

SERVICE PROVIDER CONTRACT

Contract No. 2025-241

This Contract is entered into this ____ day of _____, 2025 by and between the City of Flagstaff, a political subdivision of the State of Arizona (“City”), and United Way of Northern Arizona, an Arizona nonprofit corporation (“Provider”).

RECITALS

WHEREAS, historically, the City has contracted with Provider regarding the allocation of City funds reserved for City-wide Community Health and Human Service programs to local social service agencies primarily for the benefit of low and moderate income residents of the City;

WHEREAS, the City and Provider have had a positive relationship throughout these contract years and Provider has satisfactorily provided the personnel necessary to organize and provide said services;

WHEREAS, the most recent service provider contract between the City and Provider expired on September 2, 2024, however, the Parties have continued to perform under the terms and conditions of that service provider contract; and

WHEREAS, the City desires to continue the contractual relationship with Provider to delegate certain program administration and monitoring responsibilities regarding the allocation of City funds for the services described herein.

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

AGREEMENT

- 1. Scope of Work: Provider shall provide the consulting services generally described as:

**COMMUNITY HEALTH AND HUMAN SERVICES,
VIA A SOCIAL SERVICE CONTRIBUTION FROM THE CITY OF FLAGSTAFF**

and as more specifically described in the Scope of Work attached here to as Exhibit A (the “Services”).

- 2. Term and Renewal:

- 2.1 Contract Term: The term is for a period of five (5) years unless terminated pursuant to the provisions of the Contract. The Contract will be effective as of the date signed by both parties. The City Council has the authority to amend the term of the Contract.

- 2.2 Renewal: The Contract may be renewed or extended for up to five (5) years, in one (1)- year increments by mutual written consent of the parties. The City Manager or his/her designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

- 2.3 Unilateral Extension: The Contract may be unilaterally extended for one (1) 90-day period. The City Manager or his/her designee (the Purchasing Director) shall have the authority to approve the extension on behalf of the City. Contractor will be provided written notice of the Unilateral Extension prior to expiration of the Contract.

3. Compensation:

3.1 Provider shall be paid for satisfactory performance of the Contract in an amount not to exceed:

3.1.1 FY 2025 - \$323,950

3.1.2 FY 2026 - \$333,750

Including fees and taxes, in accordance with the Scope of Work attached hereto as Exhibit A.

3.2 Annually, by December 1, the Parties may negotiate an increase in compensation to be executed on the date of the following contract year of service. Any increase in compensation must be supported by documentation and must be approved by mutual written consent of the Parties through a formal amendment. The City Manager or his/her designee may approve an amendment if the total amount of the amendment to the Contract is less than \$100,000; otherwise, City Council approval is required.

4. Termination & Cancellation Clauses.

4.1 Non-Appropriation: The City may terminate the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Provider.

4.2 For Convenience: Either Party may terminate the Contract for any reason by giving the other Party written notice of such termination no less than ninety (90) days prior to the date of termination. If the Contract is so terminated, the City's only payment obligation under the Contract shall be for those services completed prior to the effective date of the termination.

4.3 Conflict of Interest: Pursuant to A.R.S. § 38-511, if the City identifies a conflict of interest in the award or performance of the Contract, the City may cancel the Contract within three (3) years after its execution, without penalty or further liability to Provider.

5. Amendment: The Contract is intended to be the complete and final agreement of the Parties. A change in compensation or scope of work shall be reflected through a formal written amendment.

6. Compliance with Laws: Provider shall comply with all applicable federal, state, and local laws, regulations, standards, codes, and ordinances, including acquiring the requisite insurance, licenses, permits, and approvals, required to perform the Contract, and provide copies to City upon request.

7. Insurance:

7.1 Coverage: Contractor shall carry \$1,000,000 of Commercial General Liability insurance, \$500,000 Automotive Liability insurance, and the State of Arizona statutorily required amount of insurance for Workers' Compensation and Employer's Liability.

7.2 Professional Liability: Where the Contractor is required by state statute to maintain certain licensure to provide the Services required in the Contract, Contractor shall main \$200,000 of Professional Liability insurance.

7.3 Certificate of Insurance: Contractor shall provide a Certificate of Insurance to the City documenting the requisite coverage before engaging in the Scope of Work defined above.

8. Indemnity: Provider shall be fully liable for the actions of its agents, employees, partners, and assigns and shall fully indemnify, defend, and hold harmless the City, and their officers, agents, and employees from third party suits, actions, damages, and costs of every name and description, including attorneys' fees to the extent arising from or relating to personal injury and damage to real or personal property, caused in whole or in part by the negligence or willful misconduct of Provider, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.
9. Assignment/Subcontracting: Provider shall not assign, sell, transfer, or subcontract rights, or delegate responsibilities under this Contract, in whole or in part, without prior written approval of the City.
10. Independent Contractor: Provider 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.
11. Nondiscrimination: Provider 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, and/or familial status and represents and warrants that it complies with all applicable federal, state, and local laws, ordinances and executive orders regarding employment.
12. City Ownership of Document and Data: Any original documents prepared or collected by Provider in performance of this Contract such as models, samples, reports, surveys, survey results, graphics, tables, charts, plans, computations and other data shall be the property of City ("City's work product"). Provider 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: The City may use the City's work product without further compensation to Provider; provided, however, that the City's reuse without written verification or adaption by Provider for purposes other than contemplated herein is at the City's sole risk and without liability to Provider. Provider shall not engage in any conflict of interest nor appropriate any portion of the City's work product for the benefit of Contractor or any third parties without the 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, Provider shall immediately deliver to the City copies all of the City's work product and any other documents and data accumulated by Provider in performance of this Contract, whether complete or in process.
15. Immigration Laws: Pursuant to A.R.S. § 41-4401, Provider hereby warrants that it and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and/or federal immigration laws and regulations shall constitute a material breach of the Contract.
16. Forced Labor of Ethnic Uyghurs: Provider hereby certifies that it does not use the forced labor of ethnic Uyghurs in the People's Republic of China as defined in A.R.S. § 35-394, et seq.

17. Notice: Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City:

Joanne Keene, Deputy City Manager
City Manager's Office
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: joanne.keene@flagstaffaz.gov
Phone: 928-213-2015

To Contractor:

Liz Archuleta, President & CEO
United Way of Northern Arizona
1515 E. Cedar Ave., Suite D-1
Flagstaff, AZ 86004
larchuleta@nazunitedway.org
928-773-9813

With a copy to:

Patrick Brown, Purchasing Director
Purchasing Section
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: pbrown@flagstaffaz.gov

18. Authority: Each Party warrants that it has authority to enter into the Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into the Contract.

PROVIDER:

CITY OF FLAGSTAFF

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney's Office

Notice to Proceed issued: _____, 20__

EXHIBIT A
SCOPE OF WORK/FEE SCHEDULE
2025

I. SCOPE OF WORK

1. Identify community health and human services critical needs and opportunities and provide the City funds for them through a fair process.

- 1.1 Dialogue and data collection shall occur on an on-going basis with social services providers. Provider shall:
 - 1.1.1 Conduct email surveys with partner agencies to determine the effect of the changing economic conditions on clients and demand for services;
 - 1.1.2 Conduct three (3) face to face meetings with executives and senior staff from health and human service agencies to discuss needs and opportunities;
 - 1.1.3 Routinely discuss findings from data collection and dialogue with business and civic leaders to understand health and human services needs in relation to their knowledge of community conditions.
- 1.2 These communication methods or similar ones shall be maintained on an on-going basis.
- 1.3 Additionally, Provider staff shall participate in a variety of organizations to facilitate the transfer of knowledge and build understanding of trends, best practices and opportunities in health and human services.
- 1.4 Provider shall coordinate with partners for services, planning, and collaboration in the respective areas cradle to career.

2. Ensure funds are used effectively and specifically for the intended low and moderate income populations.

- 2.1 Each spring, the Provider's board and staff shall recruit volunteers from among donors, campaign volunteers, corporate and community leaders to determine how the City of Flagstaff funds should be disbursed. Teams of volunteers headed by a member of the Provider's board review applications and conduct site visits. Each applicant is expected to document how its services impact the lives of the people who participate in its programs.
- 2.2 These volunteers have an interest in community social services, have an ability to read and interpret program/services information and are willing to commit the time necessary to do the best job possible. Volunteers are required to become knowledgeable regarding Provider's community investment process by attending a training session, become knowledgeable regarding agencies assigned to them, and specifics of programs for which funds are requested (each volunteer is asked to review five proposals' narratives and fiscal reports as well as complete a rating

sheet), attend all meetings of their assigned team, recommend funding levels to Provider's board and ensure that community investment decisions are based on information provided within submitted proposals and site visits.

- 2.3 Volunteers shall evaluate the written proposal on key areas: Alignment with funding priorities (funding priorities are set by the Board based on community assessments), ability to display quantitative and qualitative outcomes that address how community conditions or individual clients conditions have changed in the current year due to program(s)/service(s) delivered, goals and outcome objectives, budget narrative, logic model and inclusion of all required materials. Provider's staff shall audit applications to ensure compliance and volunteers shall be asked to bring their own experiences to the review process. A CPA or a person with expertise in fiscal management shall review fiscal components of the application. Review teams shall then recommend allocation amounts for each applicant to the Provider's Board of Directors
- 2.4 Final allocation decisions shall be made by the Provider's Board of Directors. The Board shall take into consideration the committee recommendations. The parties shall endeavor to include a senior member of the City of Flagstaff staff in a position on the Board of Directors.
- 2.5 Provider shall work in collaboration with service providers, local government, health and education leaders that have successfully established or supported new programs or addressed system-wide responses to specific population needs. Provider shall lead an effort to better understand the needs and impact of this population, as well as potential models utilized in other communities, to address chronic alcoholism.
- 2.6 Provider shall work from an asset or strength-based model, meaning the Provider believes in working from strengths and that rarely can a single entity solve problems. To this end, as gaps in service become evident, Provider shall work with its partners, Community Initiative Councils, businesses and civic leaders to identify existing resources to meet needs. Provider, in collaboration with The Financial Stability Partnership (FSP), shall identify services for newly un-employed, people who have never had to access help before as an emerging need. Provider shall create resource lists and develop distribution methods. Provider shall provide the resource list to human resource personnel for the City of Flagstaff and other alliance members to ensure that employees targeted for lay-offs or furloughs received information about available social services.

3. Use City funds to leverage additional resources to provide enhanced and substantially similar benefit.

3.1 Three levels of review shall occur for each entity that is funded as follows:

3.1.1 compliance with non-profit organizational and fiscal requirements (990 tax filing, annual audit, non-profit status)

3.1.2 site visits by community review teams to see the program operations and meet the executive level staff and key board members

3.1.3 programmatic reports documenting services provided

3.2 Each organization shall provide the following:

3.2.1 A single Application Cover Sheet, Amount(s) Requested Form, Budget Narrative, Patriot Act Compliance Form, Certification of Non-Discrimination Form, Audit, and 990 Tax Return are required for funding source:

3.2.1.1 Application Cover Sheet: Please utilize provided Application Cover Sheet. Signatures and printed names of Board President and Executive Director/CEO are required.

3.2.1.2 Amount(s) Requested Form: Indicate amount for City of Flagstaff Funds being requested.

3.2.1.2.1 Computation of Administrative/Fund Raising Expenses.

3.2.1.3 Budget Narrative: The purpose of a budget narrative is to provide more clarity and detail on various budget line items for which funds are being requested. The budget narrative should explain criteria used to compute budget figures. Tie budget narrative with projected outcomes within Logic Models. Complete Budget Narrative For Amount(s) Requested Form.

3.2.1.4 USA Patriot Act Annual Compliance Form

3.2.1.5 Certification of Non-Discrimination in Services and Employment Form

3.2.1.6 Audit: Most recent independent certified public accountant's *Audit Report* for agency with Auditor's management letter. Auditor's Recommendations to Board of Directors. *(If Management Letter was not issued, a letter from the Auditor stating no Management Letter was issued MUST BE SUBMITTED).*

3.2.1.6.1 GAAP and GAAS: The Agency listed in this application accounts for its funds in accordance with generally accepted accounting principles (GAAP) and was audited in accordance with generally accepted auditing

standards (GAAS) by an independent certified public accountant in the immediately preceding year.

- 3.2.1.6.2 OMB 133 Audit: (Single Audit Act) \$500,000 or more expenditures of Federal funds. Fiscal and program compliance tested. More testing required. Opinion letter addresses Internal Controls. Management Letter provides suggestions.
- 3.2.1.6.3 Regular Audit: Review of fiscal documentation and records. No Opinion Letter on Internal Controls. Management Letter with suggestions is written. Required based on partner's budget/revenues of \$100,000 and above.
- 3.2.1.6.4 Reviewed Financial Statement: Tests numbers and ratios. Required based on partner's budget/revenues of \$25,000 - \$100,000.
- 3.2.1.6.5 Compilation: Pulls fiscal records and converts into Generally Accepted Accounting Procedures (GAAP) with disclosures/notes. Required based on partner's budget/revenues below \$25,000.
- 3.2.1.6.6 IRS 990 Tax Return: Must be from the same calendar year/fiscal year as audit (organizations which are not required to submit a Form 990 must complete the first two pages of a 990 for UWNA), accounting method must be accrual; including signatures in the box marked "Signature of Officer." The preparer's signature alone is not sufficient. Dates of the Form 990 must match dates of annual audit and both cannot be older than 18 months.
- 3.2.1.6.7 New applicants to Successful Provider: If this is the first year an agency is applying for any funds through, the following are required:
 - 3.2.1.6.7.1 Copy of most recent IRS determination letter (501c3).
 - 3.2.1.6.7.2 Current Year's Budget (the year agency is currently in) for entire agency as approved by agency's Board of Directors.
 - 3.2.1.6.7.3 A list of agency's Board of Directors and Advisory Board (if agency is an affiliate of a statewide organization) with the following required information:

- 3.2.1.6.7.3.1 Mailing addresses and telephone numbers for each member. Just the agency's address and phone number are unacceptable.
 - 3.2.1.6.7.3.2 Indicate offices currently held by each member.
 - 3.2.1.6.7.3.3 Terms of office – beginning and ending dates (month, day, and year). If your agency does not have term limits, attach a copy of Bylaws stating this fact.
 - 3.2.1.6.7.3.4 A list of dates of Board of Directors meetings held within the past 12 months. Indicate meetings at which a quorum was present.
 - 3.2.1.6.7.3.5 Provide times and locations with an exact address of each Board meeting.
- 3.3 Each spring the Provider shall release a request for proposal for City of Flagstaff funding. All Community Health and Human Service agencies serving Flagstaff residents shall be invited to participate through public notification in the Arizona Daily Sun. Provider partners shall be invited to participate through their annual provider application for funds. Previous year's applicants shall be notified via email and Provider staff shall be available via phone/email for questions and concerns. Provider shall require that each applicant provide a logic model explaining how City of Flagstaff funding was utilized by the agency in the previous calendar year. Provider shall ask for quantitative and qualitative outcomes that address how the agency is changing community conditions including: locations/ neighborhoods served, demographics of those served (local residents or transient populations), and how has this service changed community conditions.
- 3.4 Provider shall also require that each applicant provide goals and objectives for the current calendar year. This component shall include broad statements of intent (goals) with measurable, time-specific outcomes (objectives) that directly link with identified problem/needs addressed through City of Flagstaff funds. Goals shall be general statements of long-range benefits that reflect what changes are desired within a targeted population or community area. Outcome objectives shall be specific, quantified statements of expected outcomes of the service. These performance measures shall describe events that can be realistically achieved with available resources.
- 3.5 And finally, Provider shall require that each applicant complete a logic model for the current year in which they are requesting funding. The logic model shall describe how the proposed service(s)/program is/are compatible with funding priorities. Program goals shall describe any changes in condition, knowledge, attitude or skill as a result of the proposed service. Project/service measurement tools and

evaluative methods shall accurately track stated outcome objectives. Logic models shall display: Needs, Process, Outcome, Service Area (Education, Income and Health), Evaluation, and requested Budget to accomplish stated Outcome.

3.6 Provider shall provide training to applicants. Each year Provider shall assess the most important topics by evaluating where Provider weaknesses in previous year's applications or a significant change in non-profit management standards. All training provided shall include: Outcome measurement, logic models, Sarbanes Oxley for non-profits, and the new 990.

3.7 Award Program

3.7.1 Provider shall send application materials to service providers who received funds from the last City allocation cycle, as well as, any other qualified interested service providers.

3.7.2 Provider shall appoint a review committee composed of Flagstaff area residents and one (1) member appointed by the City which will review funding requests programmatically, financially and administratively, taking into account Community Health and Human Service needs, availability of similar services from other sources.

3.7.3 Provider shall provide written notification to the City of recommended allocations approved by the Provider's Board of Directors.

3.7.4 Provider shall be responsible for notifying organizations of reporting requirements and payment schedules.

3.7.5 Provider shall disburse all approved allocations and otherwise administer all funds covered by this Agreement, while monitoring funded programs and finances, and shall submit an annual report to the City on the status of these programs.

3.7.6 The City shall appoint one (1) professional staff member to serve as a staff liaison to the Provider's Allocation Committee.

4. Ensure sufficient data collection and reporting is available to document the community benefits and both agency and client eligibility. Provide an annual report to the City including process, methodology, leverage and benefits provided.

4.1 City funds:

4.1.1 Shall be directly matched by other funders (private, state and federal) to bring services to Flagstaff residents.

4.1.2 Shall be directly matched with in-kind contributions of volunteers, facilities and other goods and services.

4.1.3 Shall be combined with Provider funds to have a greater impact.

4.1.4 Shall be combined with Coconino County funds to have greater impact.

- 4.1.5 Shall support a strong Provider, thus bringing Flagstaff the added value of an organization dedicated to improving lives, mobilizing communities and improving community conditions.
- 4.2 Provider shall continue to seek opportunities to maximize the impact of City funds by working with partners who can attract multiple funding sources and have the capability to expand the number and quality of services by using volunteers and in-kind resources to stretch funding.
- 4.3 Provider shall conduct an annual audit that documents the total dollars raised, sources of funds and amount used for administration. These audited figures shall be reported to the community by the Provider in its annual report. Additionally, Provider shall have fiduciary reporting oversight and responsibility, where the audited financials, tax returns, volunteer hours tracked by provider, leveraged dollars, and community initiative outcomes are reviewed to aid in maintaining high level of transparency and accountability.
- 4.4 Annually, Provider shall provide a report to the City Council on the use of the Social Services funds. Leveraged dollars and resources shall be reported to the Council at the same time.
- 4.5 On an annual basis each organization that receives funding shall provide:
 - 4.5.1 Quantitative and qualitative outcomes that address how the agency is changing community conditions or individual lives including: locations/neighborhoods served, type of services provided, number of people served, demographics of those served (local residents or transient populations), and how has this service changed community conditions.
 - 4.5.2 Provider shall compile these individual agency reports into a summary report for the City Council. Annually, Provider shall provide a report to the City Council on the use of the Social Services funds. Leveraged dollars and resources shall be reported to the Council at the same time. Additionally, there are currently four City of Flagstaff employees and the Mayor of Flagstaff on the Provider's Board of Directors; these individuals shall be kept abreast of leveraging activities on an on-going basis.
 - 4.5.3 Provider shall adhere to a document retention policy in accordance with Sarbanes Oxley recommendations for non-profit organizations. All documents associated with this contract shall be maintained in accordance with the document retention policy which assures that the City of Flagstaff would have access to any requested materials for a multi-year period.

II. FEE SCHEDULE

1. Compensation

1.1	Direct Services	\$275,358
	Administrative Fee	\$48,592
	Total Payment FY 2025	\$323,950
1.2	Direct Services	\$283,688
	Administrative Fee	\$50,062
	Total Payment FY 2026	\$333,750

2. Disbursement of Funds

- 2.1 The City shall disburse to Provider its annual allocation award in two equal installments no later than July 15, and December 15 of each year, and Provider shall bill the City as needed for the administrative fee.
- 2.2 The City shall disburse to Provider any allocation awards arising one-time or as requested that are not originally included in its annual allocation award. Additional requested allocations by the City shall be disbursed to the Provider within 30 days of receiving the Provider's invoice. If additional allocation is not one-time, the allocation shall be included in the following Fiscal Year allocations.
- 2.3 Provider shall charge no more than fifteen percent (15%) of the total funds available for allocation as an administrative fee for the monitoring and administration of this program. Provider may earn interest on the total disbursement amount, which shall be credited against amounts owed by the City to Provider for its administrative fee. Provider shall include in its annual report to the City the actual administrative costs incurred by them and all interest earned on the total disbursement amount.
- 2.4 Provider shall assume total fiscal responsibility for all of the funds made available for allocation by the City under this program.

3. Criteria and Procedures

- 3.1 In order to be eligible for City funds under this program, each service provider shall be a non-taxing entity located within the jurisdictional boundaries of the City of Flagstaff and shall provide direct Community Health and Human Services to primarily low and moderate income residents of Flagstaff and the contiguous Coconino County area, and to travelers to Flagstaff who are in need of emergency service assistance.
- 3.2 Each service provider shall be legally qualified as a non-profit corporation under the law. Each service provider shall obtain a ruling from the United States Treasury Department that it is not a private foundation and that it is exempt from payment of income tax, and that gifts to it are deductible for income tax purposes. A copy of such ruling shall be submitted to the Provider and/or the City.
- 3.3 Each service provider shall have clear purposes and functions which designate it as a voluntary health and human service organization.

- 3.4 Each service provider shall maintain a board of directors or governing body that consists of volunteers, who make policy decisions, represents diversity of our community; and meets at least quarterly. Members of the volunteer governance structure should not receive financial compensation from the agency they oversee. This requirement precludes an agency's executive director and professional staff from serving on its board of directors.
- 3.5 If the service provider operates under religious auspices, it shall clearly separate its budget and financial reporting for support of City-funded programs from its religious programs.
- 3.6 Each service provider shall maintain full fiduciary responsibility for the Agency, including, but not limited to, managing the organization in full compliance with all Generally Accepted Accounting Principles, and conducting an annual audit. Organizations with an annual budget of less than \$100,000 may request a waiver from Provider for the annual audit requirement. Appropriate documentation shall be required if such a waiver is granted.
- 3.7 Any service provider that employs staff shall demonstrate that overhead expenses are held to a minimum and that all possible use is made of volunteer personnel.
- 3.8 Funding provided by the City may be limited to expenses related directly to service provision, and may exclude funding of capital expenses, debt services, fund raising costs, or building of reserves.
- 3.9 Each service provider shall use City-provided funds only for the provision of services for which such funds are allocated by Provider.
- 3.10 Each service provider shall provide prompt written notification to Provider of any programmatic, fiscal, staff or board issues that may have an impact on the agency operations.