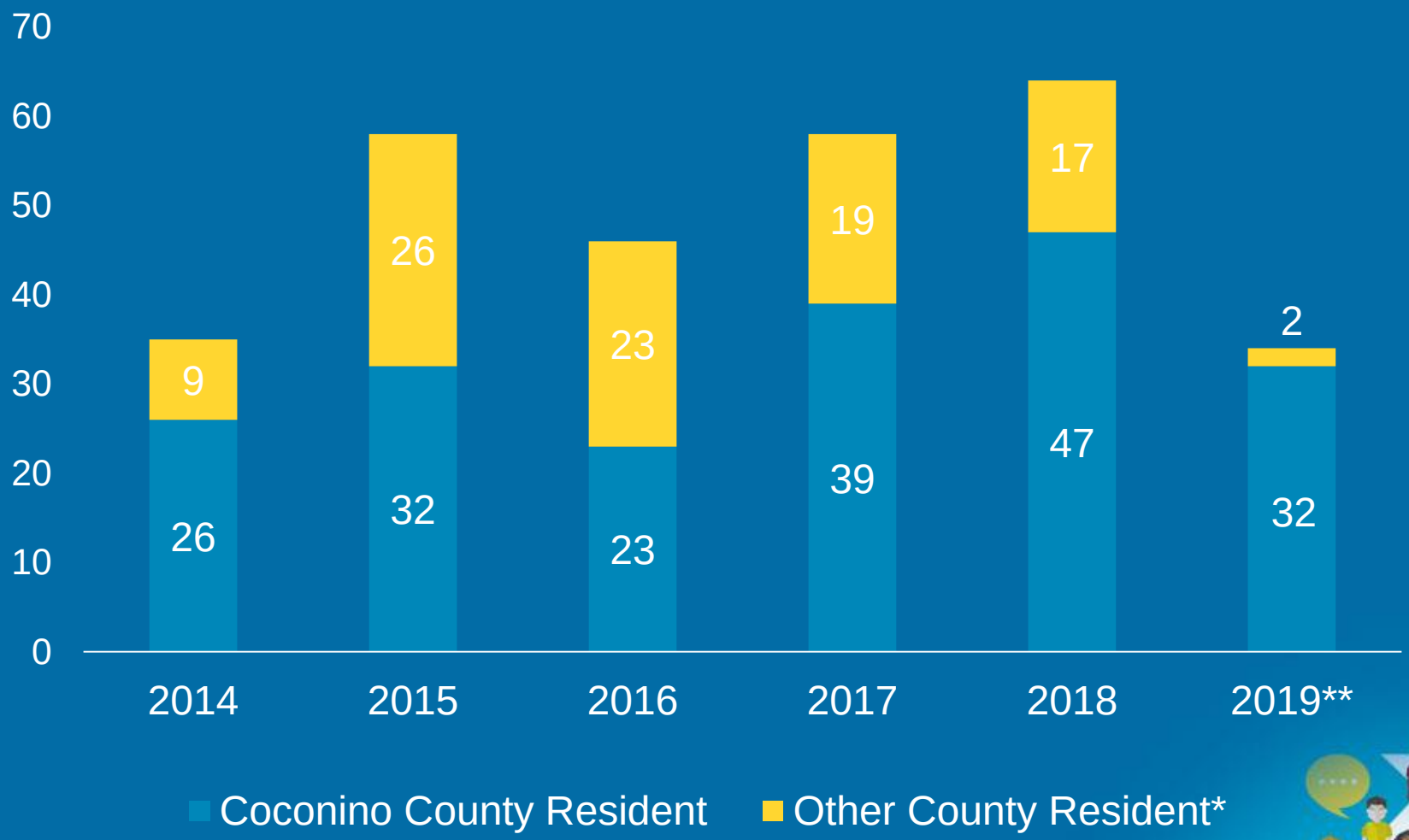
1. Heart Disease
2. Cancer
3. Accidents
4. Chronic Lower Respiratory Disease
5. Stroke
6. Alzheimer's Disease
7. Diabetes
8. Influenza/Pneumonia
9. Kidney Disease
10. **Suicide**

Coconino County

1. Cancer
2. Heart Disease
3. Accidents
4. **Suicide**
5. Liver Disease/Cirrhosis
6. Chronic Lower Respiratory Disease
7. Stroke
8. Alzheimer's Disease
9. Diabetes
10. Influenza/Pneumonia



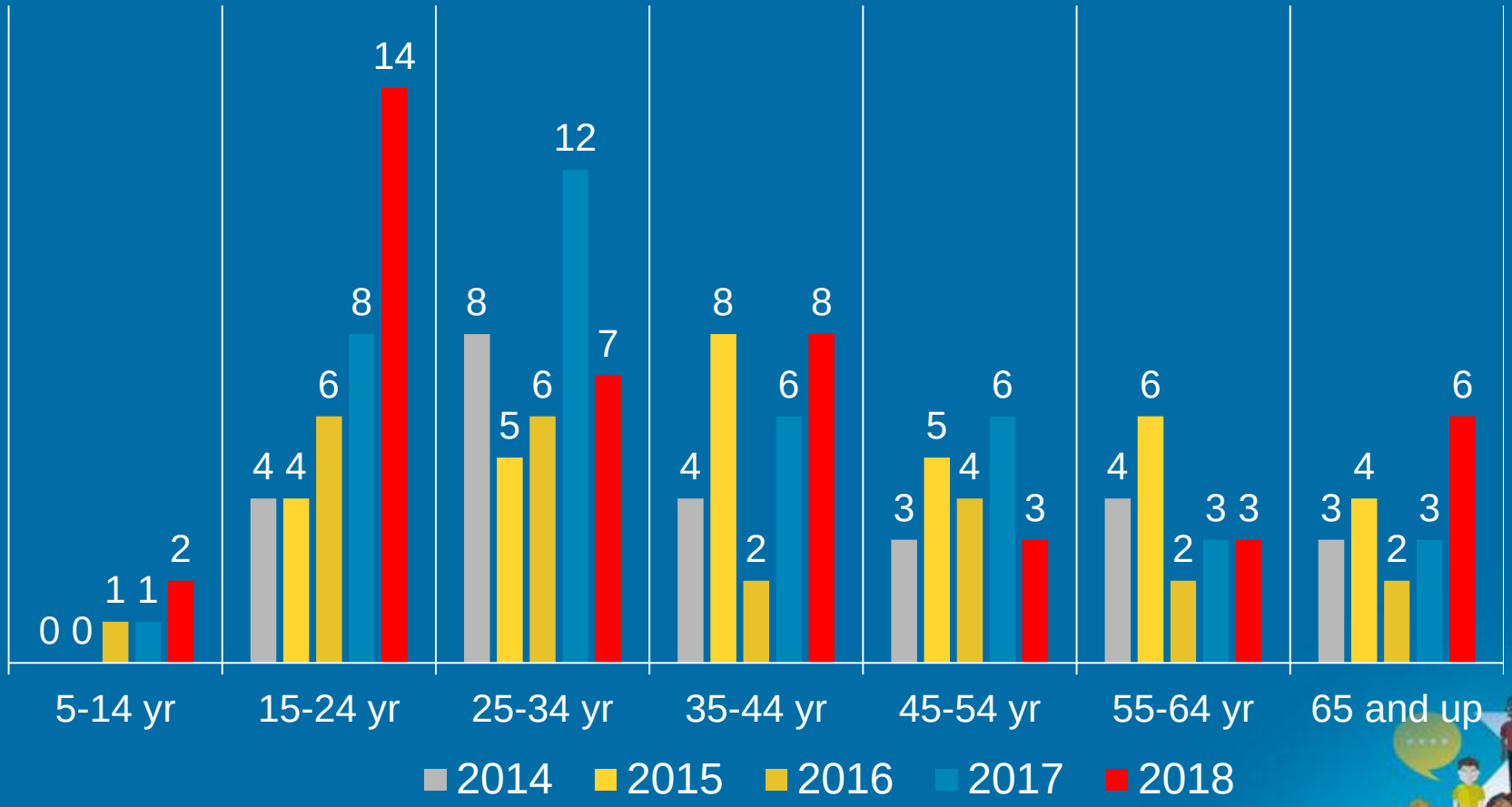
Residence of Deaths by Suicide





Age Groups of Deaths by Suicide

Coconino County Residents





The Human Factor

- Our community members are more than numbers. The effect of any death by suicide is wide-spread and is spurring community activism.
  - Teens and young adults have expressed a desire to be heard and involved
  - Parents, family, and community want to connect better with young people
  - We have heard a desire from the community to provide resources such as Head Space, peer support, counseling



Our Common Purpose

stronger as one

"We come together to promote a culture of knowledge, compassion, and action related to mental health and wellbeing. We address our agenda urgently, driven by the awareness that current rates of death by suicide and other pressing mental health data in Coconino County exceed both state and national rates."



Our Values

W[illegible]en by our common interest in the wellbeing of Coconino County residents, with special focus on the mental wellbeing of teens and young adults residing in the County.

Our commitment is to engage honestly, respectfully, and with trust for each other and our service organizations so that our collaborative work may help all Coconino County residents experience optimal mental health and wellbeing. We also realize that, through our work, we can create Best Practice's which can scale for other counties in northern Arizona.



Work Groups

Communication

Chairman Babbott

Teen and Young Adult

Councilwoman Whelan

Data

Deputy Manager Peoples

Mental Health First Aid

Sheriff Driscoll & Deputy Chief Musselman

Services

Dr. Mark Carroll



Suicide Prevention Signage



Partnership

Kelli Williams	AZ Healthcare Cost Containment System	Jeff Axtell	Native Americans for Community Action
Colleen Smith	CCC	Paul Kulpinski	LAUNCH
Virginia Watahomigie	CCC&Y	Dr. Ron Tuckman	Mountain View Pediatrics
Tiffany Kerr	CCPHSD	Matt Eckhoff	NAH Foundation
Risha VanderWey	Coconino County Superintendent	Teresa Bertsch	NARBHA
Stacie Zanzucchi	FUSD	Clay McCauslin	Kaff Radio
Kara Kelty	FUSD	Carly Banks	NAU
Michael Penca	FUSD	Joanne Keene	NAU
Amanda Beda	Girl Scouts	Josh Floyd	NAU
Bryon Matsuda	Juvenile Court Services	Julie Baldwin	NAU
		Christine Corrie	Northern Arizona Healthcare

The Stronger As One Coalition welcomes anyone committed to building a culture of knowledge, compassion, and action related to mental health and wellbeing.



Thank You!



14. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Sarah Langley, Management Analyst
Co-Submitter:	Jack Fitchett
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE

Discussion: 2020 Intergovernmental Priorities

STAFF RECOMMENDED ACTION:

Council discussion and direction

EXECUTIVE SUMMARY:

The 2020 Intergovernmental Priorities presented here are divided into State and Federal priorities and represent an updated and modified listing of the 2019 priorities.

Prior to the start of the Arizona state legislative session, staff would like the Council to adopt the 2020 Intergovernmental Priorities to provide Staff, State Lobbyist Todd Madeksza and Federal Lobbyist Bob Holmes with substantive direction.

INFORMATION:

Connection to Council Goals

- Economic Development
- Affordable Housing
- Social Justice
- Transportation and other public infrastructure
- Climate change
- Environmental & Natural Resources

Connection to Priority Based Budgeting Results

- Safe & Healthy Community
- Inclusive & Engaged Community
- Sustainable, Innovative Infrastructure
- Robust, Resilient Economy
- Livable Community
- Environmental Stewardship

Has There Been a Previous Council Decision on This Topic?

On February 7, 2019, the City Council agreed upon its 2019 – 2021 State Legislative Priorities. On January 17, 2017, the City Council approved its Federal Legislative Priorities.

Attachments: 2020 State Legislative Agenda
2020 Federal Legislative Priorities
Presentation

2020 CITY OF FLAGSTAFF STATE LEGISLATIVE AGENDA

MUNICIPAL PRINCIPLES OVERVIEW

- **Preserve Local Decision-making** – Support legislation that preserves or enhances the City's ability to govern locally and oppose legislation that reduces or restricts the City's local authority.
- **Preserve Existing Revenue Sources** –Support legislation that preserves or enhances existing revenue sources and oppose proposals that reduce or restrict the use of existing revenues.
- **Maintain Flexibility in Service Delivery** –Support legislation that enables the City to provide services desired by residents and oppose legislative attempts to require additional services without providing the revenue necessary to fund the services.
- **Preserve Local Investments** –Support proposals that protect the City's investment in infrastructure, capital, enterprises, proactive forest health and restoration, and partnerships for Rio De Flag funding.

PLANNING AND GROWTH

- **Economic Development** – Support legislation that will enhance the City's economic development conditions; provide infrastructure to attract economic development, increase sustainable housing and strengthen the City's workforce.
- **Colleges & Universities:** Advocate for state funding and legislation that supports colleges and universities.
- **Land Use Planning** – Preserve local decision-making to set land use and development policies, allowing the City to continue to provide opportunities for citizen-driven planning while monitoring any legislation that may impact local planning authority.
- **Local Water Decisions** – Support proposals that strengthen the City's water management strategies and oppose those that lessen the ability of the City to proactively manage its water resources.
- **Statewide Water Management** – Support proposals that improve the state's management of the Colorado River water and groundwater and protect local groundwater for municipal stakeholders and municipal water users.

INFRASTRUCTURE/TRANSPORTATION

- **Highway User Revenue Fund** – Support legislation that strengthens funding to the City and oppose policies that deplete City resources for road maintenance and infrastructure.
- **Aviation –** Support legislation maintaining necessary funding for city airports.
- **Regional Transportation Projects and Planning** – Support efforts to further develop and maintain the Northern Arizona regional freeway system and City-endorsed transit projects.

PUBLIC SAFETY & WELFARE

- **Weapons** – Oppose legislation that limits local decision-making in regulating weapons in publicly accessible building.
- **Emergency Response** – Support legislation that preserves and enhances the ability of the City to strategically plan for and respond to emergencies.

FISCAL POLICY/REVENUES/TAXES

- **Revenues** –Protect and recover state shared revenues.
- **Unfunded Mandates** – Support legislation that limits state unfunded mandates and that will enhance further fiscal analysis, prior to imposing state mandates on local governments.
- **Taxes** –Monitor policies that would restructure sales, property and income taxes and be vigilant of shifting tax burdens that would result from proposed changes.
- **Senate Bill 1487:** Repeal SB 1487, which allows for State Legislatures to file complaints that would potentially withhold state shared revenues and diminish local authority by circumventing the constitutional protections of due process.

LOCAL OPERATIONS

- **Dark Sky Community** – Support legislation that preserves and protects dark sky communities.
- **Elections** – Support legislation that maintains local decision-making for elections administration and protecting voter rights.
- **Supporting Partnerships** – Monitor and consider support for policies that favorably affect and adequately fund the City's municipal, educational and economic development partners.

2020 CITY OF FLAGTAFF STATE LEGISLATIVE PRIORITIES

SPECIFIC AREAS OF FOCUS FOR 2020 SESSION

List order is not indicative of priority level:

- **Short- Term / Vacation Rentals:** Support legislation in conjunction with stakeholders to allow for local regulations over investor-owned residential properties used as short-term /vacation rentals. Ensure fairness between hotels, motels, and short-term /vacation rentals.

- **State Shared Revenues:** Oppose new legislation that would further divert shared revenues, especially due to citizen initiatives. Support legislation that will protect and recover state shared revenues to municipalities.

- **Forest Health:** Advocate for investing in forest health treatments on state-owned land in the Flagstaff region.

- **State Highway Funds:** Advocate for additional funding to the Arizona Department of Transportation to plan, build and maintain projects that affect Northern Arizona.

- **Social Service Providers:** Advocate for 100% funding from the state legislature to fully fund and reimburse all social service providers.

- **Aquifer Protection Permits:** Urge ADEQ to require mine specific aquifer protection permits rather than general aquifer protection permits.

- **Emergency Response:** Support legislation preserving and enhancing the ability of the City to strategically plan for and respond to emergencies protecting the citizens, visitors, assets and natural resources.

2020 City of Flagstaff Federal Legislative Agenda

ECONOMY

- **Rio de Flag Flood Control Project -** Fully fund this important community project that will remove more than half of the City's residents, as well as the downtown and NAU areas, from the flood plain and protect $1 billion or more in property assets, as well as encourage future economic development in the Southside.
- **Museum Fire Recovery** - Support and obtain full reimbursement for exigency expenses through the Natural Resources Conservation Service (NRCS) for Museum Fire Flood Mitigation. Additionally, support federal funding for watershed stabilization on the Museum Fire Burn Scar and oppose federal guidance and intervention to repurpose RAC (Resource Advisory Committee) funds into federal lands maintenance.

TRANSPORTATION & INFASTRUCTURE

- **Flagstaff Airport** – Advocate for funding projects included in the Flagstaff Airport five-year Capital Improvement Program.
- **Gasoline Tax -** Advocate for an increase in the gasoline tax in order to help fund transportation improvements
- **4th Street Project** – Advocate for $15.8 million BUILD grant for the Fourth Street Complete Street Corridor Project.

SOCIAL JUSTICE

- **Affordable Housing** – Support legislative action to ensure full funding of Public Housing, Section 8 Housing Choice Voucher Program and the Community Development Block Grant program.
- **Immigration Reform –** Advocate for Deferred Action for Childhood Arrivals (DACA) and other federal immigration policies that help keep familiarizes together while supporting their higher education goals.

ENVIRONMENT

- **Uranium Mining -** Advocate for strengthening the laws, regulations and policies that govern uranium mining to ensure protection for public health and safety.
- **Strengthen Uranium Transport Standards** – Urge Arizona Department of Transportation and/or United States Department of Transportation to strengthen uranium transport standards to reduce the possibility of contamination.
- **Flagstaff Watershed Protection Project** – Advocate to leverage voter approved Flagstaff Watershed Protection Project (FWPP) funding with federal dollars to maximize investments into forest health, including resources for timber sale administration. Additionally, ensure that resources and funding continue to flow to important regional projects such as the Four Forests Restoration Initiative (4FRI), NAU's ecological restoration institute (ERI) and other important forest restoration efforts outside of the 4FRI boundaries.
- **Carbon Fee & Dividend Legislation** – Urge the federal government to pass carbon fee and dividend legislation in support of climate change mitigation.
- **Transfer of Federal Lands:** Oppose the transfer of federal lands to state or municipal governments unless funding has also been provided to effectively manage those lands.

2020 Legislative Priorities

Jack Fitchett

Management Analyst

Sarah Langley

Management Analyst

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

2020 State Legislative Agenda

MUNICIPAL PRINCIPLES OVERVIEW

- **Preserve Local Decision-making**
- **Preserve Existing Revenue Sources**
- **Maintain Flexibility in Service Delivery**
- **Preserve Local Investments**

2020 State Legislative Agenda

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PLANNING AND GROWTH

- Economic Development
- Colleges & Universities
- Land Use Planning
- Local Water Decisions
- Statewide Water Management

Infrastructure & Transportation

- Highway User Revenue Fund
- Aviation
- Regional Transportation Projects / Planning

PUBLIC SAFETY & WELFARE

- Weapons
- Emergency Response

Fiscal Policy / Revenues / Taxes

- Revenue Protection
- Unfunded Mandates
- Tax Monitoring
- Senate Bill 1487

Local Operations

- Dark Sky City
- Elections
- Supporting Partnerships

2020 State Priorities

- **<u>Short-term / Vacation Rentals</u>:**

Support legislation in conjunction with stakeholders to allow for local regulations over investor-owned residential properties used as short-term/ vacation rentals. Ensure fairness between hotels, motels, and short-term/ vacation rentals.

2020 State Priorities

- **State Shared Revenues:**

Oppose new legislation that would further divert shared revenues, especially due to citizen initiatives. Support legislation that will protect and recover state shared revenues to municipalities.

- **Forest Health:**

Advocate for investing in forest health treatments on state-owned land in the Flagstaff region.

2020 State Priorities

- **<u>State Highway Funds</u>:**

Advocate for additional funding to the Arizona Department of Transportation to plan, build and maintain projects that affect Northern Arizona.

- **<u>Social Service Providers</u>:**

Advocate for 100% funding from the state legislature to fully fund and reimburse all social service providers.

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2020 State Priorities

- **<u>Aquifer Protection Permits</u>:**

Urge ADEQ to require mine specific aquifer protection permits rather than general aquifer protection permits.

- **<u>Emergency Response</u>:**

Support legislation preserving and enhancing the ability of the City to strategically plan for and respond to emergencies protecting the citizens, visitors, assets and natural resources.

2020 Federal Priorities

Economy

Rio de Flag Flood Control	Fully fund this important community project that will remove more than half of the City's residents, as well as the downtown and NAU areas, from the flood plain and protect $1 billion or more in property assets, as well as encourage future economic development in the Southside.
Museum Fire Recovery	• Support and obtain full reimbursement for exigency expenses through the Natural Resources Conservation Service (NRCS) for Museum Fire Flood Mitigation. • Support federal funding for watershed stabilization on the Museum Fire Burn Scar and oppose federal guidance and intervention to repurpose RAC (Resource Advisory Committee) funds into federal lands maintenance.

2020 Federal Priorities

Environment

Uranium Mining	Advocate for strengthening the laws, regulations and policies that govern uranium mining to ensure protection for public health and safety.
Strengthen Uranium Transport Standards	Urge Arizona Department of Transportation and/or United States Department of Transportation to strengthen uranium transport standards to reduce the possibility of contamination.
Flagstaff Watershed Protection Project	• Advocate to leverage voter approved Flagstaff Watershed Protection Project (FWPP) funding with federal dollars to maximize investments into forest health, including resources for timber sale administration. • Ensure that resources and funding continue to flow to important regional projects such as the Four Forests Restoration Initiative (4FRI), NAU's ecological restoration institute (ERI) and other important forest restoration efforts outside of the 4FRI boundaries.

CITY OF FLAGSTAFF ARIZONA ESTABLISHED 1882

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2020 Federal Priorities

Environment

Carbon Fee and Dividend Legislation	Urge the federal government to pass carbon fee and dividend legislation in support of climate change mitigation.
Transfer of Federal Lands	Oppose the transfer of federal lands to state or municipal governments unless funding has also been provided to effectively manage those lands.

TEAM FLAGSTAFF

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2020 Federal Priorities

Social Justice

Affordable Housing	Support legislative action to ensure full funding of Public Housing, Section 8 Housing Choice Voucher Program and the Community Development Block Grant program.
Immigration Reform	Advocate for Deferred Action for Childhood Arrivals (DACA) and other federal immigration policies that help keep familiarizes together while supporting their higher education goals.

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2020 Federal Priorities

Transportation and Infrastructure

Flagstaff Airport	Advocate for funding projects included in the Flagstaff Airport five-year Capital Improvement Program.
Gasoline Tax	Advocate for an increase in the gasoline tax in order to help fund transportation improvements.
Fourth Street Project	Advocate for $15.8 million BUILD grant for the Fourth Street Complete Street Corridor Project.

TEAM FLAGSTAFF
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Questions?

16. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE

Future Agenda Item Request (F.A.I.R.) A Citizens' Petition requesting Council to implement a more fair election system, called Ranked Choice Voting (RCV). This method of voting is innovative and has proven to be more just, to encourage diversity, and will be reflective of our vibrant community.

STAFF RECOMMENDED ACTION:

Council direction.

EXECUTIVE SUMMARY:

In accordance with Art. II, Sect. 17 of the Flagstaff City Charter, any citizen may present a written petition to the City Manager, signed by a minimum of 25 citizens from the City...who shall present it to the Council at its next regular meeting. The attached petition was filed with the City Clerk's Office on October 28, 2019, requesting that the Council consider implement a more fair election system, called Ranked Choice Voting (RCV). This method of voting is innovative and has proven to be more just, to encourage diversity, and will be reflective of our vibrant community. For more information go to www.fairvote.com.

INFORMATION:

Chapter 1-12 of the Flagstaff City Code formalizes the information to be required, and the attached petition conforms to those requirements. As outlined in this chapter, the petition is to be submitted to the Council under Future Agenda Item Request (F.A.I.R.) to determine if there is Council interest in placing the item on a future agenda for consideration.

Attachments: Petition #2019-03

RECEIVED
OCT 28 20[illegible]
BY:

PETITION TO FLAGSTAFF CITY COUNCIL

Pursuant to Flagstaff City Charter Article II Section 17 and Flagstaff City Code Title I Chapter 12

Pursuant to the Flagstaff City Charter and the City Code, any citizen (resident) of the City may present a written petition to the City Manager, signed by a minimum of 25 citizens from the City of Flagstaff, which shall be presented to the City Council.

Title of Issue: Fair Voting for Flagstaff

Action Requested: I am petitioning to implement a more fair election system, called Ranked ~~Voter Choice (RVC)~~ Choice Voting (RCV). This method of voting is innovative and has proven to be more just, to encourage diversity, & will be reflective of our vibrant community. For more information go to www.fairvote.com

Printed Name of Submitter: Stephen Nuño-Pérez, PhD
(Submitter must also sign below and complete information)

Contact Information: 626-379-7461, stephennunoperez@gmail.com
(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
9.12.19	Stephen Nuño	2545 E. Heidi Loop	
9-12-19	Carie Steele	3751 S Wild West Trl.	Carie A. Steele
9-12-19	Paul Lenze	3805 N. Zuni Ch St.	
9-12-19	Haley Creighton	9W. University Dr.	
~~9.13.19~~	~~FAITH MOORE~~		
9.13.19	FAITH MOORE	2609 HEIDI LOOP	
9/16/19	Emily Cope	705 N. San Francisco St	
9/16/19	Regina Wolff	1220 E Linda Vista Dr Flagstaff 86004	
9/16/19	Shelli Dea	212 W ELM AVE STE 1 FLAGSTAFF, AZ 86001	
9/16/19	Christine Zeller	2413 W Pack Trail Dr Flagstaff AZ 86004	

RECEIVED BY CITY OF FLAGSTAFF		
DATE RECEIVED	BY	COUNCIL MEETING DATE
10/28/19	Stacy Saltzburg, City Clerk	11/19/19

PETITION TO FLAGSTAFF CITY COUNCIL (Continued)

TITLE OF ISSUE: Fair Voting for Flagstaff **PAGE** 2 **OF** 2

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
9-16-19	Laura Fox	1401 N Navajo Dr	
9-16-19	ELIZABETH HAMM	900 N. Curling Snake	
9-16-19	MACKENZIE NUNO	31628 S. PIMA	
9-25-19	Yvonne Luna	434 No Moriah Dr.	
10/8/19	MakennaKaisamsen	215 W Phoenix Ave APT 511	
10/8/19	Jacob Carter	1350 S. Knoles Dr. 303A	
10/8/19	Solomon Jones	305 E McConnell 43060	
10/9/19	Jaime Palma	1350 S Knoles Dr #201	
10/9/19	Paul Sturmer	923 W. University #228 Ave	
10/9/19	Emily McDougall	1200 S. Beaver St.	
10/9/19	Sophia Capalby	1200 S. Beaver St.	
10/9/19	Calli Jones	3325 S Sandrea Dr	
10/9/19	Logan Purvance	Tinsley Hall	
10/9/19	Sam Manning	Gabbaldon Hall	
10/9/19	Nick Hall	Raymond Hall	
10/9/19	Kadan Seward	Gabaldon Hall	Kadan Seward
10/9/19	Zachary Owens	Honors college	
10/11/19	Shannah Redmon	5155 E Bluejay Lane Flagstaff AZ 86004	
10/13/19	Sage Taylor	3400 S. Lake Mary Rd. Apt. 20204	

16. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE

Future Agenda Item Request (F.A.I.R.): A request by Councilmember Whelan to place on a future agenda a discussion about the feasibility of bringing solar to Red Gap Ranch.

STAFF RECOMMENDED ACTION:

Council direction.

EXECUTIVE SUMMARY:

Rule 4.01, Procedures for Preparation of Council Agendas, of the City of Flagstaff City Council Rules of Procedure outlines the process for bringing items forward to a future agenda. Councilmember Whelan has requested this item be placed on an agenda under Future Agenda Item Requests (F.A.I.R.) to determine if there are two other members of Council interested in placing it on a future agenda.

INFORMATION:

Attachments:

16. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	11/13/2019
Meeting Date:	11/19/2019

TITLE

Future Agenda Item Request (F.A.I.R.): A request by Councilmember Aslan to place on a future agenda a discussion about potential strategies for cleaning up cinders in a more timely and efficient matter.

STAFF RECOMMENDED ACTION:

Council direction.

EXECUTIVE SUMMARY:

Rule 4.01, Procedures for Preparation of Council Agendas, of the City of Flagstaff City Council Rules of Procedure outlines the process for bringing items forward to a future agenda. Councilmember Aslan has requested this item be placed on an agenda under Future Agenda Item Requests (F.A.I.R.) to determine if there are two other members of Council interested in placing it on a future agenda.

INFORMATION:

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	11/15/2019
Meeting Date:	11/19/2019

TITLE

City Manager Report

STAFF RECOMMENDED ACTION:

Information Only

EXECUTIVE SUMMARY:

This week's report will focus entirely upon the transition process that is currently underway for the City Manager's Office.

INFORMATION:

These reports will be included in the City Council packet for regularly scheduled Council meetings, excluding Work Sessions. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

Attachments: City Manager Report

City Manager's Report

November 15, 2019

These reports will be included in the City Council packet for regularly scheduled Council meetings, excluding Work Sessions. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

This report will focus entirely upon the transition process that is currently underway for the City Manager's Office.

The First Three Months

Introductory Month

During the first part of the initial three-month period, much time was allocated to becoming acquainted with the organization and its many stakeholders. Focus was upon meeting the 'human element' of the organization while learning its culture. This included the City Council, the Leadership Team, and the Extended Leadership Team (upper-tier management). While largely introductory in scope, some philosophies regarding public service and personal management strategies were shared (i.e., collaboration, "open door policy").

During this introductory period, there were individual meetings with Leadership Team members, and of course the two Deputy City Managers, for more in-depth discussions. It was instructive to also have individual meetings with City Councilors to become more acquainted, while touching upon individual motivations for public office, personal goals and visions, issues, expectations, and so forth. These one-on-one meetings with the Leadership Team members and elected officials will continue through time.

Finally, emphasis was placed upon learning the "lay of the land" during this first month. A few tours were conducted, and much time has been allocated toward learning street names, neighborhoods, and geographical features (i.e., Grand Canyon!). More internal to City Hall, necessary changes have been pursued to accommodate an office environment that is more conducive to meetings and digital operations (less paper). Early efforts were taken to search for a permanent residence in the Flagstaff community.

Second Month

During the second month, some attention was given to streamlining the standing meeting schedule, with emphasis upon time allocation and efficiency. Considerably more focus was attributed toward preparation for City Council meetings, pending issues, and projects. Efforts were also taken to see other City offices and tour the various City facilities including Public Works, the Airport, Municipal Courts, and Police (this process will span a two-month period with many additional facilities to be toured). Meetings have been attended, in addition to standing meetings, involving the following internal teams:

- Budget Team
- Employee Advisory Committee
- Extended Leadership
- Property and Development Team
- Champions of Flagstaff
- Rio de Flag

Similarly, efforts were also taken to attend various community functions and events, with introductory meetings at the numerous entities and agencies, including but not limited to:

- Coconino County
- FUSD
- NAU
- FWPP
- NAIPTA
- Chamber of Commerce
- Indigenous Circle of Flagstaff
- FMPO
- Flagstaff Shelter Services
- Flagstaff Medical Center
- Coconino County Flood Control District
- ECONA
- CJCC
- DBA

The second month saw more interaction and discussion with the Leadership Team and Extended Leadership concerning salient issues, pending tasks and projects, organizational structures and systems. This in turn provided opportunity to share management styles and philosophies -- collaboration, information sharing, collective problem solving, empowerment, and efficiency.

Specific goals accomplished during the first two months included:

1. Introductions to the organization and to the Flagstaff community
2. Establishing a simplified and efficient meeting calendar for standing meetings
3. Becoming acquainted with community entities and agencies
4. Scheduling a fall retreat between Leadership and City Council
5. Becoming acquainted with Boards and Commissions (work in progress)
6. Developing a working knowledge of prominent issues and projects
7. Continuing to be familiarized with City strategic plans and comprehensive plans
8. Developing increased integration into problem solving and emerging issues
9. Enhancing outreach to organization (GCTV, blast emails, etc.)

<u>Third Month</u>

A continuation of all of the above is occurring during this third month, with an improved working knowledge and familiarity of City functions and structures, as well as a growing knowledge of our intergovernmental agencies, non-profits, business community, and various community groups. More time is being allocated to attend appointed Commission meetings when possible.

Efforts are underway to formulate potential enhancements to the organizational structure, with emphasis upon minimizing impact, maximizing efficiency, bolstering communication, and cultivating leadership development. Vertical hierarchy will be de-emphasized with more focus upon lateral collaboration between the divisions, and empowerment of the many leaders and managers within the organization. Again, efficiency will be an underlying premise.

Specific goals to be accomplished by the end of the first three months will include:

1. Orchestrating efficient and well-programmed agenda setting / Leadership Team meetings
2. Increasing assistance to the Mayor and City Council; increasing preparation for the meetings, and increasing participation during the meetings
3. Attending various Commission meetings when possible
4. Formulating organizational restructuring, with input from Leadership Team and City Council

5. Scheduling second retreat between Leadership and City Council, with focus upon relationship building, workflow, and organizational matters
6. Continuing attendance of community functions and community group meetings (focus upon service organizations, business groups, and ad hoc groups).
7. Continuing to enhance public outreach
8. Implementing quarterly check-ins with Section Heads and middle-tier management
9. Participating in staff events, celebrations, and functions
10. Becoming more personally acquainted with all levels of organizational functions, including but not limited to, scheduling ride-alongs with law enforcement, attending library functions, scheduling ride-alongs with street crews and transit, attending various parks functions and events, attending fire department functions, and the like.

The Next Three Months

A continuation of the above. Focus will shift to the upcoming 20-21 Budget, continued Priority Based Budgeting development, Rio de Flag project, hiring of new HR Director, intergovernmental workings and relationships, and the implementation of organizational restructuring.

After the first six months, the learning curve is largely complete, and the transition period is largely over. At this juncture, there should be a firm working knowledge of the community, the many issues that are being addressed, the projects, the programs, and most importantly, the people.