CITY COUNCIL REGULAR MEETING AGENDA

REGULAR COUNCIL MEETING
TUESDAY
MAY 20, 2025

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
3:00 P.M.

All City Council Meetings are live streamed on the city's YouTube page (https://www.youtube.com/@FlagstaffCityGovernment)

PUBLIC COMMENT

Verbal public comments not related to items appearing on the posted agenda may be provided during the "Open Call to the Public" at the beginning and end of the meeting and may only be provided in person.

Verbal public comments related to items appearing on the posted agenda may be given in person or online and will be taken at the time the item is discussed.

To provide online verbal comment on an item that appears on the posted agenda, use the link below.

ONLINE VERBAL PUBLIC COMMENT

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented in the record as such.

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 discussion and consultation 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 through other technological means.

MAYOR DAGGETT
VICE MAYOR SWEET
COUNCILMEMBER ASLAN
COUNCILMEMBER GARCIA
COUNCILMEMBER HOUSE
COUNCILMEMBER MATTHEWS
COUNCILMEMBER SPENCE

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

A. **Consideration and Approval of previous minutes**: City Council Regular Meeting February 20, 2024, City Council Regular Meeting April 15, 2025.

STAFF RECOMMENDED ACTION:

Approve the minutes of the City Council Regular Meeting February 20, 2024, City Council Regular Meeting April 15, 2025.

5. OPEN CALL TO THE PUBLIC

Open Call to the Public enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Open Call to the Public appears on the agenda twice, at the beginning and at the end. The total time allotted for the first Open Call to the Public is 30 minutes; any additional comments will be held until the second Open Call to the Public.

If you wish to address the Council in person at today'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 Open Call to the Public and Public Comment. 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.

6. PROCLAMATIONS AND RECOGNITIONS

A. **Proclamation:** Historic Preservation Month

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

B. **Proclamation**: Public Works Week

STAFF RECOMMENDED ACTION:

Read and present the Proclamation

C. **Proclamation:** National Rescue Dog Day
STAFF RECOMMENDED ACTION:

Read and present the Proclamation

7. COUNCIL LIAISON REPORTS

8. APPOINTMENTS

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 the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. **Consideration of Appointments**: Airport Commission

STAFF RECOMMENDED ACTION:

1. Councilmember Matthews to make one appointment.

B. **Consideration of Appointments**: Beautification and Public Art Commission

STAFF RECOMMENDED ACTION:

1. Councilmember House to make one appointment

C. **Consideration of Appointments**: Board of Adjustment

STAFF RECOMMENDED ACTION:

1. Mayor Daggett to make one appointment
2. Vice Mayor Sweet to make one appointment
3. Councilmember Garcia to make one appointment
4. Councilmember Spence to make one appointment

9. CONSENT AGENDA

All matters under Consent Agenda are considered by the City Council to be routine. Unless a member of City Council expresses a desire at the meeting to remove an item from the Consent Agenda for discussion, the Consent Agenda will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

STAFF RECOMMENDED ACTION:
Approve the Consent Agenda as posted.

A. **Retroactive approval of letter of support:** Transportation Alternatives Program grant application

STAFF RECOMMENDED ACTION:

Retroactively approve the letter of support.

B. **Consideration and Approval of Contract:** CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay - with C and E Paving & Grading, LLC.

STAFF RECOMMENDED ACTION:

1. Approve the CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay - with C and E Paving & Grading, LLC for a Guaranteed Maximum Price (GMP) of $8,484,919.98; and
2. Authorize the City Manager to execute the necessary documents.

C. **Consideration and Approval of Contract:** Approve the Cooperative Purchase Contract Construction LLC to provide construction services for the Flagstaff Urban Trail System (FUTS) - 2025 Asphalt Maintenance Program in an amount not to exceed $2,791,769.50.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with Sunland Asphalt & Construction, LLC to provide construction services for the FUTS 2025 Asphalt Maintenance Program in an amount not to exceed $2,791,769.50; and
2. Authorize the City Manager to execute the necessary documents.

D. **Consideration and Approval of Contract:** A Cooperative Purchase Contract with U.S. Bancorp Asset Management, Inc. for Investment Management Services in the amount not to exceed $160,000, annually.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with U.S. Bancorp Asset Management, Inc. for Investment Management Services in an amount not to exceed $160,000, annually; and
2. Authorize the City Manager to execute the necessary documents.

E. **Consideration and Ratification of Letter of Support:** Coconino County Superintendent School Violence Prevention Program grant application

STAFF RECOMMENDED ACTION:

Retroactively approve the letter of support

F. **Consideration and Approval of Contract:** Approve Two Cooperative Purchase Agreements for Plan Review and Building Inspection Services in a Total Amount Not to Exceed $290,000, annually.

STAFF RECOMMENDED ACTION:

1. Approve a Cooperative Purchase Contract with Shums Coda for Plan Review and Building Inspection Services in an amount not to exceed $290,000, annually;
2. Approve a Cooperative Purchase Contract with Bureau Veritas for Plan Review and Building Inspection Services in an amount not to exceed $290,000, annually; and
3. Authorize the City Manager to execute the necessary documents.

G. **Consideration and Approval of Contract:** Cooperative Contract for On-Call City Wide Public Relations/Involvement Services with Beta Public Relations, LLC in an amount not to exceed $300,000.00 per contract year for public outreach services.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with Beta Public Relations, LLC for City-Wide On-Call Public Relations/Involvement Services in an amount not to exceed $300,000.00 per contract year and a contract duration of four years; and
2. Authorize the City Manager to execute the necessary documents.

H. **Consideration and Approval of Contract**: 2025 Renewal of the Master Agreement for Software Maintenance with Hexagon for software utilized by the City of Flagstaff Police Department in the amount of $315,822.54, plus applicable taxes.

STAFF RECOMMENDED ACTION:

1. Approve the 2025 Renewal of the Master Agreement for Software Maintenance with Hexagon in the amount of $315,822.54 plus applicable taxes; and
2. Authorize the City Manager to execute all necessary documents.

10. ROUTINE ITEMS

A. **Consideration and Adoption of Ordinance No. 2025-10**: An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 7 Health and Sanitation, Chapter 4 Municipal Solid Waste Collection Service, Section 07-04-001-0010 Fees, to add a new fee for public use of city-owned electric vehicle charging stations; providing for penalties, repeal of conflicting ordinances, severability, providing for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2025-10 by title only for the final time
2. City Clerk reads Ordinance No. 2025-10 by title only (if approved above)
3. Adopt Ordinance No. 2025-10

B. **Consideration and Adoption of Ordinance No. 2025-09**: An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of real property interests for the Arroyo Seco to Dortha Channel as part of the Spruce Wash Channel Improvements Project; providing for delegation of authority, repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2025-09 by title only for the final time
2. City Clerk reads Ordinance No. 2025-09 by title only (if approved above)
3. Adopt Ordinance No.2025-09

C. **Consideration and Adoption of Ordinance No. 2025-08**: An ordinance of the City Council of the City of Flagstaff, establishing the number of signatures required for City of Flagstaff candidate nomination petitions, providing for severability, authority for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2025-08 by title only for the final time
2. City Clerk reads Ordinance No. 2025-08 by title only (if approved above)
3. Adopt Ordinance No. 2025-08

D. **Consideration and Approval of Contract:** Sixth Amendment to the Construction Manager at Risk Construction Phase Services Agreement with Eagle Mountain Construction, Inc. for the Spruce Wash Flood Mitigation Suite of Projects to add Guaranteed Maximum Price 6 for the Spruce Wash Watershed Improvements.

STAFF RECOMMENDED ACTION:

1. Approve the Sixth Amendment to the Construction Manager at Risk (CMAR) Construction Phase Services Agreement with Eagle Mountain Construction, Inc. (EMC) for the Spruce Wash Mitigation Suite of Projects to include Guaranteed Maximum Price (GMP) 6 for the Spruce Wash Watershed Improvements in the amount of $5,380,490.00 and adding 0 days to the contract duration; and
2. Approve an Owner's Contingency of $87,500, which is approximately 1.6% of GMP 6; and
3. Authorize the City Manager to execute the necessary documents.

11. PUBLIC HEARING ITEMS

1. Open the Public Hearing
2. Presentations (Staff and/or Applicant)
3. Council Questions
4. Public Comment
5. Close the Public Hearing
6. Council Deliberation and Action

A. **Consideration and Adoption of Resolution No. 2025-25 and Ordinance No. 2025-11:** a resolution of the City Council of the City of Flagstaff, declaring that certain document known as "the 2025 City Tax Code Amendments" as a public record, and providing for an effective date; and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, title 3 Business Regulations, by adopting the "2025 City Tax Code Amendments" as set forth in that public record on file wit the City Clerk relating to codification of voter approved sales tax rates and Model City Tax Code Updates, and increasing the use tax rate to match sales tax rates; providing for repeal of conflicting ordinances, severability, clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Adopt Resolution No. 2025-25
2. Read Ordinance No. 2025-11 by title only for the final time
3. City Clerk reads Ordinance No. 2025-11 by title only (if approved above)
4. Adopt Ordinance No. 2025-11

12. REGULAR AGENDA

A. **Consideration and Approval of Contract**: Approve the Contract with Creative Flagstaff to serve as the City's Lead Arts Agency (LAA) and Grantmaking Agency (GMA) for Arts, Culture and Science.

STAFF RECOMMENDED ACTION:

1. Approve contract #2025-176 with Creative Flagstaff
2. Authorize the City Manager to execute the necessary documents.

B. **Consideration and Adoption of Resolution No. 2025-29**: A resolution of the Flagstaff City Council adopting an amendment to the City of Flagstaff's Incentive Policy for Affordable Housing.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-29 by title only
2. City Clerk reads Resolution No. 2025-29 by title only (if approved above)
3. Adopt Resolution No. 2025-29

C. **Consideration and Adoption of Resolution No. 2025-28**: A resolution of the Flagstaff City Council adopting the City of Flagstaff Public Safety Personnel Retirement System Pension Funding Policy; delegating authority; and establishing an effective date.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-28 by title only
2. City Clerk reads Resolution No. 2025-28 by title only (if approved above)
3. Adopt Resolution No. 2025-28

D. **Consideration and Adoption of Resolution No. 2025-27**: A resolution of the Flagstaff City Council, designating its Chief Fiscal Officer for officially submitting the fiscal year 2025-2026 expenditure limitation report to the Arizona Auditor General, and establishing an effective date.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-27 by title only
2. City Clerk reads Resolution No. 2025-27 by title only (if approved above)
3. Adopt Resolution No. 2025-27

E. **Consideration and Approval of Resolution No. 2026-26**: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the City of Flagstaff and the Arizona Department of Transportation (ADOT) for the US 89 Highway Safety Improvement Program Scoping grant award.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-26 by title only
2. City Clerk reads Resolution No. 2025-26 by title only (if approved above)
3. Adopt Resolution No. 2025-26

13. OPEN CALL TO THE PUBLIC

14. INFORMATIONAL ITEMS TO/FROM MAYOR, COUNCIL, AND STAFF, AND FUTURE AGENDA ITEM REQUESTS

15. 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 _____, 2025.

_____
Stacy Saltzburg, MMC, City Clerk

THE CITY OF FLAGSTAFF ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 213-2076 or email at stacy.saltzburg@flagstaffaz.gov to request an accommodation to participate in this public meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Flagstaff makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Flagstaff City Council meetings are live-streamed and recorded and may be viewed on the City of Flagstaff's website. If you permit your child to attend/participate in a televised Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of previous minutes: City Council Regular Meeting February 20, 2024, City Council Regular Meeting April 15, 2025.

STAFF RECOMMENDED ACTION:

Approve the minutes of the City Council Regular Meeting February 20, 2024, City Council Regular Meeting April 15, 2025.

Executive Summary:

Minutes of City Council meetings are a requirement of Arizona Revised Statutes and, additionally, provide a method of informing the public of discussions and actions being taken by the City Council.

Financial Impact:

None

Policy Impact:

None

Previous Council Decision or Community Discussion:

None

Options and Alternatives to Recommended Action:

Council could choose to not approve the minutes.

Connection to PBB Priorities and Objectives:

High Performing Governance: Serve the public by providing high quality customer service

Connection to Regional Plan:

None

Connection to Carbon Neutrality Plan:

None

Connection to 10-Year Housing Plan:

None

Attachments: 02.20.2025.CCRM.Minutes
04.15.2025.CCRM. Minutes

CITY COUNCIL REGULAR MEETING
TUESDAY, FEBRUARY 20, 2024
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Mayor Daggett called the meeting of the Flagstaff City Council held February 20, 2024, to order at 3:01 p.m.

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 discussion and consultation 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 through other technological means.

PRESENT:	ABSENT:
MAYOR DAGGETT	
VICE MAYOR ASLAN	
COUNCILMEMBER HARRIS	
COUNCILMEMBER HOUSE	
COUNCILMEMBER MATTHEWS	
COUNCILMEMBER MCCARTHY	
COUNCILMEMBER SWEET	

Others present: City Manager Greg Clifton; City Attorney Sterling Solomon.

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

The Council and audience recited the pledge of allegiance, Councilmember Matthews read the Mission Statement of the City of Flagstaff, and Councilmember Sweet read the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Public Participation appears on the agenda twice, at the beginning and at the end. If you wish to address the Council at today'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.

Jesse Clemente Ochoa read his professional cover letter as he was seeking a management position in the civilian sector.

Steve Andariese submitted written comments in support of maintaining the city's Carbon Neutrality Plan.

5. COUNCIL LIAISON REPORTS

Councilmember Sweet reported that she attended the Water Commission where they had a robust discussion about the water rate study. She also attended the MetroPlan Advance meeting where they did a lot of work visioning for the Vision Zero strategy and how to strategically align regional projects with grants. She noted that she would be attending the upcoming NACOG Regional Council meeting.

Councilmember McCarthy indicated that he also attended the MetroPlan Advance. He also attended the Senator Kelly hearing which focused on the Rio de Flag and other flood control projects.

Councilmember House shared that she attended the Athena Awards and congratulated the winner and young professional awardee. She also attended the Senator Kelly hearing and had a meeting with Senator Cook. She would also be attending the Black Student Union's Gala at Northern Arizona University.

6. APPOINTMENTS

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 the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Audit Committee

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Khara House to appoint John Cortese to the Audit Committee.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Khara House, to appoint Jennifer Stevenson to the Audit Committee.

Vote: 7 - 0 - Unanimously

7. LIQUOR LICENSE PUBLIC HEARINGS

Applications under Liquor License Public Hearings may be considered under one public hearing and may be acted upon by one motion unless otherwise requested by Council.

Mayor Daggett opened the public hearing on both applications.

Police Chief Dan Musselman introduced the applications and noted no concerns.

Vice Mayor Aslan noted that back in 2020 a prior Council voted to deny the application for the same location but with a different owner. He asked the applicant if they planned to sell the small $0.99 mini bottles of liquor.

Jonathan Elder, on behalf of Family Dollar, stated that they would happily stipulate to not selling singles if that was the Council's pleasure. He noted that they had done that in other stores across the country.

There being no public comment, Mayor Daggett closed the public hearing.

A. **Consideration and Action on Liquor License Application:** Amy S. Nations, "Whispering Winds Motor Hotel," 922 E. Route 66, Series 07 (Beer and Wine Bar), Location/Owner Transfer.

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Miranda Sweet to forward the application to the State with a recommendation for approval.

Vote: 7 - 0 - Unanimously

B. **Consideration and Action on Liquor License Application:** Rafael Galvan, Jr., "Family Dollar #28851," 5060 US-89, Series 10 (beer and wine store), New License.

Moved by Vice Mayor Austin Aslan, **seconded by** Councilmember Miranda Sweet to forward the application to the State with a recommendation for approval with the stipulation that no single serve mini bottles will be sold at this location.

Vote: 7 - 0 - Unanimously

8. CONSENT AGENDA

All matters under Consent Agenda are considered by the City Council to be routine. Unless a member of City Council expresses a desire at the meeting to remove an item from the Consent Agenda for discussion, the Consent Agenda will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

Moved by Councilmember Deborah Harris, **seconded by** Councilmember Lori Matthews to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. **Consideration and Approval of Contract:** First Amendment to Contract for Services with Sonoran Land Resources, LLC in an amount not to exceed $99,500 for property acquisitions necessary for the Rio de Flag Flood Control Capital Project.

1. Approve First Amendment to the Contract for Services with Sonoran Land Resources, LLC in an amount not to exceed $99,500; and
2. Authorize the City Manager to execute the necessary documents.

9. ROUTINE ITEMS

A. **Consideration and Approval of Contract:** Consideration and Approval of the Third Amendment for GMP 4, for Construction and Repair Services for the Inner Basin Waterline Restoration Project

Capital Improvements Project Manager David Pedersen introduced Matt McGrath, District Ranger for the Flagstaff Ranger District, Chuck English with Hunter Contracting, and Colby Walts with Arizona Game and Fish, together they provided a PowerPoint presentation that covered the following:

INNER BASIN WATERLINE RESTORATION PROJECT
PROJECT STAKEHOLDERS

EXCITING NEWS
GUARANTEED MAXIMUM PRICE
CONTRACT & PROJECT TIMELINE
CONTRACT & PROJECT COSTS
THE UNEXPECTED
INNER BASIN STORM DAMAGE
THE UNEXPECTED

Council discussed the strong collaboration and adaptability of the team working on the Schultz Flood mitigation project, particularly in responding to unexpected challenges like repeat wildfires. While some original materials like timber failed due to subsequent fires, the team had reinforced structures with more durable options like steel pipes and concrete, improving long-term resilience. They also praised the team's expertise, peer review efforts, and innovative work in areas with no established standards. They suggested a community open house or tour to showcase the project's scope, impact, and importance, with plans for a celebration once the work is complete.

Moved by Councilmember Khara House, **seconded by** Councilmember Lori Matthews to approve the Third Amendment for GMP 4, for Construction and Repair Services with Hunter Contracting Co. for a Guaranteed Maximum Price of $9,044,907.00 and a contract duration of 400-calendar days and authorize the City Manager to execute the necessary documents.

Vote: 7 - 0 - Unanimously

B. **Consideration and Adoption of Ordinance No. 2024-04:** An ordinance of the City Council of the City of Flagstaff, authorizing the exchange of real property of substantially equal value with a property owner, ZH Holdings Butler, LLC; providing for delegation of authority, severability, repeal of conflicting ordinances, and establishing an effective date

Consideration and Approval of Purchase Agreement with ZH Holdings Butler, LLC

Real Estate Manager Bryce Doty addressed Council and stated that the purchase agreement would come to them at the March 5, 2024 meeting for approval and did not need to be approved as part of the ordinance.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to read Ordinance No. 2024-04 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE EXCHANGE OF REAL PROPERTY OF SUBSTANTIALLY EQUAL VALUE WITH A PROPERTY OWNER, ZH HOLDINGS BUTLER, LLC; PROVIDING FOR DELEGATION OF AUTHORITY, SEVERABILITY, REPEAL OF CONFLICTING ORDINANCES, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to adopt Ordinance No. 2024-04.

Vote: 7 - 0 - Unanimously

C. **Consideration and Approval of Final Plat** Request by Brookfield Communities, Inc. for Final Plat approval for Woodshire on Butler Condominiums, a 50-unit residential condominium subdivision. (Subdivision of approximately 4.06 acres into 50 condominiums located at 2989 and 3001 E. Butler Avenue)

Planner Wesley Welch addressed Council and stated that the plat was approved in 2019 and there was an error that they were cleaning up.

Moved by Councilmember Khara House, **seconded by** Councilmember Lori Matthews to approve the final plat with no conditions and authorize the Mayor to sign both the plat and City/Subdivider Agreement when notified by staff that the documents are ready for recording.

Vote: 7 - 0 - Unanimously

10. REGULAR AGENDA

A. Consideration and Adoption of Resolution No. 2024-08: A resolution of the Flagstaff City Council, authorizing the grant agreement for an Arizona State Parks Heritage Fund - Environmental Education grant, agreement # 632407, for the continuation of the Open Space Education Coordinator position to provide outdoor environmental programs for the community, for an additional two years.

Open Space Supervisor Robert Wallace provided a PowerPoint presentation that covered the following:

OPEN SPACE GRANT RESOLUTION AND AGREEMENT CONSIDERATION
OPEN SPACE BACKGROUND -- WHO, WHAT, HOW
WHAT WILL THIS GRANT ACHIEVE
WHAT IS THE CITY AGREEING TO?
HOW GRANT ACCEPTANCE MEETS CITY GOALS
OPTIONS

Councilmember House praised the program for its community youth engagement and asked about efforts to represent underserved populations. Mr. Wallace explained that they focused on Title 1 schools, and were currently partnering with Mount Elden Middle School, Coconino High School, and Flagstaff High School, with plans to expand to more schools over time.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to read Resolution No. 2024-08 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING THE APPLICATION FOR AN ARIZONA STATE PARKS HERITAGE FUND -- ENVIRONMENTAL EDUCATION GRANT

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to adopt Resolution No. 2024-08.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to authorize the grant agreement with the Arizona State Parks Board for the Heritage Fund Environmental Education grant program, for grant funds in the amount of $119,724 with a city match of $15,500, for the continuation of the Open Space Education Coordinator position to provide outdoor environmental programs for the community.

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Resolution No. 2024-02: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement among the Coconino County Free Library District and the City of Flagstaff, the City of Williams, the City of Page, the Town of Fredonia, the City of Sedona, and Coconino County for the administration and funding of branch and affiliate libraries within the Coconino County Free Library District, and establishing an effective date

Library Director Linda Tillson addressed Council and stated that the agreement was primarily the same as the past agreement. She noted that the only substantive change was that the agreement was now for a period of two years rather than five. The shorter term would allow for a study to be conducted on how the organizational structure was set up and then revisit the agreement based on the findings. They had also changed some of the wording on the role of the County Librarian to better match state statute.

Moved by Councilmember Jim McCarthy, **seconded by** Councilmember Lori Matthews to read Resolution No. 2024-02 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT AMONG THE COCONINO COUNTY FREE LIBRARY DISTRICT, THE CITY OF FLAGSTAFF, THE CITY OF WILLIAMS, THE CITY OF PAGE, THE TOWN OF FREDONIA, THE CITY OF SEDONA, AND COCONINO COUNTY FOR THE ADMINISTRATION AND FUNDING OF BRANCH AND AFFILIATE LIBRARIES WITHIN THE COCONINO COUNTY FREE LIBRARY DISTRICT AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Miranda Sweet to adopt Resolution No. 2024-02.

Vote: 7 - 0 - Unanimously

A break was taken from 4:08 p.m. through 4:18 p.m.

C. **Consideration and Adoption of Resolution No. 2024-09:** A resolution of the Flagstaff City Council, authorizing the acquisition of real property interests necessary for the Rio De Flag Flood Control Project, a public use; providing for delegation of authority, condemnation authority, repeal of conflicting resolutions, and establishing an effective date

Real Estate Manager Bryce Doty addressed Council and stated that the resolution would authorize condemnation for properties in proximity to the Rio de Flag Flood Control Project. He added that most would not have to be condemned as they had been successful in negotiations with the property owners but in order to keep on schedule staff needed to have the authorization to condemn in case, they were unable to come to an agreement with the property owners. He provided a brief negotiation status on each of the properties.

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Lori Matthews to read Resolution No. 2024-09 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING THE ACQUISITION OF REAL PROPERTY INTERESTS NECESSARY FOR THE RIO DE FLAG FLOOD CONTROL PROJECT, A PUBLIC USE; PROVIDING FOR DELEGATION OF AUTHORITY, CONDEMNATION AUTHORITY, REPEAL OF CONFLICTING RESOLUTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Miranda Sweet, **seconded by** Councilmember Lori Matthews to adopt Resolution No. 2024-09.

Vote: 7 - 0 - Unanimously

D. **Consideration and Adoption of Ordinance 2024-05:** An ordinance of the City Council of the City of Flagstaff authorizing the acquisition of real property for the Killip Inlet as part of the Spruce Wash Channel Improvements Project; providing for delegation of authority, repeal of conflicting ordinances, severability, clerical corrections, and establishing an effective date

Real Estate Manager Bryce Doty addressed Council and stated that the ordinance was to acquire all the properties related to the Spruce Wash Channel Improvement Project. Staff were seeking authorization to move forward with negotiations with the property owner for the acquisition of the property.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Khara House to read Ordinance No. 2024-05 by title only for the first time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AUTHORIZING THE ACQUISITION OF REAL PROPERTY FOR THE KILLIP INLET AS PART OF THE SPRUCE WASH CHANNEL IMPROVEMENTS PROJECT; PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

E. **Consideration and Possible Action:** Use of the Council Initiative Fund

City Clerk Stacy Saltzburg addressed Council and stated that the Council Initiative Fund was established to enable City Council to approve expenditures, from time to time, that would be of benefit to the Flagstaff community. There is currently $23,444 available within the fund for the current fiscal year. Council identified two possible initiatives, the sponsorship of planet Earth at the new Astronomy Discovery Center at Lowell Observatory in the amount of $10,000, as well as support for the Youth Poet Laureate program in the amount of $5,000. She noted that Council could also consider other initiatives if so desired.

Council discussed the following:

Planet Earth Sponsorship

- One-time sponsorship for Planet Earth youth exhibit.
- Programs in place for underserved populations, including free museum access and school field trips for Title 1 schools.
- Suggestion to allocate $1,000 to cover tickets for students unable to pay.

Youth Poet Laureate Program

- Led by Northern Arizona Book Festival.
- Empowered youth voices and engaged underrepresented communities.
- Council interest in:
  - Deeper partnerships beyond financial support.
  - Involvement of the Youth Poet Laureate at city events.
- Program aligned with cultural and equity goals.

Firefighter Wellness & Mental Health Initiative

- Proposal to support yoga and mindfulness sessions for firefighters.
- Collaboration with 1501 Foundation and Flagstaff Fire Department.
- Addressed trauma and mental health through free wellness programming.
- Total Program Budget: $60,000
- Council Contribution: $4,444
- Funds to provide:
  - Up to 500 yoga sessions at fire stations.
  - Potential expansion to all first responders.

Moved by Councilmember Khara House, **seconded by** Councilmember Miranda Sweet to authorize the use of the Council Initiative Fund to sponsor Planet Earth at the new Astronomy Discovery Center in the amount of $10,000, support the Youth Poet Laureate program in the amount of $5,000, and support of the 1501 foundation in the amount of $4,444.

Vote: 7 - 0 - Unanimously

11. PUBLIC PARTICIPATION

None

12. INFORMATIONAL ITEMS TO/FROM MAYOR, COUNCIL, AND STAFF, AND FUTURE AGENDA ITEM REQUESTS

Councilmember Harris shared appreciation for Northern Arizona Healthcare's donation of 42 Stop the Bleed kits to all Flagstaff Unified School District schools.

Councilmember Sweet reported that she attended a Senate field hearing with Senator Mark Kelly, the Athena Awards, and the iHeart Pluto event. She also commended Team Flagstaff for improving downtown alleyways and noted positive feedback from local business owners.

Mayor Daggett stated that she also attended the field hearing with Senator Kelly. There was also a tour with Representative Cook to show all the projects he had assisted in securing funding for. It was a great meeting, and he was excited for each project and his ability to help. She thanked staff for all their coordination and for always representing Flagstaff so wonderfully.

13. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held February 20, 2024, adjourned at 5:06 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on February 20, 2024. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 20th day of May, 2025

_____
CITY CLERK

CITY COUNCIL REGULAR MEETING
TUESDAY, APRIL 15, 2025
CITY HALL COUNCIL CHAMBERS
211 WEST ASPEN AVE
3:00 P.M.

MINUTES

1. CALL TO ORDER

Vice Mayor Sweet called the meeting of the Flagstaff City Council held April 15, 2025, to order at 3:02 p.m.

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 discussion and consultation 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 through other technological means.

Present: Mayor Becky Daggett
Vice Mayor Miranda Sweet
Councilmember Austin Aslan
Councilmember Anthony Garcia
Councilmember Khara House
Councilmember Lori Matthews
Councilmember David Spence

Staff Present: City Manager Greg Clifton; City Attorney Sterling Solomon

3. PLEDGE OF ALLEGIANCE, MISSION STATEMENT, AND LAND ACKNOWLEDGEMENT

The Council and audience recited the pledge of allegiance, Councilmember Spence read the Mission Statement of the City of Flagstaff, and Councilmember Aslan read the Land Acknowledgement.

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

A. **Consideration and Approval of Minutes:** City Council Work Session September 22, 2020, City Council Regular Meeting October 6, 2020, City Council Work Session November 10, 2020, City Council

Work Session December 8, 2020, City Council Work Session May 11, 2021, City Council Work Session December 14, 2021, City Council Work Session February 8, 2022, City Council Work Session February 22, 2022, City Council Work Session March 8, 2022, City Council Work Session April 26, 2022, City Council Work Session May 10, 2022, City Council Work Session August 29, 2022, City Council Work Session September 13, 2022, City Council Work Session September 27, 2022, Joint City Council/Coconino County Work Session October 17, 2022, City Council Work Session April 11, 2023, City Council Work Session October 10, 2023, Joint City Council/Coconino County Work Session October 16, 2023, City Council Special Meeting (Executive Session) January 7, 2025, City Council Special Meeting (Executive Session) January 14, 2025, City Council Special Meeting (Executive Session) January 21, 2025, City Council Special Meeting (Executive Session) January 28, 2025, City Council Special Meeting (Executive Session) February 4, 2025, City Council Special Meeting (Executive Session) February 11, 2025,City Council Special Meeting (Executive Session) February 18, 2025 City Council Regular Meeting February 18, 2025, City Council Special Meeting (Executive Session) March 4, 2025, City Council Special Meeting (Executive Session) March 11, 2025, City Council Special Meeting (Executive Session) March 18, 2025, City Council Regular Meeting March 18, 2025, City Council Work Session March 25, 2025, Capital Improvements Retreat March 27, 2025, City Council Regular Meeting April 1, 2025.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to approve the minutes of the City Council Work Session September 22, 2020, City Council Regular Meeting October 6, 2020, City Council Work Session November 10, 2020, City Council Work Session December 8, 2020, City Council Work Session May 11, 2021, City Council Work Session December 14, 2021, City Council Work Session February 8, 2022, City Council Work Session February 22, 2022, City Council Work Session March 8, 2022, City Council Work Session April 26, 2022, City Council Work Session May 10, 2022, City Council Work Session August 29, 2022, City Council Work Session September 13, 2022, City Council Work Session September 27, 2022, Joint City Council/Coconino County Work Session October 17, 2022, City Council Work Session April 11, 2023, City Council Work Session October 10, 2023, Joint City Council/Coconino County Work Session October 16, 2023, City Council Special Meeting (Executive Session) January 7, 2025, City Council Special Meeting (Executive Session) January 14, 2025, City Council Special Meeting (Executive Session) January 21, 2025, City Council Special Meeting (Executive Session) January 28, 2025, City Council Special Meeting (Executive Session) February 4, 2025, City Council Special Meeting (Executive Session) February 11, 2025, City Council Special Meeting (Executive Session) February 18, 2025 City Council Regular Meeting February 18, 2025, City Council Special Meeting (Executive Session) March 4, 2025, City Council Special Meeting (Executive Session) March 11, 2025, City Council Special Meeting (Executive Session) March 18, 2025, City Council Regular Meeting March 18, 2025, City Council Work Session March 25, 2025, Capital Improvements Retreat March 27, 2025, City Council Regular Meeting April 1, 2025.

Vote: 7 - 0 - Unanimously

5. OPEN CALL TO THE PUBLIC

Open Call to the Public enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Open Call to the Public appears on the agenda twice, at the beginning and at the end. The total time allotted for the first Open Call to the Public is 30 minutes; any additional comments will be held until the second Open Call to the Public.

If you wish to address the Council in person at today'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 Open Call to the Public and Public Comment. 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.

DJ addressed Council and spoke about his termination from employment. He spoke about equal opportunity violations, wrongful termination, denied claims from DES for unemployment, and continued

homelessness.

Economic Development Administrator Creag Znetko addressed Council and expressed gratitude to Vice Mayor Sweet and Councilmember Spence for their support at the Innovate Green events and shared the success of the Tech Genie project, highlighting its sustainable aeroponic food system.

Eric Fort addressed Council with concerns about parking issues faced by the CATS organization while providing services to the unhoused community, suggesting that the Council consider providing parking relief for community organizations during regular events.

Colleen Maring, Chief People Officer and Chief Legal Counsel at Northern Arizona Healthcare, highlighted the importance of organ, eye, and tissue donation during Donate Life Month, sharing statistics on donations and the impact on saving lives.

6. PROCLAMATIONS AND RECOGNITIONS

A. Recognition: Flagstaff High School State Champion Girls Basketball Team

Vice Mayor Sweet read and presented a recognition for the Flagstaff High School State Champion Girls Basketball Team. She recognized the following:

Players: Nylah Davis, Lexi Neal, Sunshine Begoody, Kaiya Tate, Nidaya Nez, Kyleigh Walker, Presley Dixon, JJ McClellan, Teagan Martin, Shylynn Benally, Shandiin Bluelake, Carter Edison, Lacey Walker, Orianna Tsosie, Kenny Bitsui, Gabbie Nichols, Maya Joe, Audrey Edgewater

Manager, Coaches, and Athletic Director: Naliese Lomakema, Cassie Schrader, Jessica Herbel, Tyrone Johnson, Jeannine Brandel

B. Proclamation: Sexual Assault Awareness

Councilmember Matthews read and presented the proclamation.

7. COUNCIL LIAISON REPORTS

Councilmember Matthews reported on the Indigenous Commission's review of the Regional Plan and the CJCC's Justice Bus event in Tuba City, which provided various court and community services.

Councilmember Garcia shared updates from the Library Board, including a children's puppet program, the Big Read community celebration, and the introduction of cultural passes for Lowell Observatory. He also discussed the Neighborhood Sustainability Grant program, highlighting the awarded projects which focused on food security, waste prevention, and community skill development. He expressed concern over the removal of funding for the Market of Dreams.

Councilmember House reported that the Commission on Diversity Awareness would be meeting to discuss upcoming proclamation opportunities. The Northern Arizona Book Festival occurred the prior week where she spoke on a panel at NAU about the career paths of members who served as editors on the Thin Air literary magazine. She was able to share how her degree in that program contributed to her role on City Council. The Housing Commission met and discussed CDBG funding. She noted that April was Fair Housing Month, and that the Housing team would be hosting a fair housing training in collaboration with the Northern Arizona Association of Realtors.

Councilmember Spence expressed his honor and privilege to be the liaison for the Open Spaces Commission and Transportation Commission.

Vice Mayor Sweet noted that the Water Commission would be meeting that week and that the Northern Arizona Municipal Water Users Association had a meeting coming up.

8. CONSENT AGENDA

All matters under Consent Agenda are considered by the City Council to be routine. Unless a member of City Council expresses a desire at the meeting to remove an item from the Consent Agenda for discussion, the Consent Agenda will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember Lori Matthews to approve the Consent Agenda as presented.

Vote: 7 - 0 - Unanimously

A. **Consideration and Approval of Contract:** Annual Street Maintenance and Overlay 2025 GMP 1 to C and E Paving & Grading, LLC in the amount of $1,712,433.82.

1. Approve the Annual Street Maintenance 2025 GMP 1 and execute a CMAR Contract with C and E Paving & Grading, LLC for a Guaranteed Maximum Price (GMP) of $1,712,433.82; and
2. Authorize the City Manager to execute the necessary documents.

B. **Consideration and Approval of Services Contract Renewal**: Contract Renewal with Foxglove Gardening for the Flowers Program

1. Approve the Contract Renewal, May 2025 - April 2026 with Foxglove Gardening, an Arizona Corporation, in the amount not to exceed $131,083.35 for labor and supplies to beautify with flowers the designated planters, hanging baskets and wine barrels in the Downtown, Southside, and 4th Street Gateway to Sunnyside.
2. Authorize the City Manager to execute all necessary documents.

C. **Consideration and Ratification of Settlement:** settlement of *Laura and Mark Walsh v. City of Flagstaff*, *et al.* lawsuit.

1. Ratify approval of the settlement of the *Walsh v. City of Flagstaff, et al.* lawsuit pursuant to the terms discussed in executive session.

9. ROUTINE ITEMS

A. **Consideration and Adoption of Resolution No. 2025-17 and Ordinance No. 2025-05:** Amending the Flagstaff City Code, Chapter 1-14, Personnel System amending the Employee Handbook of Regulations, providing for repeal of conflicting ordinances, severability, authority for clerical correction, and establishing effective dates.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to adopt Resolution No. 2025-17.

Vote: 7 - 0 - Unanimously

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to read Ordinance No. 2025- 05 by title only for the final time.

Vote: 7 - 0 - Unanimously

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, CHAPTER 1-14, PERSONNEL SYSTEM BY ADOPTING BY REFERENCE THAT CERTAIN DOCUMENT ENTITLED "2025 SUITE OF EMPLOYEE HANDBOOK CHANGES" PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to adopt Ordinance No. 2025- 05.

Vote: 7 - 0 - Unanimously

10. REGULAR AGENDA

A. Consideration and Approval of Grant Agreement: City of Flagstaff and Federal Rail Administration INFRA Grant Agreement for the Downtown Mile Safety and Connectivity Improvement Project.

Project Manager Christine Cameron provided a PowerPoint presentation that covered the following:

DOWNTOWN MILE SAFETY AND CONNECTIVITY IMPROVEMENT PROJECT
FEDERAL RAIL ADMINISTRATION INFRA GRANT AGREEMENT
PROJECT COMPONENTS
PROJECT FUNDING
PROJECT SCHEDULE

Moved by Councilmember David Spence, **seconded by** Councilmember Lori Matthews to approve the Downtown Mile Safety and Connectivity Improvement Project (Project) Infrastructure of Rebuilding America (INFRA) Grant Agreement (Agreement) between the City of Flagstaff and Federal Rail Administration (FRA).

Vote: 7 - 0 - Unanimously

B. Consideration and Adoption of Resolution No. 2025-15: A resolution of the Flagstaff City Council, approving a renewal of the Intergovernmental Agreement between the Flagstaff Police Department and Arizona Department of Public Safety for the GIITEM State Gang Task Force.

Deputy Police Chief Collin Seay addressed Council and stated that the State Gang Task Force, known as GIITEM, was a state-funded initiative that began in 1992 to address gang violence, gang-related crimes, and community education across Arizona. The task force brought together law enforcement agencies from around the state in a collaborative effort.

The Flagstaff Police Department joined the task force in 1994, assigning its first officer to the unit, and has maintained a 31-year partnership. The City of Flagstaff's agreement with GIITEM was set to expire in July. He added that the city employed 119 officers, and two of those positions were grant-funded through the GITTEM IGA which amounted to approximately $230,000, with the state reimbursing roughly $173,000. The agreement also included advanced training opportunities that have positively impacted officer careers. The department planned to reassign two detectives to the unit by that summer, particularly in response to a recent increase in gang-related activity, including violent crimes and tagging.

Councilmember House stated that she had received questions from the community about the inclusion of immigration in the name of the task force. She referenced two statutes that had to do with employment verification and the ability to inspect records or documents, presumably immigration status, and asked what they were referring to in terms of the task force.

Deputy Chief Seay stated that the term was in reference to immigration intelligence, however Flagstaff experienced different gang problems than other communities in Arizona. He explained that there were transnational gang members in other communities that created a litany of crimes but that it was not necessarily the Flagstaff gang model. Most common in Flagstaff were juvenile and youth gangs influenced by adults. The focus of the Flagstaff Police Department was gang violence, violent street crimes, and serious offenders; they would not be doing immigration enforcement or employer verifications checks. He also noted that the department has full control of the officers in the task force and if there was something that they did not want the officers to do, they were able to pull them out of the task force and reassign them to other duties.

Councilmember Garcia asked if immigration was new to the name. Deputy Chief Seay stated that it

was created in 2006 to address the transnational gangs that affected Arizona. Flagstaff had not been involved in immigration round ups, the focus was juvenile gang issues, education, and supporting the patrol division.

Councilmember Garcia noted that the city could pull away from the contract if it felt the need to do so. He did not see that happening, but the option was there. He offered his appreciation for the relationships the agreement created. Deputy Chief Seay added that the partnerships were key, and they were appreciative of those partnerships and relationships between agencies.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to read Resolution No. 2025-15 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE ARIZONA DEPARTMENT OF PUBLIC SAFETY AND THE CITY OF FLAGSTAFF FOR THE GANG & IMMIGRATION INTELLIGENCE TEAM ENFORCEMENT MISSION (GIITEM) STATE GANG TASK FORCE

Moved by Councilmember Anthony Garcia, **seconded by** Councilmember Austin Aslan to adopt Resolution No. 2025-15.

Vote: 7 - 0 - Unanimously

C. **Consideration and Adoption of Resolution No. 2025-19:** A Resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the Arizona Department of Water Resources (ADWR) and the City of Flagstaff for utilization of a global positioning system (GPS) base station at Cinder Lake Landfill.

Moved by Councilmember Lori Matthews, **seconded by** Councilmember Anthony Garcia to read Resolution No. 2025-19 by title only.

Vote: 7 - 0 - Unanimously

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE ARIZONA DEPARTMENT OF WATER RESOURCES (ADWR) AND THE CITY OF FLAGSTAFF FOR UTILIZATION OF A GLOBAL POSITIONING SYSTEM (GPS) BASE STATION AT CINDER LAKE LANDFILL

Moved by Councilmember Lori Matthews, **seconded by** Councilmember David Spence to adopt Resolution No. 2025-19.

Vote: 7 - 0 - Unanimously

11. DISCUSSION ITEMS

A. **Discussion: Potential Resource Protection Pilot Program zoning code text amendment.**

Wildland Fire Captain Neil Chapman and Zoning Code Manager Tiffany Antol provided a PowerPoint presentation that covered the following:

RESOURCE PROTECTION PILOT PROGRAM
AGENDA
INTRODUCTION
CHALLENGES
INTENT OF PILOT PROGRAM
ZONING CODE TEXT AMENDMENT
PROCESS
SUMMARY

Councilmember Matthews asked if the LiDAR could be applied to existing neighborhoods to provide

a better understanding of what should be done to better prepare their properties. Mr. Chapman indicated yes and said that the conversations had started. There was not a process in place for existing neighborhoods currently, but they continued to look for ways to make that happen. Councilmember Matthews added her support for the pilot program and for following the science to keep neighborhoods safe while also preserving the forest.

Councilmember Spence asked if the pilot program was limited to a particular geographic area. Ms. Antol explained that it would be for the properties in the Resource Protection Overlay areas and would not apply to properties outside those areas.

Jessica Garard, past president of the Northern Arizona Association of Realtors, expressed support of the pilot program. She stated that homeowners in Flagstaff were faced with growing challenges in obtaining and affording home insurance, with many seeing dramatic rate increases or being dropped by insurers entirely, especially after recent wildfires and flooding. Rising costs add to the already high burden of homeownership in the area, and lack of insurance could risk foreclosure for those with mortgages.

Councilmember House stated that when talking about science and the current state of where they are at with our forests and resource protection, one of the things that stood out to her was the acknowledgement of the importance of reengaging the cultural practices for forest management.

Councilmember Garcia expressed his support for the plan.

Councilmember Aslan also expressed his support for enhancing Flagstaff's fire readiness and Firewise practices and trusting local scientific leadership. He emphasized that it was the right, smart, and safe thing to do for the community. However, he was skeptical about insurance companies, noting that such local efforts likely would not lower insurance rates without state and federal policy changes. The focus now was on maintaining access to private insurance rather than expecting discounts, with the understanding that doing the right thing locally could still help in broader efforts.

Councilmember Matthews stated that it was about keeping the community safe and a bonus was to see insurance improvements. She noted concern about the upcoming dry season and was grateful action was being taken for future developments to improve the safety of the community.

Vice Mayor Sweet also indicated support.

The Council was supportive of moving forward with the pilot program.

12. OPEN CALL TO THE PUBLIC

None

13. INFORMATIONAL ITEMS TO/FROM MAYOR, COUNCIL, AND STAFF, AND FUTURE AGENDA ITEM REQUESTS

Councilmember Spence highlighted the success of organ donations through Northern Arizona Healthcare, emphasizing the often-overlooked option of living kidney donation. He noted that healthy individuals under 65 without a family member in need could donate through the organ donor network and help someone on the waiting list. He also shared his own experience of donating a kidney 22 years ago and stressed the health benefits and personal fulfillment of being a living donor.

Councilmember Garcia spoke about the celebration event put on by the Commission on Inclusion and Adaptive Living. He also reminded the public about the Earth Day celebration at Bushmaster Park the following week. He shared that there would be a bike ride from the Visitor Center to the event. He also expressed appreciation to all those who participated in the Innovate Green event.

Councilmember Matthews shared that the city and Mountain Line hosted the national transportation conference in Flagstaff. They toured the new Downtown Connection Center building, and the attendees were impressed at how soundproof the building was. She also noted that there was a Mountain Line meeting that week.

Vice Mayor Sweet reported that she was also able to tour the Downtown Connection Center. She also congratulated the Innovate Green contributors.

14. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held April 15, 2025, adjourned at 4:27 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

I, STACY SALTZBURG, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on April 15, 2025. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 20th day of May, 2025

_____
CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Georganna Staskey, Deputy City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:
Proclamation: Historic Preservation Month

STAFF RECOMMENDED ACTION:

Read and present the Proclamation.

Executive Summary:

Financial Impact:
Project Name:
Cost:
Account Number Budgeted:
FY Budgeted Amount:
Grant Funded:
Funding Source:

Policy Impact:

Previous Council Decision or Community Discussion:

Options and Alternatives to Recommended Action:

Connection to PBB Priorities and Objectives:

Connection to Regional Plan:

Connection to Carbon Neutrality Plan:

Connection to 10-Year Housing Plan:

Attachments: Proclamation

City of Flagstaff – Office of the Mayor

Proclamation

WHEREAS, Preservation Month was established by the National Trust for Historic Preservation to promote historic places and heritage tourism, and demonstrate the social and economic benefits of historic preservation; and

WHEREAS, "Harnessing the Power of Place" is the theme for Preservation Month 2025, whereby the City of Flagstaff shall recognize and celebrate the power of place and the countless ways, big and small, that preservation creates; and

WHEREAS, preservation work strengthens communities, breathes new life into neighborhoods, supports a healthier planet, and builds a more just and connected society; and

WHEREAS, it is important to celebrate the contributions to preservation made by dedicated community partners and volunteers, including the Heritage Preservation Commission; and

WHEREAS, the City of Flagstaff's Heritage Preservation program was created to protect and enhance the cultural, historical, and archaeological heritage of the City; and

WHEREAS, the City of Flagstaff's commitment to preservation is displayed through its ongoing efforts to save the historic May Hicks Curtis House from demolition and preserve this important piece of Flagstaff and Arizona history for future generations; and

NOW, THEREFORE, I, Becky Daggett, Mayor of the City of Flagstaff, Arizona do hereby proclaim **May 2025**, as

Preservation Month

_____

MAYOR

ATTEST:

_____

CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Georganna Staskey, Deputy City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:
Proclamation: Public Works Week

STAFF RECOMMENDED ACTION:

Read and present the Proclamation

Executive Summary:

Financial Impact:
Project Name:
Cost:
Account Number Budgeted:
FY Budgeted Amount:
Grant Funded:
Funding Source:

Policy Impact:

Previous Council Decision or Community Discussion:

Options and Alternatives to Recommended Action:

Connection to PBB Priorities and Objectives:

Connection to Regional Plan:

Connection to Carbon Neutrality Plan:

Connection to 10-Year Housing Plan:

Attachments: Proclamation

City of Flagstaff – Office of the Mayor

Proclamation

National Public Works Week

"People, Purpose, Presence"

WHEREAS, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life, and well-being of the people of City of Flagstaff; and

WHEREAS, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are hardworking leaders and community stewards, at all levels of government. These dedicated members are responsible for rebuilding, improving, and protecting our nation's transportation, solid waste systems, public buildings, operations fleet and equipment, and other structures and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the citizens, civic leaders, and visitors in the City of Flagstaff to gain knowledge of and to maintain an ongoing interest and understanding of the importance of public works and public works programs in the City of Flagstaff; and

WHEREAS, the year 2025 marks the 65th annual National Public Works Week sponsored by the American Public Works Association be it now; and

WHEREAS, a sincere thank you is extended to all of the city public works professionals that deliver core services for the 700 lane miles of roadways, 800 pieces of fleet equipment, 1 million square feet of city facilities, 30,000 solid waste customers, and the management of the regional landfill each and every day in our community. Thanks to you, the city is in good hands. We appreciate the pride you take in a never-ending work program!

NOW, THEREFORE, I, Mayor Becky Daggett, Mayor of the City of Flagstaff, Arizona do hereby proclaim the week of May 18th – 24th, 2025 as

PUBLIC WORKS WEEK

In Flagstaff, Arizona.

Dated this 20th day of May, 2025.

_____

MAYOR

_____

CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Georganna Staskey, Deputy City Clerk

Date: 05/14/2025

Meeting Date: 05/20/2025

TITLE:
Proclamation: National Rescue Dog Day

STAFF RECOMMENDED ACTION:

Read and present the Proclamation

Executive Summary:

Financial Impact:
Project Name:
Cost:
Account Number Budgeted:
FY Budgeted Amount:
Grant Funded:
Funding Source:

Policy Impact:

Previous Council Decision or Community Discussion:

Options and Alternatives to Recommended Action:

Connection to PBB Priorities and Objectives:

Connection to Regional Plan:

Connection to Carbon Neutrality Plan:

Connection to 10-Year Housing Plan:

Attachments: Proclamation

City of Flagstaff – Office of the Mayor

Proclamation

WHEREAS, National Rescue Dog Day is observed on May 20, and it's a fact that rescue dogs are the best dogs; and

WHEREAS, in 2024, the following number of dogs were taken in by shelters and rescue organizations because they were abandoned, abused, surrendered, or strays: 3.6 million nationally, 102,000 in Arizona, and approximately 5,000 in Coconino County; and

WHEREAS, there are currently approximately 250 adoptable dogs available through the two Flagstaff shelters: Coconino Humane Association and High Country Humane as well as local and regional rescue organizations Blackhat Humane Society, Mountain Girl Rescue, Northern Arizona Animal Search and Rescue, and Tuba City Humane Society; and

WHEREAS, the perfect dog for every Flagstaff resident is currently waiting at our local shelters and rescue groups. Each one will provide unconditional love, loyalty, and gratitude and has the potential to answer the age-old question of "*who's a good boy, or girl*?"

WHEREAS, every dog deserves a warm, loving, forever home and a family to call their own; and

WHEREAS, shelters and rescue organizations receive animals that have been surrendered, abused, abandoned, or roaming the streets as strays. They treat sick and injured animals, provide spay and neuter services, provide shelter, food, and love to all animals coming into their care; and

WHEREAS, local animal shelters and rescue organizations need our support in the form of donations, adopters, foster homes, volunteers, and vocal supporters.

NOW, THEREFORE, I, BECKY DAGGETT, MAYOR OF THE CITY OF FLAGSTAFF, do hereby proclaim May 20th, 2025 as

RESCUE DOG DAY

IN FLAGSTAFF, ARIZONA

And encourage residents to adopt a new best friend, donate to shelters and rescue organizations, become dog fosters and help make room in shelters and rescues for the next dog in need, volunteer to walk rescue dogs, spay or neuter your dogs (and cats), and spread the word about how awesome rescue dogs are.

DATED this 20th day of May 2025

Becky Daggett

MAYOR

ATTEST:

Stacy Saltzburg

CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:
Consideration of Appointments: Airport Commission

STAFF RECOMMENDED ACTION:

1. Councilmember Matthews to make one appointment.

Executive Summary:
The Airport Commission consists of seven citizens, and is responsible for reviewing and reporting to the Council on the development of the Airpark and on matters affecting the operation and efficiency of the airport, using the Airport Master Plan as a guide.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are two (2) applications on file for consideration by the Council as follows:

- Eulis Pierce (new applicant)
- Nicholas Barraza (new applicant)

In an effort to reduce exposure to personal information, the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Councilmember Matthews

Financial Impact:
These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:
None

Previous Council Decision or Community Discussion:
None

Options and Alternatives to Recommended Action:

1. Appoint one Commissioner: By appointing a member at this time, the Airport Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Airport Commission Authority

CHAPTER 2-11
FLAGSTAFF AIRPORT COMMISSION

SECTIONS:

2-11-001-0001 COMMISSION CREATED:
2-11-001-0002 COMPOSITION; TERMS:
2-11-001-0003 ORGANIZATION:
2-11-001-0004 COMPENSATION:
2-11-001-0005 MEETINGS:
2-11-001-0006 ACTIONS OF THE COMMISSION:

2-11-001-0001 COMMISSION CREATED:

There is hereby established the Flagstaff Airport Commission to be composed of seven (7) members who shall meet as hereinafter provided to consider and deliberate upon matters of concern to the City Council and citizens that affect the operation and efficiency of the airport toward the end of providing an optimum level of services within available resources using the Airport Master Plan as a basic guide. (Ord. 1897, Amended, 11/21/95)

2-11-001-0002 COMPOSITION; TERMS:

The composition of the membership of the Commission shall be as follows:

A. Seven (7) members to be appointed by the City Council who shall serve for three (3) year terms, on a staggered basis.

B. Ex Officio Members: The following persons shall be ex officio members of the Commission, but shall have no vote:

The Mayor;

The City Manager;

The Airport Manager;

The FAA Tower Operator.

C. A quorum shall shall consist of four (4) voting members of the Commission. (Res. 1045, 9-20-77; Ord. 1897, Amended, 11/21/95; Ord. 2007-03, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2016-30, Amended, 07/05/2016)

2-11-001-0003 ORGANIZATION:

At the first meeting after appointment and at the first meeting held in any calendar year thereafter, the members of the Commission shall elect a Chairperson and Vice-Chairperson. (Ord. 2007-03, Amended 02/06/2007)

2-11-001-0004 COMPENSATION:

The members of the Commission may be reimbursed by the City for necessary travel and subsistence expenses, but shall not receive compensation for their services. Any such travel must be approved in advance by the City Council or the City Manager with all budgetary considerations taken into account.

2-11-001-0005 MEETINGS:

The Commission shall hold regular monthly meetings, which shall at all times be open to the public, the time and place of said meetings shall be posted in accordance with any currently applicable Arizona State Statutes regulating public meetings and proceedings (open meeting laws). Special meetings may be called by the Chairperson on twenty-four (24) hours' notice.

2-11-001-0006 ACTIONS OF THE COMMISSION:

A. The Commission, with the consent of the City Manager, may call on all City divisions for assistance in the performance of its duties, and it shall be the duty of such divisions to render such assistance to the Commission as may be reasonably required.

B. All discussions, deliberations, actions and recommendations of the Commission shall be advisory to the City Council, and such advisories as the Commission may from time to time make shall be forwarded to the City Council through the City Manager. (Res. 1045, 9-20-77)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:
Consideration of Appointments: Beautification and Public Art Commission

STAFF RECOMMENDED ACTION:

1. Councilmember House to make one appointment

Executive Summary:
The Beautification and Public Art Commission consists of seven citizens, and recommends expenditures from the BBB beautification fund and the public art portion of the Arts and Science fund. It studies and recommends community beautification projects ranging from landscaping and irrigation, signs and billboards, buildings, street-scapes, gateways, the purchase and installation of public art projects within beautification projects, and property acquisition for beautification and/or public art and neighborhood-initiated projects, to mention a few.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are five (5) applications on file for consideration by the Council as follows:

- Meredith Curley (new applicant)
- Robert "Daniel" Duke (new applicant)
- Erin Gardner (new applicant)
- Tracey McCoy (new applicant)
- Rachel Starke (new applicant)

In an effort to reduce exposure to personal information, the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Councilmember House

Financial Impact:
These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:
None

Previous Council Decision or Community Discussion:
None

Options and Alternatives to Recommended Action:

1. Appoint one Commissioner: By appointing a member at this time, the Beautification and Public Art Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Beautification and Public Art Commission Authority

CHAPTER 2-14
BEAUTIFICATION AND PUBLIC ART COMMISSION

SECTIONS:

2-14-001-0001 CREATION OF COMMISSION:
2-14-001-0002 COMPOSITION AND TERM OF OFFICE:
2-14-001-0003 COMPENSATION OF COMMISSION MEMBERS:
2-14-001-0004 ORGANIZATION:
2-14-001-0005 MEETINGS:
2-14-001-0006 DUTIES:

2-14-001-0001 CREATION OF COMMISSION:

There is hereby established a City Beautification and Public Art Commission. There shall be seven (7) voting members of said Commission who shall meet as hereinafter provided to consider and recommend programs for the expenditure of the beautification and arts and sciences portions of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues.

"Arts and sciences" means support for Flagstaff arts, scientific and cultural activities, events and organizations to provide direct and indirect citizen participation and enhancement of the overall quality of life and community image including support of public art. (Same meaning as set forth in Section 3-06-001-0001.)

"Beautification" means any modification of the urban physical environment to increase pleasure to the senses or pleasurably exalt the mind or spirit or strengthen the urban design framework of the City (same meaning as set forth in Section 3-06-001-0001). (Ord. 1580, Enacted, 08/02/1988; Ord. 2006-15, Amended, 05/16/2006; Ord. 2007-07, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-14-001-0002 COMPOSITION AND TERM OF OFFICE:

The composition of the membership shall consist of seven (7) members appointed by the City Council.

Each member shall serve three (3) year terms, on a staggered basis. A member’s term in office shall commence with the first regular Commission meeting following the appointment and terminate with the regular Commission meeting at which the successor takes office. No voting member of the Commission may be appointed to more than two (2) full consecutive terms. (Ord. 1580, Enacted, 08/02/1988; Ord. 1674, Amended, 09/18/1990; Ord. 2006-15, Amended, 05/16/2006; Ord. 2007-04, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-14-001-0003 COMPENSATION OF COMMISSION MEMBERS:

Members of the Commission shall serve without compensation. (Ord. 1580, Enacted, 08/02/1988)

2-14-001-0004 ORGANIZATION:

The Commission shall elect a Chairperson from among its members. The term of the Chairperson shall be one year with eligibility for reelection. Commission members may not serve more than two (2) consecutive terms as Chairperson. The Council representative shall not be eligible for the Chair. (Ord. No. 1580, Enacted, 08/02/1988)

2-14-001-0005 MEETINGS:

A. The Commission shall hold at least one (1) regular meeting per month, which shall at all times be open to the public; the time and place of said meeting shall be posted in accordance with the applicable Arizona State Statutes.

B. A quorum consisting of a minimum of four (4) voting members of the Commission shall be required to conduct business. (Ord. 1580, Enacted, 08/02/88; Ord. 2006-15, Amended, 05/16/2006; Ord. 2016-30, Amended, 07/05/2016)

2-14-001-0006 DUTIES:

The duties of the Commission shall be to:

A. The Commission shall be responsible for preparing a five (5) year plan. The five (5) year plan shall be used as a guideline for future programs. Said plan shall be presented to the Council prior to April 1st of each year.

B. Develop and present to City Council an annual plan outlining the Commission's program recommendations for the upcoming fiscal year. Said plan shall be presented to the Council prior to April 1st of each year.

C. Make recommendations to the City Council concerning the annual budgetary allocation of the beautification and public art portions of the Bed, Board and Booze Tax and other monies as deemed appropriate by the City Council, to include, but not be limited to:

1. Purchase, installation or modification of landscaping and irrigation systems;

2. Purchase, removal or modification of billboards and nonconforming signs;

3. Beautification of buildings and facilities, streetscapes and gateways;

4. Purchase and installation of public art projects;

5. Purchase or lease of easements or property necessary for beautification projects.

D. Make recommendations to the City Council for public art projects by:

1. Reviewing and defining potential public art projects and writing project descriptions.

2. Determining the artist selection method and writing the call to artists for public art projects.

3. Evaluating public art proposals for recommendation to the City Council.

4. Facilitating display of local art in public facilities.

Recommendations to City Council are required for a public art proposal when the resulting contract will be fifty thousand dollars ($50,000.00) or more.

E. With respect to the arts and science portion of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues, the Commission shall make recommendations to the Council concerning the annual budgetary allocation of the arts and science portion of this tax, to include but not be limited to:

1. Developing and supporting the Flagstaff arts, scientific and cultural activities, events and organizations to provide direct and indirect citizen participation, and opportunities for enhancement of the overall quality of life and community image.

2. Developing, acquiring and distributing material to promote arts and science.

3. Developing financial assistance programs to stimulate artistic and scientific activities in Flagstaff.

4. Retaining of appropriate staff to implement approved programs.

F. Perform those additional duties as determined by the City Council, related to the Beautification and Public Art Commission.

G. Contracts for arts and sciences and beautification are subject to procurement under the Procurement Code Manual. In addition, the City Council, City Manager or his or her designee(s) may request the Commission to make recommendations regarding any arts and sciences or beautification proposals. (Ord. No. 1580, Enacted, 08/02/88; Ordinance No. 2006-15, Amended, 05/16/2006; Ord. 2015-22, Amended, 01/05/2016; Ord. 2021-22, Amended, 10/05/2021)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:
Consideration of Appointments: Board of Adjustment

STAFF RECOMMENDED ACTION:

1. Mayor Daggett to make one appointment
2. Vice Mayor Sweet to make one appointment
3. Councilmember Garcia to make one appointment
4. Councilmember Spence to make one appointment

Executive Summary:
The Board of Adjustment is made up of seven voting members; six citizen members shall be appointed by the Mayor and City Council and one member of the Planning and Zoning Commission. The Board holds hearings on request for variances and appeals of decision by the Zoning Administrator. The Board does not have the authority to change zoning law.

The City of Flagstaff is committed to increasing diversity in every board and commission, please consider how the applicant stated they may contribute to this commitment.

There are five (5) applications on file for consideration by the Council as follows:

- Devin Kelley (current commissioner)
- Diane Lorden (current commissioner)
- Gail Jackson (new applicant)
- John Jackson (new applicant)
- Joseph Jarvis (new applicant)

In an effort to reduce exposure to personal information, the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Mayor Daggett, Vice Mayor Sweet, Councilmember Garcia, and Councilmember Spence.

Financial Impact:
These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:
None

Previous Council Decision or Community Discussion:
None

Options and Alternatives to Recommended Action:

1. Appoint four Commissioners: By appointing members at this time, the Airport Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.
2. Postpone the action to allow for further discussion or expand the list of candidates.

Connection to PBB Priorities and Objectives:
Inclusive and Engaged Community - Foster community pride and civic engagement; advance social equity and social justice in Flagstaff; facilitate and foster diversity and inclusivity; and enhance community outreach and engagement opportunities.

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Airport Commission Authority

CHAPTER 2-11
FLAGSTAFF AIRPORT COMMISSION

SECTIONS:

2-11-001-0001 COMMISSION CREATED:
2-11-001-0002 COMPOSITION; TERMS:
2-11-001-0003 ORGANIZATION:
2-11-001-0004 COMPENSATION:
2-11-001-0005 MEETINGS:
2-11-001-0006 ACTIONS OF THE COMMISSION:

2-11-001-0001 COMMISSION CREATED:

There is hereby established the Flagstaff Airport Commission to be composed of seven (7) members who shall meet as hereinafter provided to consider and deliberate upon matters of concern to the City Council and citizens that affect the operation and efficiency of the airport toward the end of providing an optimum level of services within available resources using the Airport Master Plan as a basic guide. (Ord. 1897, Amended, 11/21/95)

2-11-001-0002 COMPOSITION; TERMS:

The composition of the membership of the Commission shall be as follows:

A. Seven (7) members to be appointed by the City Council who shall serve for three (3) year terms, on a staggered basis.

B. Ex Officio Members: The following persons shall be ex officio members of the Commission, but shall have no vote:

The Mayor;

The City Manager;

The Airport Manager;

The FAA Tower Operator.

C. A quorum shall shall consist of four (4) voting members of the Commission. (Res. 1045, 9-20-77; Ord. 1897, Amended, 11/21/95; Ord. 2007-03, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2016-30, Amended, 07/05/2016)

2-11-001-0003 ORGANIZATION:

At the first meeting after appointment and at the first meeting held in any calendar year thereafter, the members of the Commission shall elect a Chairperson and Vice-Chairperson. (Ord. 2007-03, Amended 02/06/2007)

2-11-001-0004 COMPENSATION:

The members of the Commission may be reimbursed by the City for necessary travel and subsistence expenses, but shall not receive compensation for their services. Any such travel must be approved in advance by the City Council or the City Manager with all budgetary considerations taken into account.

2-11-001-0005 MEETINGS:

The Commission shall hold regular monthly meetings, which shall at all times be open to the public, the time and place of said meetings shall be posted in accordance with any currently applicable Arizona State Statutes regulating public meetings and proceedings (open meeting laws). Special meetings may be called by the Chairperson on twenty-four (24) hours' notice.

2-11-001-0006 ACTIONS OF THE COMMISSION:

A. The Commission, with the consent of the City Manager, may call on all City divisions for assistance in the performance of its duties, and it shall be the duty of such divisions to render such assistance to the Commission as may be reasonably required.

B. All discussions, deliberations, actions and recommendations of the Commission shall be advisory to the City Council, and such advisories as the Commission may from time to time make shall be forwarded to the City Council through the City Manager. (Res. 1045, 9-20-77)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Sarah Langley, Public Affairs Director

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Retroactive approval of letter of support: Transportation Alternatives Program grant application

STAFF RECOMMENDED ACTION:

Retroactively approve the letter of support.

Executive Summary:

City staff received a request for a letter of support for Metroplan/ Coconino National Forest's Transportation Alternatives Program grant application for the Mount Elden Urban Trail design. The trail design project offers transportation alternatives to high injury crash areas, US 89 and Cedar Ave and connects East and West Flagstaff to provide alternative community opportunities across the City. This request falls within the City's Environmental Funding and Partnership legislative priority, which supports trails and related initiatives. City staff have sent the attached letter to Metroplan staff to meet the grant application deadline.

Financial Impact:

N/A

Policy Impact:

N/A

Previous Council Decision or Community Discussion:

N/A

Options and Alternatives to Recommended Action:

N/A

Background and History:

N/A

Connection to PBB Priorities and Objectives:

This letter of support is in alignment with the Council's Sustainable & Innovative Infrastructure PBB Objective.

Connection to Regional Plan:

N/A

Connection to Carbon Neutrality Plan:

N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments: Letter of Support

CITY OF
FLAGSTAFF

FLAGSTAFF CITY COUNCIL
211 West Aspen Avenue, Flagstaff, Arizona 86001
Main Line: 928-213-2000
Website: https://www.flagstaff.az.gov

April 24, 2025

RE: Transportation Alternatives Program

Dear Transportation Alternatives Program Grant Review Team,

The City of Flagstaff writes in support of the Coconino National Forest's Transportation Alternatives grant application for the Mount Elden Urban Trail design. This urban trail project connects the City of Flagstaff from east to west and establishes approximately 5.5 miles of highly developed, surfaced trails that are 4-5 feet wide. This trail will connect to Flagstaff Urban Trail System (FUTS) routes located on the flanks of Mt. Elden and several communities, including schools and parks in many neighborhoods in the northern part of Flagstaff.

This trail design project offers transportation alternatives to high injury crash areas, US89 and Cedar Ave and connects East and West Flagstaff to provide alternative commuting opportunities across the City. The portion of the trail parallel to US89 has no protected sidewalks or bike lanes. The east-west connections connect neighborhoods with important City destinations by connecting to the City's well-established Flagstaff Urban Trails System (FUTS), creating end-to-end bike and pedestrian access throughout the City. This trail will reduce resident confusion as the area has many social/unmarked trails in the neighborhood, and people get lost and feel uncomfortable, which pose safety issues. This trail will provide a myriad of opportunities for commuting, recreation, and improved quality of life for a wide demographic of residents, in addition to attracting tourists. The project area is designated as a watchable wildlife area by Game and Fish, which offers educational opportunity for local students.

These locations were identified as suggested areas for improvements in a city-led survey of users of FUTS. Additionally, in the City of Flagstaff's Active Transportation Master Plan (ATMP), connectivity and alignment between the FUTS system and access to the forest in the project area is a priority in the Plan. The City of Flagstaff offers its strongest support for the Mt. Elden Urban Trail project, which is an excellent fit for the Transportation Alternatives program, as it is a smaller scale alternative transportation project that achieves a safer and more connected off-road network for all users.

Sincerely,

Becky Daggett

Becky Daggett,
Mayor, City of Flagstaff, on behalf of the Flagstaff City Council

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jarrett Nelson, Public Works Sr. Project Manager

Co-Submitter: Sam Beckett

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay - with C and E Paving & Grading, LLC.

STAFF RECOMMENDED ACTION:

1. Approve the CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay - with C and E Paving & Grading, LLC for a Guaranteed Maximum Price (GMP) of $8,484,919.98; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The Public Works Streets Section maintains over 700 lane miles of roadway surface infrastructure for the citizens, regional community members, and visitors. Roadways throughout the city vary in design and capacity. In addition to automobile travel, all modes of transportation are integrated and encouraged within the right of way. Modes of travels such as mass transit, bicycle, and pedestrian opportunities are prevalent and our Streets crews strive to provide transportation infrastructure that is well connected and as safe as possible for travel, regardless of the chosen mode. The City's annual Street Maintenance Overlay and Chip Seal Program is an effort to improve aging infrastructure within our existing transportation network. Planning efforts include an evaluation of the asphalt surface, edge treatments, recent overlay project sections, roads that meet maintenance need, and road stripe engineering. Once the identified needs are prioritized, Streets utilizes funding provided from two sources to address the needs. The first source of revenue is Highway User Revenue Funds (HURF), or what's commonly referred to as the gas tax, a state shared revenue. The second source of revenue provided is sales tax proceeds collected as a result of the 2014 voter approved Road Repair and Street Safety Program (RRSS). This Council action, if approved, will allow Streets to deliver the Annual Street Maintenance 2025 chip, crack and fog seal utilizing local contractor C and E Paving & Grading, LLC and improve the community transportation infrastructure.

Financial Impact:

Project Name: CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay
Cost: $8,484,919.98
Account Number Budgeted: 046-06-163-3321-6-4443
FY2026 Proposed Budgeted Amount: $13,553,983
Grant Funded: No
Funding Source: Prop 406 special sales tax

Policy Impact:

The award of the CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay to C & E Paving and Grading, LLC. will authorize the delivery of the City's 2025 Street Maintenance Program - Mill & Overlay. The Mill & Overlay work will ensure that the City maintains its streets and provide for a well-protected and increased overall condition index for our roadways. The City of Flagstaff community continues to support initiatives creating and maintaining quality infrastructure throughout our transportation network.

Previous Council Decision or Community Discussion:
The City of Flagstaff City Council has approved CMAR contracts in previous years for the annual street maintenance and overlay program. Transportation maintenance programs has been a topic of discussion in previous sessions. Direction and feedback has been provided in multiple forums, such as the goal setting process, the annual budgetary process, and community service delivery expectation discussions. Clear direction has been provided to maintain our transportation system, establish asset inventory, deliver capital renewal programs and meet the community expectations.

Options and Alternatives to Recommended Action:

1. Approve the CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay; or
2. Forego this portion of the 2025 Street Maintenance Program. This option is not recommended.

Background and History:
The City has established an annual program to maintain existing street pavements. The program includes three major elements: non-structural upgrades of asphalt overlay, minor concrete repairs, accessibility improvements including sidewalk/ramp replacement and chip sealing. The citizens of Flagstaff approved the Road Repair and Street Safety Maintenance Program (RRSS) (Prop. 406). This is a dedicated sales tax providing funding of $100 million over 20 years. The program has been aggressively addressing capital projects that have been identified to be in a high state of disrepair on the front end of the program with strong support for annual maintenance until the sales tax sunsets in 2034. The overlay and chip seal street segments are selected after evaluation of the street condition using pavement management asset software. Each street pavement is assigned an overall condition index (OCI) based on the type and severity of the distress observed. A pavement that has no distress is given an OCI of 100. Each pavement distress such as cracking or roughness reduces the street's OCI. The street pavements are ranked by OCI and the pavements exhibiting the most severe distress are programmed for resurfacing treatments and improvements. Chip seal techniques are also used to protect recently overlaid sections to prolong the life of the asphalt surface.

The Arizona State Legislature has authorized the use of Alternative Project Delivery Methods (APDM) as a method of project delivery. Included in these delivery methods the City of Flagstaff can procure a construction team utilizing a Qualifications Based Selection process for construction services from a firm deemed most qualified to perform the work. The enabling legislation also allows for provision of multiple Guaranteed Maximum Prices (GMP) under a single procurement.

At the March 17, 2020, City Council meeting, Council approved the award of the initial Professional Engineering Design Phase Services contract for the 2020, 2021 and 2022 programs to Peak Engineering, Inc. Two contract extensions have been utilized in both 2023 and 2024. Working collaboratively with City staff and C and E Paving & Grading, LLC, the team develops the annual program, costing evaluation, project scheduling, design document review, prioritization of roadway segments, logistics, quantity estimating, and preparation of final construction documents.

The City Council is considering CMAR Construction Phase Services Agreement - Phase 2025 - GMP 2 - Mill and Overlay.

Connection to PBB Priorities and Objectives:
The maintenance of the transportation system is a critical part of "high performing governance" that supports not only community members but first responders to deliver their services and is a high priority in PBB.

Connection to Regional Plan:
Transportation and Public Infrastructure - Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

Connection to Carbon Neutrality Plan:

The asphalt mix design used for pavement patching and chip seal binders for the project has recycled asphalt incorporated into the mix, thus reducing the usage of new fossil fuels.

All asphalt removed from the job is stockpiled, screened and recycled for future use.

Connection to 10-Year Housing Plan:
No direct connection.

Attachments: 2024-65 Street Maintenance Program Construction Phase GMP 2
Overview Map

City of Flagstaff, Arizona

Street Maintenance Program 2024, 2025 & 2026

CONSTRUCTION MANAGER AT RISK

CONSTRUCTION PHASE SERVICES – PHASE 2025

PROJECT No. PW25-0001
GMP2 – Mill & Overlay
Agreement No. 2024-65

Mayor
Becky Daggett

Council

Austin Aslan
Anthony Garcia
Khara House
Lori Matthews
David Spence
Miranda Sweet

City Manager
Greg Clifton

Water Services Director
Lee Williams

Community Development Interim Director
Michelle McNulty

Public Works Director
Scott Overton

Engineering & Capital Improvements Director
Paul Mood

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EXHIBIT A – PROJECT DESCRIPTION

EXHIBIT B – APPROVED GMP PROPOSAL & TECHNICAL SPECIFICATIONS

City of Flagstaff, Arizona

Street Maintenance Program 2024, 2025 & 2026
CONSTRUCTION MANAGER AT RISK
CONSTRUCTION PHASE SERVICES
Agreement No. 2024-45

This Construction Services Agreement ("Agreement") is made and entered into by and between the City of Flagstaff, a political subdivision of the State of Arizona ("Owner"), and C and E Paving & Grading, L.L.C., an Arizona Limited Liability Company ("Construction Manager at Risk" or "CMAR") on this ___ day of _____, 20__.

RECITALS

A. The City Manager of the City of Flagstaff, Arizona, is authorized and empowered by provisions of the City Charter to execute agreements for professional services and construction services.

B. The Owner intends to construct the **Street Maintenance Program 2024, 2025, 2026 – Construction Phase Services – Phase 2025 - Project Number: PW25-0001 – GMP2 – Mill & Overlay,** as more fully described in Exhibit "A," attached ("Project").

C. To undertake the construction administration of the Project, the Owner has entered into separate agreements with Peak Engineering, Inc. ("Design Professional(s)").

D. CMAR has represented to the Owner the ability to provide construction phase services for the Project, and based on this representation, the Owner hereby engages CMAR to provide these services and construct the Project.

E. A Design Phase Services Agreement (Contract No. 2024-45) has been executed previously between the Owner and CMAR to perform design phase services for the Project. Those services may continue during the duration of this Agreement.

AGREEMENT

***NOW THEREFORE*,** for and in consideration of the mutual covenants and considerations hereinafter contained, it is agreed by and between the Owner and CMAR as follows:

Article 1 – Terms and Definitions

"Addenda" - Written or graphic instruments issued prior to the submittal of the GMP Proposal(s), which clarify, correct or change the GMP Proposal(s) requirements.

"Agreement (Contract)" - This written document signed by the Owner and CMAR covering the design phase of the Project, and including other documents itemized and referenced in or attached to and made part of this Agreement.

"Alternate Systems Evaluations" - Alternatives for design, means and methods or other scope considerations that are evaluated using value engineering principles which have the potential to reduce construction costs while still delivering a quality and functional Project that meets the Owner requirements.

"Change Directive" - A written order prepared and signed by the Owner, directing a change in the Work

prior to agreement on an adjustment in the Contract Price and the Contract Time.

"Change Order" - A type of contract amendment issued after execution of the Contract Documents where unanticipated or unforeseen circumstances in the Work have been encountered. Each Change Order shall be signed by the Owner and CMAR, stating their agreement upon all of the following: the addition, deletion or revision in the scope of services or Deliverables; the amount of the adjustment to the Contract Price; the amount of the adjustment to the Contract Time; or other modifications of other Agreement terms.

"City (Owner)" - The City of Flagstaff, a political subdivision of the State of Arizona, with whom CMAR has entered into this Agreement and for whom the services are to be provided pursuant to said Agreement.

"CMAR" - The Contractor selected by the Owner to provide design phase services as detailed in this Agreement.

"CMAR Representative" - The designated CMAR Representative.

"CMAR Senior Representative" - The designated CMAR Senior Representative.

"Construction Documents" - Certain plans, specifications and drawings prepared by the Design Professionals after correcting for permit review requirements or dated plans and specifications specifically identified as the "Construction Documents" herein or in an Exhibit or Addendum which is attached hereto.

"Construction Fee" - CMAR's administrative costs for providing off-site management, supervision, General Conditions support, support of construction activities, home office overhead, and profit, as applicable to this Project, whether at CMAR's principal or branch offices.

"Contingency, CMAR's" - A fund to cover cost growth during the Project, legitimate unforeseen construction expenses, or expenses otherwise agreed to by the Owner to be used at the discretion of CMAR usually for costs that result from Project circumstances. The amount of CMAR's Contingency shall be negotiated as a separate line item in each GMP package. Use and management of CMAR's Contingency is described in this Agreement.

"Contingency, Owner's" - A fund to cover cost growth during the Project used at the discretion of the Owner usually for costs that result from the Owner-directed changes or unforeseen Site conditions. The amount of the Owners' Contingency shall be set solely by the Owner and shall be in addition to the CMAR's GMP.

"Contract Documents" - The following items and documents in descending order of precedence executed by the Owner and CMAR: (i) all written modifications, amendments and Change Orders; (ii) this Agreement, including all exhibits and attachments; (iii) Construction Documents; and (iv) GMP Plans and Specifications.

"Contract Price" - The cost for services for this Agreement.

"Contract Time(s)" - The number of days or the dates related to the construction phase, including authorized adjustments, allotted in the Construction Documents for Substantial and final Completion of the Work, subject to Winter Shutdown.

"Cost Models" - Cost tabulation for the construction of the Project developed by the CMAR and continually updated throughout the preconstruction phase fee and utilized to develop the Guaranteed Maximum Price Proposal. The Cost Model is created using the Design Professionals list of standard pay items.

"Cost of the Work" - The direct costs necessarily incurred by CMAR in the proper performance of the Work. The Cost of the Work shall include direct labor costs, subcontract costs, costs of materials and equipment incorporated in the completed construction, costs of other materials and equipment, temporary facilities, permit and license fees, materials testing, and related items. The Cost of the Work shall not include CMAR's Construction Fee, General Conditions Cost, bonds, insurance, or taxes.

"Critical Path Method" or "CMP" - A scheduling technique used to predict project duration by analyzing which sequence of activities has the least amount of scheduling flexibility thus identifying the path (sequence) of activities which represent the longest time required to complete the Project. Delay in completion of the identified activities shall cause a delay in achieving Substantial Completion.

"Day(s)" - Calendar days unless otherwise specifically noted in the Contract Documents.

"Deliverables, Construction Phase Services Agreement" - The Work conducted by CMAR during the construction phase which may include, but is not limited to: Construction Management Plan, Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, cost models, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Statement of Proposed Minority Business Enterprise/Women's Business Enterprise ("MBE/WBE") Utilization as may be required or appropriate, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, and others as indicated in this Agreement or required by the Project Team and other services set forth in this Agreement or reasonably inferable therefrom.

"Deliverables, Design Phase Services Agreement" - The Work conducted by CMAR during the design phase which may include, but is not limited to: design recommendations, Project scheduling, constructability reviews, alternate systems evaluation, cost estimate, Minority Business Enterprise/Woman's Business Enterprise/Small Business Enterprise ("MBE/WBE/SBE") utilization, Subcontractor agreements, Subcontractor bid packages, GMP preparations and other services set forth in this Agreement or reasonably inferable therefrom.

"Design Professional(s)" - A qualified, licensed design professional who furnishes design, construction documents, and/or construction administration services required for the Project.

"Drawings (Plans)" - Documents, which visually represent the scope, extent and character of the Work to be furnished and performed by CMAR during the construction phase, and which have been prepared or approved by the Design Professional(s) and the Owner. Includes Drawings that have reached a sufficient stage of completion and released by the Design Professional(s) solely for the purposes of review and/or use in performing constructability or biddability reviews and in preparing cost models (e.g., conceptual design Drawings, preliminary design Drawings, detailed design Drawings at 30%, 60%, 90% or 100% or schematic, design development, construction documents), but "not for construction". Shop Drawings are not Drawings as so defined.

"Differing Site Conditions" - Concealed or latent physical conditions or subsurface conditions at the Site that: (i) materially differ from the conditions indicated in the Contract Documents; or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work.

"Final Completion" - 100% completion of all construction Work noted in, or reasonably inferred from, the Contract Documents, including but not limited to, all Punch Lists work, all record and close-out documents specified in Owner's Project specifications and Owner training/start up activities.

"Float" - The number of Days by which an activity can be delayed without lengthening the CMP and extending the Substantial Completion date.

"General Conditions Costs" - All on-site Project-specific costs required to perform the Work, but not itemized or included in the Cost of the Work. Includes, but is not limited to, the following types of costs for CMAR during the construction phase: (i) payroll costs for Project manager or CMAR for Work conducted at the Site, (ii) payroll costs for the superintendent and full-time general foremen, (iii) payroll costs for other management personnel resident and working at the Site, (iv) workers not included as direct labor costs engaged in support (e.g. loading/unloading, clean-up, etc.), (v) costs of offices and temporary facilities setup solely for this Project including office materials, office supplies, office equipment and minor expenses, (vi) cost of utilities, fuel, sanitary facilities and telephone services at the Site; (vii) costs of liability and other applicable insurance premiums not include in labor burdens for direct labor costs; (viii) costs of bonds

premiums; (ix) costs of consultants not in the direct employee of CMAR or Subcontractors.

"Guaranteed Maximum Price" ("GMP)" - The sum of the maximum Cost of the Work; the Construction Fee, General Conditions Costs, taxes, and CMAR's Contingency.

"GMP Plans and Specifications" - Plans and specifications upon which the Guaranteed Maximum Price Proposal is based.

"Guaranteed Maximum Price (GMP) Proposal" - The offer or proposal of CMAR submitted on the prescribed form setting forth the GMP prices for the entire Work or portions of the Work to be performed during the construction phase. The GMP Proposal(s) are to be developed pursuant to Article 2 of this Agreement.

"Legal Requirements" - All applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

"Notice to Proceed" or "NTP" - The directive issued by the Owner, authorizing CMAR to start Work.

"Opening Physical Conditions" - The current physical conditions present on the Site as jointly documented by an inspection of the Site by Owner and CMAR at the Pre-construction Conference.

"Owner's Representative" - The designated City Project Manager.

"Owner's Senior Representative" - The City of Flagstaff's designated Division/Department Head.

"Performance Period" - The period of time allotted in the Contract Documents to complete the Work comprised within a GMP. The Performance Period shall be stated with each GMP and shown on the Project Master Schedule.

"Payment Request" - The form used by CMAR in requesting progress payments or final payment and which shall include such supporting documentation as is required by the Contract Documents and or the Owner.

"Pre-construction Conference" - A Conference held between Owner and CMAR prior to the commencement of any Work, as scheduled by the Owner's Representative or designee.

"Product Data" - Illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by CMAR to illustrate materials or equipment for some portion of the Work.

"Project" - The Work to be completed in the execution of this Agreement, as amended, and as described in the Recitals above and in Exhibit "A" attached.

"Project Team" - The design phase services team consisting of the Design Professional(s), CMAR, the Owner's Representative, the Owner's Client Department representatives and other stakeholders who are responsible for making decisions regarding the Project.

"Schedule of Values (SOV)" - A statement furnished by CMAR to the Owner's Representative for approval, reflecting the portions of the GMP allotted for the various parts of the Work and used as the basis for evaluating CMAR's applications for progress payments.

"Shop Drawings" - All drawings, diagrams, schedules and other data specifically prepared for the Work by CMAR or a Subcontractor, Sub-Subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

"Site" - Land or premises on which the Project is located.

"Specifications" - The part(s) of the Contract Documents for the construction phase consisting of written

technical descriptions of materials, equipment, construction systems, standards and workmanship, as applied to the Work, and certain administrative details applicable thereto.

"Subconsultant" - A person, firm or corporation having an agreement with CMAR to furnish services required as its independent professional associate or consultant with respect to the Project.

"Subcontractor" - An individual or firm having a direct agreement with CMAR or any other individual or firm having an agreement with the aforesaid contractors at any tier, who undertakes to perform a part of the design phase services or construction phase Work at the Site for which CMAR is responsible.

"Submittals" - Documents and/or things that may be produced or presented by one party for consideration, review, or such other actions as may be required by this Agreement by another party, entity or person. Examples of Submittals include, but are not limited to, preliminary or evolving drafts, product data samples, etc.

"Substantial Completion" - The construction services for the Work (or a specified part thereof) has progressed to the point where, in the opinion of the Owner's Representative, as evidenced by a Certificate of Substantial Completion, such construction services are sufficiently complete in accordance with the Contract Documents, so that the Work (or specified part) can be utilized for the purposes for which it is intended; without any outstanding concurrent Work at the site, except as may be required to complete or correct Punch List items. If no such certificate is issued, Substantial Completion takes place when the construction services Work or a Construction Phase is complete and ready for final payment as evidenced by the written recommendation of final payment by the Owner's Representative. The terms "substantially complete" and "substantially completed" as applied to all or part of the construction Work refers to Substantial Completion thereof.

"Supplier" - A manufacturer, fabricator, supplier, distributor, materialman or vendor having a direct agreement with CMAR or with any Subcontractor to furnish materials or equipment to be incorporated in the construction phase Work by CMAR or any Subcontractor.

"Winter Shutdown" - 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 CMAR) on the Project and CMAR 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 Owner reserves the right to initiate and terminate a Winter Shutdown at the Owner's sole discretion in the event of adverse weather conditions. A Winter Shutdown may be declared by the Owner despite delays, for any reason, on the Project.

"Work" - The entire completed construction or the various separately identifiable parts thereof, required to be furnished during the construction phase. Work includes and is the result of performing or furnishing labor and furnishing and incorporating materials, resources and equipment into the construction, and performing or furnishing services and documents as required by the Contract Documents for the construction phase.

Article 2 – CMAR's Services and Responsibilities

2.0 CMAR shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities required to perform all Work for the construction of the Project, and to completely and totally construct the same and install the material therein for the Owner. All Work shall be performed in a good and workmanlike and substantial manner and within the care and skill of a qualified CMAR in Flagstaff, Arizona. The Work shall be to the satisfaction of the Owner and strictly pursuant to and in conformity with the Project's Contract Documents. It is not required that the services be performed in the sequence in which they are described.

2.1 General Services

CMAR's Representative shall be reasonably available to the Owner and shall have the necessary expertise and experience required to supervise the Work. CMAR's Representative shall communicate regularly with the Owner but not less than once a week and shall be vested with the authority to act on behalf of CMAR. CMAR's Representative may be replaced only with the written consent of the Owner.

2.2 Government Approvals and Permits

2.2.1 Unless otherwise provided, CMAR shall obtain all applicable and/or necessary permits, approvals and licenses required for the prosecution of the Work from any government or quasi-government entity having jurisdiction over the Project. CMAR is specifically reminded of the need to obtain the applicable and/or necessary environmental permits or file the applicable and/or necessary environmental notices.

2.2.2 Copies of the permits and notices identified in this Agreement must be provided to the Owner's Representative prior to starting the permitted activity. In the case of Fire Department permits, a copy of the application for permit shall also be provided to the Owner's Representative. This provision does not constitute an assumption by the Owner of an obligation of any kind for violation of said permit or notice requirements.

2.2.3 Owner shall be responsible for City of Flagstaff review and permit(s) fees for grading and drainage, water, sewer, floodplain, and landscaping. Owner shall also pay for utility design fees for permanent services.

2.2.4 CMAR shall be responsible for all other permits and review fees not specifically listed in this Agreements

2.2.5 CMAR shall be responsible for the cost of water meter(s), water and sewer taps, fire lines and taps, and all water bills on the project meters until Substantial Completion of the Project. Arrangements for construction water are CMAR's responsibility.

2.3 Pre-construction Conference

2.3.1 Prior to the commencement of any Work, the Owner's Representative or designee shall schedule and conduct a Preconstruction Conference.

2.3.1.1 At the Pre-Construction Conference, Owner and CMAR shall document the Opening Physical Conditions of the Site as jointly documented by an inspection of the Site by Owner and CMAR at the Pre-Construction.

2.3.2 The purpose of this conference is to establish a working relationship between CMAR, utility firms, and various City agencies. The agenda shall include critical elements of the work schedule, submittal schedule, cost breakdown of major lump sum items, Payment Requests and processing, coordination with the involved utility firms, the level of Project Record Documents required and emergency telephone numbers for all representatives involved during construction.

2.3.3 The Notice to Proceed date shall be concurred with by the parties or set by the Owner at the Preconstruction Conference. After the meeting and upon receipt of a signed Agreement and delivery of the required bonds and insurance in an Owner approved format, a Notice to Proceed letter shall be issued confirming the construction start date, Performance Period and if applicable, the Substantial Completion date. If a Substantial Completion date is established the conditions of the Substantial Completion shall be listed and/or as set forth in Article 1 herein. Failure by CMAR to provide the properly executed bond and insurance forms in a timely manner may delay the construction start date; however, it shall not alter the proposed Substantial Completion date nor be

a basis for any time extension request or other claims.

2.3.4 CMAR shall provide a Schedule of Values based on the categories used in the buyout of the Work but not greater than the approved GMPs and identifying CMAR's Contingency. The Schedule of Values shall subdivide the Work into all items comprising the Work. The Schedule of Values shall contain sufficient detail to identify each individual element of the Work and shall relate to the approved GMPs Schedule. The Schedule of Values shall be subject to approval by the Owner's representative.

2.3.5 Minimum attendance by CMAR shall be CMAR's Representative, who is authorized to execute and sign documents on behalf of the firm, the CMAR Senior Representative, and CMAR's safety officer.

2.4 Control of the Work

2.4.1 Unless otherwise provided in the Contract Documents to be the responsibility of the Owner or a separate Contractor, CMAR shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities, and other temporary facilities to permit CMAR to complete the Work consistent with the Contract Documents.

2.4.2 CMAR shall perform all construction activities efficiently and with the requisite expertise, skill, and competence to satisfy the requirements of the Contract Documents. CMAR shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.4.3 CMAR's Representative or CMAR's Senior Representative shall be present at the Sites at all times that construction activities are taking place.

2.4.3.1 All elements of the Work shall be under the direct supervision of a foreman or his designated representative on the Sites who shall have the authority to take actions required to properly carry out that particular element of the work.

2.4.3.2 In the event of noncompliance with this Section, the Owner may require CMAR to stop or suspend the Work in whole or in part.

2.4.4 Where the Contract Documents require that a particular product be installed and/or applied by an applicator approved by the manufacturer, it is CMAR's responsibility to ensure the Subcontractor employed for such work is approved by the manufacturer.

2.4.5 Before ordering materials or doing work, CMAR and each Subcontractor shall verify measurements at the Site and shall be responsible for the correctness of such measurements. No extra charge or compensation shall be allowed because of differences between actual dimensions and the dimensions indicated on the drawings; differences which may be found shall be submitted to the Owner for resolution before proceeding with the Work.

2.4.6 CMAR shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to CMAR with the Contract Documents before commencing activities. Errors, inconsistencies, or omissions discovered shall be reported to the Owner at once.

2.4.7 CMAR shall establish and maintain all construction grades, lines, levels, and benchmarks, and shall be responsible for accuracy and protection of same. This Work shall be performed or supervised by a Civil Engineer or Surveyor licensed as such in the State of Arizona.

2.4.8 Any person employed by CMAR or any Subcontractor who, in the opinion of the Owner, does not perform his or her work in a proper, skillful, and safe manner or is intemperate or disorderly shall, at

the written request of the Owner, be removed from the Work by CMAR or Subcontractor employing such person, and shall not be employed again in any portion of Work without the written approval of the Owner. CMAR or Subcontractor shall hold the Owner harmless from damages or claims which may occur in the enforcement of this Section.

2.4.9 CMAR assumes responsibility to the Owner for the proper performance of the work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between the Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

2.4.10 CMAR shall coordinate the activities of all Subcontractors. If the Owner performs other work on the Project or at the Site with separate contractors under the Owner's control, CMAR agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.5 Control of the Work Site

2.5.1 Throughout all phases of construction, including suspension of Work, CMAR shall keep the Site reasonably free from debris, trash and construction wastes to permit CMAR to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, CMAR shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit the Owner to occupy the Project or a portion of the Project for its intended use.

2.5.2 CMAR shall take whatever steps, procedures or means to prevent any dust nuisance due to construction operations. The dust control measures shall be maintained at all times to the satisfaction of the Owner and in accordance with the requirements of the Arizona Department of Environmental Quality rules and regulations.

2.5.3 CMAR shall maintain ADA, ADAAG and ANSI accessibility requirements during construction activities in an occupied building or facility. ADA, ADAAG and ANSI accessibility requirements shall include, but not be limited to, parking, building access, entrances, exits, restrooms, areas of refuge, and emergency exit paths of travel. CMAR shall be responsible for the coordination of all work to minimize disruption to building occupants and facilities.

2.5.4 Only materials and equipment which are to be used directly in the Work shall be brought to and stored on the Site by CMAR. When equipment is no longer required for the Work, it shall be removed promptly from the Site. Protection of construction materials and equipment stored at the Site from weather, theft, damage and all other adversity is solely the responsibility of CMAR.

2.6 Shop Drawings, Product Data and Samples

2.6.1 Shop Drawings, Product Data, Samples and similar Submittals are not Contract Documents. The purpose of their submittal is to demonstrate, for those portions of the Work for which Submittals are required, the way CMAR proposes to conform to the information given and the design concept expressed in the Contract Documents.

2.6.2 CMAR shall review, approve, verify, and submit to the Owner five copies of each Shop Drawing, Product Data, Sample, and similar Submittals required by the Contract Documents in accordance with the approved GMP schedule as shown in Exhibit B as to cause no delay in the Work or in the activities of the Owner or of separate contractors. Submittals made by CMAR, which are not required by the Contract Documents, may be returned without action.

2.6.3 CMAR shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar Submittals until the respective submittal has been approved by the Owner or Owner's designee. Such Work shall be in accordance with approved Submittals.

2.6.4 By approving, verifying and submitting Shop Drawings, Product Data, Samples and similar Submittals, CMAR represents that CMAR has determined and verified materials, field measurements and field construction criteria related thereto, or shall do so, and has checked and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents.

2.6.5 CMAR shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Owner's approval of Shop Drawings, Product Data, Samples or similar Submittals unless CMAR has specifically informed the Owner in writing of such deviation at the time of submittal and the Owner has given written approval to the specific deviation. CMAR shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar Submittals by the Owner's approval thereof.

2.6.6 CMAR shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar Submittals, to revisions other than those requested by the Owner on previous Submittals.

2.6.7 Informational Submittals upon which the Owner is not expected to take responsive action may be so identified in the Contract Documents.

2.6.8 When professional certification of performance criteria of materials, systems or equipment is required by the Contract Documents, the Owner shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

2.7 Quality Control, Testing and Inspection

2.7.1 All materials used in the Work shall be new and unused, unless otherwise noted, and shall meet all quality requirements of the Contract Documents.

2.7.2 All construction materials to be used on the Work or incorporated into the Work, equipment, plant, tools, appliances or methods to be used in the Work may be subject to the inspection and approval or rejection by the Owner. Any material rejected by the Owner shall be removed immediately and replaced in an acceptable manner.

2.7.3 The procedures and methods used to sample and test material shall be determined by the Owner. Unless otherwise specified, samples and tests shall be made in accordance with the most recently adopted edition of the City of Flagstaff Engineering Division Design and Construction Standards and Specifications.

2.7.4 The Owner shall select a City or Independent Testing Laboratory and shall pay for initial City Acceptance Testing.

2.7.4.1 When the first and/or subsequent tests indicate noncompliance with the Contract Documents, the cost associated with that noncompliance and the cost of all tests, except the first test, shall be paid for by CMAR. CMAR's Contingency cannot be utilized for the cost of re-testing.

2.7.4.2 When the first and/or subsequent tests indicate noncompliance with the Contract Documents, all retesting shall be performed by the same testing agency.

2.7.5 CMAR shall cooperate with the selected testing laboratory and all others responsible for testing and inspecting the work and shall provide them access to the Work at all times.

2.7.6 At the option of the Owner, materials may be approved at the source of supply before delivery is started.

2.7.7 Code compliance testing and inspections required by codes or ordinances, or by a plan approval authority, and which are made by a legally constituted authority, shall be the responsibility of and shall be paid by CMAR, unless otherwise provided in the Contract Documents.

2.7.8 CMAR's convenience and quality control testing and inspections shall be the sole responsibility of CMAR and paid by CMAR.

2.8 Trade Names and Substitutions

2.8.1 Unless indicated that no substitutions are permitted, CMAR may request a substitution or alternative to Contract Document references to equipment, materials or patented processes by manufacturer, trade name, make or catalog number, subject to the following:

2.8.2 The substitution shall be submitted by CMAR in writing to the Owner.

2.8.3 CMAR shall certify that the substitution shall perform the functions and achieve the results called for by the general design, be similar and of equal substance, and be suited to the same use as that specified.

2.8.4 The submittal shall state any required changes in the Contract Documents to adapt the design to the proposed substitution.

2.8.5 The submittal shall contain an itemized estimate of all costs and credits that will result directly and indirectly from the acceptance of such substitution, including cost of design, license fees, royalties, and testing. Also, the submittal shall include any adjustment in the Contract Time created by the substitution.

2.8.6 CMAR if requested by the Owner shall submit Samples or any additional information that may be necessary to evaluate the acceptability of the substitution.

2.8.7 The Owner shall make the final decision and shall notify CMAR in writing as to whether the substitution has been accepted or rejected.

2.8.8 If the Owner does not respond in a timely manner, CMAR shall continue to perform the Work in accordance with the Contract Documents and the substitution shall be considered rejected.

2.9 Project Record Documents

2.9.1 During the construction period, CMAR shall maintain at the Site a set of blueline or blackline prints of the Construction Document drawings and shop drawings for Project Record Document purposes.

2.9.1.1 CMAR shall mark these drawings to indicate the actual installation where the installation varies appreciably from the original Construction Documents. CMAR shall give particular attention to information on concealed elements, which would be difficult to identify or measure and record later. Items required to be marked include but are not limited to:

2.9.1.1.1 Dimensional changes to the drawings

2.9.1.1.2 Revisions to details shown on drawings

2.9.1.1.3 Locations and depths of underground utilities

2.9.1.1.4 Revisions to routing of piping and conduits

2.9.1.1.5 Actual equipment locations

2.9.1.1.6 Locations of concealed internal utilities

2.9.1.1.7 Changes made by Change Order, Change Order Directive, Field Order, Record of Field Change, ASI's and RFI's

2.9.1.1.8 Addenda and other details not on original Agreement Drawings

2.9.1.2 CMAR shall mark completely and accurately Project Record Drawing prints of Construction Documents or Shop Drawings, whichever is the most capable of indicating the actual physical condition. Where Shop Drawings are marked, show cross-reference on the Construction Documents location.

2.9.1.3 CMAR shall mark Project Record Drawings sets with red erasable colored pencil.

2.9.1.4 CMAR shall note RFI Numbers, ASI Numbers and Change Order numbers, etc., as required to identify the source of the change to the Construction Documents.

2.9.1.5 CMAR shall, as a condition of Substantial Completion, submit Project Record Drawing prints and Shop Drawings to the Owner or its representative for review and comment.

2.9.2 Upon receipt of the reviewed Project Record Drawings from the Owner, CMAR shall correct any deficiencies and/or omissions to the drawings and prepare the following for submission to the Owner within 14 Days:

2.9.2.1 CMAR shall provide a complete set of electronic Project Record Drawings prepared in AutoCAD format compatible with City of Flagstaff CADD technology. The Design Professional shall provide files of the original Construction Documents to CMAR for the use of preparing these final Project Record Drawings or CMAR may contract with the Design Professional to revise and update the electronic drawing files. Each drawing shall be clearly marked with "As-Built Document."

2.9.2.2 CMAR shall provide a complete set of digital final AutoCAD drawings.

2.9.2.3 CMAR shall provide the original copy of the Project Record Drawings (redline mark-ups).

2.10 Project Safety

2.10.1 CMAR recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto.

2.10.2 CMAR assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work.

2.10.3 CMAR shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, CMAR's Safety Representative shall be an individual stationed at the Site who may have other responsibilities on the Project in addition to safety.

2.10.4 The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with CMAR's personnel, Subcontractors and others as applicable.

2.10.5 CMAR and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any City-specific safety requirements set forth in the Contract Documents, provided that such City-specific requirements do not violate any applicable Legal Requirement.

2.10.6 CMAR shall immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

2.10.7 CMAR's responsibility for safety under this Section is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.

2.11 Warranty

2.11.1 CMAR warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship.

2.11.2 CMAR's warranty obligation shall be for one (1) year, except for such greater period as may be required by the technical specifications.

2.11.3 Nothing in this warranty is intended to limit any manufacturer's warranty which provides The Owner with greater warranty rights than set forth in this Section or the Contract Documents. CMAR shall provide Owner with all manufacturers' warranties upon Substantial Completion.

2.11.4 Nothing in this warranty is intended to limit any other remedy at law that may be available to the Owner.

2.12 Correction of Defective Work

2.12.1 CMAR agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to this Agreement, within a period of one (1) year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by the Contract Documents, or as may be available to the Owner by law. A progress payment, or partial or entire use or occupancy of the Project by the Owner, shall not constitute acceptance of Work not in accordance with the Contract Documents.

2.12.2 During the performance of the Work, CMAR shall take meaningful steps to commence correction of such nonconforming Work as notified by the Owner or as discovered by CMAR. This includes the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If CMAR fails to commence the necessary steps during the performance of the Work, Owner, in addition to any other remedies provided under the Contract Documents, may provide CMAR with written notice that Owner shall commence correction of such nonconforming Work with its own forces.

2.12.3 CMAR shall, take meaningful steps to commence correction of nonconforming Work subject to this Agreement, within seven (7) days of receipt of written notice from Owner. This includes the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If CMAR fails to commence the necessary steps within such seven-day period, Owner, in addition to any other remedies provided under the

Contract Documents, may provide CMAR with written notice that Owner shall commence correction of such nonconforming Work with its own forces.

2.12.4 If Owner does perform such corrective Work, CMAR shall be responsible for all reasonable costs incurred by Owner in performing such correction.

2.12.5 For nonconforming Work that creates an emergency requiring an immediate response, CMAR shall respond and initiate corrections within twenty-four hours.

2.12.6 The one-year period identified in this Agreement applies only to CMAR's obligation to correct nonconforming Work relative to the warranty set forth in that section and is not intended to constitute a period of limitations for any other rights or remedies the Owner may have regarding CMAR's other obligations under the Contract Documents or as may be allowed by law.

Article 3 - The Owner's Services and Responsibilities

3.1 Duty to Cooperate.

3.1.1 Owner shall, throughout the performance of the Work, cooperate with CMAR and perform its responsibilities, obligations and services in a timely manner to facilitate CMAR's timely and efficient performance of the Work and so as not to delay or interfere with CMAR's performance of its obligations under the Contract Documents.

3.1.2 Owner shall furnish at CMAR's request, at no cost to CMAR, a CADD file of the Construction Documents in AutoCAD format compatible with the City of Flagstaff CADD technology.

3.2 The Owner's Representative

3.2.1 Owner's Representative shall be responsible for providing Owner supplied information and approvals in a timely manner to permit CMAR to fulfill its obligations under the Contract Documents.

3.2.2 Owner's Representative shall also provide CMAR with prompt notice if Owner's Representative observes any failure on the part of CMAR to fulfill its contractual obligations, including any default or defect in the project or non-conformance with the drawings and specifications.

3.2.3 The Owner may utilize field inspectors to assist the Owner's Representative during construction in observing performance of CMAR. The inspector is for the purpose of assisting the Owner's Representative and should not be confused with an inspector with a City regulatory department.

3.2.3.1 The field inspector shall be authorized to inspect all Work and materials furnished. Such inspection may extend to all or part of the Work and to the preparation, fabrication or manufacture of the materials to be used.

3.2.3.2 The field inspector shall not be authorized to issue instructions contrary to the Construction Documents or to act as foreman for CMAR.

3.2.3.3 The field inspector shall have the authority to reject work or materials until any questions at issue can be decided by the Owner's Representative.

3.2.3.4 The furnishing of such services for the Owner shall not make the Owner responsible for or give the Owner control over construction means, methods, techniques, sequences or procedures or for safety precautions or programs or responsibility for CMAR's failure to perform the work in accordance with Contract Documents.

3.3 Design Professional Services

3.3.1 The Owner may contract separately with one or more Design Professional(s) to provide construction administration of the Project. The Design Professional(s)' agreement as well as other firms hired by the Owner shall be available for review by CMAR. CMAR shall not have any right however, to limit or restrict any contract provisions and/or modifications that are mutually acceptable to the Owner and Design Professional(s).

3.3.2 The Owner may contract with the Design Professional(s) to provide some or all of the following services during the performance of the Work.

3.3.2.1 Provide oversight of the Work. The Owner and CMAR shall endeavor to communicate through the Design Professional. Communications by and with the Design Professional(s)' consultants shall be through the Design Professional(s).

3.3.2.2 Conduct Site visits at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the completed Work and to determine in general if the Work is being performed in accordance with the Contract Documents. The Design Professional(s) shall keep the Owner informed of progress of the Work and any noted defects and deficiencies of the Work and shall endeavor to guard the Owner against defects and deficiencies in the Work. The Design Professional(s) may have authority to reject construction, which does not conform to the Construction Documents and to require additional inspection or testing of the construction in accordance with this Agreement.

3.3.2.3 Review and recommend approval of Payment Requests.

3.3.2.4 Review and approve or take other appropriate action upon CMAR's Submittals such as Shop Drawings, Product Data and Samples in accordance with this Agreement.

3.3.2.5 Interpret and decide matters concerning performance under and requirements of the Contract Documents on written request of either the Owner or CMAR. The Design Professional(s)' response to such requests shall be made with reasonable promptness and within any time limits agreed upon.

3.3.2.6 Prepare Change Orders and may authorize minor changes in the Work as defined in this Agreement.

3.3.2.7 Conduct inspections to determine Substantial Completion and Final Acceptance.

3.3.2.8 Receive and forward to the Owner for the Owner's review and records written warranties and related documents required by the Contract Documents and assembled by CMAR.

3.4 Owner's Separate Contractors

3.4.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with and coordinate their activities so as not to interfere with CMAR in order to enable CMAR to timely complete the Work consistent with the Contract Documents.

3.5 Permit Review and Inspections

3.5.1 If requested by CMAR, the Owner's Representative shall provide assistance and guidance in obtaining necessary reviews, permits and inspections, however, the responsibility for obtaining the necessary reviews, permits and inspections remains with CMAR.

3.5.2 Regulating agencies of the Owner, such as Community Development, Fire, Planning, Building Inspection, Environmental Services, and Engineering Departments, enforce Legal Requirements.

These enforcement activities are not subject to the responsibilities of the Owner under this Agreement.

Article 4 - Contract Time

4.0 Contract Time

4.0.1 Contract Time shall start with the NTP with construction services and shall end with Substantial Completion.

4.0.2 Where there is more than one GMP, each GMP shall establish a separate NTP date and a Performance Period. The Performance Periods for individual GMPs may be sequential or concurrent as established in the individual Notices to Proceed. The Performance Period for the GMPs under this Agreement shall be three hundred sixty-five (365) calendar days starting with the NTP.

4.0.3 CMAR agrees that it shall commence timely performance of the Work and shall achieve substantial completion within the Performance Periods and Contract Time.

4.0.4 All of the times set forth in this Article 4 shall be subject to adjustment in accordance with other provisions of this Agreement.

4.0.5 Time is of the essence, for time matters and the rest of this Agreement. Pursuant to this Agreement, if, in the sole discretion of the Capital Improvements Division of the City of Flagstaff, the Project is not at Substantial Completion prior to the advent of adverse weather conditions, a Winter Shutdown shall occur during which no Work will be performed by any person or entity (including but not limited to the CMAR) on the Project and CMAR 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 Owner reserves the right to initiate and terminate a Winter Shutdown at the Owner's sole discretion in the event of adverse weather conditions. A Winter Shutdown may be declared by the Owner despite delays, *for any reason,* on the Project.

4.1 Substantial Completion

4.1.1 Substantial Completion shall be for the entire Project unless a partial Substantial Completion is identified in the approved GMP schedule and stated in the Notice to Proceed letter or as may be mutually agreed by the parties in writing. Substantial Completion shall be in accordance with the definition in this Agreement and with the criteria set forth in the NTP.

4.1.2 Prior to notifying the Owner, CMAR shall inspect the Work and prepare and submit to the Owner a comprehensive list of items to be completed or corrected. CMAR shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of CMAR to complete all Work in accorda*nce with the Co*ntract Documents**.**

4.1.3 CMAR shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is substantially complete.

4.1.4 Within five (5) days of Owner's receipt of CMAR's notice, the Owner and CMAR shall jointly inspect such Work to verify that it is substantially complete in accordance with the requirements of the Contract Documents.

4.1.5 If such Work is substantially complete, Owner shall prepare and issue a Certificate of Substantial Completion that shall set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed within thirty (30) calendar days before Final Acceptance, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and CMAR's responsibility for the Project's security, maintenance, utilities

and insurance pending Final Acceptance and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

4.1.6 Owner, at its option, may use a portion of the Work which has been determined to be substantially complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items in this Agreement, (ii) CMAR and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and CMAR agree that Owner's use or occupancy shall not interfere with CMAR's completion of the remaining Work.

4.2 Final Completion

4.2.1 Upon receipt of written notice that the Work or identified portions of the Work is ready for final inspection and acceptance, Owner and CMAR shall jointly inspect to verify that the remaining items of Work have been completed. The Owner shall issue a Final Completion Letter and payment pursuant to this Agreement.

4.3 Liquidated Damages

4.3.1 CMAR understands that if Substantial Completion is not attained within the Contract Time as adjusted, the Owner shall suffer damages, which are difficult to determine and accurately specify. CMAR agrees that if Substantial Completion is not attained within the Contract Time as adjusted, CMAR shall pay the Owner $570.00 (to be determined on an agreement-by-agreement basis) per day as liquidated damages for each Day that Substantial Completion extends beyond the date determined by the Contract Time as adjusted and further agrees that such amount is reasonable under the circumstances.

4.3.2 CMAR understands that if Final Completion is not attained within the Contract Time as adjusted, the Owner shall suffer damages, which are difficult to determine and accurately specify. CMAR agrees that if Final Completion is not attained within the Contract Time as adjusted, CMAR shall pay the Owner $570.00 (to be determined on an agreement-by-agreement basis) per day as liquidated damages for each Day that Final Completion extends beyond the date determined by the Contract Time as adjusted and further agrees that such amount is reasonable under the circumstances.

4.4 Project Master Schedule

4.4.1 The Project Master Schedule approved as part of a GMP shall be updated and maintained throughout the Work by CMAR.

4.4.2 The Project Master Schedule shall be revised by CMAR as required by conditions and progress of the Work, but such revisions shall not relieve CMAR of its obligations to complete the Work within the Contract Time, as such dates may be adjusted in accordance with the Contract Documents.

4.4.3 Updated Project Master Schedules shall be submitted monthly by CMAR to the Owner as part of the Payment Request.

4.4.3.1 CMAR shall provide Owner with a monthly status report with each Project Master Schedule detailing the progress of the Work, including: (i) if the Work is proceeding according to schedule, (ii) any discrepancies, conflicts, or ambiguities found to exist in the Contract Documents that require resolution, and (iii) other items that require resolution so as not to jeopardize ability to complete the Work as presented in the GMP and within the Contract Time.

4.4.3.2 With each schedule submittal CMAR shall include a transmittal letter including the following:

4.4.3.2.1 Description of problem tasks (referenced to field instructions, requests for information (“RFI’s”), as appropriate.

4.4.3.2.2 Current and anticipated delays including:

4.4.3.2.2.1 Cause of the delay

4.4.3.2.2.2 Corrective action and schedule adjustments to correct the delay

4.4.3.2.2.3 Known or potential impact of the delay on other activities, milestones, and/or the date of Substantial Completion

4.4.3.2.3 Changes in construction sequence

4.4.3.2.4 Pending items and status thereof including but not limited to:

4.4.3.2.4.1 Time Extension requests

4.4.3.2.4.2 Other items

4.4.3.2.5 Substantial Completion date status:

4.4.3.2.5.1 If ahead of schedule, the number of calendar days ahead

4.4.3.2.5.2 If behind schedule, the number of calendar days behind

4.4.3.2.5.3 Other project or scheduling concerns

4.4.4 Owner’s review of and response to the Project Master Schedule is only for general conformance with the scheduling requirements of the Contract Documents. The review shall not relieve CMAR from compliance with the requirements of the Contract Documents or be construed as relieving CMAR of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

4.4.5 The Project Master Schedule shall include a CPM diagram schedule that shall show the sequence of activities, the interdependence of each activity and indicate the Critical Path.

4.4.5.1 The CPM diagram schedule shall be in Days and indicate duration, earliest and latest start and finish dates for all activities, and total Float times for all activities except critical activities. The CPM diagram schedule shall be presented in a time scaled graphical format for the Project as a whole.

4.4.5.2 The CPM diagram schedule shall indicate all relationships between activities.

4.4.5.3 The activities making up the schedule shall be in sufficient detail to assure that adequate planning has been done for proper execution of the Work and such that it provides an appropriate basis for monitoring and evaluating the progress of the Work.

4.4.5.4 The CPM diagram schedule shall be based upon activities, which would coincide with the Schedule of Values.

4.4.5.5 The CPM diagram schedule shall show all Submittals associated with each work activity and the review time for each submittal.

4.4.5.6 The CPM diagram schedule shall show milestones, including milestones for Owner-furnished information, and shall include activities for Owner-furnished equipment and furniture when those activities are interrelated with CMAR activities.

4.4.5.7 The CPM diagram schedule shall include a critical path activity that reflects anticipated weather delay during the performance of the Agreement. The duration shall reflect the average climatic range and usual industrial conditions prevailing in the locality of the Site. Weather data shall be based on the information set forth on the City of Flagstaff's Table of "Monthly Anticipated Adverse Weather Calendar Days" and the explanatory paragraphs attached thereto.

4.4.6 The Project Master Schedule shall consider the Owner's and the tenants' occupancy requirements showing portions of the Project having occupancy priority, and Contract Time.

4.4.7 Float time shall be as prescribed below:

4.4.7.1 The total Float within the overall schedule, is not for the exclusive use of either the Owner or CMAR but is jointly owned by both and is a resource available to and shared by both parties as needed to meet Agreement milestones and the Project completion date.

4.4.7.2 CMAR shall not sequester shared Float through such strategies as extending activity duration estimates to consume available Float, using preferential logic, or using extensive crew/resource sequencing, etc. Since Float time within the schedule is jointly owned, no time extensions shall be granted nor delay damages paid until a delay occurs which extends the Work beyond the Substantial Completion date and then only if any such extensions or damages are shown to be justified under the Contract Documents.

4.4.7.3 Since Float time within the schedule is jointly owned, it is acknowledged that Owner-caused delays on the Project may be offset by Owner-caused time savings (i.e., critical path Submittals returned in less time than allowed by the Agreement, approval of substitution requests and credit changes which result in savings of time to CMAR, etc.). In such an event, CMAR shall not be entitled to receive a time extension or delay damages until all Owner-caused time savings are exceeded, and the Substantial Completion date is also exceeded.

Article 5- Contract Price

5.0 General

5.0.1 CMAR agrees at his own cost and expense, to completely construct and install all Work and materials as called for by this Agreement, free and clear of all claims, liens and charges whatsoever, in the manner and under the conditions specified in the Contract Documents, within the time or times stated in the approved GMP.

5.1 Contract Price

5.1.1 The Contract Price shall be as approved in the Guaranteed Maximum Price Proposal attached as Exhibit B and an amount of **$8,160,455.73** with an additional **$324,464.25** allowed for Owner's Contingency for a total contract price of **$8,484,919.98**.

5.1.2 The Cost of the Work is actual costs and is a not-to-exceed reimbursable amount.

5.1.3 The General Conditions Costs will be included in the GMP as a not to exceed amount and paid for on actual costs based on submitted and approved invoices. The Construction Fee will be paid as a firm lump sum.

5.1.4 Taxes are deemed to include all sales, use consumer and other taxes, which are legally enacted when negotiations of the GMP were concluded, whether or not yet effective, or merely scheduled to go into effect. Taxes are actual costs and are a not-to-exceed reimbursable amount.

5.2 Guaranteed Maximum Price

5.2.1 The GMP is composed of the maximum Cost of the Work; the Construction Fee; General Conditions Costs; taxes; and CMAR's contingency all of which are not-to-exceed cost reimbursable or lump sum amounts. CMAR is at risk to cover any additional Project costs. If the Cost of Work amount, set forth in the GMP, is in excess of the actual Cost of Work and/or CMAR's Contingency, said amount by which the Cost of Work set forth in the GMP is in excess of the actual Cost of Work and/or CMAR's Contingency, shall revert to the Owner.

5.2.2 The GMP is subject to adjustments made in accordance with this Agreement and by GMP amendments to this Agreement.

5.2.3 GMP amendments are cumulative except for CMAR's Contingency. The amount of CMAR's Contingency for each GMP shall be negotiated separately.

5.2.4 If the GMP requires an adjustment due to changes in the scope of the Work the cost of such changes is determined subject to this Agreement. The markups that may be allowed on such changes shall be no greater than the markups delineated in the approved GMP.

5.3 Contingencies

5.3.1 CMAR's Contingency is an amount CMAR may use at its sole discretion for, an increase in the Cost of Work, and may use for increases in General Conditions Costs with written approval of the Owner. CMAR's Contingency is assumed to be a direct Project cost and all applicable markups shall be applied at the time of GMP submission.

5.3.2 When CMAR utilizes CMAR's Contingency funds, CMAR shall make the appropriate changes to the Schedule of Values with the next regular progress payment request. CMAR shall deduct the amount of CMAR's Contingency funds used from CMAR's Contingency line item and add the same amount to the line item on the Schedule of Values where the funds were used. If CMAR's contingency funds are used for a new line item that was not given with the original Schedule of Values, these shall be so indicated.

5.3.3 Owner's Contingency are funds to be used at the sole discretion of the Owner to cover any increases in Project costs that result from Owner directed changes or unforeseen Site conditions. Owner's Contingency shall be added to the GMP amount provided by CMAR, the sum of which shall be the full Contract Price for construction. At the time that Owner's Contingency is used the appropriate markups shall be applied.

5.4 Open Book

5.4.1 CMAR shall submit to the Owner upon request all payrolls, reports, estimates, records and any other data concerning the Work performed or to be performed or concerning materials supplied or to be supplied, as well as Subcontractor or Consultant payment applications or invoices and such Subcontractor's or Consultant progress payment checks. The requirements of this Section shall be included in all Agreements between CMAR and its Subcontractors and Consultants. The Owner may exercise its rights under this Agreement as often as reasonably necessary in the Owner's sole judgment to assure the Owner has a complete and accurate understanding of all Project costs.

5.4.2 Upon Project closeout and immediately prior to the release of final payment, the CMAR shall provide to the Owner a Final Cost Report detailing all Project costs for each division of work with supporting documentation for materials, labor, equipment and other appurtenant items.

Article 6 - Changes to the Contract Price and Time

6.0 Delays to the Work

6.0.1 If CMAR is delayed in the performance of the Work that shall cause a change in the date of Substantial Completion due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own, or, those for whom CMAR is responsible, the Contract Times for performance shall be reasonably extended by Change Order. However, the Owner and the CMAR must agree on the determination of whether acts, omissions, conditions, events, or circumstances are actually beyond the CMARs control and/or whether they are due to no fault of the CMAR, or those for whom CMAR is responsible; if the Owner and the CMAR do not agree, then an independent third party, selected by both parties, shall make the determination of whether acts, omissions, conditions, events, or circumstances are actually beyond the CMARs control and/or whether they are due to no fault of the CMAR, or those for whom CMAR is responsible.

6.0.2 CMAR shall request an increase in the Contract Time by written notice including an estimate of probable effect of delay on progress of the Work within three (3) days of the occurrence of the delay. In the case of a continuing delay only one request is necessary.

6.0.3 By way of example, events that shall entitle CMAR to an extension of the Contract Time include acts or omissions of Owner or anyone under Owner's control (including separate Contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, delays by regulating agencies, wars, floods, labor disputes, unusual delay in transportation, epidemics abroad, earthquakes, adverse weather conditions not reasonably anticipated, and other acts of God.

6.0.4 If adverse weather conditions are the basis for a request for additional Contract Time, such requests shall be documented by data substantiating that weather conditions were abnormal for the period of time and could not have been reasonably anticipated, and that weather conditions had an adverse effect on the scheduled Substantial Completion. All terms, conditions, and definitions necessary for the application of this paragraph shall be as set forth on the City of Flagstaff's Table of "Monthly Anticipated Adverse Weather Calendar Days" and the explanatory paragraphs attached thereto.

6.0.5 It is understood, however, that permitting CMAR to proceed to complete any Work, or any part of the Work, after the date to which the time of completion may have been extended, shall in no way act as a waiver on the part of the Owner of any of its legal rights herein.

6.0.6 In addition to CMAR's right to a time extension for those events set forth in this Agreement, CMAR shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for those events set forth in this Section that are beyond the control of both CMAR and Owner, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God and shall not be adjusted absent a showing of actual damage.

6.1 Differing Site Conditions

6.1.1 If CMAR encounters a Differing Site Condition, CMAR shall be entitled to an adjustment in the Contract Price and/or Contract Times to the extent CMAR's cost and/or time of performance are actually adversely impacted by the Differing Site Condition.

6.1.2 Upon encountering a Differing Site Condition, CMAR shall provide prompt written notice to Owner of such condition, which notice shall not be later than seven (7) days after such condition has been encountered. CMAR shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

6.2 Errors, Discrepancies and Omissions

6.2.1 If CMAR observes errors, discrepancies or omissions in the Contract Documents, CMAR shall promptly notify the Design Professional and request clarification.

6.2.2 If CMAR proceeds with the Work affected by such errors, discrepancies, or omissions, without receiving such clarifications, CMAR does so at its own risk. Adjustments involving such circumstances made by CMAR prior to clarification by the Design Professional shall be at CMAR's risk.

6.3 The Owner Requested Change in Work

6.3.1 The Owner reserves the right to make, at any time during the progress of the Work, such alterations as may be found necessary or in the Owner's best interest.

6.3.2 Such alterations and changes shall not invalidate this Agreement nor release the surety and CMAR agrees to perform the Work as altered, the same as if it has been a part of the original Contract Documents.

6.3.3 The Owner shall request a proposal for a change in Work from CMAR, and an adjustment in the Contract Price and/or Contract Times shall be made based on a mutual agreed upon cost and time.

6.4 Legal Requirements

6.4.1 The Contract Price and/or Contract Times shall be adjusted to compensate CMAR for the effects of any changes in the Legal Requirements enacted after the date of their Agreement or the date of the GMP, affecting the performance of the Work

6.5 Change Directives and Change Orders

6.5.1 Owner and CMAR shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for a Change Directive if any adjustments are appropriate. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the adjustment.

6.5.2 All changes in Work authorized by Change Directives and/or Change Orders shall be performed under the conditions of the Contract Documents.

6.6 Minor Changes in the Work

6.6.1 The Owner has authority to order minor changes in Work that do not materially and adversely affect the Work, including the design, quality, performance, and workmanship required by the Contract Documents. Such changes shall be affected by written order and shall be binding on the Owner and CMAR. CMAR shall carry out such written orders promptly.

6.6.2 CMAR may make minor changes in Work, provided, however that CMAR shall promptly inform Owner, in writing, of any such changes and record such changes, if appropriate, on the Project Record Documents maintained by CMAR.

6.6.3 Minor changes in Work shall not involve an adjustment in the Contract Price and/or Contract Times.

6.7 Contract Price Adjustments

6.7.1 The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

6.7.1.1 Unit prices set forth in this Agreement or as subsequently agreed to between the parties;

6.7.1.2 A mutually accepted, lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner; and

6.7.1.3 Costs, fees and any other markups.

6.7.2 The markups that shall be allowed on such changes shall be no greater than the markups delineated in the approved GMP as shown on Exhibit B.

6.7.3 If an increase or decrease cannot be agreed to as set forth in this Agreement and Owner issues a Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit, as may be set forth in their Agreement. CMAR shall maintain a documented, itemized accounting evidencing the expenses and savings associated with such changes.

6.7.4 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices shall cause substantial inequity to Owner or CMAR because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

6.7.5 If Owner and CMAR disagree upon whether CMAR is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and CMAR shall resolve the disagreement pursuant this Agreement.

6.7.5.1 As part of the negotiation process, CMAR shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations.

6.7.5.2 If the parties are unable to agree and Owner expects CMAR to perform the services in accordance with Owner's interpretations, CMAR shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to CMAR (i) directing CMAR to proceed and (ii) specifying Owner's interpretation of the services that are to be performed.

6.8 Emergencies

6.8.1 In any emergency affecting the safety of persons and/or property, CMAR shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time resulting from emergency work under this Section shall be determined as provided in this Article.

6.9 Force Majeure

6.9.1 The parties acknowledge that there may be events that occur during the term of this Contract that are beyond the control of both the Owner and the CMAR, including events of war, floods, labor, disputes, earthquakes, epidemics, pandemics, adverse weather conditions not reasonably anticipated, forest fires, and other acts of God. These events may result in temporary delay or permanent shut down of the work that is the subject of this Contract. This may be caused by such things as stay-at-home orders, loss of labor force, supply chain delays, and other impediments to timely delivery of the Contract.

6.9.2 The parties agree that there will be no claims arising from a temporary delay or permanent shut down caused by the events described above and that the Owner will pay no additional costs incurred as a result of such events.

6.9.3 The parties agree to act in good faith to extend the Contract completion date without any penalty to the CMAR and that the extension will be in an amount of time equal to any temporary delay. This

term supersedes all other terms regarding temporary delay, permanent shut down, or increased costs.

Article 7- Procedure for Payment

7.0 General

7.0.1 For and in consideration of the faithful performance of the Work herein embraced as set forth in the Contract Documents, which are a part hereof and in accordance with the directions of the Owner and to the Owner's satisfaction, the Owner agrees to pay CMAR the actual Cost of the Work and any applicable General Conditions Costs including, insurance and bonding, taxes and CMAR's Construction Fee, but no more than the GMP as adjusted by any change orders. Payment for the specific Work under this Agreement shall be made in accordance with payment provisions detailed below.

7.1 GMP Payment Request

7.1.1 At the pre-construction conference prescribed in this Agreement, CMAR shall submit for Owner's review and approval a Schedule of Values. The Schedule of Values shall serve as the basis for monthly progress payments made to CMAR throughout the Work.

7.1.2 At least five (5) working days prior to the date established for a Payment Request, CMAR shall submit an updated Project Master Schedule and meet with the Owner's Representative to review the progress of the Work as it shall be reflected on the Payment Request.

7.1.3 The Payment Request shall constitute CMAR's representation that the Work has been performed consistent with the Contract Documents, has progressed to the point indicated in the Payment Request, and that title to all Work shall pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project. The Payment Request shall include, at a minimum:

7.1.3.1 Monthly Executive summary detailing work completed during the pay period, a statement addressing the project budget and schedule and the items of work anticipated for the upcoming pay period

7.1.3.2 Current critical path schedule

7.1.3.3 Pay application cover sheet, detailed schedule of values and conditional lien waivers upon release of progress payment

7.1.3.4 Subcontractor and Supplier invoices and conditional lien waivers for current pay period

7.1.3.5 General Conditions invoices for current pay period

7.1.3.6 Daily Reports for current pay period

7.1.3.7 Weekly reports for current pay period

7.1.3.8 Project meeting minutes for current pay period

7.1.3.9 Certified payroll reports- alphabetical by subcontractor (when required for Davis Bacon projects)

7.1.4 The Payment Request may request payment for stored equipment and materials if construction progress is in reasonable conformance with the approved schedule.

7.1.4.1 For equipment and materials suitably stored at the Site, the equipment and materials shall be

protected by suitable insurance and Owner shall receive the equipment and materials free and clear of all liens and encumbrances.

7.1.4.2 For materials and equipment stored off the Site, the Owner must approve the storage. The material and equipment must be stored within Coconino County or other Sites as may be approved and be accessible for Owner's inspection. CMAR must establish Owner title to such materials and equipment or otherwise protect the Owner's interest and shall include applicable insurance, bonding, storage and transportation to the Site.

7.1.4.3 All bonds and insurance required for stored materials shall name the Owner as the loss payee to the extent of its interest in the stored materials.

7.1.5 CMAR shall submit the Payment Request to Owner monthly either on the first of the month for payment on the 15th or on the 19th of the month for payment on the 30th or 31st. If the payment date is on a Saturday, payment shall be on Friday. If the payment date is on a Sunday, payment shall be on Monday.

7.2 Payment of GMP

7.2.1 Owner shall make payment in accordance with A.R.S. § 34-607. Payment shall be made no later than fourteen (14) days after the Payment Request is certified and approved, but in each case less the total of payments previously made, and less amounts properly retained under this Agreement.

7.2.2 Owner shall pay CMAR all amounts properly due. If Owner determines that CMAR is not entitled to all or part of a Payment Request, it shall notify CMAR in writing within (7) days after the date Payment Request is received by the Owner. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures CMAR shall take to rectify Owner's concerns. CMAR and Owner shall attempt to resolve Owner's concerns. If the parties cannot resolve such concerns, CMAR may pursue its rights under the Contract Documents, including those identified in this Agreement.

7.3 Retention of GMP

7.3.1 Owner shall retain ten percent (10%) of each Payment Request amount provided. When fifty percent (50%) of the Work has been completed by CMAR, upon request of CMAR, Owner may reduce the amount retained to five percent (5%) from CMAR's subsequent Payment Requests if CMAR's performance of Work has been satisfactory.

7.3.2 In lieu of retention, CMAR may provide as a substitute, an assignment of time certificates of deposit (CDs) from a bank licensed by the State of Arizona, securities of or guaranteed by the United States of America, securities of counties, municipalities and school districts within the State of Arizona or shares of savings and loan institutions authorized to transact business in Arizona.

7.3.2.1 CDs assigned to the Owner must be maintained at the Owner's single servicing bank, in the form of time deposit receipt accounts.

7.3.2.2 Securities deposited in lieu of retention must be deposited into a separate account with a bank within the State of Arizona.

7.3.2.3 CDs and Securities shall be assigned exclusively for the benefit of the City of Flagstaff pursuant to the Owner's form of Escrow Agreement. Escrow Agreement forms may be obtained from the Purchasing Department by contacting Matthew Luhman, Purchasing Manager.

7.4 Substantial Completion

7.4.1 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner

shall release to CMAR all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount up to two and one-half (2.5) times the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

7.5 Final Payment

7.5.1 After receipt of a final Payment Request, Owner shall make final payment within sixty (60) days after receipt by the Owner, provided that CMAR has completed all of the Work in conformance with the Contract Documents and a Final Completion Letter has been issued by the Owner.

7.5.2 At the time of submission of its final Payment Request, CMAR shall provide the following information:

7.5.2.1 An affidavit affirming that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which shall in any way affect Owner's interests;

7.5.2.2 A general release executed by CMAR waiving, upon receipt of final payment by CMAR, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment; and

7.5.2.3 Consent of CMAR's surety, if any, to final payment.

7.6 Payments To Subcontractors or Suppliers

7.6.1 CMAR shall pay its Subcontractors or suppliers within seven (7) calendar days of receipt of each progress payment from the Owner. CMAR shall pay for Work performed or materials supplied by each Subcontractor or supplier as accepted and approved by the Owner with each progress payment. In addition, any reduction of retention by the Owner to CMAR shall result in a corresponding reduction to Subcontractors or suppliers who have performed satisfactory work. CMAR shall pay Subcontractors or suppliers the reduced retention within fourteen (14) calendar days of the payment of the reduction of the retention to CMAR. No agreement between CMAR and its Subcontractors and suppliers may materially alter the rights of any Subcontractor or supplier to receive prompt payment and retention reduction as provided herein.

7.6.2 If CMAR fails to make payments in accordance with these provisions, the Owner may take any one or more of the following actions and CMAR agrees that the Owner may take such actions:

7.6.2.1 Hold CMAR in default under this Agreement;

7.6.2.2 Withhold future payments including retention until proper payment has been made to Subcontractors or suppliers in accordance with these provisions;

7.6.2.3 Reject all future offers to perform work for the Owner from CMAR for a period not to exceed one (1) year from Substantial Completion date of this Project; or

7.6.2.4 Terminate this Agreement.

7.6.3 If CMAR's payment to a Subcontractor or supplier is in dispute, it shall act in compliance with A.R.S. § 32-1129.02(D) and related statutes as amended and shall further hold the Owner harmless from any ensuing damages, claims or costs.

7.6.4 Should the Owner fail or delay in exercising or enforcing any right, power, privilege, or remedy under this Section, such failure or delay shall not be deemed a waiver, release, or modification of the requirements of this Section or of any of the terms or provisions thereof.

7.6.5 CMAR shall include these prompt payment provisions in every subcontract, including procurement of materials and leases of equipment for this Agreement.

7.7 Record Keeping and Finance Controls

7.7.1 Records of CMAR's direct personnel payroll, reimbursable expenses pertaining to this Project and records of accounts between the Owner and CMAR shall be kept on a generally recognized accounting basis and shall be available for three (3) years after Final Completion of the Project.

7.7.2 The Owner, its authorized representative, and/or the appropriate federal agency, reserve the right to audit CMAR's records to verify the accuracy and appropriateness of all pricing data, including data used to negotiate Contract Documents and any Change Orders.

7.7.3 The Owner reserves the right to decrease Contract Price and/or payments made on this Agreement if, upon audit of CMAR's records, the audit discloses CMAR has provided false, misleading, or inaccurate cost and pricing data.

7.7.4 CMAR shall include a similar provision in all of its agreements with Subconsultants and Subcontractors providing services under the Contract Documents to ensure the Owner, its authorized representative, and/or the appropriate federal agency, has access to the Subconsultants' and Subcontractors' records to verify the accuracy of cost and pricing data.

7.7.5 The Owner reserves the right to decrease Contract Price and/or payments made on this Agreement if the above provision is not included in Subconsultant's and Subcontractor's Agreements, and one or more Subconsultants and/or Subcontractors do not allow the Owner to audit their records to verify the accuracy and appropriateness of pricing data.

7.7.6 The Owner and its employees, agents, and authorized representatives shall have the right at all reasonable times and during all business hours to inspect and examine CMAR's records related to this Agreement. CMAR shall comply with the City of Flagstaff's records retention policy. This record retention requirement shall remain in effect following expiration of the Agreement or termination of the Agreement by either Party.

Article 8 - Claims and Disputes

8.0 Requests for Agreement Adjustments and Relief.

8.0.1 If either CMAR or Owner believes that it is entitled to relief against the other for any event arising out of or related to Work, such party shall provide written notice to the other party of the basis for its claim for relief.

8.0.2 Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of the Agreement.

8.0.3 In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed fourteen (14) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later.

8.0.4 Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

8.1 Dispute Avoidance and Resolution

8.1.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, CMAR and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

8.1.2 CMAR and Owner shall first attempt to resolve disputes or disagreements at the field level through discussions between CMAR's Representative and Owner's Representative.

8.1.3 If a dispute or disagreement cannot be resolved through CMAR's Representative and Owner's Representative, CMAR's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the Senior Representatives, the parties shall exchange relevant information that shall assist the parties in resolving their dispute or disagreement.

8.1.4 Except as otherwise agreed by the parties, any litigation brought by either party against the other to enforce the provisions of this Agreement shall be filed in the Coconino County Superior Court and Arizona law shall apply and control. In the event any action at law or in equity is instituted between the parties in connection with this Agreement, the prevailing party in the action shall be entitled to its costs including reasonable attorneys' fees and court costs from the non-prevailing party.

8.2 Duty to Continue Performance.

8.2.1 Unless provided to the contrary in the Contract Documents, CMAR shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to CMAR, pending the final resolution of any dispute or disagreement between CMAR and Owner.

8.3 Representatives of the Parties

8.3.1 The Owner's Representatives

8.3.1.1 The Owner designates the individual listed below or his/her designee as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under this Agreement:

Patrick Brown, Purchasing Director
City of Flagstaff
211 West Aspen Avenue
Flagstaff, AZ 86001
Phone: (928) 213-2277
pbrown@flagstaffaz.gov

8.3.1.2 Owner designates the individual listed below as its Owner's Representative ("Owner's Representative"), which individual has the authority and responsibility under this Agreement:

Emily Markel, Purchasing Manager
City of Flagstaff
211 West Aspen Avenue
Flagstaff, AZ 86001
Phone: (928) 213-2276
emarkel@flagstaffaz.gov

8.3.2 CMAR's Representatives

8.3.2.1 CMAR designates the individual listed below as its Senior Representative ("CMAR's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under this Agreement:

Jarrett Nelson, Project Manager
City of Flagstaff
211 West Aspen Avenue
Flagstaff, AZ 86001
Phone: (928) 213-2112
jarrett.nelson@flagstaffaz.gov

8.3.2.2 CMAR designates the individual listed below as its CMAR's Representative ("CMAR's Representative"), which individual has the authority and responsibility set forth in this Agreement:

Harvey K. Heckethorn (Corkey), President
P.O. Box 551
Flagstaff, Arizona 86002
Phone: 928-779-7685
Email: candepaving@aol.com

Article 9 – Suspension and Termination

9.0 Owner's Right to Stop Work

9.0.1 Owner may, at its discretion and without cause, order CMAR in writing to stop and suspend the Work. Such suspension shall not exceed one hundred and eighty (180) consecutive days.

9.0.2 CMAR 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 Owner.

9.1 Termination for Convenience

9.1.1 The Owner may terminate this Agreement at any time for any reason by giving at least thirty (30) days written notice to the CMAR. In such event, Owner shall pay CMAR only the direct value of its completed Work and materials supplied as of the date of termination. CMAR shall be entitled to profit and overhead on completed Work only but shall not be entitled to anticipated profit or anticipated overhead.

9.1.2 If the Owner suspends the Work for one hundred eighty-one (181) consecutive days or more, such suspension shall be deemed a termination for convenience.

9.1.3 Upon such notice of termination for convenience, CMAR shall proceed with the following obligations:

9.1.3.1 Stop Work as specified in the notice.

9.1.3.2 Place no further subcontracts or orders.

9.1.3.3 Terminate all subcontracts to the extent they relate to the Work terminated. CMAR shall ensure that all subcontracts contain this same termination for convenience provision set forth in this Agreement.

9.1.3.4 At the Owner's sole discretion and if requested in writing by the Owner, assign to the Owner all rights, title and interest of CMAR under the subcontracts subject to termination.

9.1.3.5 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 CMAR and in which the Owner has or may acquire an interest.

9.1.4 CMAR shall submit complete termination inventory schedules no later than one hundred twenty (120) days from the date of the notice of termination.

9.1.5 The Owner shall pay CMAR the following:

9.1.5.1 The direct value of its completed Work and materials supplied as of the date of termination.

9.1.5.2 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 CMAR's failure to perform as required under this Agreement.

9.1.5.3 CMAR 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 CMAR would have sustained a loss on the entire Work had they been completed, CMAR shall not be allowed profit and the Owner shall reduce the settlement to reflect the indicated rate of loss.

9.1.6 CMAR 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 this Agreement.

9.2 The Owner's Right to Perform and Terminate for Cause

9.2.1 If the Owner provides CMAR 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 CMAR fails to comply in a time frame specified, the Owner may have work accomplished by other sources at CMAR's sole expense.

9.2.2 If CMAR persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Subconsultants and/or Subcontractors, (v) 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 (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in this Agreement.

9.2.3 Upon the occurrence of a terminable event, Owner may provide written notice to CMAR that it intends to terminate this Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of CMAR's receipt of such notice.

9.2.3.1 If CMAR fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to CMAR of its intent to terminate within an additional seven (7) day period.

9.2.3.2 If CMAR, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare this Agreement terminated for default by providing written notice to CMAR of such declaration.

9.2.4 Upon declaring this Agreement terminated, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which CMAR hereby transfers, assigns and conveys to Owner 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.

9.2.5 In the event of such termination, CMAR 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, CMAR shall only be entitled to be paid for Work performed and accepted by the Owner prior to its default.

9.2.6 If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then CMAR shall be obligated to pay the difference to Owner. 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 Owner in connection with the re-procurement and defense of claims arising from CMAR's default.

9.2.7 If Owner improperly terminates the Agreement for cause, the termination for cause shall be converted to a termination for convenience in accordance with the provisions of this Agreement.

9.3 Maintenance During Winter Shutdown of Work; Snow Removal

9.3.1 The Capital Improvements Division of the City of Flagstaff retains the right to declare a Winter Shutdown when, in the opinion of the Owner, it would be unreasonable to continue Work due to adverse weather conditions. The Winter Shutdown determination is at the sole discretion of the Owner. If Work has been suspended due to winter weather, the CMAR 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 CMAR is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the Owner. If the needed repairs and/or maintenance are not addressed within the timeframe, the Owner will accomplish the repairs and/or maintenance and deduct the cost from monies due or become due to the CMAR.

9.3.2 The Owner shall provide snow removal operations on active traffic lanes only. All other snow removal and maintenance operations shall be the responsibility of the CMAR. 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.

9.3.3 Upon termination of the Winter Shutdown by the Owner, the CMAR shall have the right to complete the Work and the Project.

9.3.4 The CMAR shall be solely responsible for any and all costs incurred either as a direct or indirect result of a Winter Shutdown and shall hold the Owner harmless from the same.

Article 10 - Insurance and Bonds

10.0 Insurance Requirements

10.0.1 CMAR and Subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the Work hereunder by CMAR, its agents, representatives, employees or Subcontractors.

10.0.2 The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.

10.0.3 The Owner in no way warrants that the minimum limits contained herein are sufficient to protect CMAR from liabilities that might arise out of the performance of the work under this Agreement by CMAR, its agents, representatives, employees, or subcontractors. CMAR is free to purchase such additional insurance as may be determined necessary.

10.1 Minimum Scope and Limits of Insurance

10.1.1 Commercial General Liability - Occurrence Form

General Aggregate/for this Project	$2,000,000/$1,000,000
Products – Completed Operations Aggregate	$1,000,000
Each Occurrence	$1,000,000

The policy shall be endorsed to include the following additional insured language: **"The City of Flagstaff shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of CMAR."**

Additional Insured Status. The insurance coverage, except Workers' Compensation, required by this Agreement, shall name the CITY, its agents, representatives, directors, officials, employees, and officers, as additional insured AND be accompanied by the required endorsement. Such evidence of additional insured status shall be subject to the approval of the Risk Management Department of the City of Flagstaff. The absence of acceptable insurance and endorsement shall be deemed a breach of this Agreement.

10.1.2 Automobile Liability **-** Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this Agreement.

Combined Single Limit ("CSL")	$1,000,000

The policy shall be endorsed to include the following additional insured language: **"The City of Flagstaff shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of CMAR, including automobiles owned, leased, hired or borrowed by CMAR."**

10.1.3 Worker's Compensation: The CMAR shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes.

10.1.4 Builders' Risk Insurance or Installation Floater $__N/A___

In an amount equal to the initial Contract Amount plus additional coverage equal to Contract Amount for all subsequent change orders.

10.1.4.1 The City of Flagstaff, CMAR, Subcontractors, Design Professional(s) and Design Professional(s)' consultant and any others with an insurable interest in the Work shall be Named Insureds on the policy**.**

10.1.4.2 Coverage shall be written on an all risk, replacement cost basis and shall include coverage for soft costs, flood and earth movement.

10.1.4.3 Coverage shall be maintained until whichever of the following shall first occur: (i) final payment has been made; or, (ii) until no person or entity, other than the City of Flagstaff, has an insurable interest in the property required to be covered.

10.1.4.4 Coverage shall be endorsed such that the insurance shall not be canceled or lapse because of any partial use or occupancy by the City.

10.1.4.5 CMAR shall provide coverage from the time any covered property becomes the responsibility of CMAR, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation Site, or awaiting installation, whether on or off Site.

10.1.4.6 Coverage shall contain a waiver of subrogation against the City of Flagstaff.

10.1.4.7 CMAR is responsible for the payment of all policy deductibles.

10.1.5 Umbrella/Excess Liability Insurance not less than $2,000,000 per occurrence combined limit Bodily Injury and Property Damage, that "follows form" and applies in excess of the Commercial General Liability, Automobile Liability as required above.

10.2 Additional Insurance Requirements

10.2.1 The policies shall include, or be endorsed to include the following provisions:

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

10.2.3 CMAR's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

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

10.2.5 The policies shall contain a Waiver of Subrogation against the City, its officers, officials, agents, and employees for losses arising from work performed by the CMAR for the Owner.

10.3 Notice of Cancellation

10.3.1 Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the Owner. Such notice shall be sent directly to the Purchasing Section by certified mail, return receipt requested.

10.4 Acceptability of Insurers

10.4.1 Insurance is to be placed with insurers who are duly licensed companies in the State of Arizona with an "A.M. Best" rating of A-7, or as approved by the City and licensed in the State of Arizona with policies and forms satisfactory to the Owner. The Owner in no way warrants that the above-required minimum insurer rating is sufficient to protect CMAR from potential insurer insolvency.

10.5 Verification Of Coverage

10.5.1 CMAR shall furnish the Owner with Certificates of Insurance (ACORD form or equivalent approved by the Owner) as required by this Agreement. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

10.5.2 All Certificates of Insurance and endorsements are to be received and approved by the Owner before work commences. Each insurance policy required by this Agreement shall be in effect at or prior to commencement of Work under this Agreement and remain in effect for the duration of the Project. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of contract.

10.5.3 All Certificates of Insurance required by this Agreement shall be sent directly to City's Purchasing Section. The City project/contract number and project description shall be noted on the Certificate of Insurance. The Owner reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time.

10.5.4 If the Certificate of Insurance reflecting policy coverage and cancellation notice does not conform to the Owner's requirements, the CMAR must submit a current Certificate of Insurance (dated within fifteen (15) days of the payment request submittal) with each payment request form. The payment request shall be rejected if the Certificate of Insurance is not submitted with the payment request.

10.6 Subcontractors

10.6.1 CMAR's Certificate(s) of Insurance shall include all Subcontractors as additional insureds under its policies. All coverages for Subcontractors shall be subject to the minimum requirements identified above.

10.7 Approval

10.7.1 Any modification or variation from the insurance requirements in this Agreement shall be made by the Owner Attorney's Office, whose decision shall be final. Such action shall not require a formal contract amendment but may be made by administrative action.

10.8 Bonds and Other Performance Security

10.8.1 Prior to execution of this Agreement, CMAR shall provide a performance bond and a labor and materials bond, each in an amount equal to the full amount of the GMP.

10.8.2 Each such bond shall be executed by a surety company, or companies, holding a Certificate of Authority to transact surety business in the State of Arizona, issued by the Director of the Arizona Department of Insurance. A copy of the Certificate of Authority shall accompany the bonds. The Certificate shall have been issued or updated within two (2) years prior to the execution of this Agreement.

10.8.3 The bonds shall be made payable and acceptable to the City of Flagstaff.

10.8.4 The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in Arizona, as by law required, and the bonds shall have attached thereto a certified copy of Power of Attorney of the signing official.

10.8.4.1 If one Power of Attorney is submitted, it shall be for twice the total GMP amount.

10.8.4.2 If two Powers of Attorney are submitted, each shall be for the total GMP amount. Personal or individual bonds are not acceptable.

10.8.5 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract Documents, CMAR shall promptly furnish a copy of the bonds or shall permit a copy to be made.

10.8.6 All bonds submitted for this project shall be provided by a company which has been rated AM Best rating of "A-,7, or better for the prior four quarters" by the A.M. Best Company.

Article 11 - Indemnification

11.1 CMAR's Liability and Indemnification

11.1.1 To the fullest extent permitted by law, CMAR shall defend, indemnify and hold harmless the Owner, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted from the negligent, reckless, or intentional acts, errors, mistakes, omissions, work or services of CMAR, its employees,

agents, or any tier of subcontractors in the performance of this Agreement. CMAR's duty to defend, hold harmless and indemnify the Owner, its agents, representatives, officers, directors, officials and employees shall arise in connection with the claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of CMAR or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services CMAR may be legally liable.

11.1.2 The amount and type of insurance coverage requirements set forth herein shall in no way be construed as limiting the scope of the indemnity in this paragraph.

Article 12 – General Provisions

12.1 Contract Documents

12.1.1 This Agreement, Plans, Standard Specifications and Details, Special Provisions, Addenda (if any) dated the ___ day of _____, 20___ and used as the basis for the Guaranteed Maximum Price Proposal and Guaranteed Maximum Price Proposal, as accepted by the Mayor and Council per Council Minutes the ____ day of _____, 20__, Performance Bond, Payment Bond, Certificates of Insurance, Construction Documents and Change Orders (if any) are by this reference made a part of this Agreement to the same extent as if set forth herein in full.

12.1.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Times for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards.

12.1.3 In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents shall take precedence in the order in which they are listed in the definitions section of this Agreement.

12.1.3.1 On the drawings, given dimensions shall take precedence over scaled measurements, and large-scale drawings over small-scale drawings.

12.1.3.2 Specifications take precedence over Plans.

12.1.3.3 In the event of any inconsistency, conflict, or ambiguity between the Contract Documents and the Design Phase Agreement, the Contract Documents take precedence over the Design Phase Agreement

12.1.4 The headings used in this Agreement, or any other Contract Documents, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

12.1.5 The Contract Documents form the entire agreement between Owner and CMAR and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

12.2 Amendments

12.2.1 The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

12.3 Time is of the Essence

12.3.1 The Owner and CMAR mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

12.4 Mutual Obligations

12.4.1 Owner and CMAR commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

12.5 Cooperation and Further Documentation

12.5.1 CMAR agrees to provide the Owner such other duly executed documents as shall be reasonably requested by the Owner to implement the intent of the Contract Documents.

12.6 Assignment

12.6.1 CMAR shall not, without the written consent of the Owner, assign, transfer or sublet any portion of this Agreement or part of the Work or the obligations required by the Contract Documents. Notwithstanding the Owner's consent to assignment, CMAR as Assignor, and the Assignee shall both remain liable under all rights, obligations, terms, and conditions of this Agreement.

12.7 Successorship

12.7.1 CMAR and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

12.8 Third Party Beneficiary

12.8.1 Nothing under the Contract Documents shall be construed to give any rights or benefits in the Contract Documents to anyone other than the Owner and CMAR, and all duties and responsibilities undertaken pursuant to the Contract Documents shall be for the sole and exclusive benefit of Owner and CMAR and not for the benefit of any other party.

12.9 Governing Law

12.9.1 This Agreement and all Contract Documents shall be deemed to be made under, and shall be construed, in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto shall be brought in the Superior Court, Coconino County, Arizona, and for this purpose, each party hereby expressly and irrevocably consents to the jurisdiction and venue of such Court.

12.10 Severability

12.10.1 If any provision of the Contract Documents or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of the Contract Documents and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

12.11 Compliance with All Laws

12.11.1 CMAR will comply with all applicable Federal, State, County and City laws, regulations and policies. CMAR understands and acknowledges the applicability of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. CMAR agrees to comply with these laws in performing the Agreement and to permit the Owner to verify such compliance.

12.12 Legal Requirements

12.12.1 CMAR shall perform all Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

12.13 Construction Documents

12.13.1 It is not CMAR's responsibility to ascertain that the Construction Documents are in accordance with applicable laws, statutes, ordinances, building codes, rules and regulations. However, if CMAR recognizes that portions of the Construction Documents are at variance therewith, CMAR shall promptly notify the Design Professional and Owner in writing, describing the apparent variance or deficiency.

12.14 Independent Contractor

12.14.1 CMAR is and shall be an independent contractor. Any provisions in the Contract Documents that may appear to give the Owner the right to direct CMAR as to the details of accomplishing the Work or to exercise a measure of control over the Work means that CMAR shall follow the wishes of the Owner as to the results of the Work only. These results shall comply with all applicable laws and ordinances.

12.15 The Owner's Right of Cancellation

12.15.1 All parties hereto acknowledge that this Agreement is subject to cancellation by the Owner pursuant to the provisions of A.R.S. § 38-511.

12.16 Survival

12.16.1 All warranties, representations and indemnifications by CMAR shall survive the completion or termination of this Agreement.

12.17 Covenant against Contingent Fees

12.17.1 CMAR warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Owner Council, or any employee of Owner has any interest, financially, or otherwise, in the firm. For breach or violation of this warrant, the Owner shall have the right to annul this Agreement without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

12.18 No Waiver

12.18.1 The failure of either party to enforce any of the provisions of the Contract Documents or to require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of such provisions, nor shall it affect the validity of the Contract Documents or any part thereof, or the right of either party to thereafter enforce each and every provision.

12.19 Notice

12.19.1 Notices 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. Rejection, any refusal to accept or

the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

To CMAR:

Harvey K. Heckethorn (Corkey), President
C and E Paving & Grading, L.L.C.
P.O. Box 551
Flagstaff, Arizona 86002
Phone: 928-779-7685
Email: candepaving@aol.com

To Owner:

City of Flagstaff
211 West Aspen Avenue
Flagstaff, AZ 86001
Attn: Emily Markel, Purchasing Manager
Phone: (928) 213-2276
emarkel@flagstaffaz.gov

With a copy to:

City of Flagstaff
211 West Aspen Avenue
Flagstaff, AZ 86001
Attn: Jarrett Nelson, Project Manager
Phone: (928) 213-2112
jarrett.nelson@flagstaffaz.gov

Design Professional(s):

Julie Leid
Peak Engineering, Inc.
110 North Agassiz
Flagstaff, Arizona 86001
julie@peakegr.com

12.19.2 Notices Related to Payment, Securities-in-lieu, Bonds. Any notice, request, instruction or other document to be given under this Agreement by any party to any other party related to payment, securities-in-lieu, bonds or other instrument securing the performance of this Agreement, including but not limited to, bid bonds, performance bonds, payment bonds or letters of credit, shall be in writing and shall be delivered in person or by courier or facsimile transmission or mailed by certified mail, postage prepaid, return receipt requested and shall be deemed given upon (a) confirmation of receipt of a facsimile transmission, (b) confirmed delivery by hand or standard overnight mail or (c) upon the expiration of three (3) business days after the day mailed by certified mail. Rejection, any refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

To CMAR:

C and E Paving & Grading, L.L.C.
P.O. Box 551
Flagstaff, Arizona 86002

Attn: Harvey K. Heckethorn (Corkey), President
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Email: candepaving@aol.com

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With copies to:

City of Flagstaff

211 West Aspen Avenue
Flagstaff, AZ 86001
Attn: Jarrett Nelson, Project Manager
Phone: (928) 213-2112
jarrett.nelson@flagstaffaz.gov

12.20 Confidentiality of Plans and Specification

12.20.1 Any plans or specifications regarding this Project shall be for official use only. CMAR shall not share them with others except as required to fulfill the obligations of this Agreement with the Owner.

12.20.2 All Record Documents, Shop Drawings and other plans or drawings prepared or submitted by CMAR shall include the following language: “These plans are for official use only and may not be shared with others except as required to fulfill the obligations of the Beulah/University Roadway Project Agreement with the City of Flagstaff.”

12.21 CMAR and Subcontractor Employee Security Inquiries. The parties acknowledge that security measures required in this Section are necessary in order to preserve and protect the public health, safety and welfare. In addition to the specific measures set forth below, CMAR shall take such other measures, as it deems reasonable and necessary to further preserve and protect the public health, safety and welfare.

12.21.1 Security Inquiries. CMAR acknowledges that all of the employees that it provides pursuant to this Agreement shall be subject to background and security checks and screening ("Security Inquiries"). CMAR shall perform all such security inquiries and shall make the results available to Owner for all employees considered for performing work (including supervision and oversight) under this Agreement. Owner may make further security inquiries. Whether or not further security inquires are made by Owner, Owner may, at its sole, absolute and unfettered discretion, accept or reject any or all of the employees proposed by CMAR for performing work under this Agreement. Employees rejected by Owner for performing services under this Agreement may still be engaged by CMAR for other work not involving the Owner. An employee rejected for work under this Agreement shall not be proposed to perform work under other Owner Agreements or engagements without Owner's prior approval.

12.21.2 Criteria for Evaluating Security Inquiries. Once formally adopted by Owner, criteria for excluding an individual from performing work under this Agreement shall be communicated by Owner to CMAR and used by CMAR as a factor in making its decision. Prior to such adoption, CMAR shall use its best judgment in making its decision using, among other criteria, applicable law, administrative regulations of federal, state and local agencies concerned with work performed under this Agreement, specific local concerns that deal with the specific work and work location(s) of the Project, and standards used by Owner in evaluating its own personnel.

12.21.3 Additional Owner Rights Regarding Security Inquiries. In addition to the foregoing, Owner reserves the right to: (1) have an employee/prospective employee of CMAR be required to provide fingerprints and execute such other documentation as may be necessary to obtain criminal justice information pursuant to A.R.S. § 41-1750(G)(4); (2) act on newly acquired information whether or not such information should have been previously discovered; (3) unilaterally change its standards and criteria relative to the acceptability of CMAR 's employees and/or prospective employees; and, (4) object, at any time and for any reason, to an employee of CMAR performing work (including supervision and oversight) under this Agreement.

12.21.4 Background and Security-Contracts and Subcontracts. CMAR shall include the security inquiry terms of this Section for employee background and security checks and screening in all contracts and subcontracts for work performed under this Agreement, including supervision and oversight.

12.21.5 Materiality of Security Inquiry Provisions. The security inquiry provisions of this Agreement, as set forth above, are material to Owner 's entry into this Agreement and any breach thereof by CMAR may, at Owner's sole and unfettered discretion, be considered to be a breach of contract of sufficient magnitude to terminate this Agreement. Such termination shall subject CMAR to liability for its breach of this Agreement.

12.22 Hazardous Materials

12.22.1 Unless included in the Work, if CMAR encounters material on the Site which it reasonably believes to contain asbestos, polychlorinated biphenyl (PCB), or other hazardous substances or materials regulated by applicable law, it shall immediately stop work and report the condition to the Owner.

12.22.2 If the material is found to contain asbestos, PCB or other hazardous substances or materials regulated by applicable law, CMAR shall not resume work in the affected area until the material has been abated or rendered harmless. CMAR and the Owner may agree, in writing, to continue work in non-affected areas on the Site.

12.22.3 An extension of Contract Time may be granted in accordance with this Agreement.

12.22.4 CMAR shall comply with all applicable laws/ordinances and regulations and take all appropriate health and safety precautions upon discovery.

12.23 Computer Systems

12.23.1 CMAR shall warrant fault-free performance in the processing of date and date-related data including, but not limited to calculating, comparing, and sequencing by all equipment and software products, individually and in combination, from the commencement of the Work. Fault-free performance shall include the manipulation of data when dates are in the 20th or 21st centuries and shall be transparent to the user. Failure to comply with "Year 2000" requirements shall be considered a breach of this Agreement.

12.24 Traffic Control

12.24.1 CMAR shall comply with all provisions of the latest version of the Manual on Uniform Traffic Control Devices and any other traffic control provisions as may be provided in the technical specifications.

12.25 No Boycott of Israel

12.25.1 Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Agreement is worth at least one-hundred thousand dollars and no cents ($100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Agreement, will not engage in a boycott of Israel.

12.26 Forced Labor of Ethnic Uyghurs

12.26.1 If CMAR engages in for-profit activity and has ten (10) or more employees, pursuant to A.R.S. §35-394, CMAR certifies that it does not currently, and agrees for the duration of the contract that it will not, use: 1) the forced labor of ethnic Uyghurs in the People's Republic of China; 2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and 3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If CMAR becomes aware during the term of the Contract that the company is not in compliance with the written certification, CMAR shall notify the Owner within five business days after becoming aware of the noncompliance. If CMAR does not provide the Owner with a written certification that CMAR has remedied the noncompliance within 180 days after notifying the Owner of the noncompliance, this Contract terminates, except that if the Contract termination date occurs before the end of the remedy period the Contract terminations on the Contract termination date.

(Signatures Appear on the Next Page)

This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this ____ day of _____, 20____.

C AND E PAVING & GRADING, L.L.C.

_____

Print name:_____

Title:_____

CITY OF FLAGSTAFF

_____

Print name:_____

Title:_____

Attest:

_____
City Clerk

Approved only as to form:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

Last updated February 28, 2024

EXHIBIT A - PROJECT DESCRIPTION

Following is a brief description of the Project for which the design phase service services specified in this Agreement are to be performed:

The general project scope includes the following work:

The Street Maintenance Program provides surface treatments as required to preserve and maintain pavement condition on the 664 lane miles of City streets. The Project will include milling, street overlay, chip seal, micro seal, and crack sealing work to preserve and maintain existing asphalt street pavement. The contract work also includes removal and replacement of curb returns and sidewalks at many locations on the streets overlaid to bring these streets into compliance with the Americans with Disabilities Act (ADA). Traffic signal detection modifications may be required where the work disturbs existing detection equipment. Utility adjustments and pavement marking are also included in the work.

The overlay streets are selected after evaluation of the street condition using pavement management software owned by the Owner. One half of the City street pavements are evaluated and ranked each year. Each street pavement is assigned an overall condition index (OCI) based on the type and severity of the distress observed. A pavement that has no distress is given an OCI of 100. Each pavement distress such as cracking or roughness reduces the street's OCI. The street pavements are ranked by OCI and the pavements exhibiting the most severe distress are programmed for resurfacing with asphaltic concrete overlays as budget allows.

The goal of the Street Maintenance Program is to use the available funds in the most efficient manner to lengthen the service life of the City Street pavements and avoid costly pavement reconstruction.

It is anticipated that Contractors will have civil construction challenges typical to Flagstaff. The successful Contractor selected for this Project is expected to have significant demonstrated experience in both the type of work required and constructing street pavements in colder, high-altitude climates with a limited construction season.

EXHIBIT B – APPROVED GMP PROPOSAL

PROJECT #: PW25-0001 **DATE: 4/22/2025**
PROJECT NAME: Street Maintenance Program 2024, 2025 & 2026
Construction Phase Services – Phase 2025 – GMP2 Mill & Overlay

SEE ATTACHED EXHIBIT B

Exhibit B

GMP SUMMARY 2025

STREET MAINTENANCE PROGRAM

PROJECT NO:

PW25-0001

Construction Phase Services - Phase 2025

GMP2 - Mill & Overlay

GMP SUMMARY

PROJECT NAME:	City of Flagstaff Street Maintenance 2025
PROJECT NUMBER:	PW25-0001
LAST UPDATED:	4/22/2025
OWNER(S):	City of Flagstaff
BILLNG ADDRESS:	211 West Aspen Ave.
JOB SITE ADDRESS:	various locations
OWNER PHONE:	(928) 779-7685

C and E
PAVING & GRADING L.L.C.

GMP SUMMARY					
A	COST OF THE WORK (LABOR, MATERIALS, EQUIPMENT)				$6,489,284.98
B	CM@RISK'S CONTINGENCY				$0.00
	INDIRECT COSTS			RATE	$6,489,284.98
C	CONSTRUCTION FEE			4.8%	$391,701.88
D	GENERAL CONDITIONS			9.8%	$799,724.66
	D1	PAYMENT AND PERFORMANCE BOND	$51,247.66	0.6280%	
	D2	INSURANCE	$101,189.65	1.24%	
E	SALES TAX	9.181%		0.042925	$458,357.98
			F. TOTAL GMP		$8,160,455.73
			G. OWNER'S CONTINGENCY		$324,464.25
			H. CONTRACT AMOUNT		$8,484,919.98

CITY OF FLAGSTAFF
GENERAL CONDITIONS ESTIMATE

PROJECT NAME:	City of Flagstaff Street Maintenance Program - 2025
PROJECT NUMBER:	PW25-001
LAST UPDATED:	4/22/2025
OWNER(S):	City of Flagstaff
BILLNG ADDRESS:	211 West Aspen Avenue
JOB SITE ADDRESS:	various locations
OWNER PHONE:	(928) 779-7685

C and E
PAVING & GRADING L.L.C.

PHASE #		CATEGORY DESCRIPTION	NOTES / SCOPE	BUDGET
General Requirements				
1		VEHICLE / FUEL ALLOWANCE		$106,967.90
1		PROJECT MANAGER		$141,180.40
1		SUPERINTENDENT		$116,711.94
1		OFFICE PERSONNEL		$18,360.50
1		OFFICE SUPPLIES AND EQUIPMENT		$5,774.75
1		SITE MECHANIC & SERVICE TRUCK		$67,505.50
1		TEMP SANITARY FACILITIES		$3,267.76
1		ADDITIONAL PUBLIC NOTICES AND DELIVERY / LIME / CONCRETE PLASTIC		$8,682.40
		SURVEY		$4,698.50
1		MOBILIZATION		$72,132.00
1		WARRANTY RESERVE	1.25% OF PROJECT	$102,005.70
1		GL INSURANCE	1.24% OF PROJECT	$101,189.65
1		PERFORMANCE BOND	.6821% OF PROJECT	$51,247.66
TOTAL				$799,724.66

COST SCHEDULE OF VALUES

2025 COF STREETS					
Schedule of Values					
ITEM #	*DESCRIPTION*	*UNIT*	*APPROX QUANTITY*	*UNIT PRICE (IN FIGURES)*	*TOTAL (IN FIGURES)*
1	MILL AND FILL LARGE THERMAL CRACKS	LF	4,486	$21.00	$94,206.00
2	LOWER SEWER CLEANOUT, BLOWOFFS & SURVEY HANDHOLES FOR MILLING	EA	14	$744.30	$10,420.20
3	LOWER MANHOLE FRAME AND COVER FOR MILLING	EA	62	$776.00	$48,112.00
4	LOWER WATER VALVE BOX FOR MILLING	EA	105	$776.00	$81,480.00
5	TREE REMOVAL	EA	4	$1,650.00	$6,600.00
6	REMOVE AND REPLACE CONCRETE DRIVEWAY RAMP/WING 8" PCC (INCLUDING 6" ABC)	SF	13,305	$36.30	$482,971.50
7	REMOVE AND REPLACE CURB AND GUTTER (VERTICAL - INCLUDING 3" ABC)	LF	6,880	$67.00	$460,960.00
8	REMOVE AND REPLACE CURB AND GUTTER (ROLL - INCLUDING 3" ABC)	LF	4,626	$67.00	$309,942.00
9	REMOVE 12" CURB & REPLACE WITH STANDARD HEIGHT CURB (INCLUDING 3" ABC)	LF	26	$55.00	$1,430.00
10	REMOVE EXISTING CONCRETE VALLEY GUTTER	SF	2,696	$2.15	$5,796.40
11	NEW 8' WIDE VALLEY GUTTER (COF DET. 8-06-010) (INCLUDES 8" ABC)	SF	2,696	$48.00	$129,408.00
12	REMOVE & REPLACE EXISTING VALLEY GUTTER APRON (INCLUDES 8" ABC)	SF	1,538	$48.00	$73,824.00
13	REMOVE & REPLACE CURB FOR VG APRON	LF	268	$48.00	$12,864.00
14	INFILL SIDEWALK-NEW 5' CONCRETE SIDEWALK 4" PCC/3" ABC (INCLUDES CLEAR & GRUB AND LANDSCAPE MATCH BACK)	SF	2,207	$26.00	$57,382.00
15	REMOVE AND REPLACE SIDEWALK (INCLUDING 3" ABC)	SF	11,823	$19.00	$224,637.00
16	SUPPLY NEW METER BOX TOP & COVER IN SIDEWALK, ADJUST TO FINISHED GRADE	EA	5	$1,400.00	$7,000.00
17	REMOVE BRICK PAVER & REPLACE W/COLORED CONCRETE INCLUDING 3" ABC (COLOR: TERRA COTTA CC875 OR SALTILLO CC705) (NO DOMES)	SF	150	$90.00	$13,500.00
18	REMOVE AND REPLACE CONCRETE ADA RAMP FOR ADA DOMES RETROFIT (INCLUDING 3" ABC)	SF	3,563	$20.50	$73,041.50
19	REMOVE AND REPLACE ADA RAMP CURB	LF	90	$50.15	$4,513.50
20	ADD ADA DOMES (RETROFIT-2x24" GRAY IRON PANELS)	EA	65	$3,101.00	$201,565.00
21	3' PAVEMENT PATCH @ CURB (4"AC/6"ABC [C-3/4"])	SY	3,168.00	$130.00	$411,840.00
22	REMOVE EXISTING AC PAVEMENT SECTION (LYNCH AVE NEW LANE)	SY	89.00	$62.00	$5,518.00
23	REMOVE EXISTING CURB & GUTTER (LYNCH AVE NEW LANE)	LF	61.00	$16.00	$976.00
24	REMOVE AND REPLACE PAVEMENT PATCH (4"AC/6"ABC [C-3/4"])	SY	4,896.00	$102.50	$501,840.00
25	1" ASPHALT PAVEMENT MILLING (FULL WIDTH)-HWY 89	SY	27,876.11	$2.00	$55,752.22
26	2" ASPHALT PAVEMENT MILLING (FULL WIDTH)	SY	55,200	$3.40	$187,680.00
27	6" VARIABLE ASPHALT PAVEMENT MILLING (FULL WIDTH)	SY	8,183.00	$10.60	$86,739.80
28	TACK COAT (SS-1H)	TON	13.20	$2,531.00	$33,409.20
29	2" POLYMER MODIFIED ASPHALT CONCRETE OVERLAY (1/2")	TON	2,626.40	$168.00	$441,235.20
30	2" POLYMER MODIFIED ASPHALT CONCRETE OVERLAY (3/4") EXCLUDES ROADWAY REBUILDS/NEW LANE	TON	4,504.20	$158.00	$711,663.60
31	FULL STREET REBUILD (5" AC/12" ABC with TRIAXIAL GEOGRID) [C-3/4"] - STEVANNA WAY	SY	3,557	$112.00	$398,384.00
32	FULL STREET REBUILD (4" AC/6" ABC) [C-3/4"] - VERDE ST	SY	2,116	$91.00	$192,556.00
33	NEW ROADWAY LANE (4"AC/6" ABC) [C-3/4"] - LYNCH AVE	SY	452	$77.50	$35,030.00
34	SUBGRADE STABILIZATION-OVEREXCAVATE & PLACE 12" ABC (ALLOWANCE-25% OF REBUILD AREA)	SY	1,532.00	$85.50	$130,986.00
35	ADJUST MANHOLE FRAME & COVER (COF DET. 9-03-062)	EA	62	$800.75	$49,646.50
36	ADJUST WATER VALVE FRAME AND COVER TO FINISHED GRADE (REMOVE, REPLACE WITH NEW HARDWARE TO NUT)	EA	107	$1,252.25	$133,990.75
37	ADJUST SEWER CLEANOUT, BLOWOFFS AND SURVEY HANDHOLES (COF DET. 9-03-062)	EA	14	$780.00	$10,920.00
38	REMOVE & REPLACE SURVEY MONUMENTS	EA	23	$365.00	$8,395.00
39	CONCRETE PATCHING (HWY 89, 12-1/2" PCCP/4"AB) [CONTINGENCY]	SF	200	$119.00	$23,800.00
40	CONCRETE SAWCUT [CONTINGENCY]	LF	60	$28.00	$1,680.00
41	OBLITERATE EXISTING STRIPING - MOBILIZATION	EA	1	$4,000.00	$4,000.00
42	OBLITERATE EXISTING STRIPING - 4" EQUIVALENT	LF	100	$0.80	$80.00
	STRIPING & MARKING ITEMS				
43	4" DOUBLE SOLID YELLOW (PAINT - 2 COATS)	LF	7,967	$0.60	$4,780.20
44	18" DUAL COMPONENT EPOXY STOP BAR	LF	664	$9.96	$6,613.44
45	4" SOLID / 4" BROKEN YELLOW (TWLTL) (PAINT - 2 COATS)	LF	2,680	$0.55	$1,474.00
46	4" SOLID WHITE EDGE LINE (PAINT - 2 COATS)	LF	3,823	$0.35	$1,338.05
47	4" PARKING STALL WHITE (PAINT - 2 COATS)	LF	684	$0.70	$478.80
48	4" SOLID YELLOW	LF	3,396	$0.35	$1,188.60
49	6" SOLID WHITE BIKE LANE LINE (PAINT - 2 COATS)	LF	19,437	$0.40	$7,774.80
50	6" DASHED BIKE LANE	LF	1,438	$0.40	$575.20
51	8" SOLID WHITE LANE LINES (PAINT - 2 COATS)	LF	4,891	$0.70	$3,423.70
52	COF 4" BROKEN WHITE (PAINT - 2 COATS)	LF	7,024	$0.35	$2,458.40
53	COF WHITE SHORTY DASH	LF	686	$0.35	$240.10
54	PAINTED BIKE ASSEMBLY	EA	28	$130.00	$3,640.00
55	ARROWS (RT., LT., STRAIGHT, COMBO, RR CROSSING, ETC) (DUAL COMPONENT EPOXY)	EA	41	$165.00	$6,765.00
56	COF PIANO KEY CROSSWALK (DUAL COMPONENT EPOXY)	LF	404	$24.58	$9,930.32
57	TRAFFIC CONTROL	LS	1	$669,229.00	$669,229.00
58	CONSTRUCTION STAKING	LS	1	$43,600.00	$43,600.00

TOTAL BID IN FIGURES $6,489,284.98

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	TOTAL COST FORECAST
1	MILL AND FILL LARGE THERMAL CRACKS	SUBCONTRACTOR	4,486	LF	$0.00	$0.00	
		MATERIALS			$3.00	$13,458.00	
		EQUIPMENT			$11.80	$52,934.80	
		LABOR			$6.20	$27,813.20	
			4,486	LF	$21.00	Total:	$94,206.00
2	LOWER SEWER CLEANOUT, BLOWOFFS & SURVEY HANDHOLES FOR MILLING	SUBCONTRACTOR	14	EA	$719.20	$10,068.80	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$25.10	$351.40	
			14	EA	$744.30	Total:	$10,420.20
3	LOWER MANHOLE FRAME AND COVER FOR MILLING	SUBCONTRACTOR	62	EA	$750.75	$46,546.50	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$25.25	$1,565.50	
			62	EA	$776.00	Total:	$48,112.00
4	LOWER WATER VALVE BOX FOR MILLING	SUBCONTRACTOR	105	EA	$750.75	$78,828.75	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$25.25	$2,651.25	
			105	EA	$776.00	Total:	$81,480.00
5	TREE REMOVAL	SUBCONTRACTOR	4	EA	$1,650.00	$6,600.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			4	EA	$1,650.00	Total:	$6,600.00
6	REMOVE AND REPLACE CONCRETE DRIVEWAY RAMP/WING 8" PCC (INCLUDING 6" ABC)	SUBCONTRACTOR	13,305	SF	$16.80	$223,524.00	
		MATERIALS			$1.22	$16,232.10	
		EQUIPMENT			$13.88	$184,673.40	
		LABOR			$4.40	$58,542.00	
			13,305	SF	$36.30	Total:	$482,971.50

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
7	REMOVE AND REPLACE CURB AND GUTTER (VERTICAL - INCLUDING 3" ABC)	SUBCONTRACTOR	6,880	LF	$35.70	$245,616.00	
		MATERIALS			$1.85	$12,728.00	
		EQUIPMENT			$20.85	$143,448.00	
		LABOR			$8.60	$59,168.00	
			6,880	LF	$67.00	Total:	$460,960.00
8	REMOVE AND REPLACE CURB AND GUTTER (ROLL - INCLUDING 3" ABC)	SUBCONTRACTOR	4,626	LF	$35.70	$165,148.20	
		MATERIALS			$1.80	$8,326.80	
		EQUIPMENT			$21.90	$101,309.40	
		LABOR			$7.60	$35,157.60	
			4,626	LF	$67.00	Total:	$309,942.00
9	REMOVE 12" CURB & REPLACE WITH STANDARD HEIGHT CURB (INCLUDING 3" ABC)	SUBCONTRACTOR	26	LF	$35.70	$928.20	
		MATERIALS			$2.80	$72.80	
		EQUIPMENT			$9.50	$247.00	
		LABOR			$7.00	$182.00	
			26	LF	$55.00	Total:	$1,430.00
10	REMOVE EXISTING CONCRETE VALLEY GUTTER	SUBCONTRACTOR	2,696	SF	$0.00	$0.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$1.60	$4,313.60	
		LABOR			$0.55	$1,482.80	
			2,696	SF	$2.15	Total:	$5,796.40
11	NEW 8' WIDE VALLEY GUTTER (COF DET. 8-06-010) (INCLUDES 8" ABC)	SUBCONTRACTOR	2,696	SF	$24.15	$65,108.40	
		MATERIALS			$1.60	$4,313.60	
		EQUIPMENT			$15.10	$40,709.60	
		LABOR			$7.15	$19,276.40	
			2,696	SF	$48.00	Total:	$129,408.00
12	REMOVE & REPLACE EXISTING VALLEY GUTTER APRON (INCLUDES 8" ABC)	SUBCONTRACTOR	1,538	SF	$24.15	$37,142.70	
		MATERIALS			$1.60	$2,460.80	
		EQUIPMENT			$15.10	$23,223.80	
		LABOR			$7.15	$10,996.70	
			1,538	SF	$48.00	Total:	$73,824.00

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
13	REMOVE & REPLACE CURB FOR VG APRON	SUBCONTRACTOR	268	LF	$34.60	$9,272.80	
		MATERIALS			$1.90	$509.20	
		EQUIPMENT			$7.30	$1,956.40	
		LABOR			$4.20	$1,125.60	
			268	LF	$48.00	Total:	$12,864.00
14	INFILL SIDEWALK-NEW 5' CONCRETE SIDEWALK 4" PCC/3" ABC (INCLUDES CLEAR & GRUB AND LANDSCAPE MATCH BACK)	SUBCONTRACTOR	2,207	SF	$10.50	$23,173.50	
		MATERIALS			$0.70	$1,544.90	
		EQUIPMENT			$10.20	$22,511.40	
		LABOR			$4.60	$10,152.20	
			2,207	SF	$26.00	Total:	$57,382.00
15	REMOVE AND REPLACE SIDEWALK (INCLUDING 3" ABC)	SUBCONTRACTOR	11,823	SF	$10.50	$124,141.50	
		MATERIALS			$0.70	$8,276.10	
		EQUIPMENT			$5.30	$62,661.90	
		LABOR			$2.50	$29,557.50	
			11,823	SF	$19.00	Total:	$224,637.00
16	SUPPLY NEW METER BOX TOP & COVER IN SIDEWALK, ADJUST TO FINISHED GRADE	SUBCONTRACTOR	5	EA	$200.00	$1,000.00	
		MATERIALS			$160.00	$800.00	
		EQUIPMENT			$725.00	$3,625.00	
		LABOR			$315.00	$1,575.00	
			5	EA	$1,400.00	Total:	$7,000.00
17	REMOVE BRICK PAVER & REPLACE W/COLORED CONCRETE INCLUDING 3" ABC (COLOR: TERRA COTTA CC875 OR SALTILLO CC705) (NO DOMES)	SUBCONTRACTOR	150	SF	$62.30	$9,345.00	
		MATERIALS			$0.72	$108.00	
		EQUIPMENT			$19.48	$2,922.00	
		LABOR			$7.50	$1,125.00	
			150	SF	$90.00	Total:	$13,500.00
18	REMOVE AND REPLACE CONCRETE ADA RAMP FOR ADA DOMES RETROFIT (INCLUDING 3" ABC)	SUBCONTRACTOR	3,563	SF	$10.50	$37,411.50	
		MATERIALS			$0.80	$2,850.40	
		EQUIPMENT			$7.20	$25,653.60	
		LABOR			$2.00	$7,126.00	
			3,563	SF	$20.50	Total:	$73,041.50

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
19	REMOVE AND REPLACE ADA RAMP CURB	SUBCONTRACTOR	90	LF	$31.50	$2,835.00	
		MATERIALS			$1.20	$108.00	
		EQUIPMENT			$13.95	$1,255.50	
		LABOR			$3.50	$315.00	
			90	LF	$50.15	Total:	$4,513.50
20	ADD ADA DOMES (RETROFIT-2x24" GRAY IRON PANELS)	SUBCONTRACTOR	65	EA	$1,850.00	$120,250.00	
		MATERIALS			$108.00	$7,020.00	
		EQUIPMENT			$712.00	$46,280.00	
		LABOR			$431.00	$28,015.00	
			65	EA	$3,101.00	Total:	$201,565.00
21	3' PAVEMENT PATCH @ CURB (4"AC/6"ABC [C-3/4"])	SUBCONTRACTOR	3168.00	SY	$0.00	$0.00	
		MATERIALS			$42.00	$133,056.00	
		EQUIPMENT			$46.50	$147,312.00	
		LABOR			$41.50	$131,472.00	
			3168.00	SY	$130.00	Total:	$411,840.00
22	REMOVE EXISTING AC PAVEMENT SECTION (LYNCH AVE NEW LANE)	SUBCONTRACTOR	89.00	SY	$0.00	$0.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$43.00	$3,827.00	
		LABOR			$19.00	$1,691.00	
			89.00	SY	$62.00	$0.00	$5,518.00
23	REMOVE EXISTING CURB & GUTTER (LYNCH AVE NEW LANE)	SUBCONTRACTOR	61.00	LF	$0.00	$0.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$13.70	$835.70	
		LABOR			$2.30	$140.30	
			61.00	LF	$16.00	Total:	$976.00
24	REMOVE AND REPLACE PAVEMENT PATCH (4"AC/6"ABC [C-3/4"])	SUBCONTRACTOR	4896.00	SY	$0.00	$0.00	
		MATERIALS			$38.50	$188,496.00	
		EQUIPMENT			$42.00	$205,632.00	
		LABOR			$22.00	$107,712.00	
			4896.00	SY	$102.50	Total:	$501,840.00

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
25	1" ASPHALT PAVEMENT MILLING (FULL WIDTH)-HWY 89	SUBCONTRACTOR	27876.11	SY	$0.00	$0.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$1.84	$51,292.04	
		LABOR			$0.16	$4,460.18	
			27876.11	SY	$2.00	Total:	$55,752.22
26	2" ASPHALT PAVEMENT MILLING (FULL WIDTH)	SUBCONTRACTOR	55,200	SY	$0.00	$0.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$2.95	$162,840.00	
		LABOR			$0.45	$24,840.00	
			55,200	SY	$3.40	Total:	$187,680.00
27	6" VARIABLE ASPHALT PAVEMENT MILLING (FULL WIDTH)	SUBCONTRACTOR	8183.00	SY	$0.00	$0.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$9.20	$75,283.60	
		LABOR			$1.40	$11,456.20	
			8183.00	SY	$10.60	Total:	$86,739.80
28	TACK COAT (SS-1H)	SUBCONTRACTOR	13.20	TON	$2,223.00	$29,343.60	
		MATERIALS			$308.00	$4,065.60	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			13.20	TON	$2,531.00	Total:	$33,409.20
29	2" POLYMER MODIFIED ASPHALT CONCRETE OVERLAY (1/2")	SUBCONTRACTOR	2626.40	TON	$0.00	$0.00	
		MATERIALS			$131.50	$345,371.60	
		EQUIPMENT			$27.50	$72,226.00	
		LABOR			$9.00	$23,637.60	
			2626.40	TON	$168.00	Total:	$441,235.20
30	2" POLYMER MODIFIED ASPHALT CONCRETE OVERLAY (3/4") EXCLUDES ROADWAY REBUILDS/NEW LANE	SUBCONTRACTOR	4504.20	TON	$0.00	$0.00	
		MATERIALS			$131.00	$590,050.20	
		EQUIPMENT			$23.00	$103,596.60	
		LABOR			$4.00	$18,016.80	
			4504.20	TON	$158.00	Total:	$711,663.60

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
31	FULL STREET REBUILD (5" AC/12" ABC with TRIAXIAL GEOGRID) [C-3/4"] - STEVANNA WAY	SUBCONTRACTOR	3,557	SY	$0.00	$0.00	
		MATERIALS			$61.10	$217,332.70	
		EQUIPMENT			$39.00	$138,723.00	
		LABOR			$11.90	$42,328.30	
			3,557	SY	$112.00	Total:	$398,384.00
32	FULL STREET REBUILD (4" AC/6" ABC) [C-3/4"] - VERDE ST	SUBCONTRACTOR	2,116	SY		$0.00	
		MATERIALS			$32.70	$69,193.20	
		EQUIPMENT			$44.00	$93,104.00	
		LABOR			$14.30	$30,258.80	
			2,116	SY	$91.00	Total:	$192,556.00
33	NEW ROADWAY LANE (4"AC/6" ABC) [C-3/4"] - LYNCH AVE	SUBCONTRACTOR	452	SY	$0.00	$0.00	
		MATERIALS			$38.55	$17,424.60	
		EQUIPMENT			$20.35	$9,198.20	
		LABOR			$18.60	$8,407.20	
			452	SY	$77.50	Total:	$35,030.00
34	SUBGRADE STABILIZATION-OVEREXCAVATE & PLACE 12" ABC (ALLOWANCE-25% OF REBUILD AREA)	SUBCONTRACTOR	1,532.00	SY	$0.00	$0.00	
		MATERIALS			$26.10	$39,985.20	
		EQUIPMENT			$50.00	$76,600.00	
		LABOR			$9.40	$14,400.80	
			1,532.00	SY	$85.50	Total:	$130,986.00
35	ADJUST MANHOLE FRAME & COVER (COF DET. 9-03-062)	SUBCONTRACTOR	62	EA	$750.75	$46,546.50	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$50.00	$3,100.00	
			62	EA	$800.75	Total:	$49,646.50
36	ADJUST WATER VALVE FRAME AND COVER TO FINISHED GRADE (REMOVE, REPLACE WITH NEW HARDWARE TO NUT)	SUBCONTRACTOR	107	EA	$1,180.00	$126,260.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$72.25	$7,730.75	
			107	EA	$1,252.25	Total:	$133,990.75

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
37	ADJUST SEWER CLEANOUT, BLOWOFFS AND SURVEY HANDHOLES (COF DET. 9-03-062)	SUBCONTRACTOR	14	EA	$730.00	$10,220.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$50.00	$700.00	
			14	EA	$780.00	Total:	$10,920.00
38	REMOVE & REPLACE SURVEY MONUMENTS	SUBCONTRACTOR	23	EA	$315.00	$7,245.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$50.00	$1,150.00	
			23	EA	$365.00	Total:	$8,395.00
39	CONCRETE PATCHING (HWY 89, 12-1/2" PCCP/4"AB) [CONTINGENCY]	SUBCONTRACTOR	200	SF	$47.25	$9,450.00	
		MATERIALS			$1.80	$360.00	
		EQUIPMENT			$55.95	$11,190.00	
		LABOR			$14.00	$2,800.00	
			200	SF	$119.00	Total:	$23,800.00
40	CONCRETE SAWCUT [CONTINGENCY]	SUBCONTRACTOR	60	LF	$25.00	$1,500.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$3.00	$180.00	
			60	LF	$28.00	Total:	$1,680.00
41	OBLITERATE EXISTING STRIPING - MOBILIZATION	SUBCONTRACTOR	1	EA	$4,000.00	$4,000.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			1	EA	$4,000.00	Total:	$4,000.00
42	OBLITERATE EXISTING STRIPING - 4" EQUIVALENT	SUBCONTRACTOR	100	LF	$0.80	$80.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			100	LF	$0.80	Total:	$80.00

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
43	4" DOUBLE SOLID YELLOW (PAINT - 2 COATS)	SUBCONTRACTOR	7,967	LF	$0.60	$4,780.20	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			7,967	LF	$0.60	Total:	$4,780.20
44	18" DUAL COMPONENT EPOXY STOP BAR	SUBCONTRACTOR	664	LF	$9.96	$6,613.44	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			664	LF	$9.96	Total:	$6,613.44
45	4" SOLID / 4" BROKEN YELLOW (TWLTL) (PAINT - 2 COATS)	SUBCONTRACTOR	2,680	LF	$0.55	$1,474.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			2,680	LF	$0.55	Total:	$1,474.00
46	4" SOLID WHITE EDGE LINE (PAINT - 2 COATS)	SUBCONTRACTOR	3,823	LF	$0.35	$1,338.05	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			3,823	LF	$0.35	Total:	$1,338.05
47	4" PARKING STALL WHITE (PAINT - 2 COATS)	SUBCONTRACTOR	684	LF	$0.70	$478.80	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			684	LF	$0.70	Total:	$478.80
48	4" SOLID YELLOW	SUBCONTRACTOR	3,396	LF	$0.35	$1,188.60	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			3,396	LF	$0.35	Total:	$1,188.60

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
49	6" SOLID WHITE BIKE LANE LINE (PAINT - 2 COATS)	SUBCONTRACTOR	19,437	LF	$0.40	$7,774.80	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			19,437	LF	$0.40	Total:	$7,774.80
50	6" DASHED BIKE LANE	SUBCONTRACTOR	1,438	LF	$0.40	$575.20	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			1,438	LF	$0.40	Total:	$575.20
51	8" SOLID WHITE LANE LINES (PAINT - 2 COATS)	SUBCONTRACTOR	4,891	LF	$0.70	$3,423.70	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			4,891	LF	$0.70	Total:	$3,423.70
52	COF 4" BROKEN WHITE (PAINT - 2 COATS)	SUBCONTRACTOR	7,024	LF	$0.35	$2,458.40	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			7,024	LF	$0.35	Total:	$2,458.40
53	COF WHITE SHORTY DASH	SUBCONTRACTOR	686	LF	$0.35	$240.10	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			686	LF	$0.35	Total:	$240.10
54	PAINTED BIKE ASSEMBLY	SUBCONTRACTOR	28	EA	$130.00	$3,640.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			28	EA	$130.00	Total:	$3,640.00

BID NO.	BID ITEM	DESCRIPTION	FORECAST QUANTITIES	UNIT	UNIT COST	UNIT COST FORECAST	
55	ARROWS (RT., LT., STRAIGHT, COMBO, RR CROSSING, ETC) (DUAL COMPONENT EPOXY)	SUBCONTRACTOR	41	EA	$165.00	$6,765.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			41	EA	$165.00	Total:	$6,765.00
56	COF PIANO KEY CROSSWALK (DUAL COMPONENT EPOXY)	SUBCONTRACTOR	404	LF	$24.58	$9,930.32	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$0.00	$0.00	
			404	LF	$24.58	Total:	$9,930.32
57	TRAFFIC CONTROL	SUBCONTRACTOR	1	LS	$531,069.00	$531,069.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$138,160.00	$138,160.00	
			1	LS	$669,229.00	Total:	$669,229.00
58	CONSTRUCTION STAKING	SUBCONTRACTOR	1	LS	$42,800.00	$42,800.00	
		MATERIALS			$0.00	$0.00	
		EQUIPMENT			$0.00	$0.00	
		LABOR			$800.00	$800.00	
			1	LS	$43,600.00	Total:	$43,600.00

$6,489,284.98

LIST OF PLANS
AND SPECIFICATIONS

Flagstaff Street Maintenance Program - 2025
Peak Engineering, Inc. (928) 774-4046

Project No:
PW25-001

Drawing No.	Drawing Title	Release Date
C1.0	Cover Sheet	APRIL 2025
C1.1	Notes & Quantities	APRIL 2025
C1.2	Quantities	APRIL 2025
C1.3	Details	APRIL 2025
C2.0	Mill & Overlay - Needles	APRIL 2025
C2.1	Mill & Overlay - William & Timberline	APRIL 2025
C2.2	Mill & Overlay - Kaspar	APRIL 2025
C2.3	Mill & Overlay - Switzer Canyon	APRIL 2025
C2.4	Mill & Overlay -Walnut Hills & Beulah	APRIL 2025
C2.5	Rebuild Verde & Mill & Overlay San Francisco	APRIL 2025
C2.6	Mill & Overlay - Sawmill	APRIL 2025
C2.7	Mill & Overlay - O'Leary, Leroux & Kendrick	APRIL 2025
C2.8	Mill & Overlay - Lynch & Lucky	APRIL 2025
C2.9	Street Rebuild - Stevanna Way	APRIL 2025
C2.10	Mill & Overlay - Highway 89	APRIL 2025
C3.0	Edge Improvements - Needles	APRIL 2025
C3.1	Edge Improvements - William & Timberline	APRIL 2025
C3.2	Edge Improvements - Kaspar	APRIL 2025
C3.3	Edge Improvements - Switzer Canyon	APRIL 2025
C3.4	Edge Improvements - Walnut Hills & Beulah	APRIL 2025
C3.5	Edge Improvements - Verde & San Francisco	APRIL 2025
C3.6	Edge Improvements - Sawmill	APRIL 2025
C3.7	Edge Improvements - O'Leary, Leroux & Kendrick	APRIL 2025
C3.8	Edge Improvements - Lynch & Lucky	APRIL 2025
C3.9	Edge Improvements - Stevanna	APRIL 2025
C4.0	Existing Striping - William & Kaspar	APRIL 2025
C4.1	Existing Striping - Switzer Canyon	APRIL 2025
C4.2	Existing Striping - Walnut Hills, Beulah & Verde	APRIL 2025
C4.3	Existing Striping - San Francisco & Sawmill	APRIL 2025
C4.4	Existing Striping - O'Leary, Leroux & Kendrick	APRIL 2025
C4.5	Existing Striping - Stevanna, Lucky, Rte. 66	APRIL 2025
C.O.F.	Transportation Eng. (1 of 5) Pardo Calle Striping	APRIL 2025
C.O.F.	Transportation Eng. (2 of 5) San Francisco Striping	APRIL 2025
C.O.F.	Transportation Eng. (3 of 5) Switzer Canyon Approach Striping	APRIL 2025
C.O.F.	Transportation Eng. (4 of 5) Verde Striping & Parking Update	APRIL 2025
C.O.F.	Transportation Eng. (5 of 5) Switzer Canyon Approach Striping	APRIL 2025
C.O.F.	Transportation Eng. (1 of 3) Lynch Avenue ReStriping	APRIL 2025
C.O.F.	Transportation Eng. (2 of 3) Lynch Avenue ReStriping	APRIL 2025
C.O.F.	Transportation Eng. (3 of 3) Lynch Avenue ReStriping	APRIL 2025

Maricopa Association of Governments Uniform Standard Specifications and Details for Public Works Contruction General Provisions

City of Flagstaff Amendments to Maricopa Assocation of Governments General Provisions

Peak Engineering, Inc. Special Provisions

C and E
PAVING & GRADING
L.L.C.

LIST

OF

CLARIFICATIONS

AND

ASSUMPTIONS

Project No: PW25-0001

Clarifications and Assumptions

City of Flagstaff Street Maintenance Program – 2025

1. It is assumed that City of Flagstaff team members will assist the contractor in identifying and marking the stop and start areas for pavement milling, chip seal and overlay.
2. If cross-street approaches are to be overlaid, the Engineer shall outline the location and extent of work on cross-streets prior to beginning the work.
3. We realize that no potable water will be utilized on this project. We will need to obtain a permit (no fee) at the Wildcat Hill Waste Water Treatment Plant and will be responsible for complying with all permit requirements.
4. The April 2025 ADOT Index was used to construct the GMP Asphalt prices for this project. Adjustments may have to be made during construction with variances in the Index.
5. It is assumed that during the term of this contract; 2025 MAG and C.O.F. Specifications will govern.
6. The City of Flagstaff will furnish all necessary quality control testing for this project.
7. GMP was built using engineer's quantities for striping.
8. No obliteration of existing striping that is not quantified in the bid schedule will be done.
9. No THERMO will be used on Chip Seal Streets.
10. All Epoxy shall be Waterborne Dual component epoxy.
11. All striping will be installed with materials shown in bid item.
12. Monuments not found will not be surveyed or reset.
13. City of Flagstaff to provide monument assigned point number and NAVD88 elevation for found monuments.

PROJECT

MASTER

SCHEDULE

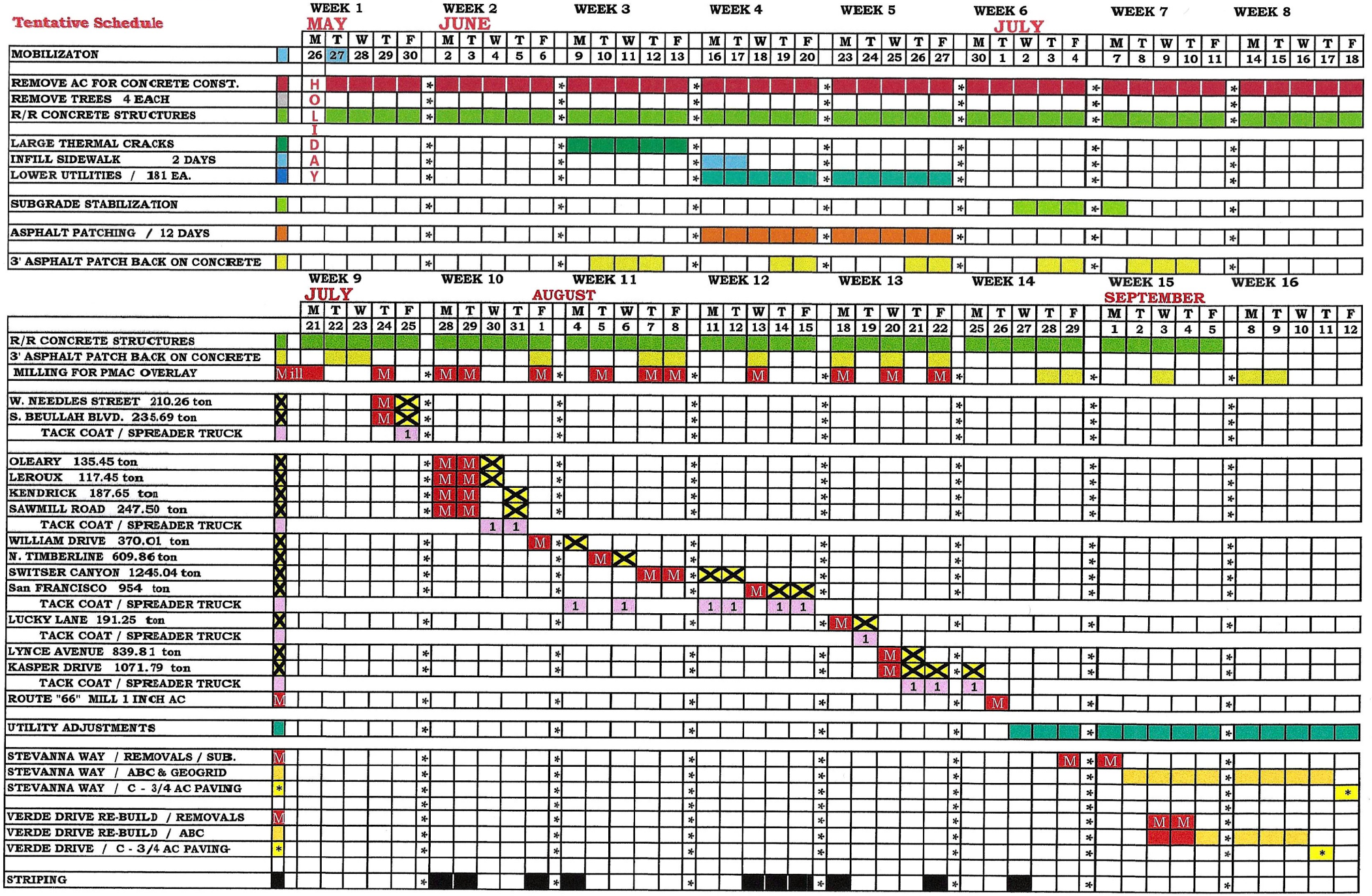
C and E Paving & Grading L.L.C.

MILL & OVERLAY

CITY OF FLAGSTAFF **PW25-001** **3 - 20 - 2025**

2025 STREET MAINTENANCE PROGRAM

Tentative Schedule



CITY OF FLAGSTAFF
2025 STREET MAINTENANCE PROGRAM
MILL & OVERLAY

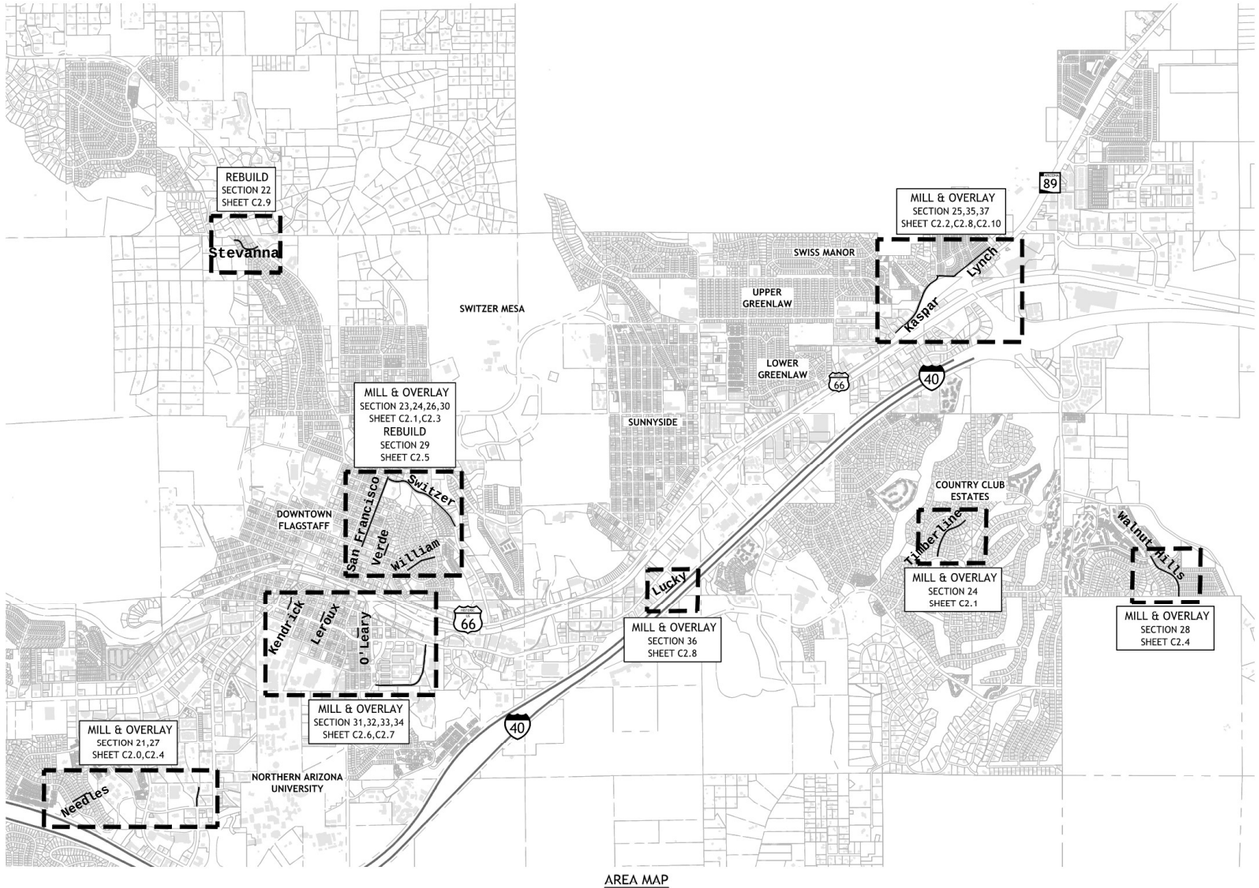
COF PROJECT NUMBER PW25-0001

CIVIL IMPROVEMENTS SHEET INDEX

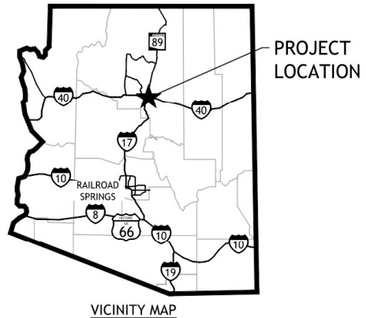
C1.0	COVER
C1.1	NOTES & QUANTITIES
C1.2	QUANTITIES
C1.3	DETAILS
C2.0-2.8	MILL & OVERLAY
C2.9	STEVANNA WAY REBUILD
C2.10	HIGHWAY 89 MILLING
C3.0-3.9	EDGE IMPROVEMENT
C4.0-4.5	EXISTING STRIPING

APPENDIX

A	COF STRIPING SHEETS
B	LYNCH AVENUE DESIGN & STRIPING SHEETS (GRADING DESIGN - FUTURE SUBMITTAL)



AREA MAP
NOT TO SCALE



VICINITY MAP
NOT TO SCALE

OWNER

City of Flagstaff
Public Works Dept.
3200 W. Route 66
Flagstaff, AZ 86001
Contact: Jarrett Nelson, P.M.
Phone: 928-213-2112

CIVIL ENGINEER

Peak Engineering,Inc.
201 E Birch Ave, Suite 3
Flagstaff, AZ 86001
Contact: Thomas E. Smith, P.E.
Phone: (928) 774-4046

CITY OF FLAGSTAFF APPROVALS

THE CITY APPROVES THESE PLANS FOR CONCEPT ONLY. THE CITY SHALL NOT BE LIABLE FOR ERRORS OR OMISSIONS OF THE DESIGN ENGINEER.

City Engineer — DATE

City Public Works Director — DATE

Water Services Director — DATE

UTILITY ACKNOWLEDGEMENTS

LETTER ON FILE LUMEN	03/13/2025 DATE
LETTER ON FILE UniSource Energy	03/13/2025 DATE
LETTER ON FILE APS	03/19/2025 DATE
LETTER ON FILE ALTICE	03/3/2025 DATE

FINAL 2 CONSTRUCTION PLANS

Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA811
Call 811 or click Arizona811.com

DATE | DESCRIPTION | REVISION

201 E. Birch Ave.
Flagstaff, AZ 86001
(928) 774-4046
Peak ENGINEERING, INC.
Connecting Place to People

CERTIFICATE NO. 42777 THOMAS E. SMITH DATE SIGNED 4/30/25

CITY OF FLAGSTAFF
2025 STREET MAINTENANCE PROGRAM
COVER

COF PROJECT NO. PW25-0001

JOB NO:25COF01 | BY:CBW/DMP
DATE: APRIL 2025 | CHECKED:TES

C1.0

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: David Nixon, Engineering Project Manager

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: Approve the Cooperative Purchase Contract Construction LLC to provide construction services for the Flagstaff Urban Trail System (FUTS) - 2025 Asphalt Maintenance Program in an amount not to exceed $2,791,769.50.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with Sunland Asphalt & Construction, LLC to provide construction services for the FUTS 2025 Asphalt Maintenance Program in an amount not to exceed $2,791,769.50; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The contract award of $2,791,769.50 to the Contractor is proposed to complete the project that generally consists of repair of approximately (8) miles of existing City-maintained asphalt FUTS trails. The majority of City-maintained asphalt FUTS sections have exceeded their service life and will receive new asphalt; a few select sections only require repair. Included in these costs are removal and replacement of approximately (6) miles of FUTS asphalt, milling of wear course and new asphalt wear course on (1.25) miles of FUTS and repair and seal coat of (1) mile of FUTS. ADA upgrades at curb ramps along Hwy 180 FUTS will be reviewed and considered for inclusion with this project.

Financial Impact:

The project is funded by the total budget appropriations of $750,000 in FY25 and $2,975,000 in FY26 which is programmed in Proposition 419 -- Roadway, Pedestrian, Bicycle and Safety fund 048 (Account No. 048-10-120-3542-6).

Policy Impact:

The contract award supports the goals of the Active Transportation Master Plan.

Previous Council Decision or Community Discussion:

The City Council has previously approved the FY 2024-2025 Capital Improvement 5-Year Plan and authorized the FY 2024-2025 budget for this project in the amount of $1,250,000.

Options and Alternatives to Recommended Action:

1. Approve the contract award as recommended. Approval will allow work on the project to move forward in the Summer of 2025; or
2. Reject all bids. This action would delay the Project. If rejection occurs, possible options include:
   a. Re-advertise the Project at a later date; or
   b. Suspend or cancel the Project

Background and History:

The City maintained asphalt FUTS trail segments are nearing the end of their service span and need to be replaced and/or repaired. This project will provide new life for the City's asphalt FUTS sections. The Design of this project includes a maintenance schedule for the FUTS asphalt sections to help in FUTS trail longevity in the future. ADA upgrades at curb ramps along Hwy 180 FUTS will be reviewed and considered for inclusion with this project

The Purchasing section has reviewed an agency Job Order Contract Sunland Asphalt & Construction LLC has with the Town of Gilbert Streets Transportation Construction Services Contract #324000245. The agency contract supports the City of Flagstaff project needs as a cooperative purchase.

Connection to PBB Priorities and Objectives:

Safe & Healthy Community: Promote physical and mental well-being through providing recreational opportunities, parks, open space, and active transportation options
Inclusive and Engaged Community: Promote environmental justice and the access to environmental benefits
Sustainable and Innovative Infrastructure: Provide, manage, and maintain effective infrastructure for multimodal and active transportation. Facilitate, develop, and encourage carbon-neutral energy opportunities
Livable Community: Provide amenities and activities that support a healthy lifestyle
Environmental Stewardship: Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, and social systems

Connection to Regional Plan:

Policy XV Recreation: Maintain Flagstaff's quality of life through outdoor recreation

Connection to Carbon Neutrality Plan:

The Flagstaff Carbon Neutrality Plan: Decreased dependence on Cars

Connection to 10-Year Housing Plan:

N/A

Connection to Division Specific Plan:

An award of this Construction Contract supports The Transportation Department's goals of satisfying the desires and needs of the general Public and supports the goals of the Active Transportation Master Plan

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Attachments: City Cooperative Contract
Vicinity Map

COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-215

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 2025 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Sunland Asphalt & Construction LLC, a Delaware limited liability company ("Contractor").

RECITALS:

A. Contractor is a construction contractor capable of providing **Streets Transportation Repairs;**

B. The City of Gilbert conducted a competitive and open procurement process to select construction contractors to provide Streets Transportation Repairs through a Job Order Contracting program wherein Contractor was selected to provide such construction services and entered into Contract No. **324000244** ("Agency Contract"); 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 and or Services Purchased: Contractor shall provide to the City the materials and/or services, as specified in the Scope of Work attached as ***Exhibit A***, and in accordance with the Agency Contract. A general description of materials and/or services being purchased is:

City of Flagstaff – Flagstaff Urban Trail System (FUTS)
2025 Asphalt Maintenance Program – FUTS Asphalt Repairs / ST3542

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Scope of Work attached as ***Exhibit A*** and incorporated by reference.

3. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as ***Exhibit B***, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. Contractor is responsible for promptly notifying City in writing of any changes in price for materials and/or services to the Agency Contract.

4. Payment:

   4.1 Payment to Contractor for the materials and/or services shall not exceed **two million seven hundred ninety-one thousand seven hundred sixty-nine dollars and fifty cents ($2,791,769.50)** made in accordance with the price list and terms set forth in the Agency Contract.

   4.2 Any increase in the price must be supported by documentation and approved by mutual written consent of the parties through a formal change order process. The City Manager or his/her designee may approve an adjustment if the change order price increase is less than $100,000; otherwise, City Council approval is required.

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 and Renewal: This Cooperative Purchase Contract shall commence upon execution by the Parties and shall continue for a period of one (1)-year from the date of execution of the Contract with an option for one (1), sixty (60)-day renewal period presuming that the underlying Agency Contract has not expired or been terminated.

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

To the City:
David Nixon
Capital Improvement PM
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
David.Nixon@flagstaffaz.gov

To Contractor:
Rick Risner
Senior Project Consultant
Sunland Asphalt & Construction, LLC
1625 E. Northern Avenue
Phoenix, Az 85020
rrisner@sunlandasphalt.com

With a copy to:
Emily Markel
Purchasing Manager
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Emily.Markel@flagstaffaz.gov

(Remainder of Page Intentionally Blank)

9. 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.

SUNLAND ASPHALT & CONSTRUCTION LLC:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

Last Updated January 6, 2025

EXHIBIT A
SCOPE OF WORK
(attached)

1. Flagstaff Urban Trails Repair Narrative & Fee Schedule (3 pages)

SUNLAND ASPHALT

www.SunlandAsphalt.com

ARIZONA
NEVADA
NEW MEXICO
COLORADO
GEORGIA
TEXAS

City of Flagstaff – Flagstaff Urban Trail System (FUTS) **4/29/2025**
2025 Asphalt Maintenance Program – FUTS Asphalt Repairs / ST3542

The project includes milling/pulverizing & asphalt placement, milling & overlay, crack repair and asphalt sealant on various City of Flagstaff Urban Trail System asphalt paths. Refer to the construction plans for locations and extents of project work. The scope of work presented in the Special Provisions and Plans – Titled City of Flagstaff, Arizona FLAGSTAFF URBAN TRAILS SYSTEM (FUTS) 2025 ASPHALT MAINTENANCE PROGRAM dated April 2, 2025 and specially includes:

- Paving improvements: Trails designated for “Pulverize/Mill and Replace” shall have the full depth of asphalt removed to the base material.
- Trail paving with the majority receiving 3” pavement over sufficient millings/pulverized material to accomplish the Trail grade adjustment as directed by the City of Flagstaff.
- Concrete ADA improvements including new pedestrian ramps, removal, and replacement of pedestrian ramps, retrofit of pedestrian ramps, concrete sidewalk repairs, and curb and gutter replacement.
- Drainage upgrades including two concrete scuppers and additional drainage upgrades at the direction of the City of Flagstaff.
- Pre-lowering & final adjustment of Manholes and replacement of concrete collars around utility appurtenances within the trails being reconstructed.

Project-Specific Dedicated Resources
For this City of Flagstaff project, Sunland will dedicate the following personnel and resources:

Field Crews:	**Management Team:**
6 - Milling crew members	1 - Project Administrator
8 - Grading crew members	1 - Project Managers
10 - Paving crew members	1 - Project Engineers
8 - Sealcoat crew members	1 - Senior Project Manager

Conclusion:
Sunland’s resources, skilled personnel, and trusted partnerships enable us to precisely plan and execute complex projects. Our 45 years of experience in industry has proven we do not just build infrastructure; we build lasting partnerships by living out our Core Values. Sunland stands ready to bring our expertise, people, equipment, and collaborative spirit to this City of Flagstaff project.

-Respectfully-

Rick Risner – Senior Project Consultant
Sunland Asphalt & Construction, LLC
rrisner@sunlandasphalt.com
602-705-1041 mobile

City of Flagstaff – Flagstaff Urban Trail System (FUTS)
2025 Asphalt Maintenance Program – FUTS Asphalt Repairs / ST3542

ITEM NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE	AMOUNT
01 35	Public Relations	1.00	AL	$ 15,000.00	$ 15,000.00
01 45	Quality Control	1.00	LS	$ 15,000.00	$ 15,000.00
01 55	Traffic Control	1.00	AL	$ 75,000.00	$ 75,000.00
01 57 23	BMP's	1.00	LS	$ 10,000.00	$ 10,000.00
01 71 13	Mobilization/Demobilization	1.00	LS	$ 279,000.00	$ 279,000.00
305	Field Survey	80.00	HR	$ 200.00	$ 16,000.00
127	Milling Asphalt AC 2" Depth	5839.00	SY	$ 7.25	$ 42,332.75
131	Milling Asphalt AC 3" Depth	21312.00	SY	$ 7.25	$ 154,512.00
134	Milling Asphalt AC 4" Depth	641.00	SY	$ 12.00	$ 7,692.00
139	Milling Asphalt AC 5" Depth	5905.00	SY	$ 9.00	$ 53,145.00
123	Milling Asphalt 1.5" Depth	4574.00	SY	$ 7.25	$ 33,161.50
32 01 17	Asphalt Crack Repair	112.00	EA	$ 175.00	$ 19,600.00
259	Asphalt Seal (Liquid Road 2 coats)	7427.00	SY	$ 3.55	$ 26,365.85
216	Place and Compact 1.5" AC Base	33697.00	SY	$ 14.50	$ 488,606.50
216	Place and Compact 1.5" AC Wearing	38271.00	SY	$ 14.50	$ 554,929.50
32 12	Tack Coat	38271.00	LF	$ 1.40	$ 53,579.40
296	Thermoplastic Markings	4.00	EA	$ 875.00	$ 3,500.00
31 20	Hauling	1.00	LS	$ 140,000.00	$ 140,000.00
32 92	Hydroseed	1.00	LS	$ 35,000.00	$ 35,000.00
273	Water Valve Adjustments	4.00	EA	$ 1,150.00	$ 4,600.00
274	Sanitary Sewer Manhole Adjustments	11.00	EA	$ 1,175.00	$ 12,925.00
21	ADA Dome (Pad Style)	600.00	SF	$ 62.50	$ 37,500.00

01 00 00	Collapsible Bollard	15.00	EA	$ 1,250.00	$ 18,750.00
199	Curb and Gutter	500.00	LF	$ 50.00	$ 25,000.00
202	Install Concrete Sidewalk	2000.00	SF	$ 6.00	$ 12,000.00
205	New ADA Curb Ramp (Grade/Install)	2230.00	SF	$ 52.00	$ 115,960.00
20	R&R ADA Curb Ramp & Gutter Pan With Truncated Domes	6380.00	SF	$ 59.50	$ 379,610.00
CONT.	ADA Ramps	1.00	AL	$ 58,000.00	$ 58,000.00
CONT.	Drainage	1.00	AL	$ 30,000.00	$ 30,000.00
CONT.	Unsuitable Soils	1.00	AL	$ 75,000.00	$ 75,000.00
	Sunland Asphalt & Construction, LLC – Flagstaff Urban Trail System (FUTS) **Fee Schedule - 4/29/2025**			**Total**	**$ 2,791,769.50**

EXHIBIT B
AGENCY CONTRACT
(attached)

1. City of Gilbert Job Order Contract Master Agreement (115 Pages)

JOB-ORDER-CONTRACT

Project:	**Streets Transportation Construction Services**
CIP No.:	**N/A**
Contract No.:	**324000245**
Date:	**June 18, 2024**

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2.0 WORK TO BE PERFORMED
3.0 JOB ORDERS
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5.0 USE OF SPECIFICATIONS AND DRAWINGS
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9.0 LAYOUT OF WORK
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12.0 CONTRACT TERM
13.0 COMPENSATION
14.0 INVOICING AND PAYMENTS
15.0 CONSTRUCTION SCHEDULE
16.0 SUPERINTENDENCE BY JOB ORDER CONTRACTOR
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27.0 DEFAULT
28.0 SAFETY
29.0 USE AND POSSESSION PRIOR TO COMPLETION
30.0 OTHER CONTRACTS
31.0 DISSEMINATION OF CONTRACT INFORMATION
32.0 PERFORMANCE AND PAYMENT BONDS
33.0 INSURANCE
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39.0 MERGER
40.0 NON-AVAILABILITY OF FUNDS
41.0 AUDIT OF RECORDS
42.0 CANCELLATION FOR CONFLICT OF INTEREST
43.0 NON-DISCRIMINATION
44.0 THIRD PARTY ANTITRUST VIOLATIONS
45.0 INTERPRETATION, JURISDICTION AND VENUE

Appendix A: General Description of Scope of Work
Appendix B: Contract Pricing Coefficient
Appendix C: Unit Price JOC Book
Appendix D: Job Order Form

JOB ORDER CONTRACTING CONTRACT

THIS CONTRACT, entered into and made effective the **8th of August, 2024** by and between the Town of Gilbert, Arizona, a municipal corporation of the State of Arizona ("Gilbert") and Sunland Asphalt & Construction LLC. ("Job Order Contractor").

IN CONSIDERATION of the mutual promises and covenants hereinafter contained in this Contract by these presents do agree, as follows:

1.0 DEFINITIONS

1.1 "Contract" means the following items and documents: (i) Job Orders; (ii) Change Orders; (iii) Contract Amendments; (iv) this Job-Order-Contract, including all exhibits and attachments; (v) JOC Contractor Statement of Qualifications.

1.2 "Duration of the Work" means the number of Days from a Job Order notice to proceed to Substantial Completion.

1.3 "Engineer" means the architectural or engineering firm designated by Gilbert to prepare plans and specifications for the Work and perform other design or submittal services as required by Gilbert. If an architectural or engineering firm is not designated, the Engineer's duties will be performed by Gilbert's Authorized Representative.

1.4 "Final Completion" means the completion of a Job Order in accordance with this Contract.

1.5 "Gilbert" means the Town of Gilbert.

1.6 "Gilbert's Authorized Representative" means the firm or person or their properly authorized assistants designated by Gilbert to oversee the Work.

1.7 "Job Order" means a specific written agreement between the Gilbert and the Job Order Contractor for Work to be performed under this Contract, including a scope of Work, Job Order Price and Duration of the Work.

1.8 "Job-Order Contractor" or "JOC Contactor" means the firm set forth in the introductory paragraph selected by the Town to provide or procure construction and design services as detailed in this Job Order Contract.

1.9 "Job Order Price" means the sum of the maximum cost of the Work for a Job Order, the JOC Contractor's construction fee, general conditions fee, taxes, bonds, insurance costs,. The approved Job Order Price will be made part of this JOC by executing a Job Order.

1.10 "Job Order Contractor's Representative" means Job Order Contractor's duly authorized representative specifically authorized to act for Job Order Contractor by executing the Contract and any

modifications thereto. Job Order Contractor's duties include administration of the Contract on behalf of Job Order Contractor and performance of the Work.

1.11 "Site" means the land or premises on which Work on a Job Order is located as set forth in a Job Order.

1.12 "Subcontract" as used herein means any Contract including purchase orders (other than one involving an employer-employee relationship) entered into by Job Order Contractor calling for equipment, supplies or services required for Contract performance, including any modifications thereto.

1.13 "Substantial Completion" means when a Job Order, or an agreed upon portion of a Job Order, is sufficiently complete so Gilbert can occupy and use the Site or a portion thereof for its intended purposes. This may include, but is not limited to: (i) approval by Gilbert Fire and Rescue Services Department; (ii) elevator permit; (iii) all systems in place, functional, and displayed to Gilbert or its representative; (iv) all materials and equipment installed; (v) all systems reviewed and accepted by all consulting engineers; (vi) draft operations and maintenance manuals and record documents reviewed and accepted by Gilbert; (vii) Gilbert operation and maintenance training complete; (viii) HVAC test and balance completed (Provide minimum 30 days prior to projected substantial completion); (ix) landscaping and site work; and (x) final cleaning.

1.14 "Work" means any or all of the services, equipment and/or materials that are required in any Job Order and all labor, services, incidental expenses and material necessary or incidental thereto.

2.0 WORK TO BE PERFORMED

2.1 In response to Job Orders that may be mutually agreed upon and issued by Gilbert, Job Order Contractor shall furnish all necessary labor, materials, tools, supplies, equipment, transportation, supervision, management, and perform all operations necessary and required for survey, design and construction for the Work described in each Job Order. The Work shall be performed in accordance with the requirements of this Contract, the Job Order and the following:

Appendix A General Description of the Work
Appendix B Contract Pricing Coefficient
Appendix C Unit Price JOC Book
Appendix D Job Order Form.

2.2 Job Order Contractor shall submit, for Gilbert approval, a Quality Assurance/Quality Control Plan within fifteen (15) calendar days after issuance of the initial Job Order. This plan shall address all aspects of quality control including responsibility for surveillance of work, documentation, trend analysis, corrective action and interface with Gilbert's inspectors.

2.3 Job Order Contractor's duties include the preparation of shop drawings or sketches necessary to permit orderly construction of Gilbert's design plans. Job Order Contractor agrees to provide detailed design drawings and plans when requested by Gilbert.

2.4 This is a fixed unit price, indefinite quantity type Contract for the performance of a broad range of services as described in Appendix A on an as-needed basis as may be required by Gilbert. The currently applicable (current version for the Site of the Work) Unit Price Book contains pricing information for the Work in the unit of measure specified.

2.5 This Contract is the entire agreement of Gilbert and Job Order Contractor. The terms and conditions which will govern any Work shall be set forth in a Job Order issued by Gilbert and agreed to by Job Order Contractor. Nothing herein shall be construed as requiring Gilbert to issue any Job Order, nor requiring Job Order Contractor to accept same, it being the intent that both parties must mutually agree to any specific Work before a Job Order may be issued.

2.6 Gilbert reserves the right to undertake or award Contracts for the performance of the same or similar type work contemplated herein, and to do so shall not breach or otherwise violate the Contract.

2.7 Upon written approval of the Job Order Contractor and Gilbert, this Contract may be tendered for use by other municipalities and government agencies.

3.0 JOB ORDERS

3.1 Performance of the Work shall be undertaken only upon the issuance of written Job Orders by Gilbert. Job Orders shall be in accordance with the requirements specified in Appendix A, Scope of Work, and will set forth, with the necessary particularity, the following:

a. Project number
b. Contractor's name
c. Project Name
d. Contract Number
e. Job Order number
f. The specific Work and applicable technical specifications and/or drawings;
g. Location of Work
h. Total price for Job Order
i. Completion Date
j. Submittal requirements;
k. Gilbert's Authorized Representative who will accept the completed Work;
l. Signatures by the parties hereto signifying agreement with the specific terms of the Job Order
m. Such other information as may be necessary to perform the Work.

3.2 Job Orders shall be issued as follows:

a. When Gilbert determines Work is needed, Gilbert shall notify Job Order Contractor of an existing requirement.

b. Upon the receipt of this notification, Job Order Contractor shall respond within two (2) working days, or as otherwise agreed, by visiting the proposed site in the Job Order Contractor of Gilbert, or establishing contact with Gilbert to further define the scope of the requirement.

c. After mutual agreement on the scope of the individual Job Order, Job Order Contractor shall then prepare a proposal based on the Unit Price Book and Price Coefficient.

d. The Unit Price Book shall serve as the basis for establishing the value of the Work to be performed.

e. Job Order Contractor's proposal shall be submitted within ten (10) working days unless otherwise agreed.

f. Upon receipt of Job Order Contractor's proposal, Gilbert will review the proposal for completeness and will reach agreement with Job Order Contractor on pricing, schedule, and all other terms, prior to issuance of a Job Order.

g. If Gilbert does not issue a Job Order after receipt of Job Order Contractor's proposal, Gilbert is not obligated to reimburse Job Order Contractor for any costs incurred in the preparation of the proposal.

3.3 Job Orders may be amended by Gilbert in the same manner as they are issued.

3.4 The minimum Job Order value is $0.00 unless waived by Job Order Contractor. The maximum Job Order value is $20,000,000.00 per year. No Job Order Task shall exceed $5,000,000.00.

4.0 SPECIFICATIONS AND DRAWINGS

4.1 Job Order Contractor shall keep on the Work site a copy of the drawings and/or specifications and shall at all times give Gilbert's Authorized Representative access thereto. Anything set forth in the specifications and not shown on the drawings, or shown on the drawings and not set forth in the specifications, shall be of like effect as if shown or mentioned in both. In case of differences between drawings and specifications, the drawings shall govern. In case of discrepancy either in the figures, in the drawings, or in the specifications, the matter shall be promptly submitted to Gilbert's Authorized Representative, who shall promptly submit them to Engineer for a determination in writing. Any adjustment by Job Order Contractor without such a determination shall be at its own risk and expense.

4.2 Wherever in the specifications or upon the drawings the words "directed," "required," "ordered," "designated," "prescribed," or words of like import are used, it shall be understood that the "direction," "requirement," "order," "designation," or "prescription," of Gilbert or Gilbert's Authorized Representative is intended and similarly the words "approved," "acceptable," "satisfactory," or words of like import shall mean "approved by," or "acceptable to," or "satisfactory to" Gilbert or Gilbert's Authorized Representative, unless otherwise expressly stated.

4.3 Where "as shown," "as indicated," "as detailed," or words of similar import are used, it shall be understood that the reference is made to the drawings accompanying the Contract unless stated otherwise. The word "provided" as used herein shall be understood to mean "provide complete in place," that is "furnished and installed."

4.4 Shop drawings means drawings submitted to Gilbert's Authorized Representative by Job Order Contractor showing in detail:

a. The proposed fabrication and assembly of structural elements and,

b. The installation (i.e., form, fit and attachment details) of materials or equipment.

c. The construction and detailing of elements of the Work.
It includes sketches, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by Job Order Contractor to explain in detail specific portions of the Work. Gilbert may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under the Contract.

4.5 Job Order Contractor shall coordinate all shop drawings, and review them for accuracy, completeness, and compliance with Contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to Engineer through Gilbert's Authorized Representative without evidence of Job Order Contractor's approval may be returned for resubmission. Engineer will indicate its approval or disapproval of the shop drawings and if not approved as submitted shall indicate Engineer's reasons therefore. Any work done before such approval shall be at Job Order Contractor's risk. Approval by Engineer shall not relieve Job Order Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of the Contract, except with respect to variations described and approved in accordance with Section 4.6 below.

4.6 If shop drawings show variations from the Job Order requirements, Job Order Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If Engineer approves any such variation, Gilbert shall issue an appropriate Contract modification, except that, if the variation results in an increase in price, approval must be obtained from Gilbert. If the variation is minor and does not involve a change in price or in time of performance, a modification need not be issued.

4.7 Job Order Contractor shall submit to Gilbert's Authorized Representative for approval an appropriate number of copies of all shop drawings as called for under the various headings of these specifications. Sets of all shop drawings will be retained by Gilbert and one set will be returned to Job Order Contractor.

4.8 Omissions from the drawings or specifications or the mis-description of details of work which are necessary to carry out the intent of the drawings and specifications, or which are customarily performed, shall not relieve Job Order Contractor from performing such omitted or mis-described details of the Work but they shall be performed as if fully and correctly set forth and described in the drawings and specifications.

4.9 Job Order Contractor shall check all Gilbert furnished drawings immediately upon receipt and shall promptly notify Gilbert's Authorized Representative of any discrepancies. Figures marked on drawings shall be followed in preference to scale measurements. Large scale drawings shall govern small scale drawings. Job Order Contractor shall compare all drawings and verify the figures before laying out the Work and will be responsible for any errors which might have been avoided thereby.

5.0 USE OF SPECIFICATIONS, DRAWINGS AND NOTES

5.1 All drawings (to include as-built drawings), sketches, designs, design data, specifications, note books, technical and scientific data provided to Job Order Contractor or developed by Job Order Contractor pursuant to the Contract and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the Work or any part thereof, shall be the property of Gilbert and may be used by Gilbert without any claim by Job Order Contractor for additional compensation, unless such material developed by Job Order Contractor does not result in an issued Job Order. In such cases, Job Order Contractor will receive reasonable reimbursement for the development of such materials before Gilbert uses them in any manner whatsoever. In addition, Gilbert agrees to hold Job Order Contractor harmless to the extent permitted by law from any legal liability arising out of the Gilbert's use of such materials.

6.0 PERMITS AND RESPONSIBILITIES

6.1 Job Order Contractor shall be responsible for processing of drawings for: approval by appropriate oversight bodies; for obtaining any necessary licenses and permits; and, for complying with any Federal, State and municipal laws, codes, and regulations applicable to the performance of the Work. Gilbert will reimburse Job Order Contractor for the actual, documented costs of construction permits required for the performance of the Work. Job Order Contractor shall also be responsible for all damages to persons or property that occur as a result of Job Order Contractor's fault or negligence, and shall take proper safety and health precautions to protect the Work, the workers, the public, and the property of others. Job Order Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire Work, except for any completed unit of Work which may have been accepted under the Contract.

7.0 MATERIAL AND WORKMANSHIP

7.1 All equipment, material, and articles incorporated in the Work covered by this Contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in the Contract. References in the specifications to equipment, material, article, or patented process by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. Job Order Contractor may, at its option, use any equipment, material, article, or process that, in the sole judgment and prior written approval of the Gilbert's Authorized Representative, is equal to that named in the specifications.

7.2 Job Order Contractor shall obtain Gilbert's Authorized Representative's approval of the machinery and mechanical and other equipment to be incorporated into the Work. When requesting approval Job Order Contractor shall furnish to Gilbert's Authorized Representative the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the machinery and mechanical and other equipment. When required by the Contract or by Gilbert's Authorized Representative, Job Order Contractor shall also obtain Gilbert's approval of the material or articles which Job Order Contractor contemplates incorporating into the Work. When requesting approval, Job Order Contractor shall provide full information concerning the material or articles. When directed to

do so, Job Order Contractor shall submit samples for approval. Machinery, equipment, material and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

7.3 All work under the Contract shall be performed in a skillful and workmanlike manner.

8.0 TESTING OF MATERIALS

8.1 Job Order Contractor shall be responsible for any required testing of materials prior to incorporation into the Work.

9.0 LAYOUT OF WORK

9.1 Job Order Contractor shall lay out its work in accordance with the Contract plans and specifications and shall be responsible for all measurements in connection with the layout of the Work. Job Order Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, materials, and labor required to layout any part of the Work. Job Order Contractor shall also be responsible for maintaining and preserving all control points established by Gilbert's Authorized Representative.

10.0 SITE INVESTIGATION AND CONDITIONS AFFECTING THE WORK

10.1 Job Order Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the Work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the Work or its cost, including but not limited to:

a. Conditions bearing upon transportation, disposal, handling, and storage of materials;

b. The availability of labor, water, electric power, and roads;

c. Uncertainties of weather, river stages, tides, or similar physical conditions at the site;

d. The conformation and conditions of the ground; and

e. The character of equipment and facilities needed preliminary to and during work performance.

10.2 Job Order Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Gilbert, as well as from the drawings and specifications made a part of this Contract.

11.0 DIFFERING SITE CONDITIONS

11.1 Job Order Contractor shall promptly, and before the conditions are disturbed, give a written notice to Gilbert's Authorized Representative of:

a. Subsurface or latent physical conditions at the site which differ materially from those indicated in the Contract, or

b. Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

11.2 Gilbert's Authorized Representative will investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in Job Order Contractor's cost of, or the time required for, performing any part of the Work, whether or not changed as a result of the conditions, an equitable adjustment shall be made and the Job Order modified in writing accordingly.

11.3 No request by Job Order Contractor for an equitable adjustment to the Job Order under this section shall be allowed, unless Job Order Contractor has given the written notice required.

12.0 CONTRACT TERM

12.1 The term of the Contract shall be one year with four additional one year renewal options and shall commence on the date it was executed by both parties and the initial term shall terminate or else in accordance with the terms and conditions of this Contract. Job Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Job Order. The Gilbert reserves the right to extend this contract for two additional one year periods. Any renewal shall be contingent on funds being appropriated or budgeted for the renewal term.

13.0 COMPENSATION

13.1 Upon Final Completion, as full consideration for the satisfactory performance by Job Order Contractor of Work prescribed under the Contract, Gilbert shall pay Job Order Contractor the amounts specified in the individual Job Orders.

14.0 INVOICING AND PAYMENTS

14.1 Pay applications shall be submitted to Gilbert's Authorized Representative, who will make a recommendation for payment to Gilbert. Gilbert shall make progress payments monthly as the Work proceeds, or at more frequent intervals as determined by Gilbert, on estimates of Work completed submitted by the Job Order Contractor and approved by Gilbert. Job Order Contractor shall use an acceptable invoice form and shall include supporting documents to reflect a breakdown of the total price showing the amount included therein for each principal category of the Work, in such detail as requested, to provide a basis for determining progress payments. In the estimation of Work completed, Gilbert will authorize payment for material delivered on the site and preparatory work done if Job Order Contractor furnishes satisfactory evidence that it has acquired title to such material and that the material will be used to perform the Work.

14.2 All material and work covered by progress payments made shall, at the time of payment, become the sole property of Gilbert, but this provision shall not be construed as:

a. Relieving Job Order Contractor from the sole responsibility for all material and Work upon which payments have been made or the restoration of any damaged Work; or

b. Waiving the right of Gilbert to require the fulfillment of all of the terms of the Contract.

14.3 An estimate of the Work submitted shall be deemed approved and certified for payment after seven days from the date of submission unless before that time the Gilbert's Authorized Representative prepares and issues a specific written finding setting forth those items in detail in the estimate of the Work that are not approved for payment under this contract. Gilbert may withhold an amount from the progress payment sufficient to pay the expenses Gilbert reasonably expects to incur in correcting the deficiency set forth in the written finding. The progress payments shall be paid on or before fourteen days after the estimate of the Work is certified and approved. The estimate of the Work shall be deemed received by the Gilbert on submission to any person designated by Gilbert for the submission, review or approval of the estimate of the Work.

14.4 Gilbert shall pay all unpaid amounts due Job Order Contractor under this Contract within sixty (60) days, after:

a. Final Completion and acceptance of the Work;
b. Presentation of a properly executed invoice; and
c. Presentation of release of all claims against Gilbert arising by virtue of the Contract, other than claims, in stated amounts, that Job Order Contractor has specifically excepted from the operation of the release. A release may also be required of the assignee if Job Order Contractor's claim to amounts payable under this Contract has been assigned. Job Order Contractor shall complete a Contractor's release form acceptable to Gilbert.
d. Consent of Job Order Contractor's surety, if any.

14.6 Job Order Contractor shall submit invoices through the Town's eBuilder program.

15.0 CONSTRUCTION SCHEDULE

15.1 If required, the Job Order Contractor will submit for approval with the signed Job Order a schedule showing the sequence in which Job Order Contractor proposes to perform the Work and the dates on which Job Order Contractor contemplates starting and completing the significant elements of the Work (including acquiring materials, plant and equipment). The schedule may be a formal computerized schedule or a progress chart in a bar chart format of suitable scale to indicate appropriately the percentage of Work scheduled for completion by any given date during the period. In either case the basic information shall be the same and the schedule chart shall contain at a minimum:

a. A list of the different types of work activities or work elements.
b. Show the logical dependencies (ties) to indicate what Work shall be accomplished before other Work can begin.
c. Show proposed start and complete dates or time frames for each work activity or work element.
d. Calculate the "weighting" or relative worth each work activity or work element is of the total project either as a percent or dollar amount. If the Job Order Contractor fails to submit a schedule with the Job Order, Gilbert may withhold approval of progress payments until Job Order Contractor submits the required schedule.

15.2 For each Job Order, Gilbert shall issue a Notice to Proceed. The first day of performance under a Job Order shall be the effective date set forth in the Notice to Proceed. Any preliminary work started or material ordered or purchased before receipt of the Notice to Proceed shall be at the risk and expense of Job Order Contractor. Job Order Contractor shall diligently prosecute the Work to completion within the time set forth in the Job Order. The period of performance includes allowance for mobilization, holidays, weekend days, normal inclement weather, and cleanup. Therefore, claims for delay based on these elements will not be allowed. When Job Order Contractor considers the Work complete and ready for its intended use, Job Order Contractor shall request Gilbert to inspect the Work to determine the status of completion. When Gilbert determines the Work to be substantially complete, Gilbert will issue a Certificate of Substantial Completion with a list of items to be completed or corrected prior to final payment for the Job Order. Job Order Contractor shall proceed promptly to complete and correct items on the list.

15.3 Job Order Contractor shall submit a progress report every thirty (30) days, or as directed by Gilbert's Authorized Representative, and upon doing so shall immediately deliver a current schedule to Gilbert's Authorized Representative. If Job Order Contractor falls behind the approved schedule, Job Order Contractor shall take steps necessary to improve its progress, including those that may be reasonably required by Gilbert's Authorized Representative. Without additional cost to Gilbert, Gilbert's Authorized Representative may require Job Order Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant or equipment, and to submit for approval any supplementary schedule or schedules in chart form as Gilbert's Authorized Representative deems necessary to demonstrate how the approved rate of progress will be regained.

15.3 Emergency Work: Job Order Contractor will give top priority to any emergency work Gilbert may have and will allocate all resources necessary to accomplish such work in accordance with Gilbert's schedule requirements. To the extent the Job Order Contractor incurs additional cost, expense or schedule delay in performing Gilbert's emergency work, Gilbert will equitably adjust the Contract under Section 22.

15.4 Failure of Job Order Contractor to comply with the requirements of Gilbert or Gilbert's Authorized Representative under this section shall be grounds for a determination by Gilbert that Job Order Contractor is not prosecuting the Work with sufficient diligence to ensure completion within the time specified in the Job Order. Upon making this determination, Gilbert may terminate Job Order Contractor's right to proceed with the Work, or any separable part of it, in accordance with Section 27.

16.0 SUPERINTENDENCE BY JOB ORDER CONTRACTOR

16.1 At all times during performance of a Job Order and until the Work is completed and accepted, Job Order Contractor shall directly superintend the Work or assign and have on the site a competent superintendent who is satisfactory to Gilbert's Authorized Representative and has authority to act for Job Order Contractor.

17.0 INSPECTION OF CONSTRUCTION AND ACCEPTANCE

17.1 Job Order Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the Work called for conforms to Job Order requirements. Job Order Contractor shall maintain complete inspection records and make them available to Gilbert's Authorized Representative. All work shall be conducted under the general direction of Gilbert's Authorized Representative and is subject to inspection and test by Gilbert's Authorized Representative at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the Contract.

17.2 Inspections and tests are for the sole benefit of Gilbert and do not:

a. Relieve Job Order Contractor of responsibility for providing adequate quality control measures;

b. Relieve Job Order Contractor of responsibility for damage to or loss of the material before acceptance;

c. Constitute or imply acceptance; or

d. Affect the continuing rights of Gilbert after acceptance of the complete work under Section 17.8 below.

17.3 The presence or absence of an inspector does not relieve Job Order Contractor from any Contract requirement, nor is the inspector authorized to change any term or condition of the specification without Gilbert's Authorized Representative's written authorization.

17.4 Job Order Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by Gilbert's Authorized Representative. Gilbert's Authorized Representative may charge to Job Order Contractor any additional cost of inspection or test when Work is not ready at the time specified by Job Order Contractor for inspection or test, or when prior rejection makes re-inspection or retest necessary. Inspections and tests will be performed in a manner that will not unnecessarily delay the Work. Special, full size, and performance tests shall be performed as described in the Job Order.

17.5 Job Order Contractor shall, without charge, replace or correct Work found by Gilbert's Authorized Representative not to conform to Job Order requirements, unless Gilbert consents to accept the Work with an appropriate adjustment in Contract price. Job Order Contractor shall promptly segregate and remove rejected material from the premises.

17.6 If Job Order Contractor does not promptly replace or correct rejected Work, Gilbert may:

a. By Contract or otherwise, replace or correct the Work and charge the cost to Job Order Contractor or

b. Terminate for default Job Order Contractor's right to proceed.

17.7 If, before Final Completion and acceptance of the entire Work, Gilbert's Authorized Representative decides to examine already completed Work by removing it or tearing it out, Job Order Contractor, on request, shall promptly furnish all necessary facilities, labor, and material. If the Work is

found to be defective or nonconforming in any material respect due to the fault of Job Order Contractor or its subcontractors, Job Order Contractor shall bear the expenses of the examination and of satisfactory reconstruction. However, if the Work is found to meet requirements, Gilbert shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the Work was thereby delayed, an extension of the period of time for performance.

17.8 Substantial Completion means the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete so that Gilbert can occupy and use the Work or a portion thereof for its intended purposes. Unless otherwise specified in the Job Order, Gilbert shall accept, as promptly as practicable after completion and inspection, all work required by the Job Order or that portion of the Work Gilbert determines can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or Gilbert's rights under any warranty or guarantee.

18.0 OPERATIONS AND STORAGE AREAS

18.1 Job Order Contractor shall confine all operations (including storage of materials) to areas authorized or approved by Gilbert's Authorized Representative. Placement of materials and equipment shall be made with a minimum of interference to Gilbert operations and personnel.

18.2 Temporary buildings (e.g., storage sheds, shops, offices) and utilities may be erected by Job Order Contractor only with the approval of Gilbert's Authorized Representative and shall be built with labor and materials furnished by Job Order Contractor without expense to Gilbert's Authorized Representative. The temporary buildings and utilities shall remain the property of Job Order Contractor and shall be removed by Job Order Contractor at its expense upon the completion of the Work. With the written consent of Gilbert's Authorized Representative, the buildings and utilities may be abandoned and need not be removed.

18.3 Job Order Contractor shall use only established roadways or temporary roadways constructed by Job Order Contractor when and as authorized by Gilbert's Authorized Representative. Job Order Contractor shall comply with all Federal, state and local laws and regulations when transporting materials.

19.0 PROTECTION OF EXISTING VEGETATION, STRUCTURES, UTILITIES AND IMPROVEMENTS

19.1 Job Order Contractor shall preserve and protect all structures, equipment and vegetation (such as trees, shrubs, and grass) on or adjacent to the site, which are not to be removed and which do not unreasonably interfere with the Work required under the Job Order. Job Order Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. If any limbs or branches of trees are broken during performance by the operation of equipment, or by workers, Job Order Contractor shall trim those limbs or branches with a clean cut and paint the cut with a tree pruning compound as directed by Gilbert's Authorized Representative.

19.2 Job Order Contractor shall protect from damage all existing improvements and utilities at or near the site and on adjacent property of third parties, the locations of which are made known to or should be known by Job Order Contractor. Job Order Contractor shall repair any damage to those facilities, including those that are the property of third parties, resulting from failure to comply with the requirements of the

Job Order or failure to exercise reasonable care in performing the Work. If Job Order Contractor fails or refuses to repair the damage promptly, Gilbert's Authorized Representative may have the necessary repair work performed and charge the cost to Job Order Contractor.

19.3 Job Order Contractor shall take all precautions to ensure that no damage will result from its operations to private and public property. All damages shall be required or replace by Job Order Contractor at no cost to Gilbert.

19.4 Job Order Contractor shall be responsible for providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc., as required for each Job Order. Proposed traffic control methods shall be submitted to Gilbert for approval.

20.0 CLEANING UP AND REFUSE DISPOSAL

20.1 Job Order Contractor shall at all times keep the site, including storage areas, free from accumulations of waste materials. Before completing the Work, Job Order Contractor shall remove from the premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Gilbert. Upon completing the Work, Job Order Contractor shall leave the site in a clean and orderly condition satisfactory to Gilbert's Authorized Representative. Final cleanup of the premises shall be included in the period of performance of the Job Order. Job Order Contractor shall be responsible for all construction refuse disposal containers and their removal from the site. Disposal of any hazardous materials not addressed and priced in the Job Order will be segregated for disposal by Gilbert's Authorized Representative unless Gilbert's Authorized Representative requires Job Order Contractor to dispose of the materials in which case, an equitable adjustment in the price will be negotiated and agreed.

21.0 WARRANTY OF CONSTRUCTION

21.1 In addition to any other warranties in any Job Orders, and except as provided in Section 21.10 of this Section 21, Job Order Contractor warrants to Gilbert that all materials and equipment furnished under this Contract will be new unless otherwise specified and that all Work will be of good quality, free from faults and defects and in conformance with the Contract. All Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. If required by Gilbert, Job Order Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. This warranty is not limited by any other provisions of the Contract. Job Order Contractor shall promptly correct all 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. Job Order Contractor shall bear all costs of correcting such rejected Work, including compensation for the additional services of an engineer made necessary thereby.

21.2 If, within one year after the date of final acceptance by Gilbert of the Work, any of the Work is found to be defective or not in accordance with the Contract, Job Order Contractor shall correct it promptly after receipt of written notice from Gilbert to do so unless Gilbert has previously given Job Order Contractor a written acceptance of such condition. This obligation shall survive termination of the Contract

21.3 Job Order Contractor shall remedy at Job Order Contractor's expense any failure of the Work to conform to the plans and specifications, or any construction defect. In addition, the Job Order Contractor shall remedy at Job Order Contractor's expense any damage to Gilbert's real or personal property, when that damage is the result of:

a. Job Order Contractor's failure to conform to requirements; or
b. Any defect of equipment, material, workmanship, or design furnished by the Job Order Contractor.

21.4 Job Order Contractor shall restore any work damaged in fulfilling the terms and conditions of this Section 21. Job Order Contractor's warranty with respect to work repaired or replaced will run for one (1) year from the date of repair or replacement.

21.5 Gilbert shall notify Job Order Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage.

21.6 If Job Order Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, Gilbert shall have the right to replace, repair, or otherwise remedy the failure, defect or damage at Job Order Contractor's expense.

21.7 With respect to all warranties, expressed or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished for Job Orders issued under this Contract, Job Order Contractor shall:

a. Obtain all warranties required by the Job Order;
b. Require all warranties to be executed, in writing, for the benefit of Gilbert; and
c. Enforce all warranties for the benefit of Gilbert;

21.8 In the event Job Order Contractor's warranty under Section 21.2 has expired, Gilbert may bring suit at its expense to enforce a subcontractor's, manufacturers, or supplier's warranty.

21.9 Unless a defect is caused by the negligence of Job Order Contractor or subcontractor or supplier at any tier, Job Order Contractor shall not be liable for the repair of any defects of material or design furnished by Gilbert or for the repair of any damage that results from any defect in Gilbert-furnished material or design.

21.10 Job Order Contractor is not responsible for and does not warranty pre-existing work or facilities that may be assigned to Job Order Contractor except as modified by the Job Order.

21.11 This warranty shall not limit Gilbert's rights under Section 17 of this Contract with respect to latent defects, gross mistakes, or fraud.

22.0 CHANGE ORDERS

22.1 Gilbert may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the Work within the general scope of the Job Orders, including changes:

a. In the specifications (including drawings and designs);

b. In Gilbert-furnished facilities, equipment, materials, services, or site; or

c. Directing acceleration in the performance of the Work, or otherwise altering the schedule for performance of the Work.

22.2 If Job Order Contractor believes any other order (which, as used in this Section 22.2, includes direction, instruction, interpretation, or determination) from Gilbert's Authorized Representative constitutes a change order under this Section 22; Job Order Contractor shall give Gilbert's Authorized Representative written notice stating the date, circumstances, and source of the order, and that Job Order Contractor regards the order as a change order. Such written notice shall also state any changes to the price caused by the order. If any approved change under this Section 22 causes an increase or decrease in Job Order Contractor's cost of, or the time required for, the performance of any part of the Work under a Job Order, whether or not changed by any such order, Gilbert shall make an equitable adjustment and modify the Job Order in writing.

22.3 Except as provided in this Section 22, no order, statement, or conduct of Gilbert shall be treated as a change under this section or entitle Job Order Contractor to an equitable adjustment hereunder.

23.0 PRICING CHANGES

23.1 Job Order Contractor, in connection with any proposal it makes for a Job Order change order shall furnish a price breakdown itemized as required by Gilbert's Authorized Representative. Pricing for such changes shall be based on quantities mutually agreed to by Job Order Contractor and Gilbert and the rates contained in the Unit Price Book, modified by the appropriate city cost index, as adjusted by the applicable coefficient(s).

23.2 Job Order Contractor shall furnish to the Gilbert's Authorized Representative a written proposal for any proposed extension in the period of performance. The proposal shall contain a price breakdown and period of performance extension justification.

24.0 SUSPENSION OF WORK

24.1 Gilbert's Authorized Representative may order Job Order Contractor, in writing, to suspend, delay, or interrupt all or any part of the Work for the period of time that Gilbert's Authorized Representative determines appropriate.

24.2 If the performance of all or any part of the Work is suspended, delayed, or interrupted by an act of Gilbert's Authorized Representative in the administration of a Job Order, or by Gilbert's Authorized Representative's failure to act within the time specified in the Job Order (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of overtime for performance of the

Job Order necessarily caused by the suspension, delay, or interruption, and the Job Order will be modified in writing accordingly.

24.3 A claim under this section shall not be allowed for any costs incurred more than thirty (30) calendar days before Job Order Contractor shall have notified Gilbert in writing of the act or failure to act (but this requirement shall not apply as to a claim resulting from a suspension order), and unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the Job Order.

25.0 DISPUTES

25.1 The parties are fully committed to working with each other throughout the term of the Contract and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Job Order Contractor and Gilbert each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work. Job Order Contractor and Gilbert will first attempt to resolve disputes or disagreements at the field level through discussions between the parties' representatives named herein. The Job Order Contractor shall continue to perform the Work and Gilbert shall continue to satisfy its payment obligations to Job Order Contractor, pending the final resolution of any dispute or disagreements between the parties. Gilbert designates the individual listed below as its representative, which individual has the authority and responsibility for avoiding and resolving disputes under this Contract. Job Order Contractor designates the individual listed below as its representative, which individual has the authority and responsibility for avoiding and resolving disputes under this Contract.

Gilbert's Representative:	Job Order Contractor's Representative:
Casey Ambrose	Rick Risner
Project Manager	Business Development Public Works
Town of Gilbert	Sunland Asphalt & Construction, LLC
90 E. Civic Center Drive	3030 S. 7th St.
Gilbert, Arizona 85296	Phoenix, AZ 85040

25.2 Any dispute which is not disposed of by agreement will be decided by the Gilbert, who will reduce its decision to writing and mail or otherwise furnish a copy thereof to the Job Order Contractor. Any dispute not finally resolved under this Section 25 may be brought before the state courts of the State of Arizona and adjudicated in accordance with the laws of Arizona.

26.0 TERMINATION FOR CONVENIENCE OF GILBERT

26.1 Gilbert may terminate performance of the Work under this Contract in whole or, from time to time, in part if Gilbert determines that termination is in Gilbert's interest. Gilbert shall effect such termination by delivering to Job Order Contractor a Notice of Termination specifying the extent of termination and the effective date.

26.2 After receipt of a Notice of Termination, and except as directed by Gilbert, Job Order Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Section 26:

a. Stop work as specified in the notice;

b. Place no further subcontracts or orders (referred to as subcontracts in this Section 26) for materials, services or facilities, except as necessary to complete any Work not terminated;

c. Assign to Gilbert, as directed by Gilbert, all right, title, and interest of Job Order Contractor under the subcontracts to the extent they relate to the Work terminated, in which case Gilbert shall have the right to settle or to pay any termination settlement proposal arising out of those terminations, or with approval or ratification to the extent required by Gilbert, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the approval or ratification of which will be final for purposes of this Section 26;

d. As directed by Gilbert, transfer title and deliver to Gilbert:

   i. The fabricated or un-fabricated parts, Work in process, completed Work, supplies, and other material produced or acquired for the Work terminated, and
   ii. The completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to Gilbert;

e. Complete performance of the Work not terminated;

f. Take any action that may be necessary, or that Gilbert may direct, for the protection and preservation of the property related to this Contract that is in the Possession of Job Order Contractor and in which Gilbert has or may acquire an interest;

g. Use its best efforts to sell, as directed or authorized by Gilbert, any property of the types referred to in Section 26.2(c) above; provided, however, that Job Order Contractor is not required to extend credit to any purchaser and may acquire the property under the conditions prescribed by, and at prices approved by, Gilbert. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Gilbert under the Contract, credited to the price or cost of the Work, or paid in any other manner directed by Gilbert.

26.3 After termination, Job Order Contractor shall submit a final termination settlement proposal to Gilbert in the form and with the certification prescribed by Gilbert. Job Order Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination.

26.4 Job Order Contractor and Gilbert may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. The Contract shall be amended, and Job Order Contractor paid the agreed amount.

26.5 If Job Order Contractor and Gilbert fail to agree on the whole amount to be paid Job Order Contractor because of the termination of work, Gilbert shall pay Job Order Contractor the amounts determined as follows, but without duplication of any amounts agreed upon under Section 26.4 above:

a. For Work performed before the effective date of termination, the total (without duplication of any items) of:

i. The cost of this Work;
ii. The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the Contract if not included in subdivision (i) above; and
iii. A markup, including overhead and profit, on (i) above as is determined for pricing changes.

b. The reasonable costs of settlement of the Work terminated, including:
i. Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
ii. The termination and settlement of subcontracts (excluding the amounts of such settlements); and
iii. Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

26.6 Except for normal spoilage, and except to the extent that Gilbert expressly assumed the risk of loss, Gilbert shall exclude from the amounts payable to Job Order Contractor under Section 26.5 above, the fair value, as determined by Gilbert, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to Gilbert or to a buyer.

26.7 In arriving at the amount due Job Order Contractor under this Section 26, there shall be Deducted:

a. All un-liquidated advances or other payments to Job Order Contractor under the terminated portion of the Job Order;
b. Any claim which Gilbert has against Job Order Contractor under the Contract; and
c. The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by Job Order Contractor or sold under the provisions of this Section 26 and not recovered by or credited to Gilbert.

26.8 If the termination is partial, Job Order Contractor may file a proposal with Gilbert for an equitable adjustment of the price(s) of the continued portion of the Job Order. Any proposal by Job Order Contractor for an equitable adjustment under this Section 26 shall be requested within ninety (90) calendar days from the effective date of termination unless extended in writing by Gilbert. Gilbert may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by Job Order Contractor of the terminated portion of the Job Order, if Gilbert believes the total of these payments will not exceed the amount to which Job Order Contractor will be entitled.

26.9 If the total payments exceed the amount finally determined to be due, Job Order Contractor shall repay the excess to Gilbert upon demand.

26.10 Unless otherwise provided in this Contract or by statute, Job Order Contractor shall maintain all records and documents relating to the terminated portion of this Contract for five (5) years after final settlement. This includes all books and other evidence bearing on Job Order Contractor's costs and expenses under this Contract. Job Order Contractor shall make these records and documents available to Gilbert, at Job Order Contractor's office, at all reasonable times, without cost. If approved by Gilbert, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

27.0 DEFAULT

27.1 If Job Order Contractor refuses or fails to prosecute the Work, or any separable part, with the diligence that will ensure its completion within the time specified in the Job Order including any extension, or fails to complete the Work within this time, Gilbert may terminate the Job Order Contractor's right to proceed with the Work (or separable part of the Work), upon thirty (30) days written notice to the Job Order Contractor. In this event, Gilbert may take over the Work and complete it by Contract or otherwise and may take possession of and use any materials, appliances, and plant on the site necessary for completing the Work.

27.2 Job Order Contractor's right to proceed shall not be terminated under this Section if: a. The delay in completing the Work arises from unforeseeable causes beyond the control and without the fault or negligence of Job Order Contractor. Examples of such causes include:

a. acts of God or of the public enemy,
b. acts of Gilbert in its Contractual capacity,
c. acts of another Contractor in the performance of a Contract with Gilbert,
d. fires,
e. floods,
f. epidemics,
g. quarantine restrictions,
h. strikes,
i. freight embargoes,
j. unusually severe weather (The basis used to define normal weather will be data showing high and low temperatures, precipitation, and number of days of severe weather in the city closest to the site for the previous ten (10) years, as compiled by the United States Department of Commerce National Weather Service.), or
xk delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both Job Order Contractor and the subcontractors or suppliers; and b. Job Order Contractor, within 30 calendar days from the beginning of any such delay (unless extended by Gilbert), notifies Gilbert in writing of the causes of delay. The Gilbert shall ascertain the facts and the extent of delay. If, in the judgment of Gilbert, the findings of fact warrant such action, the time for completing the Work shall be extended. The findings of Gilbert shall be final and conclusive on the parties, but subject to appeal and review under Section 25.

27.3 If, after termination of Job Order Contractor's right to proceed, it is determined that Job Order 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 termination had been issued for the convenience of Gilbert.

27.4 The rights and remedies of Gilbert in this Section 27 are in addition to any other rights and remedies provided by law or under this Contract.

28.0 SAFETY

28.1 Job Order Contractor shall comply with all safety rules and regulations of the Federal Occupational Safety and Health Act of 1970 (OSHA), all applicable state and local laws, ordinances, and regulations during the performance of the Work. Job Order Contractor shall indemnify Gilbert for fines, penalties, and corrective measures that result from the acts of commission or omission of Job Order Contractor, its subcontractors, if any, agents, employees, and assigns and its failure to comply with such safety rules and regulations.

28.2 Job Order Contractor shall furnish and enforce the use of individual protective equipment as needed to complete the Work, including hard hats, rain gear, protective foot wear, protective clothing and gloves, eye protection, ear protection, respirators, safety belts, safety harnesses, safety lifelines and lanyards, and high visibility reflective safety vests.

28.3 Job Order Contractor shall provide its employees safety training to include special training prior to working with hazardous materials or operations.

28.4 Job Order Contractor shall provide warning signs, barricades and verbal warnings as required.

28.5 Job Order Contractor shall inform its employees of emergency procedures to be adhered to in case of a fire, medical emergency, or any other life-threatening situations.

28.6 Job Order Contractor shall promptly notify Gilbert's Authorized Representative of any accident involving personnel or damage to material and equipment. Copies of any injury reports or accident investigation reports shall be provided to the Gilbert's Authorized Representative.

28.7 Job Order Contractor shall maintain a set of OSHA articles at the jobsite as they apply to the Work being performed. Copies shall be provided to Gilbert's Authorized Representative when requested.

28.9 Job Order Contractor shall submit to Gilbert's Authorized Representative a copy of its safety policies and program procedures which establish the safety rules and regulations as they are to be applied to performance of the Work. These documents shall be submitted by Job Order Contractor within fourteen (14) calendar days after issuance of a Job Order and prior to the commencement of the Work.

28.10 Job Order Contractor shall assign, during performance of the Work, a designated safety representative to develop and monitor the project safety program. The name, Job Order Contractor address, and telephone number of the assigned individual shall be submitted to Gilbert's Authorized Representative by Job Order Contractor along with its safety policies and program procedures.

28.11 Job Order Contractor shall provide and maintain on the jobsite, at all times, a completely stocked first aid kit which contains all standard emergency medical supplies.

28.12 Job Order Contractor shall make available for its employees and those of its subcontractors, while they are performing Work on the site, emergency medical treatment either at the site or at a nearby medical facility.

28.13 Gilbert reserves the right to approve and monitor Job Order Contractor's safety policies and program procedures as applied during performance of the Work. Failure to comply with safety policies and program procedures, once approved by Gilbert, shall be cause for the termination of the Job Order in accordance with Section 27.

29.0 USE AND POSSESSION PRIOR TO COMPLETION

29.1 Gilbert shall have the right to take possession of or use any completed or partially completed part of the Work. Before taking possession of or using any work, Gilbert shall furnish Job Order Contractor a list of items of work remaining to be performed or corrected on those portions of the Work that Gilbert intends to take possession of or use. However, failure of Gilbert to list any item of work shall not relieve Job Order Contractor of responsibility for complying with the terms of this Contract. Gilbert possession or use shall not be deemed an acceptance of any work under this Contract.

29.2 While Gilbert has such possession or use, Job Order Contractor shall be relieved of the responsibility for the loss of or damage to the Work resulting from Gilbert's possession or use, notwithstanding the terms of Section 6. If prior possession or use by Gilbert delays the progress of the Work or causes additional expense to Job Order Contractor, an equitable adjustment shall be made in the Job Order price or the period of performance, and the Job Order shall be modified in writing accordingly.

30.0 OTHER CONTRACTS

30.1 Gilbert may undertake or award other Contracts for additional work at or near the site of Work under this Contract. Job Order Contractor shall fully cooperate with the other general Contractors and with Gilbert's employees and shall carefully adapt scheduling and performing the Work under this Contract to accommodate the additional work, heeding any direction that may be provided by Gilbert. Job Order Contractor shall not commit or permit any act that will interfere with the performance of work by any other general Contractor or by Gilbert's employees.

31.0 DISSEMINATION OF CONTRACT INFORMATION

31.1 Job Order Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning this Contract, any Job Order or the Work performed under this Contract, without the prior consent of Gilbert.

32.0 PERFORMANCE AND PAYMENT BONDS

32.1 Job Order Contractor shall furnish a Performance and Payment Bonds, each in an amount equal to one hundred percent (100%) of the Work required by a Job Order, not including design services,

preconstruction services, finance services, maintenance services, operations services or other related services included in a Job Order. The Performance Bond shall be conditioned on the faithful performance of such Work. The Performance and Payment Bonds shall be submitted to Gilbert within ten (10) calendar days after issuance of a Job Order. A Notice to Proceed will not be issued until properly executed bonds are received and accepted by Gilbert.

33.0 INSURANCE

33.1 Job Order Contractor agrees to comply with all Gilbert ordinance and state and federal laws and regulations. Without limiting any obligations or liabilities of Job Order Contractor, Job Order Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona with an AM Best, Inc. rating of A or above with policies and forms satisfactory to Gilbert. Failure to maintain insurance as specified may result in termination of this Contract at Gilbert's option.

33.2 No Representation of Coverage Adequacy: By requiring insurance herein, Gilbert does not represent that coverage and limits will be adequate to protect Job Order Contractor. Gilbert reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of the Contract.

33.3 Additional Insured: All insurance coverage and self-insured retention or deductible portions, except Workers Compensation Insurance and Professional Liability Insurance, shall name, to the fullest extent permitted by law for claims arising out of the performance of the Contract, Gilbert, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Contract.

33.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Work or services required to be performed under the terms of subject Contract is satisfactorily performed, completed and formally accepted by Gilbert, unless specified otherwise in this Contract.

33.5 Primary Insurance: Job Order Contractor's insurance shall be primary insurance as respects performance of this Contract and in the protection of Gilbert as an Additional Insured.

33.6 Occurrence Basis: All insurance coverage shall be on an occurrence basis and not on a claims made basis.

33.7 Waiver: All policies, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against Gilbert, its agents, representatives, officers, directors, officials and employees for any claims arising out of the Work. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

33.8 Policy Deductibles and or Self-Insured Retentions: The policies set forth in these requirements may provide coverage which contain deductibles or self-insured retention amounts. Such deductibles or

self-insured retention shall not be applicable with respect to the policy limits provided to Gilbert. Job Order Contractor shall be solely responsible for any such deductible or self-insured retention amount. Gilbert, at its option, may require Contractor to secure payment or such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

33.9 Evidence of Insurance: Prior to commencing any Work under the Contract, Job Order Contractor shall furnish Gilbert with Certificate(s) of Insurance, or formal endorsements as required by the Contract, issued by Job Order Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage, conditions, and limits of coverage specified in the Contract and that such coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as evidence of coverage, Gilbert shall reasonably rely upon the Certificate of Insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Contract. Such certificates shall identify the Work. If any of the above cited policies expire during the life of the Contract, it shall be Job Order Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

33.9.1 Gilbert, its agents, representatives, officers, directors, officials and employees are Additional Insured's as follows:

a) Commercial General Liability – Under ISO Form CG 20 10 04 13 and CG 20 37 04 13 or equivalent.
b) Auto Liability – Under ISO Form CA 20 48 or equivalent.
c) Excess Liability – Follow Form to underlying insurance as required.

33.9.2 Job Order Contractor's insurance shall be primary insurance as respects performance of this Contract.

33.9.3 Certificate shall cite 30 day advance notice cancellation provision.

33.10 REQUIRED COVERAGE:

33.10.1 Commercial General Liability: Job Order Contractor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $3,000,000 for each occurrence, $3,000,000 Products and Completed Operations Annual Aggregate, and a $3,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Offices, Inc. policy form CG 00 01 10 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, Gilbert, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under Insurance Service Offices, Inc. Commercial General Liability Additional Insured Endorsement form CG 20 10 04 13 and CG 20 37 04 13, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in Gilbert, but only with respect to liability arising out of "your work" for that insured by or for you." Job Order Contractor, its successors and or assigns, is required to maintain Commercial General Liability insurance as specified hereunder for

a minimum period of three (3) years following completion and acceptance of subject Work. Job Order Contractor shall submit Certificate of Insurance evidencing such Commercial General Liability insurance during said three year period containing all of the insurance requirements set forth herein including naming Gilbert, its agents, representatives, officers, directors, officials and employees as Additional Insured as required. If any excess insurance is utilized to fulfill the requirements of this Section 33.10.1, such excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

33.10.2 Vehicle Liability. Job Order Contractor shall maintain Business Automobile Liability insurance with a limit of $3,000,000 each occurrence on Contractor's owned, hired, and non-owned vehicles assigned to or used in the performance of the Work. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. If any hazardous material, as defined by any local, state or federal authority, is the subject, or transported, in the performance of the Work, an MCS 90 endorsement is required providing $5,000,000 per occurrence limits of liability for bodily injury and property damage. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, Gilbert. its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Officers, Inc. Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any excess insurance is utilized to fulfill the requirements of this section, such excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

33.10.3 Worker's Compensation Insurance: Job Order Contractor shall maintain Worker Compensation Insurance to cover obligations imposed by federal and state statutes having jurisdiction of Job Order Contractor's employees engaged in the performance of the Work and shall also maintain Employers Liability Insurance of not less than $1,000,000 for each accident, $1,000,000 disease for each employee and $1,000,000 disease policy limit.

33.10.4 Builder's "All Risk": If the Work includes construction services, Job Order Contractor shall maintain Builder's "All Risk" Insurance in an amount not less than one hundred percent (100%) of the contract price. Such policy shall include coverage for fire, lightening, vandalism, malicious mischief, riot, civil commotion, smoke, sprinkler leakage, water damage, windstorm, hail, earthquake, landslide, flood and collapse or loss due to the results of faulty workmanship until Final Acceptance of the Work by Gilbert. On pipeline and similar projects where fire hazard is negligible or nonexistent, Gilbert may waive the requirement for fire insurance.

34.0 INDEMNIFICATION

34.1 To the fullest extent permitted by law, Job Order Contractor, its successors and assigns shall indemnify and hold harmless Gilbert, its officers and employees from and against all liabilities, damages, losses and costs (including reasonable attorney fees and court costs) to the extent caused by the negligence, recklessness or intentional wrongful conduct of Job Order Contractor or other persons employed or used by the Job Order Contractor in the performance of this Agreement. Job Order Contractor's duty to indemnify and hold harmless Gilbert, its officers and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting there from, caused by Job Order Contractor's negligence, recklessness or intentional wrongful conduct in the performance of this

Agreement and the negligence, recklessness or intentional wrongful conduct of any person employed by Job Order Contractor or used by Job Order Contractor in the performance of this Contract.

35.0 CONTRACT ORDER OF PRECEDENCE

35.1 In the event of an inconsistency between provisions of this Contract, the inconsistency shall be resolved by giving precedence in the following order:

a. Contract Modifications, if any;
b. The Contract including Attachments;
c. Job Orders;
d. Drawings; and
e. Specifications.

36.0 NOTICES

36.1 All notices to either party by the other shall be delivered personally or sent by first class United States mail, registered or certified mail, postage prepaid, addressed to such party at the following respective addresses for each:

a. Gilbert:
b. Job Order Contractor:
and shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided herein. Either party hereto may change the above address by sending written notice of such change of address to the other in the manner provided for above.

37.0 SEVERABILITY

37.1 If any provision of this Contract, or the application thereof to any person or circumstances is rendered or declared illegal for any reason or shall be invalid or unenforceable, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by applicable law. The parties agree to negotiate in good faith for a proper amendment to this Contract in the event any provision hereof is declared illegal, invalid, or unenforceable.

38.0 WAIVERS

38.1 Neither Gilbert's review, approval or acceptance of, nor payment for, the Work required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of the Contract, and Job Order Contractor shall be and remain liable to Owner in accordance with applicable law and the terms of this Contract for all damages to Owner caused by Job Order Contractor's negligent act, error or omission in the performance of any of the Work.

38.2 The waiver by Gilbert of any breach of any term, covenant, condition, or agreement herein contained shall not be deemed to be a waiver of any subsequent breach of the same, or of a breach of any other term, covenant, condition, or agreement herein contained.

39.0 MERGER

39.1 This Contract and all procurement documents incorporated by reference set forth the entire agreement between the parties with respect to the subject matter thereof, and supersedes and replaces all proposals, negotiations, representations, and implied obligations. The obligations, liabilities and remedies set forth herein are exclusive and shall operate as limitations on any action brought in connection with the Work, including an action in tort.

40.0 NON-AVAILABILITY OF FUNDS

40.1 Every payment obligation of the Gilbert under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Contract, this Contract may be terminated by the Gilbert at the end of the period for which funds are available.

41.0 AUDIT OF RECORDS

41.1 Pursuant to applicable laws, the Job Order Contractor shall retain and shall contractually require each subcontractor to retain all data, books, and other records ("records") relating to this Contract for a period of five years after completion of this Contract. All records shall be subject to inspection and audit by the Gilbert at reasonable times. Upon request, the Job Order Contractor shall produce the original of any or all such records. If approved by Gilbert, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

42.0 CANCELLATION FOR CONFLICT OF INTEREST

42.1 Pursuant to applicable law, the Gilbert may cancel this Contract, without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the Gilbert was at any time while this Contract or extension of this Contract is in effect, an employee or agent of any other party to this Contract in any capacity or consultant to any other party of this Contract. A cancellation made pursuant to this provision shall be effective when the Job Order Contractor receives written notice of the cancellation unless the notice specifies a later time.

43.0 NON-DISCRIMINATION

43.1 The Job Order Contractor shall comply with all laws mandating that all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulation, including the Americans With Disabilities Act. The Job Order Contractor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, color, religion, sex, national origin or disability.

44.0 THIRD PARTY ANTITRUST VIOLATIONS

44.1 The Job Order Contractor assigns to the Gilbert any claim for overcharges, resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Job Order Contractor toward fulfillment of this Contract.

45.0 INTERPRETATION, JURISDICTION AND VENUE

45.1 This Contract shall be construed and interpreted solely in accordance with the laws of the State of Arizona. Jurisdiction and venue for any suit, right or cause of action arising under or in connection with this Contract shall be exclusively in the State of Arizona.

46.0 IMMIGRATION LAW COMPLIANCE WARRANTY

46.1 As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program.

46.2 If Contractor uses any subcontractors in performance of the Work, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program.

46.3 A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of $100 per day for the first violation, $500 per day for the second violation, and $1,000 per day for the third violation. Gilbert at its option may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A).

46.4 Gilbert retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times.

46.5 If state law is amended, the parties may modify this Section 46 consistent with state law

47.0 EQUAL TREATMENT OF WORKERS

47.1 CONTRACTOR shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the WORK. CONTRACTOR shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA"). CONTRACTOR shall protect and indemnify GILBERT and its representatives

against any claim or liability arising form or based on the violation of such, whether by CONTRACTOR or its employees.

48.0 UYGHURS

48.1 In accordance with Arizona Revised Statutes § 35-394, Job Order Contractor hereby certifies and agrees that Job Order Contractor does not currently and shall not for the duration of this Contract use 1) the forced labor of ethnic Uyghurs in the People's Republic of China, 2) any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and/or 3) any suppliers, contractors or subcontractors that use the forced labor or any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If Job Order Contractor becomes aware during the term of this Contract that Job Order Contractor is not in compliance with this Section, then Job Order Contractor shall notify Gilbert within five (5) business days after becoming aware of such noncompliance. If Job Order Contractor does not provide Gilbert with written certification that Job Order Contractor has remedied such noncompliance within one hundred eighty (180) days after notifying Gilbert of such noncompliance, this Contract shall terminate, except that if the Contract termination date occurs before the end of such one hundred eighty (180) day remedy period, this Contract shall terminate on such contract termination date.

IN TESTIMONY OF WHICH, this instrument has been executed by and on behalf of the Job Order Contractor on the day of 02, 2024 and has been executed by and on behalf of Gilbert the day of August 8th, 2024.

JOB ORDER CONTRACTOR
Sunland Asphalt & Construction, LLC

By: _____

Name: Immanuel Martinez

Title: Division Manager Public Works

TOWN OF GILBERT

By: Brigette Peterson
Brigette Peterson (Aug 21, 2024 11:18 PDT)

Name: Brigette Peterson

Title: Mayor

Chaveli Herrera (Aug 21, 2024 12:59 PDT)

Chaveli Herrera
Town Clerk

Christopher W. Payne
Christopher W. Payne (Aug 21, 2024 14:04 PDT)

Christopher W. Payne
Town Attorney

APPENDIX A

The Project consists of providing the following services for street transportation projects: concrete and asphalt work, utility adjustments, stamped asphalt and concrete, bus pads, micro seal, slurry seal, seal coating and other miscellaneous items on an as-needed basis as determined by the Town.

See attached Special Conditions.

SPECIAL CONDITIONS
FOR

STREETS TRANSPORTATION
JOB ORDER CONTRACT (JOC)



TOWN OF GILBERT

JUNE 2024

Prepared by:

NFra Inc.
77 E. Thomas Road
Suite 200
Phoenix, Arizona 85012



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Appendix A – CITY OF PHOENIX STANDARD DETAILS 1260, 1261, AND 1262

SPECIAL CONDITIONS

The work associated with the construction bid items listed in the Job Order Contract (JOC) Price Book shall be performed in accordance with the Town of Gilbert Public Works and Engineering Standards and Details (2024 or Latest Edition), Maricopa Association of Governments (MAG) *Uniform Standard Specifications and Uniform Standard Details for Public Works Construction*, 2020 or Latest Edition and all subsequent revisions, the Town of Gilbert Supplement (2024 or Latest Edition) to the MAG *Uniform Standard Specifications for Public Works Construction*, latest applicable ADOT *Standard Specifications for Road and Bridge Construction*, 2021 or Latest Edition, latest applicable ADOT Standard Details, latest applicable Standard Details of agencies abutting a project, and the additional Special Conditions that follow.

In the event a conflict exists between referenced documents, specifications or these construction special conditions, the order of precedence shall be as follows for the most current edition:

1. Addenda to Project
2. These Special Conditions for Construction
3. Town of Gilbert Construction Contract General Conditions
4. The Project Plans (if available)
5. Current Town of Gilbert Public Works and Engineering Standards
6. Town of Gilbert supplement to the Maricopa Association of Governments (MAG) *Uniform Standard Specifications and Details for Public Works Construction*
7. MAG *Uniform Standard Specifications and Details for Public Works Construction*
8. ADOT *Standard Specifications for Road and Bridge Construction* and Standard Details
9. FHWA Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways, most current Edition
10. ADOT Traffic Control Manual for Highway Construction and Maintenance, most current Edition
11. Abutting Agency Standard Details
12. City of Phoenix Standard Details

CONTRACT STANDARD SPECIFICATIONS AND DRAWINGS

The following Standard Specifications and Standard Drawings are required for the construction of JOC projects. Contractor shall construct improvements with the most current edition or revisions to these specifications, details, manuals and guidelines:

Town of Gilbert Public Works and Engineering Standards, 2024 or Latest Edition, and any Supplemental Revisions

Town of Gilbert Supplement to MAG Uniform Standard Specifications and Details for Public Works Construction, 2024 or Latest Edition, and any Supplemental Revisions

MAG *Uniform Specifications and Details for Public Works Construction*, 2020 or Latest Edition, and any Supplemental Revisions

ADOT *Standard Specifications for Road and Bridge Construction*, 2021 or Latest Edition and any Supplemental Revisions

ADOT Construction Standard Drawings (C-Standards), 2012 or Latest Edition with any Supplemental Revisions

ADOT Traffic Signals and Lighting Standard Drawings (TS-Standards), 2010 or Latest Edition with any Supplemental Revisions

ADOT Signing and Marking Standard Drawings (M, S, and C-Standards), 2014 or Latest Edition with any Supplemental Revisions

Manual on Uniform Traffic Control Devices (MUTCD), 2023 or Latest Edition with any Supplemental Revisions

ADOT Traffic Control Manual for Highway Construction and Maintenance, most current Edition

Local Agency Standard Drawings, Details and Specifications and any Supplemental Revisions (for projects that abut an adjacent jurisdiction), and

City of Phoenix Standard Details, 2015 or Latest Edition (See applicable details in Appendix A).

The following conditions or items are not considered for separate measurement or payment and are therefore considered incidental to an item(s) listed in the JOC Price Book to which it is closely associated.

TRAFFIC CONTROL:
The cost for traffic control on collector and residential street projects shall be included in the bid items listed in the JOC Price Book at no additional cost to the Town unless otherwise approved by the Engineer. The cost for traffic control on arterial street projects will be negotiated on a project by project basis.

TAXES AND BONDS:
The cost for taxes and bonds shall be included in the bid items listed in the JOC Price Book at no additional cost to the Town.

PERMITS:
The cost for permits shall be included in the bid items listed in the JOC Price Book at no additional cost to the TOWN. The Contractor is responsible for obtaining all necessary permits from appropriate governing agencies and paying applicable fees prior to starting construction activities. Samples of permits could include but are not limited to:

a) dust control
b) haul routes
c) storm water pollution control
d) traffic control
e) signing and pavement marking improvements
f) advance project signing
g) other agencies for work within their jurisdictions, including traffic control

WORKING HOURS:
Work on projects shall not begin before 6:00 a.m. and shall conclude prior to 7:00 p.m. each weekday unless otherwise approved by the Town. Lane closures on major arterial roadways shall not begin before 9:00 a.m. and shall conclude prior to 3:00 p.m. each weekday unless otherwise approved by the Town. Work at times other than those specified will be considered by the Town subject to the duration and type of activity proposed and the resulting impact on adjacent residential and commercial areas.

If the Contractor is permitted to work between the hours of 7:00 p.m. and 6:00 a.m., the Town will determine what measures the Contractor will be required to make to inform the traveling public.

Hours for hauling operations shall be subject to approval by, and if necessary, permits from the Town of Gilbert, Maricopa County and other applicable municipalities, in accordance with local ordinances.

NOISE MITIGATION:
The Contractor is responsible for any construction noise mitigation measures needed to meet the noise ordinances of the Town of Gilbert, Maricopa County and other adjacent agencies.

DUST PALLIATIVE:
The Contractor is responsible for applying dust palliative during excavation, grading, trenching, subgrade preparation and any other construction activities to meet all agency dust requirements.

CONSTRUCTION WITHIN EXISTING RIGHT-OF-WAY:
All work shall remain within the Town's existing right-of-way limits. Contractor shall take the necessary steps to minimize disturbance to existing conditions within the project limits. Disturbed areas shall be replaced in-kind at no additional cost to the Town, unless approved by the Engineer prior to disturbance.

BUSINESS, UTILITY FACILITIES AND PRIVATE PROPERTY ACCESS:
Emergency vehicle, postal delivery, garbage pickup, school bus routes, and driveway accesses to businesses, utility facilities, and private property shall be maintained at all times. Short-term closures may be permitted subject to prior approval by the Engineer. Contractor shall notify property owners five calendar days in advance of any construction on driveways or streets that result in approved lane restrictions or closures.

SHORING:
Shoring may be required for open cut trenches related to work to construct the proposed improvements. The Contractor shall be responsible for determining the exact limits and locations of any required shoring. Shoring shall be installed in accordance with all applicable Federal, State and Local safety requirements.

DEWATERING:
It is the Contractor's responsibility to make provisions for the removal and/or control of surface and subsurface water infiltrating into the work areas during construction. No direct payment will be made for dewatering accumulated ground or surface water, or water of any origin including irrigation water.

SAW CUTTING:
Saw cuts at locations where new improvements abut existing asphalt pavement or concrete surfaces will be required. This shall include but not be limited to; existing bituminous pavements, sidewalks, driveways, curbs, valley gutters, and curbs and gutters where new construction shall match the elevation of existing surfaces that are to remain. Saw cut lines may be adjusted at the direction of the Engineer to best fit existing field conditions. Saw cuts shall be made a minimum depth of 1½" and in all cases deep enough to insure a neat vertical joint. The cost for sawcutting shall be considered incidental and included in the price of other contract bid items listed in the JOC Price Book.

POWER LINES:
There could be underground and overhead power lines within the project limits. All work at or in close proximity to said lines shall be performed in accordance with all Federal, State, and local laws and regulations, including but not limited to:

A. Arizona law regarding "Underground Facilities" (A.R.S. 40-360.21, .22, .24, .26 and .28).
B. Arizona law regarding "High Voltage Power Lines and Safety Restrictions" (A.R.S. 40-360.41 - .45).
C. The Occupational Safety and Health Administration.
D. The National Electric Safety Code.

CONDITION OF MATERIALS:

All materials incorporated into the project are expected to be placed into service in new, clean and unblemished condition. Any materials stored unprotected from their original manufacture's packaging shall be cleaned of any foreign matter prior to use. All stored materials shall be protected from surface scarring and dents. All materials found to deviate from manufacturer's original size; shape or condition may be subject to reorder at the discretion of the Engineer at no additional cost to the Town.

EARTHWORK:

All excavation and fill material, including scarification, regarding and compacting, rough grading, fine grading, backfill, borrow or embankment not specifically identified in the Price Book, will not be measured for separate payment but shall be considered incidental to other contract bid items listed in the JOC Price Book.

STORM WATER POLLUTION PREVENTION PLAN:

Contractor shall provide best management practices in accordance with Subsection 107.2.1 of these Special Conditions.

PUBLIC INFORMATION AND NOTIFICATION:

Contractor shall provide public information and notification as outlined in Subsection 107.15 of these Special Conditions, including advance information signs.

MOBILIZATION / DEMOBILIZATION:

Subsection 109.10 of MAG Standard Specifications is hereby deleted. Contractor shall include costs to set up marshalling yards, to relocate equipment to and from the project sites, to perform final cleanup and any other work as part of the contract bid items listed in the JOC Price Book.

RECORD DRAWINGS:

If design plans are available, the Contractor shall be responsible for creating red-lines for "Record Drawings" preparation. All alterations from the plans must be approved by the Engineer prior to the work being done and subsequently documented on the record drawings. The Contractor shall keep accurate data and field notes as construction progresses for preparation of the "Record Drawings". Contractor shall submit red-lined drawings to the Engineer for preliminary review. Contractor shall make all corrections required and resubmit a new copy to the Engineer for review and approval. Process is considered complete once the Engineer accepts the red-lined "Record Drawings". These final red-lined "Record Drawings" must be certified by a licensed Arizona Land Surveyor or an Arizona Registered Professional Engineer by signing the cover sheet of the plans.

LANDSCAPE AND IRRIGATION RESTORATION:

The cost for restoring landscape surfaces and irrigation systems to construct new improvements shall be considered incidental and included in the cost of other contract bid items listed in the JOC Price Book. When approved by the Engineer, furnishing and installing new decomposed granite, trees or shrubs, will be paid for under other contract bid items listed in the JOC Price Book for landscaping. All other landscape and irrigation work shall be considered incidental unless negotiated by the Contractor and Engineer prior to commencing work.

WORK AREA RESTORATION:

Upon completion of the work and before final acceptance, the Contractor shall restore all ground and features occupied by the Contractor in connection with the work, including sidewalks, curbs, rubbish, trash, signs, barricades, equipment, etc. All parts of the work area shall be restored to a neat, presentable condition.

EBUILDER:

Projects may be administered through the Town's ebuilder software program. Contractor will be required to have an ebuilder license and shall submit all project documents through the ebuilder software program.

MAG Uniform Standard Specifications are hereby modified to more accurately conform to the needs of this project as follows:

MAG SECTION 101 ABBREVIATIONS AND DEFINITIONS

101.2 ABBREVIATIONS: add the following abbreviations:
TOWN: the Town of Gilbert
TOG: the Town of Gilbert

101.2 DEFINITIONS AND TERMS:

ENGINEER: is modified to add "Construction Manager", "Street Department Representative", and "Town Representative" as a duly authorized representative. Engineer is further defined in the Town supplements to MAG Standard Specifications.

MAG SECTION 106 CONTROL OF MATERIALS

106.2 SAMPLES and TESTING of MATERIALS: is modified as follows:
In the first sentence of second paragraph, substitute The Contractor for the words ". Contracting Agency...".

ADD 106.2.3 QUALITY ACCEPTANCE / QUALITY ASSURANCE:
Per Section 106.2 of these Special Provisions, the Contractor is required to perform Quality Control / Quality Acceptance (QC / QA) testing for the project per the sampling and frequency laid out in these Special Provisions and MAG Standard Specifications. The Town, at their discretion and cost may contract with a third party Quality Assurance Firm (QAF) to provide additional assurance testing on the project. The additional testing may include:

- Type and Frequency of Testing
  - The QAF may be called out to perform any test if determined by the Engineer that an assurance test is needed to validate or establish the testing performed by the Contractor's QC / QA firm or if the testing methods or results are called into question.
  - The intent is for QC / QA firm and QAF to perform test in the same location in order to validate the test results. However, the QAF can still choose to perform random sampling at the direction or approval of the engineer, but must notify the QC / QA firm so that they may be able to take concurrent testing at that location.
  - For those items of work where assurance testing is determined to be required, the frequency would be intended to be near 10% of the acceptable frequency as laid out in Table 106.2 of these Special Provisions, with the exception of asphalt concrete pavement testing.
  - Asphalt concrete pavement assurance testing frequency shall match the frequency required for quality acceptance testing per Table 106.2 of these Special Provisions.
- Test Results
  - Asphalt Concrete Pavement: If either the QC / QA test or the QAF test fails, both testing firms will core, and retest as required by the either the East Valley Asphalt Committee (EVAC) Standards or MAG Standards as required for an acceptance test failure.
  - Aggregate Testing: If the QC / QA test or the QAF test fails, both testing firms will retest.

Concrete Testing: If either the QC / QA test or the QAF test fail for items such as temperature, slump, etc., both testing firms will retest. If QAF cylinders fail, the Town reserves the right to core (at the Town's cost) per the MAG Specifications and have both QC / QA firm and QAF obtain breaks from those cores or perform 56-day breaks from any remaining concrete cylinders.

ADD 106.2.4 CONTRACTOR QUALITY CONTROL:
The Contractor shall be responsible for furnishing all personnel, materials, supplies, facilities and equipment necessary to provide an acceptable quality in the production, handling and placement of all materials. The Contractor shall establish and maintain an effective quality control program that includes, but is not limited to, the establishment of a quality control plan and the utilization of an approved Quality Control Laboratory and approved Quality Control Personnel.

(A) Quality Control Plan (QCP): A written QCP shall be submitted at the preconstruction conference and work shall not begin until the quality control program has been reviewed and accepted by the Construction Manager. The QCP shall at a minimum address the following:

1. Quality Control Organization, including resumes and certifications for the quality control manager, quality control supervisor and all technicians performing sampling and testing.

2. A Minimum Sampling and Testing Plan specific to the project bid quantities developed in accordance with these specifications and the requirements of Table 106-2.

3. Corrective action for materials that do not meet the specified quality requirements.

4. System for maintaining quality control records and submitting reports.

5. Where applicable, commercial supplier quality control qualifications and personnel must also be addressed.

(B) Quality Control Laboratory: All field and laboratory sampling and testing shall be performed by a laboratory accredited through the AASHTO Accreditation Program (AAP) for the test methods being performed. All commercial suppliers providing quality control results to the project shall also be accredited through the AAP.

Prior to the laboratory performing any tests for the project, the Contractor shall obtain certification that the ovens have been calibrated specifically for this project and they are within acceptable tolerances.

(C) Quality Control Personnel: The Contractor shall designate a Quality Control Manager to be responsible for implementing, monitoring and, as necessary, adjusting the processes to assure acceptable quality. The Quality Control Manager shall be a full time employee of the Contractor.

The Quality Control Laboratory shall designate a Quality Control Supervisor to oversee the QCP and to coordinate quality control activities with the Contractor and the Engineer. The Quality Control Supervisor shall serve as a central point of contact for the Quality Control Laboratory and shall be available to answer questions pertaining to the quality control program.

Technicians performing field sampling and testing shall be employees of the Quality Control Laboratory and shall be certified as appropriate by the Arizona Technical Testing Institute (ATTI)

and/or the American Concrete Institute (ACI) per Table 106-1. Technicians working for commercial suppliers must also meet the appropriate certification requirements.

Table 106-1 Quality Control Technician Requirements

Material	Field Requirements	Laboratory Requirements
Soils and Aggregate	ATTI Field Certification	ATTI Laboratory Soils and Aggregate Certification
Concrete	ACI Concrete Field Testing Technician - Grade I Certification	ACI Concrete Strength Testing Technician Certification
Asphaltic Concrete	ATTI Field Certification	ATTI Asphalt Certification

(D) Materials Sampling and Testing Requirements: The minimum frequencies for sampling and testing materials shall be as per Table 106-2. Additional testing required for retests, correlation testing, or as otherwise directed by the Engineer are not included in the stated frequencies. It is the Contractor's responsibility to coordinate with quality control personnel to ensure that these minimum frequencies are being met.

(E) Quality Control Records and Reporting: The Contractor shall submit weekly quality control reports to the Engineer. The weekly quality control report shall state which materials were incorporated into the project during the reporting period, identify the quality control measures taken to assure quality, include all test results and clearly identify materials that do not meet specification requirements.

A uniform methodology for identifying tests and samples shall be identified in the QCP and used during the project. All tests and samples shall be clearly identified, including sample identification information, sample date, sample location, material description, material use and the technician who obtained the sample. The results for all required tests, including the specifications and other control requirements and any remedial actions taken, shall also be included with the report.

Daily diaries for each quality control technician on the project shall also be included in the weekly report. Daily diaries should clearly identify the types of work performed by the Contractor and the process control measures taken by the quality control technician to assure quality. The reporting period of each weekly quality control reports shall end on Friday at midnight and the report shall be submitted to the Engineer by the following Wednesday.

Prior to final acceptance of the project, a final quality control report shall be submitted to the engineer that includes a summary of all quality control activities performed for the project. This report shall be stamped by a Professional Engineer registered in the State of Arizona, knowledgeable in materials testing.

TABLE 106-2 Materials Sampling and Testing Requirements

TABLE 1 BITUMINOUS MIXTURES

MAG / SUPPLEMENTS	MATERIAL	TYPE OF TEST(S) REQUIRED	SAMPLING POINT	MINIMUM SAMPLING/TESTING FREQUENCY
321, 710, 711	Asphalt Concrete Pavement	Volumetric's, Bulk Specific Gravity, Rice & Air Voids	Hot Plant or In Place	One per day's production
		Oil Content & Gradation	Hot Plant or In Place	One per 500 tons or fraction thereof. Minimum one sample per day
		Compaction (Nuclear)	Roadway	One per 500 linear feet or fraction thereof for each lift and lane or paver pass
		Compaction (Nuclear)	Parking Lot	One per 2500 sq ft per lift per day
		Compaction (Core)	In place	One per 1000 linear feet or fraction thereof for each lift and lane or paver pass
	Cold Feed	Gradation	Hot Plant	One sample per day's production
325, 326, 711, 717, 719	Asphalt Rubber Asphalt Concrete (ARAC), Polymer Modified Asphalt Concrete (PMAC)	Volumetric's, Bulk Specific Gravity, Rice & Air Voids	Hot Plant or In Place	One per day's production
		Oil Content & Gradation	Hot Plant or In Place	One per 500 tons or fraction thereof. Minimum one sample per day
		Compaction (Nuclear)	Roadway	One per 500 linear feet or fraction thereof for each lift and lane or paver pass
		Compaction (Nuclear)	Parking Lot	One per 2500 sq ft per lift per day
		Compaction (Core)	In place	One per 1000 linear feet or fraction thereof for each lift and lane or paver pass
	Cold Feed	Gradation	Hot Plant	One sample per day's production

1. Asphalt deficient in oil content and/or density shall be cored 50' maximum on both sides of failed section when deemed necessary by the inspector. The results of the 2 cores shall be averaged with the previous test results.
2. Minimum sampling and testing is required for each mix/plant per day.
3. The Engineer or their representative reserve the right to modify sampling and testing requirements as needed to ensure quality of materials.
4. Asphalt is full time observation: Technician must verify mix code, test asphalt temperatures, perform nuclear compaction tests and sample asphalt in accordance to appropriate testing and sampling procedures.

TABLE 2 CEMENTITIOUS MIXTURES

MAG / SUPPLEMENTS	MATERIAL	TYPE OF TEST(S) REQUIRED	SAMPLING POINT	MINIMUM SAMPLING/TESTING FREQUENCY
340, 725	Portland Cement Concrete (Flatwork)	Compressive Strength	At discharge	One set of four cylinders per 50 cubic yards or fraction thereof
		Slump, Time & Temperature	At discharge	One per set of cylinders
505, 725	Portland Cement Concrete (Structures)	Compressive Strength	At discharge	One set of four cylinders per structure per 50 cubic yards or fraction thereof
		Slump, Time & Temperature	At discharge	One per set of cylinders
604, 728	Controlled Low Strength Material (CLSM)	Compressive Strength	At discharge	One set of two cylinders[4]
776	Grout	Compressive Strength	At discharge	One set of four prisms
		Slump, Time & Temperature	At discharge	One per set of prisms
776	Mortar	Compressive Strength	At batch site	One set of 4 cylinder or cubes
525	Shotcrete	Compressive Strength	At discharge	One panel per 50 cubic yards, nozzle man and/or shift (whichever is greater)

1. Concrete Specifications: Time in mixer (from batch time to finish unloading) is 90 minutes max; Allowable maximum concrete temperature is 95 degrees Fahrenheit.
2. If in the opinion of the inspector or their representative, there is sufficient cause to question the quality of the mortar or grout being utilized, random field sampling and testing may be required.
3. Shotcrete test panel forms should be wood or steel and a minimum of 24" x 24" x 4", generally shot in a vertical position.
4. Minimum sampling and testing is required for each mix design/plant per day.
5. The inspector or their representative reserve the right to modify sampling and testing requirements as needed to ensure quality of materials.
6. Concrete is full time observation: Technician must verify mix code and plant on every load.

TABLE 3 SOIL				
MAG / SUPPLEMENTS	MATERIAL	TYPE OF TEST(S) REQUIRED	SAMPLING POINT	MINIMUM SAMPLING/TESTING FREQUENCY
601	Trench Backfill (including lateral trenches)	Compaction & Moisture Content	In-Place	One per 8" lift for every 500 linear feet, per pipe run, or day's production.
301, 304	Subgrade (Including Sidewalks)	Compaction & Moisture Content	In-Place	One per 500 linear feet or fraction thereof.
301	Subgrade (Parking Lot)	Compaction & Moisture Content	In-Place	One per 2500 sq ft or fraction thereof.
340, 206	Slab on Grade (Including Driveways and Ramps)	Compaction & Moisture Content	In-Place	One per 1000 sq ft or fraction thereof per slab per lift. One per ramp location.
206, 301, 601	Structure Backfill	Gradation & P.I.	In-Place	One per soil type.
		Compaction & Moisture Content	In-Place	One per 500 linear ft. or fraction thereof per 8" lift per structure.
211	Roadway Fill & Embankments	Compaction & Moisture Content	In-Place	One per 500 ft. or fraction thereof per 8" lift.
210	Import[1]	Proctor Density, Gradation & P.I.	Onsite	One per soil type.
		Specific Gravity	Onsite	At the start of project and as material changes, per supplier/source and/or plant.
210, 211, 301	Native	Proctor Density, Gradation & P.I.	Onsite	One per soil type.
		Specific Gravity	Onsite	At the start of project and as material changes.

1. Import material shall meet the "X" value requirement (Shown in MAG Section 210.2) or soils report.
2. Asphalt millings are not acceptable for use unless approved by engineer or their representative.
3. For material containing 25% or more rock larger than 6", refer to MAG Section 211.3.
4. The inspector or their representative reserve the right to modify sampling and testing requirements as needed to ensure quality of materials.

TABLE 4 AGGREGATE BASE (AB)				
MAG / SUPPLEMENTS	MATERIAL	TYPE OF TEST(S) REQUIRED	SAMPLING POINT	MINIMUM SAMPLING/TESTING FREQUENCY
701, 702	Aggregate Base Coarse (ABC)	Proctor Density	Onsite	At the start of project and as material changes, per supplier and/or plant.
		Gradation, PI	Onsite	One per project, per source, and/or one per 1000 tons or fraction thereof.
		Specific Gravity	Onsite	At the start of project and as material changes, per supplier and/or plant.
206, 301, 306, 601, 701, 702	Roadway, Pipe Bedding, Trench Backfill	Compaction & Moisture Content	Onsite	One per 500' or fraction thereof per lift per lane.
211, 301, 310, 702	Parking Lot	Compaction & Moisture Content	In-Place	One per 2500 sq ft or fraction thereof per lift.
206, 340, 701, 702	Slab on Grade (Including Driveways and Ramps)	Compaction & Moisture Content	In-Place	One per 1000 sq ft or fraction thereof per slab per lift.
206, 301, 601	Structure Backfill	Compaction & Moisture Content	In-Place	One per 8" lift per structure.
		Gradation, PI	Onsite	One per project, per source, and/or one per 1000 tons or fraction thereof.
1. Asphalt millings are not acceptable for use as AB unless approved in writing by the engineer. 2. The inspector or their representative reserve the right to modify sampling and testing requirements as needed to ensure quality of materials.				

TABLE 6 REINFORCEMENT				
MAG / SUPPLEMENTS	MATERIAL	TYPE OF TEST(S) REQUIRED	SAMPLING POINT	MINIMUM SAMPLING/TESTING FREQUENCY
727	Steel Reinforcement	Certificate and/or Tests	Onsite	One sample for each size, grade & heat number per shipment & manufacturer. Certificate required.
Project Plans & Specifications	Post-Tensioned Steel	Certificate and/or Tests	On-Site	One sample for each size, grade & heat number per shipment & manufacturer. Certificate required.

Project Plans & Specifications	Pre-Stressed Steel	Certificate and/or Tests	Project or Fabrication Plant	One sample for each size, grade & heat number per shipment & manufacturer. Certificate required.
1. All steel and iron incorporated into Federal-Aid projects must conform to requirements of "Buy America" per 23 CFR 635.410. 2. The inspector or their representative reserve the right to modify sampling and testing requirements as needed to ensure quality of materials.				

TABLE 8 PIPE

MAG / SUPPLEMENTS	MATERIAL	TYPE OF TEST(S) REQUIRED	SAMPLING POINT	MINIMUM SAMPLING/TESTING FREQUENCY
743 (ASTM C-700)	Vitrified Clay Pipe (VCP)	Visual Inspection	Pipe Plant	Each pipe
		Hydro Static	Pipe Plant	1 per year, per size and/or at the engineers discretion
		Shear Load	Pipe Plant	1 per year, per size and/or at the engineers discretion
759 (AWWA Standard)	Steel Cylinder Pipe (SCP)	Visual Inspection	On-Site / Plant	Per shop drawings
		Certification	Pipe Plant	Per lot
		Hydro Static	Pipe Plant	1 per year, per size and/or at the engineers discretion
735 (ASTM C-76)	Reinforced Concrete Pipe RGRCP	Visual Inspection	Pipe Plant	Each pipe & reinforcing cages
		D-Load	Pipe Plant	1 per 100 pipes cast, per size, per day's production
		Compressive Strength	Pipe Plant	One set of 4 cylinders when required by engineer or their representative.
		Slump, Time & Temperature	Pipe Plant	When required by engineer or their representative.

1. All concrete/clay pipe shall be inspected, tested and marked, before shipment to site.
2. Annual plant inspection by approved Materials Lab is required for each production plant.
3. Quarterly quality control inspection by approved Materials Lab is required for each production plant.
4. Inspector reserves the right to modify sampling and testing requirements as needed to ensure quality of materials.

Notes:

Note 1: The Engineer may require additional tests as necessary

Note 2: Density Tests shall be rock corrected for oversize material per MAG Detail 190

Note 3: Historical data may be used if acceptable to the Engineer

Note 4: Finished subgrade shall be wheel-rolled with a loaded truck to locate pumping areas

MAG SECTION 107 LEGAL REGULATIONS AND RESPONSIBILITY TO PUBLIC

107.2 PERMITS: is modified to add:
This project is subject to the Arizona Pollutant Discharge Elimination System (AZPDES) requirements under the Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) program as administered by the Arizona Department of Environmental Quality (ADEQ). Under the conditions of a permit, the Contractor shall be designated as the permittee, and shall be responsible for providing necessary materials; taking appropriate measures to ensure removal of additional sediment generated in storm water runoff from the project (relative to pre-project sediment levels); and completing the following documents, if required by ADEQ:

- Storm Water Pollution Prevention Plan (SWPPP) for the project, including a certification-of-compliance form
- Notice of Intent (NOI) to be covered under AZPDES, including certification of signature
- Notice of Termination (NOT) of coverage under AZPDES (upon project completion)

All Subcontractors must comply with AZPDES requirements under the supervision of the Contractor, and shall submit a completed, signed subcontractor certification form, thereby designating themselves as co-permittees. The SWPPP shall be subject to approval by the Construction Manager prior to implementation. The SWPPP shall be kept at the project site at all times, and the final SWPPP shall be retained by the Contractor for three (3) years following project completion and final acceptance.

The Contractor shall submit a completed, signed NOI form (including signed subcontractor certification forms) to ADEQ at the time of the Pre-Construction meeting. The Contractor will send copies of the final submittal for distribution to the Town, the Engineering Department, and the Arizona Department of Environmental Quality (ADEQ) Storm Water Coordinator.

Failure by the Contractor (or any applicable subcontractors) to submit the NOI form and certification by the time of the Pre-Construction meeting, or to promptly make revisions to those forms as requested by the Town, which leads to delays in attaining ADEQ requirements will result in postponing the start of construction. The Contractor will not be entitled to any additional compensation for costs resulting from such delay.

The NOI shall be posted at the construction site along with the SWPPP. No construction activities shall begin until all applicable storm water pollution control devices are in place. Any additional work caused by the Contractor's (or subcontractor's) failure to properly implement the SWPPP will not be compensated. In addition, the Contractor shall keep a copy of the STORM WATER BASELINE CONSTRUCTION GENERAL PERMIT COVERAGE NOTICE received from ADEQ (after submittal of the NOI) at the job site at all times.

All SWPPP reports required under this contract shall be available to the public in accordance with requirements of the Clean Water Act—Section 308(b). The Contractor shall make plans available to the public upon a request from either the EPA or ADEQ.

No conditions of the AZPDES or the SWPPP shall release the Contractor from any responsibilities or requirements under other environmental statutes or regulations. Asphalt plant and concrete plants (including module plants) require separate AZPDES industrial permits.

Upon completion and acceptance of the work performed by a co-permittee, either the Contractor or other subcontractors shall absolve such subcontractor of any involvement in, or responsibility for, subsequent AZPDES violations on the project. Upon total project completion, acceptance, and de-mobilization, the Contractor shall submit a completed, signed NOT final form package to EPA, ADEQ, and other Town departments, thereby terminating all AZPDES permit coverage for the project. Necessary forms for the NOI, NOT and the draft SWPPP are available through ADEQ's website.

At a minimum, the Contractor shall inspect all storm water pollution control devices on the project on a monthly basis, and following each rainfall of 0.50" or more (as measured at the nearest Flood Control District of Maricopa County rain gauge, or approved on-site rain gauge). The Contractor is also encouraged to inspect devices following rainfalls of less than 0.50", as it is the Contractor's responsibility to ensure the proper operation of each device. The Contractor shall maintain a record of each inspection. No other separate measurements or payments will be made relative to SWPPP items.

ADD 107.2.1 BEST MANAGEMENT PRACTICES:
Implementation of "Best Management Practices" (BMP's) to reduce storm water pollution shall be undertaken by the Contractor on a multi-tiered, most cost-effective approach. The Contractor shall utilize the lowest-cost acceptable BMP available to address each type of potential storm water pollution situation encountered on the project. Should this prove ineffective in resolving a storm water pollution problem, additional, higher-cost BMPS may need to be practiced, upon approval by the Town. Multi-tiered BMP approaches to construction operations might include:

ROADWAY SUBGRADE EXCAVATION:
1. Tier I – The excavated area may create a temporary area that retains storm water runoff. This may provide adequate control of runoff preventing sediment from leaving the site. Draining the excavation area by pumping or other methods shall utilize filter fabric or other filtering methods to remove sediment before leaving the site or entering the storm drain system.

2. Tier II – Catch basin inlet protection (utilizing filter fabric, gravel, etc.) may be necessary should Tier I controls prove inadequate. Care shall be exercised to ensure that Tier II BMPs do not result in flooding adjacent properties.

OPEN PIPELINE TRENCHES
1. Tier I – An open trench itself may act as a temporary retention area. The Contractor shall provide a low-cost, readily-installed/removable temporary device on the open end of the pipe to prevent sediment-laden storm water from entering the pipe. This may consist of a temporary "plug" incorporating filter fabric, a temporary weir, or other device capable of removing sediment before allowing storm water to enter the pipe. Care must be taken to prevent damming of runoff waters in the excavation that could result in "floating" the pipe.

2. Tier II – If Tier I protection does not prove satisfactory, the Contractor may need to install straw bales, sandbag berms, or temporary diversion dikes around the perimeter of the open evacuation to prevent sediment-laden storm water from entering the open excavation. Due to installation/removal time, such devices need only be installed during periods of likely precipitation and runoff. Earthen dikes are preferred alternates, due to ease of installation and removal. Care must be taken to ensure that runoff is not blocked causing adjacent properties to flood.

BACKFILLED PIPELINE TRENCHES:
1. Tier I – As with roadway subgrade excavations, pipeline trenches which have been backfilled but not yet paved may be several inches lower than adjacent paved areas, and may act as temporary retention areas.

2. Tier II – If the "retention" provided by the backfilled area does not prevent sediment-laden runoff from leaving the excavated area, perimeter controls such as silt fence, straw bales, sandbag berms, or gravel filter berms may need to be installed around the downstream edges of the backfilled area. As with open trenches, the selection of the appropriate measure, extent of its application, and time period during which it is needed will be dependent upon cost, site conditions, ease of installation/removal, and likelihood of precipitation/runoff. Care must be taken to ensure that extra storm water runoff is not diverted onto adjacent properties.

An acceptable storm water control method is limiting the amount of area disrupted and therefore reducing sediment-laden storm water runoff at any one time. Should such project phasing prove necessary due to the failure of other BMP's, the Contractor shall revise his construction activities accordingly, at no additional cost to the Town.

Standards for installing and operating the above BMP's are provided in the Flood Control District of Maricopa County "Drainage Design Manual for Maricopa County, Arizona, Volume III, Erosion Control".

ADD 107.2.2 MEASUREMENT:
Measurement and Payment for obtaining, implementing and monitoring Storm Water Pollution Prevention Plan best management practices will not be measured for separate payment but shall be considered included in the price of other contract bid items listed in the JOC Price Book.

ADD 107.15 PUBLIC INFORMATION AND NOTIFICATION:

ADD 107.15.1 DESCRIPTION:
The Contractor shall implement a community relations program for this project, including, but not be limited to:

a. Documenting existing property conditions prior to starting construction.
b. Assisting with information for printing and mailing of public notices.
c. Preparing, erecting and maintaining information signs.
d. Assist the Town with information for telephone "Hot Line" 24-hour service.
e. Providing the Construction Manager information to be distributed.
f. Personal contact with residents and businesses prior to project closures.
g. Attending special meetings as required by the Construction Manager.
h. Participate in a pre-construction public meeting held by the Town.

The Contractor shall use these or other means to inform the local citizens, residents, and Town officials of necessary operations which create high noise levels, street closures, detour locations, haul route and material delivery routes, hours of construction, disruption of school bus routes, mail delivery or emergency vehicle access or disruption of utility services.

Disruption to utility services shall be avoided. Safety is the principal concern at all times. Anticipated utility disruption shall be kept to a minimum and proper 2-day advanced notification provided.

Fourteen (14) days or more prior to the start of construction, the Contractor shall furnish and install four professionally prepared information signs to notify the public of the construction area. The Contractor shall obtain Town of Gilbert permits necessary to install the signs. Contractor shall coordinate and obtain approval of the sign locations and messages from the Construction Manager before they are installed. The information signs shall be four feet high by six feet wide (24 square feet), made from 3/4" exterior plywood, with non-reflective lettering on a non-reflective background as shown in the detail below. Contractor shall maintain the information signs in good condition throughout the duration of construction and remove them at the end of the project, at which time the sign shall become Town of Gilbert's property. The Construction Manager will provide the Contractor the Town address of where the signs are to be delivered.

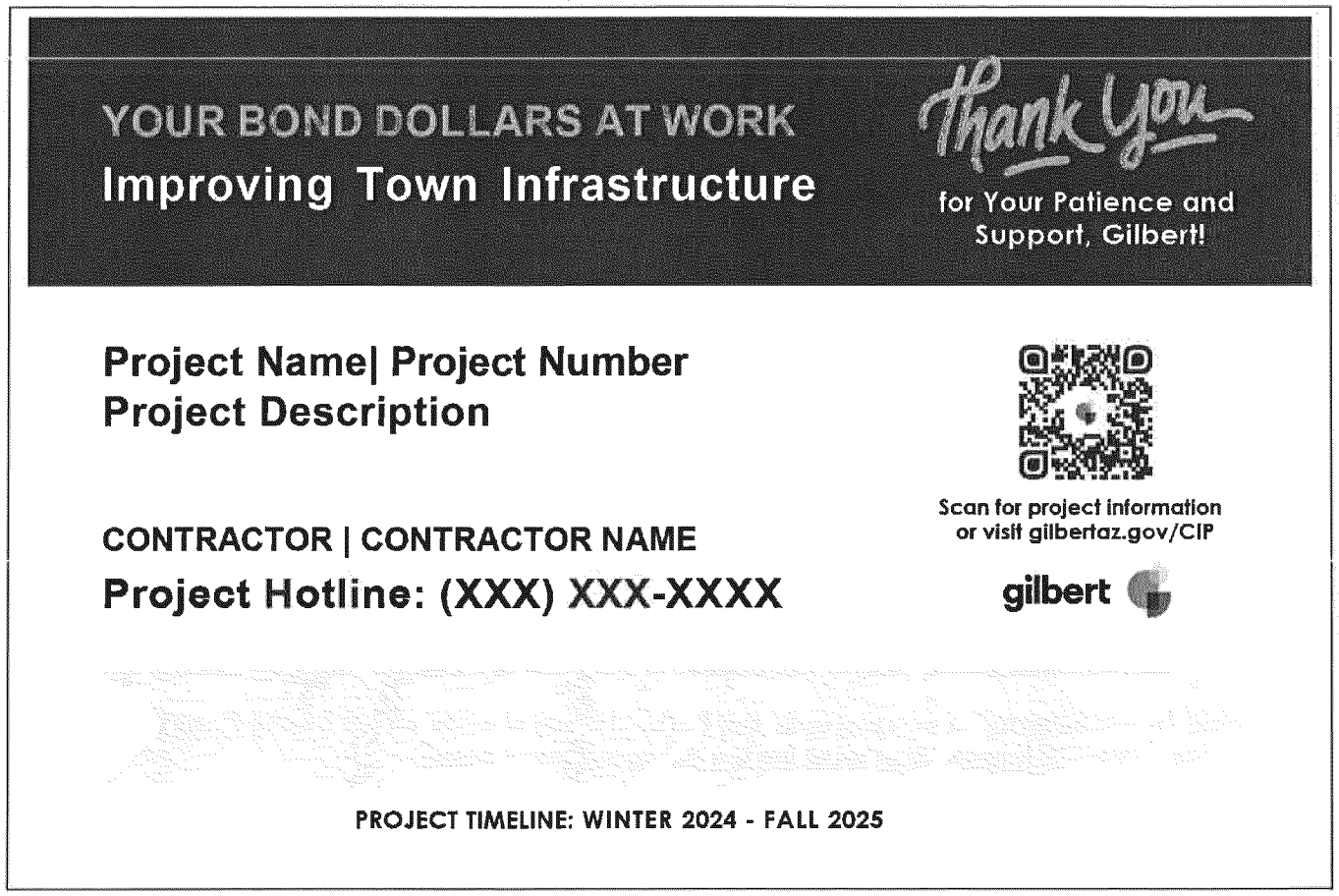
Lettering shall be manufactured according to the Federal Manual on Uniform Traffic Control Devices (MUTCD) using Type "C" letters. Sign shall list the following information:

Banner at Top of Sign:
Project Name:
Contractor Name:
Project Hotline Number:
Project Timeline, Percent Complete:
QR Code:

The hotline number for the project will be supplied by Contractor. The hotline is intended to be an answering service that actually answers the phone 24/7, not a 24 hour "answering machine". The Contractor shall have a contact that is familiar with the project and will be reachable 24/7 to respond to any emergency that may arise in off-work hours.

Contractor shall submit a layout drawing to the Construction Manager for approval showing the location, size and color of lettering and logos. If needed, the Town can provide the Contractor a pdf or word file of the sign below for their use in preparing the sign.

Sign supports shall be 4-inch by 4-inch pressure treated posts, set a minimum of 2-feet in the ground. The bottom of the sign shall be a minimum of 4-feet above the ground.



INFORMATION SIGN DETAIL

As the project progresses, percent complete arrows (25%, 50%, 75%, 100% or other percentages approved by the Town) shall be added to the project sign.



ADD 107.15.2 EXISTING SITE CONDITIONS:
Prior to starting construction, the Contractor shall document existing street and property conditions. Acceptable documentation shall be a video-recorded tape, supplemented with digital photographs. The videotape shall not be made from a moving vehicle. One (1) copy of the documentation package shall be given to the Construction Manager at least 5 working days prior to the Contractor commencing work. Documentation of existing conditions shall extend a minimum of 300' past the construction limits of all roadways.

ADD 107.15.3 MEASUREMENT:
Measurement and payment for documenting existing conditions, public relations coordination, notifications, meetings and furnishing and installing information signs will not be measured for separate payment but shall be considered incidental and included in the price of other contract items listed in the JOC Price Book.

MAG SECTION 321 PLACEMENT AND CONSTRUCTION OF ASPHALT CONCRETE PAVEMENT

Modify and add the following to MAG Sections 321 and 710 to satisfy EVAC mix criteria:

ASPHALT CONCRETE – EVAC MIX CRITERIA

1.0 GENERAL:
Asphalt concrete shall be a mixture of asphalt cement and mineral aggregates. Mineral admixture, mineral filler and anti-stripping agent shall be included in the mixture when required by the mix design or by the Engineer. All materials shall be proportioned by weight, volume or a combination in a central mix plant in the proportions required by the mix design to provide a homogeneous and workable mass. Asphalt concrete shall be produced in accordance with the MAG Specification Sections 321 and 710 with the following modifications:

A. Subsection 321.5 - Delete 1st paragraph and substitute the following: "If the contractor/supplier elects to change the source of material for a mix that is already on the EVAC approved list, the contractor/supplier shall furnish a new mix design that is in accordance with the EVAC criteria. Upon review and approval of the new mix design by EVAC, the new mix design will replace the originally approved mix design to the approved EVAC list."

B. Subsection 321.10.2 - Delete reference to "fan drying per AASHTO T209 Section 15."

C. Subsection 710.1 – Delete the 2nd sentence in the 1st paragraph and substitute the following: "Mineral admixture, mineral filler and anti-stripping agent shall be included in the mixture when required by the mix design or by the Engineer. All materials shall be proportions by weight, volume or a combination in a central mix plant in the proportions required by the mix design to provide a homogeneous and workable mass."

D. Subsection 710.2.2 - Delete the last paragraph and substitute the following: "The natural sand shall not exceed 15 percent for Marshall Mixes and Gyratory Mixes by weight of the total aggregate for a mix."

E. Subsection 710.2.4 - Add the following text to this subsection: "When liquid anti-stripping agents are used, the agent shall conform to the requirements of AASHTO designation R 15-89. The agent shall be added in accordance with the manufacturer's recommended dosage rate. Other mineral filler, mineral admixture, or anti-stripping agents shall be approved by the Engineer prior to start of mix design."

F. Additional Requirements:

The designation for asphalt concrete mixes shall be based on the nominal maximum aggregate size of the mix. The applicable mix designations are: 3/8-inch, ½-inch, ¾-inch and 1-inch mix.

The EVAC committee maintains two lists of approved asphalt mixes: one for conventional mix designs and one for polymer-modified, terminal blend rubberized mix designs (PMTR+ mixes). The conventional mix designs shall comply with **Section 2.0** herein. The PMTR+ mix designs shall be as specified in **Section 3.0**. Use of the PMTR+ mix designs will be as determined by the Town and as specified in their supplements to MAG and/or as covered in these specifications.

Recycled Asphalt mixes are not part of the EVAC approved lists. The Town does not allow these mixes unless approved by the Town Engineer.

Each mix shall be designed using Marshall or Gyratory compaction methods. Either Gyratory or Marshall Mixes may be used for low or high traffic conditions as determined by the Town. Low traffic conditions are conditions where the asphalt mix will be subject to low volume and low weight vehicle usage. Examples of this condition are residential streets, most parking lots and residential minor collector streets. High traffic conditions are conditions where the asphalt mix will be subject to high volume and/or heavy weight vehicle usage as found on major collector, arterial and commercial streets. Street classifications (i.e. minor collector and major collector) shall be determined by the Town.

Unless otherwise determined by the Town, the following table (Table 1) displays the required minimum lift thickness for various asphalt concrete mix designations found within MAG Standard Specification Section 710. Please note that these are based on each mix designation's nominal maximum aggregate size. The compacted thickness of layers placed shall not exceed 150% of the Minimum Lift Thickness of Table 1 except as otherwise provided in the plans and specifications, or as approved in writing by the Engineer.

TABLE 1

RECOMMENDED MINIMUM LIFT THICKNESSES for ASPHALT CONCRETE MIXES

Asphalt Concrete Mix Designation (inches)	Minimum Lift Thickness Marshall Mixes	Minimum Lift Thickness Gyratory Mixes
3/8-inch	1.0 inches	1.5 inches
½-inch	1.5 inches	2.0 inches
¾-inch	2.5 inches	3.0 inches
1-inch	3.0 inches	NA

2.0 CONVENTIONAL MIXES:

2.1 MATERIALS:

2.1.1 Asphalt Binder: The asphalt binder specified in this section has been developed for use in desert climate conditions. Should it be utilized in other climates, consideration should be given to adjustments in the asphalt binder selection. The asphalt binder shall be Performance Grade Asphalt conforming to the requirements of MAG Standard Specification Section 711 for PG 70-10 or PG 76-16, unless otherwise approved by the Engineer or specified differently in the plans or special provisions.

2.1.2 Aggregate: Coarse and fine aggregates shall conform to the applicable requirements of this section. Coarse mineral aggregate shall consist of crushed gravel, crushed rock or other approved inert material with similar characteristics, or a combination thereof, conforming to the requirements of these specifications.

Coarse aggregate for hot mix asphalt is material retained on or above the No. 4 sieve and fine aggregate is material passing the No. 4 sieve. Aggregates shall be relatively free of deleterious materials, clay balls and adhering films or other material that prevent coating with the asphalt binder. Coarse and fine aggregates shall conform to the following requirements when tested in accordance with the applicable test methods.

TABLE 2
COARSE/FINE AGGREGATE REQUIREMENTS

Characteristics	Test Method	Low Traffic	High Traffic
Fractured Faces, % (Coarse Aggregate	Arizona 212	75, 1 or more	85, 1 or more 80, 2 or more
Uncompacted Voids, % Min.	AASHTO T-304, Method A	42	45
Flat & Elongated Pieces, % 5:1	ASTM D4791	10.0 Max.	10.0 Max.
Sand Equivalent, %	AASHTO T-176	50 Min.	50 Min.
Plasticity Index	AASHTO T-90	Non-plastic	Non-plastic
L.A. Abrasion, %Loss	AASHTO T-96	9 max. @ 100 Rev.	9 max. @ 100 Rev.
Combined Bulk Specific Gravity	AI MS-2/SP-2	2.35 – 2.85	2.35 – 2.85
Combined Water Absorption	AI MS-2/SP-2	0 – 2.5%	0 – 2.5%

Tests on aggregates used in asphalt concrete outlined above, shall be performed on materials furnished for mix design purposes and composited to the mix design gradation.

Blend sand (naturally occurring or crushed fines) shall be clean, hard and sound material which will readily accept asphalt binder coating. The blend sand grading shall be such that, when it is mixed with the other mineral aggregates, the combined product shall meet the requirements of Table 2.

The natural sand shall not exceed 15 percent for the Marshall and Gyratory mixes by weight of the total aggregate for a mix.

2.1.3 Minerai Admixture: Minerai admixture when used as an anti-stripping agent in asphait concrete shall conform to the requirements of AASHTO M-17. Mineral admixture used in asphalt concrete shall be dry hydrated lime, conforming to the requirements of ASTM C1097 or Portland cement conforming to ASTM C150 Type II or ASTM C595 Type IP. The amount of hydrated lime or Portland cement used shall be determined by the mix design. The minimum mineral admixture content within a mix will be 1.00 percent, by weight of total aggregate. When liquid anti-stripping agents are used, the agent shall conform to the requirements of AASHTO designation R 15-89. The agent shall be added in accordance with the manufacturer's recommended dosage rate. Other mineral filler, mineral admixture or anti-stripping agents, shall be approved by the Engineer prior to the start of the mix design.

2.2 MIX DESIGN REQUIREMENTS:

2.2.1 General: The mix design for asphalt concrete shall be prepared by a laboratory that is accredited through the AASHTO Accreditation Program (AAP) in Hot Mix Asphalt Aggregates and Hot Mix Asphalt. The laboratory shall be under the direct supervision of a Civil Engineer registered by the State of Arizona, and who is listed by ADOT as a "Qualified Asphaltic Concrete Mix Design Engineer" within ADOT's latest list of approved laboratories. The latest list of approved laboratories is available on ADOT's web page www.azdot.gov. The date of the design shall not be older than one year from the date of submittal unless supportive documentation is provided and approved by the Engineer.

The mix design report shall include the following elements:

(1) The name and address of the testing organization and the person responsible for the mix design report.

(2) The mix plant identification and/or location as well as the supplier or producer name.

(3) A description of all products that are incorporated in the asphalt concrete along with the sources of all products, including admixtures and asphalt binder, and their method of introduction.

(4) The supplier and grade of asphalt binder, the source and type of mineral aggregate, and the percentage of asphalt binder and mineral admixture used.

(5) The mix design report shall state the traffic condition (low or high traffic) and size designation. In all cases Gyratory based mix designs shall be designated as high traffic mixes. Marshall based mix design shall be designated either low or high traffic mixes.

(6) The results of all testing, determinations, etc., such as specific gravity and gradation of each component, water absorption, sand equivalent, loss on abrasion, fractured coarse aggregate particles, Tensile Strength Ratio (AASHTO T 283), Marshall stability and flow, asphalt absorption, percent air voids, voids in mineral aggregate and bulk density. Historical abrasion values may be supplied on existing sources. The submittal should include a plot of the gradation on the Federal Highway Administration 0.45 Power Gradation Chart, plots of the compaction curves and the results of moisture sensitivity

testing.

(7) The laboratory mixing and compaction temperature ranges for the supplier and grade of asphalt binder used within the mix design.

(8) A specific recommendation for design asphalt binder content and any limiting conditions that may be associated with the use of the design, such as minimum percentages of crushed or washed fine aggregate.

(9) The supplier's product code, the Laboratory Engineer's seal (signed and dated), and the date the design was performed. The mix design shall be submitted to the Town or Engineer by the Contractor/Supplier for which it was developed as part of his project submittals. Once the mix design has been approved by the Town or Engineer, the Contractor and/or his supplier shall not change plants nor utilize additional mixing plants without prior approval of the Engineer. Any changes in the plant operation, the producer's pit, the asphalt binder including modifiers in the asphalt binder, or any other item that will cause an adjustment in the mix, shall be justification for a new mix design to be submitted.

2.2.2 Mix Design Criteria: The mix design shall be performed by one of two methods, Marshall Mix Design or Gyratory Mix Design. The method shall be specified on the plans, special provisions, or by the Engineer. A minimum of 4 points will be used to establish the mix design results. The oven aging period for both Marshall and Gyratory Mix Design samples shall be 2 hours.

2.2.2.1

Marshall Mix Design: The Marshall Mix Design shall be performed in accordance with the requirements of the latest edition of the Asphalt Institute's MS-2 "Mix Design Methods for Asphalt Concrete" manual (AI MS-2). The mix shall utilize the compactive effort of 75 blows per side of specimen. The mix shall comply with the criteria in Table 3.

TABLE 3
MARSHALL MIX DESIGN CRITERIA

Criteria	Requirements				Designated Test Method
	3/8" Mix	1/2" Mix	3/4" Mix	1" Mix	
1. Voids in Mineral Aggregate: %, min	15.0	14.0	13.0	12.0	AI MS-2
2. Effective Voids: %, Range	4.0 ± 0.2	4.0 ± 0.2	4.0 ± 0.2	4.0 ± 0.2	AI MS-2
3. Absorbed Asphalt: %, Range *	0 - 1.0	0 - 1.0	0 - 1.0	0 - 1.0	AI MS-2
4. Dust to Eff. Asphalt Ratio, Range **	0.6 – 1.4	0.6 – 1.4	0.6 – 1.4	0.6 – 1.4	AI MS-2
5. Tensile Strength Ratio: %, Min.	65	65	65	65	ASTM D 4867
6. Dry Tensile Strength: psi, Min.	100	100	100	100	ASTM D 4867
7. Stability: Pounds, Minimum	2,000	2,500	2,500	3000	AASHTO T-245
8. Flow: 0.01-inch, Range	8 - 16	8 - 16	8 – 16	8 – 16	AASHTO T-245
9. Mineral Aggregate Grading Limits	Percent Passing with Admix shall be per MAG Table 710-3				AASHTO T-27

* Unless otherwise approved by the Engineer.
** The ratio of the mix design composite gradation target for the No. 200 sieve, including admixture, to the effective asphalt content shall be within the indicated range.

2.2.2.2

Gyratory Mix Design: Gyratory Mix Designs shall be performed in accordance with the requirements of latest edition of the Asphalt Institute's SP-2 manual (AI SP-2). Mix design laboratory compacted specimens shall be prepared using a gyratory compactor in accordance with AASHTO T- 312.

The mix design shall be formulated in a manner described for volumetric mix designs in the current edition of the Asphalt Institute Manual SP-2, except the number of trial blend gradations necessary will be determined by the mix design laboratory. Duplicate gyratory samples shall be prepared at a minimum of four (4) binder contents to select the recommended binder content. The completed mix design shall meet all the mineral aggregate and mix design criteria specified herein.

For purposes of design, the number of gyrations shall be 8 for N_{ini}, 100 for N_{des}, and 160 for N_{max}. The corrected density of the specimens shall be less than 89.0 percent of maximum theoretical density at 8 gyrations. The corrected density of the specimens shall be less than 98.0 percent of maximum theoretical density at 160 gyrations.

The Gyratory mix shall comply with the criteria in Table 4.

TABLE 4

GYRATORY MIX DESIGN CRITERIA

Criteria	Requirements			Designated Test Method
	3/8" Mix	1/2" Mix	3/4" mix	
1. Voids in Mineral Aggregate: %, Min	15.0	14.0	13.0	AI SP-2
2. Effective Voids: %, Range	4.0 ± 0.2	4.0 ± 0.2	4.0 ± 0.2	AI SP-2
3. Absorbed Asphalt: %, Range*	0 - 1.0	0 - 1.0	0 - 1.0	AI SP-2
4. Dust to Eff. Asphalt Ratio, Range**	0.6 – 1.4	0.6 – 1.4	0.6 – 1.4	AI SP-2
5. Tensile Strength Ratio: %, Min	75	75	75	AASHTO T-283
6. Dry Tensile Strength: psi, Min	75	75	75	AASHTO T-283
7. Mineral Aggregate Grading Limits	Percent Passing with Admix shall be per MAG Table 710-3			AASHTO T-27

* Unless otherwise approved by the Engineer.
** The ratio of the mix design composite gradation target for the No. 200 sieve, including admixture, to the effective asphalt content shall be within the indicated range.

2.2.2.3

Moisture Sensitivity Testing: Moisture sensitivity testing will be performed in accordance with AASHTO Test Method T283 for both Marshall and Gyratory Mix Designs. The minimum required Tensile Strength Ratio is indicated in the tables above.

3.0 POLYMER MODIFIED, TERMINAL BLEND MIXES:

The EVAC maintains a list of approved polymer-modified terminal blend rubberized mix designs (PMTR+ mixes), as specified in this section. Use of the PMTR+ mix designs will be determined by the Town. Street widening and trench patches shall match the existing arterial asphalt surface type.

3.1 GENERAL:

The materials, mix design and installation of the PMTR+ asphalt mixes shall comply with MAG Section 321 and 710 as modified herein.

The asphalt concrete mix should be ½-inch (12.5mm) dense graded 75 blow Marshall design for High traffic condition. The mix design shall be in accordance with Section 710, except for the blow count and binder content range. The design binder content shall be a minimum of 6.0% for arterial streets and a minimum of 6.2% for other street classifications. Production tolerances are per MAG specifications and shall be +/- 0.4%. The design pavement thickness is 2.0 inches unless otherwise noted.

3.2 ASPHALT CEMENT:

The asphalt cement shall be terminal-blended crumb rubber with polymer-modified SHRP Graded PG 76-22 TR+ in accordance with the requirements of the Asphalt Institute's Performance Graded Asphalt Binder Specification and Testing Manual, SP-1, except as modified in Tables 5 through 7 below:

TABLE 5
Binder Composition
10 percent (1 percent +/-) Ground Tire Rubber
90 percent (3 percent +/-) Asphalt Cement
2 percent (minimum) SBS Polymer

TABLE 6	
TYPE II GROUND TIRE RUBBER GRADATION	
Sieve	**Percent Passing**
No. 10	100
No. 16	95-100
No. 30	40-80
No. 50	0-20
No. 200	0-5

TABLE 7		
SHRP GRADED PG 76-22 TR+ SPECIFICATIONS (HOT CLIMATE)		
Property	**Test Method**	**Requirement**
Original Physical Properties		
Ground Tire Rubber (percentage of weight of total asphalt cement)	Certificate of Compliance	9 percent (min.)
COC Flash Point, °F	ASTM D-92	450 (min.)
Softening Point, °F	ASTM D-36	140 (min.)
Elastic Recovery @ 10° C, percent	ASTM D-6084	55 (min.)
Solubility, percent	ASTM D-2042	98 (min.)
Specific Gravity @ 60° F	-------	Report
Weight per Gallon @ 60° F	-------	Report
Original		
G*/ Sin δ @ 76° C @ 10 rad/sec, kPa	-------	1.0 (min.)
δ, Phase angle, Degrees	-------	75 (max.)
RFTO Aging		
G*/ Sin δ @ 76° C @ 10 rad/sec, kPa	-------	2.20 (min.)
PAV Aging (110°C)		
G*/ Sin δ @ 31° C @ 10 rad/sec kPa	-------	5,000 (max.)
Creep Stiffness, TP1 S, -12° C @ 60 sec, MPA	-------	300 (max.)
M-Value, -12° C @ 60 sec	-------	0.300 min.)

3.3 LIME WATER:

An application of lime water may be applied by the Contractor to the compacted PMTR+ mix asphalt concrete surface after final compaction prior to opening the roadway to traffic as directed by the Engineer or agency's field representative to cool the pavement to prevent tracking and pick-up. If the roadway is not to be opened to traffic that day, no lime water shall be used.

When used, the lime water solution shall be applied at the rate of approximately ½ gallon per square yard of finished surface area. The lime shall be mixed using a maximum of one 50-pound bag of lime per 3,000 gallons of water. No more than one application per day for that day's production will be permitted.

3.4 PAVEMENT THICKNESSES:

The placement and construction of the asphalt pavement shall be as specified in MAG Section 321. Thickness of asphalt concrete lifts is to be determined from the following table:

TABLE 8
ASPHALT PAVEMENT LIFT THICKNESS

Total Asphalt Thickness (Inches)	1/2" Mix Lift Thickness (Inches)	3/4" Mix Lift Thickness (Inches)
Arterial		
1.5	1.5	
2.0	2.0	
3.0	3.0	
4.0	1.5	2.5
5.0	2.0	3.0
6.0	2.0	4.0
Residential		
1.5	1.5	
2.0	2.0	
2.5		2.5
3.0		3.0
4.0		4.0
5.0	2.0	3.0
6.0	2.0	4.0

Add the following specification:

ASPHALT CONCRETE – ULTRA THIN BONDED WEARING COURSE

DESCRIPTION:
The work under this section is for the design, testing methods, and quality control procedures for the application of an **"Ultra Thin bonded wearing course."**

This specification covers the requirements for the placement of an Ultra Thin Bonded Wearing Course and shall consist of application of a warm Polymer Modified Emulsion Membrane followed immediately with an ultra-thin overlay of hot asphalt concrete. The Polymer Modified Emulsion Membrane shall be spray applied immediately prior to the application of the hot asphalt concrete overlay so as to produce a homogeneous wearing surface that can be opened to traffic immediately upon sufficient cooling.

APPLICABLE SPECIFICATIONS:
The following agencies specifications and test methods are applicable to the construction of microsurfaces and may be used as appropriate.

AASHTO	American Association of State Highway and Transportation Officials
ASTM	American Society for Testing and Materials
ISSA	International Slurry Seal Association
ADOT	Arizona Department of Transportation

SUPPLY OF MATERIALS:
The Contractor shall supply all materials necessary for the performance of the work in accordance with these specifications.

The Contractor shall be responsible for the safety and insurance of all materials of which he has taken delivery, until the work is completed and accepted by the Town, and shall take all necessary precautions to avoid loss by fire or theft or damage by water and shall bear the cost of replacing any such material that is lost, split, destroyed or damaged after delivery of material.

MATERIALS:
Materials shall be approved by the Street Superintendent prior to the start of construction. Certificates of Compliance will accompany each delivery of emulsion.

Course Aggregate:
The coarse aggregates selected should be those typically used for high performance surfaces. Coarse aggregate should meet the skid resistance criteria as set forth by the specifying agency or have a history of successful use in surface mixes. Coarse aggregates, material retained above the #4 sieve, shall be from approved sources and shall meet the requirements listed in Table 1.

Coarse aggregates, such as crushed gravel, limestone, dolomite, sandstone, granite, chert, taprock, ore tailings, slag, or other similar materials, or blends of two or more of the above may be acceptable. When coarse aggregates for these mixes are from more than one source or of more than one type of material, they shall be proportioned and blended to provide a uniform mixture if approved by the Street Department representative.

Table 1 - Coarse Aggregate – Properties*			
Tests		Method	Limit
Los Angeles abrasion value[1], % loss		AASHTO T 96-94	35 max
Soundness[1], % loss	Magnesium Sulfate or Sodium Sulfate	AASHTO T 104-94	18max 12 max
Flat & Elongated Ratio, % @ 3:1		ASTM D 4791	25 max
% Crushed, single face		ASTM D 5821	95 min
% Crushed, Two or more Mechanically crushed faces		ASTM D 5821	85 min
Micro-Deval, % loss		AASHTO TP58-99	18 max

*All testing must be performed by an AMRL inspected laboratory or be an agency certified laboratory.

[1]**Note:** Values shown for these tests are targets for aggregate selection purposes. The results of these tests should not be the sole basis for rejection.

Fine Aggregate:
The fine aggregates will be part of the asphalt mastic. The fine aggregate, passing the #4 sieve, shall be from approved sources and shall meet the requirements of Table 2. Crushed gravel shall not be allowed for use as a fine aggregate.

Table 2 - Fine Aggregate – Properties*		
Tests	Method	Limit
Sand Equivalent[2]	AASHTO T 176-86	45 min
Methylene Blue[1] (on materials passing 200)	AASHTO TP 57-99	10 max
Uncompacted Void Content	AASHTO T 304-96	40 min

*All testing must be performed by an AMRL inspected laboratory or be an agency certified laboratory.

[2]**Note**: Values shown for these tests are targets for aggregate selection purposes. The results of these tests should not be the sole basis for rejection. If the finished bituminous mixture passes the AASHTO T-283 requirement in the Mix Design section, the sand equivalent and methylene blue requirements may be waived.

Mineral Filler:
Mineral filler may be used as an option to aid in meeting the gradation requirements. Hydrated Lime, certain classes of fly ash, bag house fines and Type 1 Portland cement are acceptable as mineral filler. Mineral fillers shall meet the requirements in Table 3.

Table 3 – Mineral Filler Requirement*
Typical acceptable gradation:
100% passing #30 sieve
75-100% passing #200 sieve

*All testing must be performed by an AMRL inspected laboratory or be an agency certified laboratory.

Asphalt Binder:
The asphalt binder shall meet the following requirements:

Bituminous Material shall be SHRP Graded PG 76-22 TR+ conforming to the requirements of MAG Section 335 and 717 of the Standard Specifications, except for the following:

The SHRP Graded PG 76-22 TR+ shall conform to the following:

BINDER COMPOSITION	
Ground Rubber	10% +/- 1%
Asphalt Cement	90% +/- 3%
Polymer	2% Minimum
PROPERTIES	
Ground Tire Rubber	9% Minimum
COC Flash Point, F (ASTM D92)	450 Minimum
Softening Point, F (ASTM D36)	140 Minimum
Elastic Recovery @ 10C (ASTM D6084)	55% Minimum
Specific Gravity @ 60F	Report
Weight per Gallon @ 60F	Report
Dynamic shear of Original Binder: G* / sin δ @ 76°C @ 10 rad/sec, kPa	1.00 kPa Minimum
Dynamic shear of RFTO Binder: G* / sin δ @ 76°C @ 10 rad/sec, kPa	2.20 kPa Minimum
Dynamic shear of PAV Aging Binder: G* x sin δ @ 31°C @ 10 rad/sec, kPa	5,000 kPa Maximum
Creep stiffness, S, @ -12C @ 60 sec	300 mPa Maximum
Creep rate, m-value, @ -12°C @ 60 sec	0.300 Minimum

Polymer Modified Emulsion Membrane:
The emulsion shall be polymer modified and shall be in accordance with Table 5:

Table 5 – Polymer Modified Emulsion Membrane Requirements				
Tests on Emulsion		Method	Min.	Max.
Viscosity, Saybolt Furol @ 77°F, s		AASHTO T59	20	100
Storage Stability Test[3], 24 h, %		AASHTO T59		1
Sieve Test[4]		AASHTO T59		0.05
Residue by Distillation[5], %		AASHTO T59	63	
Oil Distillate by Distillation, %		AASHTO T59		2
Demulsibilty, %	35 ml, 0.02 N $CaCl_2$ or	AASHTO T59	20	
	35ml, 0.8% dioctyl sodium sulfosuccinate	AASHTO T59		
Tests on Residue From Distillation				
Penetration		AASHTO T49	60	150
Solubility in Organic Solvent[6], %		AASHTO T44	97.5	
Elastic Recovery, %		AASHTO T301	60	
[3]**Note**: After standing undisturbed for 24 hours, the surface shall show no white, milky colored substance, but shall be a smooth homogeneous color throughout. [4]**Note**: The sieve test is waived if successful application of the material has been achieved in the field. [5]**Note**: AASHTO T59 with modifications to include a 400°F ± 10°F maximum temperature to be held for a period of 15 minutes. [6]**Note**: The organic solvent shall be approved by the Street Dept. representative as suitable. The test may be waived by the Street Dept. representative.				

MIX DESIGN:
The contractor shall formulate and submit a job mix formula (JMF) that satisfies the design general limits listed in Table 6 - Mixture Requirements. The job mix formula with the tolerances listed in Table 7 may exceed the Design General Limits. Mix design and proportioning will be approved by the Street Dept. representative prior to the start of the project.

Table 6 - Mixture Requirements*			
Composition by weight percentages			
Sieves	#4 - Type A	3/8 in - Type B	½ in - Type C
ASTM	Design General Limits % Passing	Design General Limits % Passing	Design General Limits % Passing
¾ in [7]			100
½ in		100	85 - 100
3/8 in	100	85 - 100	60 - 80
#4	40 - 55	25 - 38	25 -38
#8	22 - 32	22 - 32	22- 32
#16	15 - 25	15 - 23	15 - 23
#30	10 - 18	10 - 18	10 - 18
#50	8 - 13	8 - 13	8 - 13
#100	6 - 10	6 - 10	6 - 10
#200	4 - 7	4 - 7	4 - 7
Asphalt Content, %	5.0 - 5.8	4.8 - 5.6	4.6 - 5.6
All testing must be performed by an AMRL inspected laboratory or be an agency certified laboratory. [7]**Note**: A target of 100% passing the 5/8" sieve is recommended. Mixtures containing 5/8" aggregate size will require greater paving thickness.			

The limits of the target application rate of the asphalt emulsion shall be 0.20 ± 0.07 gal./sq. yd. The mix design shall determine the target application rate.

Drain down from the loose mixture shall not exceed 0.10% when tested in accordance with AASHTO T305.

The tensile strength shall meet or exceed 80% when tested in accordance with AASHTO T-283. Specimens for AASHTO T-283 shall be 4 in diameter and compacted in accordance with AASHTO TP-4 to 100 gyrations. The mixing and compaction temperatures shall be those recommended by the PG binder supplier.

The mixture shall not contain reclaimed materials.

CONSTRUCTION:

Weather:
The Ultra-Thin Bonded Wearing Course shall not be placed on a wet pavement. The pavement surface temperature and the ambient air temperature shall be not less than 50°F at the time of placement.

Equipment:
The paver shall be self-priming, designed and built for applying the Ultra-Thin Bonded Wearing Course and be approved by the Street Department representative. The paver shall have a receiving hopper, dual feed augers, and asphalt emulsion storage tank, a system for measuring the Polymer Modified Asphalt Emulsion Membrane volume applied, spray bar and a heated, variable width, combination vibratory-tamping bar screed. The paver shall be capable of spraying the Polymer Modified Asphalt Emulsion Membrane, applying the hot mix asphalt overlay and leveling the surface of the mat in one pass. The paver shall be capable of placing the hot mix asphalt within three (3) feet after the application of the Polymer Modified Asphalt Emulsion Membrane. The paver shall be capable of paving at a controlled speed from 30 - 90 feet/minute. No wheel or other part of the paving machine shall come in contact with the Polymer Modified Emulsion Membrane before the hot mix asphalt concrete wearing course is applied. The screed shall have the ability to crown the pavement at the center and have vertically adjusted extensions to accommodate the desired pavement profile.

Surface Preparation:
Immediately prior to applying the polymer modified asphalt, the surface shall be cleaned by sweeping, flushing, or other means necessary to remove all loose particles of paving, all dirt, all raised pavement markers and all other extraneous material, this also includes the removal of grass or weeds growing in joints between the street and the concrete gutter. Pavements impregnated with grease, oil, or fuel shall be thoroughly cleaned. The surfaces shall be cleaned with a self-propelled pick-up broom. When necessary, cleaning shall be supplemented by hand brooms. The bituminous material shall not be applied until an inspection of the surface has been made by the Street Dept. representative and he has determined that it is suitable.

NOTIFICATION:

Notice:
The Contractor shall notify the property owners, tenants, post office, mass transit authorities, and any other parties which may be affected, in writing and distribute the notice at least forty-eight (48) hours prior to, and no earlier than seventy-two (72) hours prior to doing any work on or in front of any driveway or for any street restrictions that will affect access to their property. The Contractor shall provide copies to the Town of Gilbert Inspector for notification of Town of Gilbert departments, such as Sanitation, Police and Fire Departments. The notification shall be for the purpose of allowing the referenced parties to remove any vehicles, reschedule routes, etc., as required, prior to construction and should specify the length of time the driveway and/or street will be out of service. The notification shall include that parking will not be permitted during the affected times. Alternate access shall be provided as directed by the Town of Gilbert Inspector at no additional cost to the Town.

Re-notification:
If there are any delays in the construction, property owners and other affected entities shall be notified of the delays and then re-notified of the new schedule. Re-notification shall also be done in writing and at least forty-eight (48) hours prior to, and no earlier than seventy-two (72) hours prior to doing any construction work in the notification area. All costs incurred for notification shall be provided at no additional cost to the Town.

Complaints:
The Contractor shall respond to all Customer/Citizen calls or complaints resulting directly or indirectly from this project within two (2) hours of receipt, and shall resolve any issue within forty-eight (48) hours. This shall be done at no additional cost to the Town.

Tracking:
The Contractor shall resolve all complaints regarding sealant tracking on driveways and vehicles. Contractor is responsible for cleaning all driveways and vehicles to the satisfaction of the resident and the Town Inspector. This will be done at no additional cost to the Town of Gilbert.

PROTECTION of EXISTING SERVICES:
The Contractor shall take all necessary precautions to prevent wearing course or other materials used on the work from entering or adhering to gratings, hydrants or valve boxes, manhole covers, bridge or culvert decks, and other fixtures. Immediately after surfacing the contractor shall clean off, protect and leave any such material, including grating and manholes, in a satisfactory condition. Any damages that may occur to the structures above will be repaired or replaced at contractor's expense, with no additional cost to the Town of Gilbert.

JOINTS:
No excessive buildup or unsightly appearance shall be permitted on longitudinal or transverse joints. A maximum of 4.0" overlap will be permitted on longitudinal joints. The contractor shall provide suitable width spreading equipment to produce a minimum number of longitudinal joints throughout the work. Half passes and odd width passes will be used only in minimum amounts. If half passes are used, they cannot be the last pass of any paved area. Care shall be taken to ensure straight lines along curb and shoulders. No runoff on these areas will be permitted.

HAND WORK:
Approved hand lutes shall be used to spread the mixture in areas inaccessible to the spreader box and other areas where hand spreading may be required.

TRAFFIC CONTROL:
Vehicular access to residences and businesses will not be permitted across the wearing course until dry. It will be the Contractor's responsibility to control traffic and not allow traffic on or across wearing course until it is dry. Contractor is responsible for any damage that occurs due to failure by Contractor to control traffic.

Traffic control permit applications and traffic control plans shall be submitted to Community Development for approval (480) 503-6700. **Construction shall not commence without an approved Traffic Control Plan.**

During construction it may be necessary to alter traffic control. Alterations shall be in accordance with the aforementioned specifications and approved by Traffic Engineering Division. Contact person is Sergio Figueroa (480-503-6170) or Tad Fagerholm (480-503-6940). If cones are to be used for traffic delineation, they shall be twenty-eight inch (28") cones with heavy bases.

The Contractor shall be responsible for centerline barricades until centerline stripes are placed.

The Contractor will place advanced warning signs at major intersections on streets to be sealed for both directions of travel in accordance with Subsection 107.15.1 of these Special Conditions. Signs will be placed at least seven (7) days prior to sealing of the signed sections.

UNIFORMED POLICE OFFICERS:
See Section 401 of these Special Conditions.

EQUIPMENT REPLACEMENT:
Any equipment or piece of equipment that fails to produce the desired surface shall be repaired and/or replaced by the contractor at no cost to the Town. The Street Department representative shall determine if the equipment and/or finished product are in compliance.

PROTECTION of COVERS:
All utility appurtenances and survey monuments, i.e. manholes, valves, etc. shall be covered prior to applying wearing course. A squeegee method will not be permitted. The contractor shall submit the method to be used to the Street Department representative for approval prior to work commencement. All utility appurtenances and survey monuments shall be marked outside the wearing course portion of the pavement with the offset and location prior to paving.

DAILY SCHEDULE:
The Contractor may be required to provide three (3) copies of its schedule every Thursday for the following week's work. The schedule shall include, but not be limited to the following: A map indicating the streets to be resurfaced each day including limits, the sequence of streets for each day's work, and which side of the street to be resurfaced for each day's work.

SPECIAL PROVISIONS:

Site Clean-up:
Work site cleaning will be required daily to remove any debris caused by the asphalt milling / overlay operation or related activities. Any area of asphalt milling / overlay started must be completed in the same week. No area of milled surface will be allowed to remain exposed during a weekend period. All cleanup will be included within the overlay unit price bid items.

STOP WORK:
The Town of Gilbert reserves the right to stop work on this work at any time if in their opinion,

A. Weather conditions become adverse for doing requested work.
B. Work quality is not acceptable.
C. Other conflicts in Contractor equipment or personnel cause delays in getting work completed.
D. Work schedule / location conflicts with other Town of Gilbert activities.

MILLING OPERATION:
The Contractor will be required to mill areas determined in the field by the Engineer and the Contractor in accordance with MAG Section 317. Milling will be completed in accordance with other contract bid items listed in the JOC Price Book.

ROLLING:
Rolling of the wearing course shall consist of two (2) passes with a steel double drum asphalt roller with a minimum weight of 5 tons. Rolling shall immediately follow the placement of the Ultra-Thin Bonded Wearing Course. Adequate rollers shall be supplied so that the initial knock down is accomplished promptly following the placement of the material. A release agent (added to the water) may be required to prevent adhesion of the fresh mix to the roller drum. Excessive rolling of the mat, to the extent of aggregate breakage, shall not be allowed.

VALVES AND MANHOLE ADJUSTMENTS:
The Contractor will be required to adjust water valves, manholes, and survey markers. These items will be adjusted in accordance with other contract bid items listed in the JOC Price Book. The Contractor shall take into consideration some concrete collars are larger in diameter than what is called for in MAG details and specifications. The Town requires that all existing concrete be removed prior to the placement of new concrete. There will be no additional cost to the Town for oversized concrete collars.

MAG SECTION 401 TRAFFIC CONTROL

401.1 DESCRIPTION: is modified to add:
Traffic control shall be in accordance with *The Manual on Uniform Traffic Control Devices (2023 or Latest Edition) & Supplement Part 6.*

The Contractor shall designate an employee other than the superintendent to be the Traffic Control Supervisor (TCS) responsible for implementing and maintaining the approved Traffic Control Plans (TCP). This employee will have access to all emergency numbers, barricade company contacts and coordination with the Engineer. This individual will also hold current certification as a Traffic Control Supervisor issued by American Traffic Safety Services Association (ATSSA) or equivalent. The TCS shall maintain a daily log of work zone conditions by date and time. Such log shall be stored on-site and be available to Town of Gilbert representatives. Items which should appear in the daily log include: if the site had been checked before or after each work day, if any maintenance of devices or temporary alterations were conducted, by whom, any evidence of accidents or device damages.

The maximum posted speed through a restricted construction zone shall be 25 mph or as directed by the Town Traffic Engineer.

The Contractor shall provide and maintain all necessary traffic controls, to protect and guide traffic for all work in construction areas.

The Contractor shall maintain all existing traffic signs erect, clean and in full view of the intended traffic at all times throughout the project. If any signs interfere with construction, the Contractor shall notify the Engineer so that appropriate permission can be given to the Contractor to remove said

signs. Signs will be stored in a safe environment so that the integrity of the sign can be maintained until the sign can be reset. The Contractor shall be responsible for having all temporary traffic control signs installed and maintained during construction.

Existing driveways and access to residences, alleys, parking lots, utility facilities and private property shall be maintained at all times. Short-term closures may be permitted subject to notification to the owner seven calendar days in advance of the proposed closure and the approval of the Town of Gilbert's Traffic Engineer. At the direction of the Engineer, flaggers will be required when the Contractor is working at or restricting any of the driveways for private property access. Signing that may be required, as directed by the Town of Gilbert's Traffic Engineer, for business access shall be in conformance with the applicable standard for the Town.

The Town Traffic Engineer may require that additional off-duty police officers be placed at surrounding signalized or non-signalized intersections to assist with traffic during construction outside of those required in the Traffic Control Plan. The Contractor must provide evidence of workmen's compensation coverage before any officer will be permitted to work.

All traffic flaggers used on the project must be ATSSA (American Traffic Safety Services Association) certified or approved equivalent, or an off-duty Town of Gilbert police officer when approved as called out below.

The Contractor shall prepare traffic control plans (TCP) for the project and submit them along with the Traffic Engineering Permit Application for review and approval at least seven (7) working days before the pre-construction conference to the Town Development Services Department. The Town can take up to 20 days to review the plan then an additional 10 days to notify the traveling public of the road restrictions associated with the TCP. The TCP shall include all items necessary to safely control traffic in and around the work area, and address how local access to adjacent properties will be handled in accordance with the specifications herein. Any changes to the traffic control plan during construction shall be submitted to the Town for approval at least seventy-two (72) hours before implementation.

The Contractor is responsible for maintaining accurate dates on all traffic control signs placed on the project.

MAINTAINING TRAFFIC:
At a minimum, the Contractor is required to maintain one paved lane of traffic in each direction of travel at all times and left turns at existing intersections where they exist. Short-term and long-term lane restrictions must be coordinated with the Town and are subject to approval of the Town. Weekends are defined as Saturday morning at 2 a.m. until Monday morning at 2 a.m. Weekday off-peak periods are defined as times outside of 6 a.m. to 9 a.m. and outside of 3 p.m. until 7 p.m. If the Town approves short-term lane restrictions, the Contractor shall be required to maintain at least one lane open in each direction at all times.

NOTIFICATIONS:
The Contractor shall inform all agencies and residents affected by the project work of the construction schedule, traffic restrictions and detours. The notification shall include but not be limited to the following: emergency services, Gilbert Sanitation, all affected School Districts, Postal Service,

businesses and other agencies as required. All coordination shall be completed and documented in writing to the Town Traffic Engineer. Copies will be provided to the Engineer.

CONSTRUCTION TRAFFIC CONTROL REQUIREMENTS:
Contractor shall be required to obtain permits from the Town of Gilbert for any detours, closures and flagging operations.

401.6 MEASUREMENT: is hereby revised to read:
No measurement or payment will be made for traffic control costs associated with collector and residential street projects, costs shall be considered included in the price of other contract bid items listed in the JOC Price Book. Measurement and payment for traffic control costs associated with arterial street projects will be made at the contract lump sum price for the item listed in the JOC Price Book, which price will be negotiated on a project by project basis.

If required, the Contractor shall coordinate and schedule off-duty police officers with the Town of Gilbert as a part of the Contractor's traffic control work. **The Contractor will pay for the officers and the Town will reimburse the Contractor for the actual costs to the Contractor for this item.** The Contractor will be required to present an overall estimate of the hours required for off-duty police officers with the submission of his master schedule for the project. Officers charge a minimum of three hours to the project if scheduled. The Town will not pay reimbursements on any foreseen scheduling problems that could have been avoided by contractor; unforeseen problems will be considered. In the event that the Contractor fails to prosecute the work in a timely and orderly fashion, the Town shall notify the Contractor and reserves the right to negotiate a corresponding deductive change order with the Contractor based upon the actual cost that the Town will incur for the off duty officers. Scheduling will be done by Contractor and daily time sheets turned over to the Street Department representative. The Town's payment for police officers will be straight reimbursement; Contractor is not permitted to add mark up for off-duty officers. Contractor **shall schedule officers (48) hours in advance** by contacting Off Duty Management at:

- https://odm.officertrak.com/Gilbert-AZ-PD **or**
- Call Off Duty Management toll free at 1-877-636-8300

PRICE BOOK ITEMS

ROADWAY ITEMS:

ITEMS 1 to 24: Remove and Replace Various Concrete Street Improvements

ITEMS 25 to 35 and ITEMS 84 to 95: Remove Various Concrete Street Improvements

ITEMS 144 to 154 and ITEMS 198 to 210: Furnish and Install Various Concrete Street Improvements

The work under these items shall include furnishing and installing concrete items in accordance with MAG Section 340, the Town supplements to MAG Standard Specifications, MAG Standard Details, Town Standard Details and these Special Conditions.

The work to remove existing concrete improvements shall be completed in accordance with MAG Section 350 and these Special Conditions. The removal of tree roots six (6) inches or less in diameter shall be considered incidental and included as a part of the associated contract bid item. Tree roots shall be removed six (6) inches past the edge of the new concrete item being constructed. Any damage to landscaping and sprinkler systems shall be repaired or replaced by the Contractor at no additional cost to the Town. Prior to removing tree roots greater than six (6) inches in diameter, Contractor and Engineer shall agree on the limits of removal and negotiate a price for removals.

All concrete shall be Class A per MAG Section 725.

Existing Town of Gilbert concrete sidewalks, curbing, gutters and similar improvements may vary in thickness and exceed the MAG Specifications for thickness in some areas. The Contractor's Bid Item shall take into account varying conditions. This means the Contractor will not be paid any additional funds for the removal and disposal of materials that exceed MAG thickness standards. The Contractor will not be paid any additional funds for the costs of installing additional backfill, ABC or pouring additional concrete in order to achieve MAG standard thicknesses. All removals and replacements shall conform to MAG Specifications.

Contractor shall make all saw cuts at existing concrete expansion or tooled joints unless otherwise approved by the Engineer. Contractor shall saw cut along the lip of gutter where existing pavement is to remain in-place. When removing concrete, the Contractor shall make every effort to minimize damage to adjacent asphalt pavement, if any. If pieces of the existing pavement break off as part of the removal process, the Contractor shall repair the areas with cold-mix asphalt concrete as directed by the Engineer at no additional cost to the Town. If adjustments are required to the existing landscaping and irrigation systems, work shall be considered incidental to the concrete work unless pre-approved by the Engineer.

All new corner curb ramps and detectable warning surface panels shall be constructed in accordance with the current Public Right-of-Way Accessibility Guidelines (PROWAG). Detectable warning surface panels shall be furnished and installed with all new ramps in accordance with Town of Gilbert Standard Detail GIL-261. The warning plate shall have a length equal to the depressed ramp width but not less than 5' and have a depth of 2'. Plates do not need to be cut to conform to either the back

of curb radius or radial to the edge of wings. New concrete surfaces shall be flush with existing adjacent concrete surfaces. Contractor shall provide a sample of the detectable warning surface panel to the Engineer for approval prior to installation.

When existing corner ramps need to be retrofitted to accommodate new detectable warning surface panels, work shall be completed in accordance with Town of Gilbert Standard Detail GIL-261. Existing corner ramps shall be saw cut or concrete panels removed to furnish and install the new detectable warning surface panels. If existing ramp will be non ADA compliant with the new detectable warning surface panels, the Contractor shall notify Engineer before removing any concrete. The Town may elect to remove and replace the corner ramp and sidewalk in accordance with other contract bid items. New concrete surfaces shall be flush with existing adjacent concrete surfaces.

The removal of concrete from tops of scuppers and/or catch basins shall be in a manner that protects the existing reinforcement in-place. Reinforcement bars shall not be cut. To avoid damage, concrete may need to be removed by chipping away manually. Existing reinforcement that is damaged or removed shall be replaced by splicing to existing reinforcement by exposing additional reinforcement or drilling and epoxying new reinforcement as directed by the Engineer.

New concrete bus pads shall be furnished and installed in accordance with the City of Phoenix Standard Details P1260, P1261 and P1262 (See Appendix A) with the exception that fibermesh shall be used instead of welded wire mesh.

Measurement and payment for furnishing and installing concrete items will be made at the contract unit price for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including all excavation, backfill, grading, removal and disposal of material and other incidental work.

Measurement and payment for furnishing and installing detectable warning surface panels (for retrofit locations only) will be made at the contract unit price per square foot, which includes all equipment, labor and material, complete in-place, including saw cutting, removal and disposal of material, required grading, concrete, detectable warning surface and other incidental work.

ASPHALT ITEMS:

ITEMS 36 to 83 and ITEMS 96 to 143: Remove Various Asphalt Pavement Depths

ITEMS 155 to 181 and ITEMS 211 to 238: Furnish and Install Various Asphalt Pavement Depths

The removal of existing asphalt pavement shall be completed in accordance with MAG Section 350. Where only a partial thickness of the existing asphalt pavement is to be removed, this shall be accomplished by asphalt milling in accordance with MAG Section 317.

The Town of Gilbert is a member of the East Valley Asphalt Committee (EVAC). The Town uses the EVAC Hot Asphalt Mix Criteria provided in these Special Conditions and the Contractor shall use the most recent approved asphalt mixes that are available at the start of a project.

The work under these items shall also include furnishing and installing an **"ultra thin bonded wearing course"** in accordance with these Special Conditions.

The work under these items shall also include furnishing and installing an EVAC approved polymer-modified terminal blend rubberized mix designs (PMTR+ mixes), as specified in these Special Conditions. Use of the PMTR+ mix designs will be determined by the Town. Street widening and trench patches shall match the existing arterial asphalt surface type.

Measurement and payment for removing existing asphalt pavement and furnishing and installing new asphalt pavement items will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including the disposal of all material. Where existing asphalt is completely removed, the existing aggregate base course shall be leveled and compacted to satisfy requirements of Section 310 prior to placing asphalt. The leveling and compaction of the aggregate base course shall be considered incidental and included in the cost of other contract bid items listed in the JOC Price Book. Where the furnishing and placement of tack coat is required per MAG Section 321, it shall be considered incidental and included in the cost of other contract items listed in the JOC Price Book.

ITEMS 182 to 197 and ITEMS 239 to 254: Furnish and Install Various Depths of Aggregate Base Course

The work under these items shall include furnishing and installing aggregate base course in accordance with MAG Section 310, Town's supplements to MAG Standard Specifications and these Special Conditions.

Measurement and payment for furnishing and installing aggregate base course items will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified. When Engineer approves scarifying and compacting existing subgrade prior to placing aggregate base course, work shall be completed in accordance with MAG Section 301 and will be measured and paid for separately under other contract bid items listed in the JOC Price Book.

ITEMS 255 and 256: Furnish and Install Type II Slurry Seal

The work under these items shall include furnishing and installing an asphalt emulsion slurry seal coat in accordance with MAG Section 332. The composition of the slurry materials are specified in MAG Section 715 except that the minimum weight of dry aggregate shall be 16 pounds per square yard.

Measurement and payment for furnishing and installing a Type II Slurry Seal will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified. Removal of raised pavement markers and covering existing manholes and valves will not be measured for separate payment, but shall be considered incidental to the cost of the slurry seal. Furnishing and installing new raised pavement markers will be measured for separate payment for each marker installed under other contract bid items listed in the JOC Price Book.

ITEM 257: Furnish and Install Type II Micro Seal
ITEM 258: Furnish and Install Type III Micro Seal

The work under this item shall include furnishing and installing Type II or Type III Micro Seal in accordance with MAG Section 331. The composition of the micro seal material is specified in MAG Section 714 except that the minimum weight of dry aggregate shall be 30-35 pounds per square yard.

Measurement and payment for furnishing and installing Type II or Type III Micro Seal will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified. Removal of raised pavement markers and covering existing manholes and valves will not be measured for separate payment, but shall be considered incidental to the cost of the micro seal. Furnishing and installing new raised pavement markers will be measured for separate payment for each marker installed under other contract bid items listed in the JOC Price Book.

ITEMS 259 and 260: Furnish and Install Liquid Road RTU Surface Treatment

ITEM 261: Furnish and Install Polymer Modified MasterSeal RTU Asphalt Emulsion Sealcoat

ITEM 262: Furnish and Install GuardTop Ultra RTU Sealcoat

The work under these items shall include furnishing and installing preservative seals for asphalt concrete pavements in accordance MAG Section 334. The composition of the preservative seal materials shall be as specified in MAG Section 718. Preservative seals shall be furnished and installed in accordance with each manufacturer's specifications and recommendations. Two coats are required for these products. The Town has accepted the following products:

- Liquid Road Ready to Use Surface Treatment, manufactured by MasterSeal
- Polymer Modified MasterSeal Ready to Use (PMMRTU)
- GuardTop Ultra Ready to Use High Performance Asphalt Based Sealcoat

Measurement and payment for furnishing and installing preservative seals will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified.

ITEMS 263 to 266: Furnish and Install Asphalt Chip Seals

The work under these items shall include furnishing and installing chip seals on asphaltic concrete pavements in accordance MAG Section 330.

Measurement and payment for furnishing and installing chip seals will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including chips, asphalt cement, liquid asphalt, emulsion, diluted emulsion and rubber material.

ITEMS 267 to 271: Furnish and Install Decorative Asphalt Stamping and Coating

The work under these items shall include furnishing and installing decorative asphalt stamping and coating in accordance with MAG Section 322 and the Town's supplemental specifications to MAG Standard Specifications. Brick sizes and stamping patterns shall be in accordance with Town of Gilbert Standard Details GIL-250 and GIL-251.

Measurement and payment for furnishing and installing decorative asphalt stamping and coating shall be made at the contract unit price per square foot for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including surface patterning and/or asphalt surfacing (painting),

ITEM 272: Recoat Stamped Decorative Asphalt

The work under this item shall include recoating stamped decorative asphalt in accordance with MAG Section 322 and the Town's supplemental specifications to MAG Standard Specifications.

Measurement and payment for recoating stamped decorative asphalt will be made at the contract unit price per square foot for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified.

ITEMS 273 to 276: Adjustment of Manholes and Valves to Finished Grade

The work under these items shall include adjusting existing manholes and valves to finished grade in accordance with MAG Section 345 and the Town's supplemental specifications to MAG Standard Specifications. The Town requires concrete collars around manholes and valves per MAG Standard Details 270 and 422.

The Contractor shall use manual compaction methods to achieve the optimum moisture content and required relative compaction in the vicinity of adjusted manholes, valves and any other feature that is subject to vehicular traffic.

Measurement and payment for adjusting manholes and valves to finished grade shall be made at the contract unit price each for the items listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including the concrete collar and reinforcement as called out in the MAG standard details. Pre-lowering of manholes and valve frames and covers prior to paving operations will not be measured for separate payment, but shall be considered incidental to the cost of the final manhole and valve adjustment to finished grade.

ITEMS 277 to 279: Furnish and Install Survey Monument

The work under these items shall include the furnishing and installing of survey monuments in accordance with MAG Section 405. The Contractor shall be responsible for maintaining all existing monumentation, including section line, right-of-way, and roadway monumentation. Monumentation that is disturbed during construction shall be re-established by the Contractor, and recorded at the appropriate county recorder's office.

Section corner, quarter corner and property corner monuments shall be re-established following the procedures in the Manual of Surveying Instructions 1973, published by the U.S. Department of the Interior, Bureau of Land Management, and all applicable statutes and requirements specified in the current Arizona State Board of Technical Registration's "Arizona Boundary Survey Minimum Standards."

Section line, right-of-way, and roadway monumentation re-established by the Contractor shall bear the registration number of the Land Surveyor who is responsible for monument location.

Monuments used to define section lines shall be stamped in accordance with Manual of Surveying Instructions 1973, published by the Department of Interior, Bureau of Land Management. Roadway monumentation shall be stamped in accordance with the requirements of the appropriate municipal jurisdiction.

Monuments that are re-established shall be recorded at the appropriate county recorder's office, and a copy of the Corner Recordation documentation shall be submitted to the Town's Representative within five working days of recordation.

Measurement and payment for furnishing and installing monuments that cannot be avoided to construct proposed improvements will be made at the contract unit price each for the items listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified. The work shall include all materials, equipment, tools, and labor necessary to facilitate resetting monuments and recording. Monuments that are accidently damaged due to construction or are not approved by the Engineer, shall be removed, replaced, and recorded at no additional cost to the Town.

ITEM 280: Utility Pothole

The work under this item includes conducting a utility pothole investigation in accordance with MAG Section 355, Subsection 336.2 of the Town's supplements to MAG Standard Specifications, MAG Standard Details and these Special Conditions.

Contractor will be required to obtain a permit from the Town which requires an approved traffic control plan. Pavement replacement shall be in accordance with Sections 321 and 710 of the MAG Standard Specifications, cold patch replacement will not be allowed.

Pothole repairs shall be completed in accordance with MAG Standard Detail 212, Type B, unless otherwise approved by the Engineer.

Measurement and payment for conducting a utility pothole will be made at the contract unit price each for the items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including pavement removal, drilling, vacuuming, CLSM, backfill, new pavement, traffic control and other incidental work.

LANDSCAPE ITEMS:

ITEM 281: Furnish and Install ½" Minus Screened Decomposed Granite
ITEMS 282 to 285: Furnish and Install Trees and Shrubs

The work under these items shall include furnishing and installing decomposed granite, trees and shrubs in accordance with MAG Sections 430 and 440, the Town supplements to MAG Standard Specifications and these Special Conditions.

The work shall include the protection of all existing plant material. The Contractor and the Engineer shall agree on the plant material that is required to be removed and replaced prior to starting any work. The Contractor shall replace in like kind and size any existing plant material that is removed; damaged or destroyed that was identified to be protected in-place prior to beginning work, at no cost to the Town.

Contractor shall furnish and install new screened decomposed granite as necessary to bring disturbed areas back to original condition that shall be a minimum of two (2) inches in depth. New decomposed granite shall match the color and gradation of the existing decomposed granite and shall be blended together when placing. Pre-emergent treatment shall be furnished and installed in accordance with the requirements in MAG Section 430. Contractor shall provide a decomposed granite sample in a 5-gallon bucket for approval prior to ordering material. The limits of new decomposed granite shall be approved by the Town prior to ordering the decomposed granite.

Repairing, replacing or extending existing irrigation systems shall be considered incidental to the cost of new trees and shrubs. All replacement or repair materials shall match the existing damaged materials. Irrigation materials and components shall be from the same manufacturer as originally installed. Emitters shall have the same volume output as original. PVC pipe may be from a different manufacturer but the grade shall be the same as originally installed. All mainline fittings shall be Schedule 80; all lateral fittings shall be Schedule 40.

The work shall also consist of reconstructing, repairing or extending the existing irrigation system to avoid conflicts with new improvements and to provide water to new trees and shrubs. The Contractor shall be required to repair and or replace all disturbed or damaged irrigation components, returning their operation to 100 percent within 24 hours following initial disturbance of any of the irrigation components. Existing irrigation that could be impacted includes the drip irrigation system for trees, shrubs and ground covers and turf irrigation spray systems.

The work shall also include furnishing and installing irrigation piping, drip emitters, sprinklers, wiring, and adjusting or relocating valve boxes, and required excavation and backfill within the disturbed areas. The existing irrigation components shall be protected and maintained in their current condition where feasible or repaired, replaced, extended and reconnected in areas including but not limited to, those areas that are disturbed during construction or as directed by the Engineer.

The Contractor shall be required to maintain water to all existing plant materials throughout the duration of construction using repairs, reconnections, replacements or rerouting of the system as approved by the Engineer. The Contractor shall ensure the existing irrigation systems within the area to be disturbed are operational and functional and shall test and receive approval from the Town's Representative prior to proceeding with any work.

Measurement and payment for furnishing and installing the landscape items be made at the contract unit price for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including relocating or adjusting impacted irrigation components.

PAVEMENT MARKINGS AND SIGNING:

ITEMS 286 to 296: Furnish and Install Pavement Markings
ITEM 297: Furnish and Install Pavement Markers
ITEM 298: Furnish and Install Large Channel Markers (Dagmars)
ITEMS 299 and 300: Obliterate Existing Pavement Markings and Symbols
ITEMS 301 to 303: Furnish and Install Signs
ITEM 304: Remove and Salvage Existing Signs

The work under these items shall include furnishing and installing pavement markings and pavement markers; stripe obliteration and obliteration of arrows and symbols; as well as furnishing and installing sign panels, posts, foundations; and removing and salvaging existing signs in accordance with Section 402 of the Town supplements to MAG Standard Specifications, Town Standard Details, Town's Public Works and Engineering Standards, ADOT Standard Specifications and Details and these Special Conditions.

Raised pavement markers shall be furnished and installed in accordance with Town of Gilbert Standard Details GIL-233 for lane configurations and GIL-325 for fire hydrant locations. Pavement markings, pavement markers, stripe obliteration and signage shall be in accordance with Section 5 of the Town's Public Works and Engineering Standards.

Modification of pavement markings, if needed, shall be completed per Town of Gilbert Standards and Details. Contractor shall coordinate proposed modifications and review with the Town Traffic Engineer or designee to obtain approval at least five business days prior to installation.

Contractor shall investigate existing utility locations and protect them in-place. If a utility conflict exists, Contractor shall notify the Engineer immediately to determine an alternate location to install signs.

All voids created as a result of the post and foundation removal shall be backfilled and compacted to a density of 95%. Existing signs and posts that are to be removed and salvaged shall be delivered to the Public Works Facility at 4760 South Greenfield Road, Gilbert, AZ 85297. Please contact Demetrius Fernandez at 480-503-6914 (Demetrius.Fernandez@gilbertaz.gov) 24 hours in advance to arrange for sign delivery. Sign foundations shall be removed and disposed of in accordance with MAG Section 350.

Sign posts and foundations shall be installed in accordance with Town of Gilbert Standard Detail GIL-227.

Stripe obliteration will be measured by the linear foot of striping removed, regardless of the stripe width and type. Removal of raised pavement markers shall be considered incidental to stripe obliteration or pavement removal. New pavement markings will be measured by the linear foot of stripe, regardless of the stripe width and type. Obliteration of pavement arrow or symbol will be measured by each symbol or arrow removed. Application of asphalt sealant over stripe obliterations will not be measured for separate payment but shall be considered incidental to other contract bid items listed in the JOC Price Book.

Payment for furnishing and installing pavement markings and pavement markers; obliterating stripe and pavement symbols; furnishing and installing sign panels, posts and foundations; removing and salvaging signs and posts; and removing and disposing of foundations will be made at the contract unit price for each item listed in the JOC Price Book, which price shall be full compensation for the item complete as herein described and specified, including all sign hardware, removal and disposal of existing material and sign foundations and backfilling voids.

SURVEY AND STAKING:

ITEM 305: Survey and Staking

The work under this item shall include survey and staking in accordance with MAG Section 105 and the TOG supplements to MAG Standard Specifications. Engineer shall approve all requests to conduct surveying and staking prior to any work being completed. Contractor shall provide Engineer with an estimate of the hours anticipated to complete each phase of work.

The Contractor is required to obtain marked locates for all utilities prior to start of construction via Arizona Blue Stake (AZ 811). If a utility is hit during construction activities, whether it is damaged or not, the Contractor shall immediately contact the Blue Stake Center and the utility company so the utility can be inspected.

All conduit runs are to be installed by boring under existing pavement. The Contractor shall be responsible for potholing all utility locations before boring.

The Contractor shall be required to field stake, after Blue Stake has been performed at the project site, locations and elevations of all new improvements to determine any potential conflicts with existing underground and overhead utilities. The Contractor shall then arrange for the Town's inspector to review and approve all locations prior to any excavation. The Town inspector may modify the locations of any equipment as required at no additional cost to the Town.

New curb ramps and associated sidewalk improvements shall be located by a survey crew. The Contractor shall provide documentation to the Town supporting such locating.

Measurement and payment for surveying and staking will be made at the contract unit price per hour for each item listed in the JOC Price Book, which price shall be full compensation for the item

complete as herein described and specified, including all equipment, labor and material to complete the work once surveyor and equipment are on site.

STREET LIGHTING:

All work in this street light section shall be in accordance with the most current Town of Gilbert Public Works and Engineering Standards, the most current Town of Gilbert supplements to MAG Standard Specifications and Details, MAG Uniform Standard Specifications and Details for Public Works Construction and these Special Conditions.

ITEMS 306 to 311: Furnish and Install Street Light Pole:

The work under these items shall include furnishing and installing a street light pole, mast arm, hardware and all wiring, complete, for the type found on arterial, collector, local and residential streets in accordance with the Town Standard Details, Section 370 of the Town supplements to MAG Standard Specifications and these Special Conditions.

Street light poles shall be furnished and installed in accordance with Town of Gilbert Standard Details GIL-900 Series.

Contractor shall furnish and install new wire that is required from the junction box to new pole, including any wire required within the pole. A new junction box shall be installed at each pole location unless there is an existing junction box that can be used. Junction box shall be furnished and installed by the Contractor. No splicing of utility company wires will be accepted. All splicing of wiring on utility company's side of the junction box shall be done by the utility company or approved Contractor.

Contractor shall furnish and install a pole number on all poles that are installed per the direction of the Engineer. Contractor shall provide Global Positioning System (GPS) coordinates for every installed street light pole and provide coordinates to the Engineer.

Measurement and payment for furnishing and installing new street light pole will be made at the contract unit price each for items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including pole, mast arms, wiring, pole number, all required parts and hardware to assemble and erect pole and all other incidental work.

New concrete foundation with reinforcement, grounding wire and plates, anchor bolts and conduit; luminaires and junction box will be measured and paid for separately under other contract bid items listed in the JOC Price Book.

ITEMS 312 to 317: Remove Existing Direct Buried Pole and Furnish and Install Direct Buried Street Light Pole:

The work under these items shall include furnishing and installing a new street light pole, complete, for the type found on arterial, collector, local and residential streets in accordance with the Town Standard Details, Sections 350 and 370 of the Town supplements to MAG Standard Specifications and these Special Conditions.

Street light poles shall be furnished and installed in accordance with Town of Gilbert Standard Details GIL-900 Series.

The work under these items also includes the removal of existing pole, hardware, signs, banner brackets and other equipment attached to the pole. Existing signs and brackets shall be reinstalled on the new poles with new hardware. All voids created as a result of the pole removal shall be backfilled and compacted to a density of 95%. Contractor shall salvage all luminaries and dispose of all poles that are removed. Contractor shall deliver all salvaged luminaries to the Public Works Facility at 4760 South Greenfield Road, Gilbert, AZ 85297. Please contact Conrad Ramon at 480-503-6434 (Conrad.ramon@gilbertaz.gov) 24 hours in advance to arrange for luminaire delivery.

Contractor shall furnish and install new wire that is required from the junction box to new pole, including any wire required within the pole. A new junction box shall be installed at each pole location unless there is an existing junction box that can be used. Junction box shall be furnished and installed by the Contractor.

De-energizing poles for removal shall be completed by the Contractor in coordination with the Town and/or the appropriate utility agency.

Contractor shall investigate existing utility locations and protect them in-place. If a utility conflict exists, Contractor shall notify the Engineer and propose an alternate location that avoids existing utilities.

Once the existing street light is removed the Contractor shall install and have the new street light energized within four (4) calendar days.

Contractor shall furnish and install a pole number on all poles that are installed per the direction of the Engineer. Contractor shall provide Global Positioning System (GPS) coordinates for every installed street light pole and provide coordinates to the Engineer. If existing luminaire has a glare shield, then a new glare shield shall be furnished and installed in accordance with manufacturer's recommendations.

Measurement and payment for the removal of existing direct buried poles and furnishing and installing new direct buried street light pole will be made at the contract unit price each for items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including pole, mast arms, glare shields, wiring, pole number, all required hardware and parts to assemble and erect pole, removing and disposing of existing pole, removing, salvaging and delivering luminaries to the Town, backfilling and compacting voids and all other incidental work.

New concrete foundation with reinforcement, grounding wire and plates, anchor bolts and conduit; luminaires and junction box will be measured and paid for separately under other contract bid items listed in the JOC Price Book.

ITEMS 318 and 319: Furnish and Install Luminaires and Hardware:

The work under these items shall include furnishing and installing new luminaires on new or relocated street light poles in accordance with the Town Standard Details, Section 370 of the Town supplements to MAG Standard Specifications and these Special Conditions.

Luminaires shall be furnished and installed in accordance with Town of Gilbert Standard Details GIL-900 Series. Contractor shall submit shop drawings for Engineer's review and approval prior to installing luminaires. If work is to replace an existing luminaire that has a glare shield, then a new glare shield shall be furnished and installed in accordance with manufacturer's recommendations.

Measurement and payment for furnishing and installing luminaires will be made at the contract unit price each for items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including glare shields, heads, LED, hardware, wiring and all other incidental work.

ITEM 320: Furnish and Install Junction Box, Lid and Grounding Rod:
ITEM 321: Install Junction Box and Lid:

The work under these items shall include furnishing and installing or just installing a new junction box in accordance with the Town Standard Details, Section 370 of the Town supplements to MAG Standard Specifications, Salt River Project or Arizona Public Service Details and these Special Conditions.

Junction boxes shall be furnished and installed in accordance with Town of Gilbert Standard Details GIL-900 Series. Contractor shall coordinate with Arizona Public Service and Salt River Project to determine if pull boxes will be furnished by them. Grounding rod, hardware and any other material or equipment shall be furnished and installed by the Contractor.

Measurement and payment for furnishing and installing or just installing new pull boxes will be made at the contract unit price each for the items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including grounding rods, hardware and all other incidental work.

ITEMS 322 to 325: Foundation for Street Light Pole:

The work under these items shall include furnishing material and constructing a new concrete foundation for a street light pole, complete, for the type found on arterial, collector, local and residential streets in accordance with the Town Standard Details, Section 370 of the Town supplements to MAG Standard Specifications and these Special Conditions.

Foundations for street light poles shall be constructed in accordance with Town of Gilbert Standard Detail GIL-932 for the various poles provided in the Town's Standard Details GIL-900 Series.

Contractor shall investigate existing utility locations and protect them in-place. If a utility conflict exists, Contractor shall notify the Engineer and propose an alternate location that avoids existing utilities.

Measurement and payment for a new concrete foundation will be made at the contract unit price each for the items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including concrete, reinforcement, anchor bolts, conduit, grounding wire and plate and all other incidental work.

ITEMS 326 to 329: Remove Street Light Pole:

The work under these items shall include the removal of existing pole in accordance with Section 350 of the MAG Standard Specifications and these Special Conditions.

The work under these items also includes the removal of mast arms, luminaires, hardware, signs, banner brackets and other equipment attached to the pole. All signs and brackets shall be reinstalled on the new street light poles with new hardware or installed on new sign posts and foundations as directed by the Engineer. All voids created as a result of the pole removal shall be backfilled and compacted to a density of 95%. Contractor shall salvage all removed luminaries and dispose of all poles that are removed. Contractor shall deliver all salvaged luminaires and signs that are not to be reinstalled to the Public Works Facility at 4760 South Greenfield Road, Gilbert, AZ 85297. Please contact Conrad Ramon at 480-503-6434 (Conrad.ramon@gilbertaz.gov) 24 hours in advance to arrange for luminaire delivery and Demetrius Fernandez at 480-503-6419 (Demetrius.Fernandez@gilbertaz.gov) for sign delivery.

De-energizing poles for removal shall be completed by the Contractor in coordination with the Town and/or the appropriate utility agency. Existing wires shall be removed to the nearest junction box and capped or spliced as directed by the Engineer.

Measurement and payment for the removal of street light pole will be made at the contract unit price each for the items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including removing and disposing of existing pole, mast arms, removing, salvaging and delivering luminaries to the Town, backfilling and compacting voids, grading surface around pole, reinstalling signs and all other incidental work.

Removal of existing concrete foundation, if needed, will be measured and paid for separately under other contract bid items listed in the JOC Price Book.

ITEM 330: Remove Street Light Pole Foundation:

The work under this item shall include the removal of existing street light pole foundation, backfilling and compacting voids due to foundation removal, and grading area around foundation with similar surrounding material to match existing elevations in accordance with MAG Section 350 and these Special Conditions.

Existing foundation shall be completely removed. All voids created as a result of the foundation removal shall be backfilled and compacted to a density of 95%.

Measurement and payment for the removal of street light pole foundation will be made at the contract unit price each for the items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including removing and disposing of existing foundation, backfilling and compacting voids, grading surface around pole and all other incidental work.

ITEMS 331 and 332: Install Town of Gilbert Furnished Street Light Pole:

The work under these items shall include installing a Town of Gilbert furnished street light pole, complete for the type found on arterial, collector, local and residential streets in accordance with the Town Standard Details, Section 370 of the Town supplements to MAG Standard Specifications and these Special Conditions.

Furnished street light poles shall be installed in accordance with Town of Gilbert Standard Details GIL-900 Series.

Contractor shall furnish and install new wire that is required from the junction box to new pole, including any wire required within the pole. A junction box shall be installed at each pole location unless there is an existing junction box that can be used. Junction box shall be provided by the Contractor.

Contractor shall furnish and install a pole number on all poles that are installed per the direction of the Engineer. Contractor shall provide Global Positioning System (GPS) coordinates for every installed street light pole and provide coordinates to the Engineer.

Measurement and payment for installing Town of Gilbert furnished street light pole will be made at the contract unit price each for the items listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including Town furnished pole, mast arms, wiring, pole number, all required hardware and parts to assemble and erect pole and all other incidental work.

New concrete foundation with reinforcement, grounding wire and plates, anchor bolts and conduit; luminaires and junction box will be measured and paid for separately under other contract bid items listed in the JOC Price Book.

ITEM 333: Remove and Dispose of Concrete Foundations

The work under this item shall include the removal of existing concrete street light foundations, backfilling and compacting voids due to foundation removal, and grading area around foundation with similar surrounding material to match existing elevations in accordance with MAG Section 350, the Town supplements to MAG Standard Specifications and these Special Conditions.

Existing foundation shall be completely removed. All voids created as a result of the foundation removal shall be backfilled and compacted to a density of 95%. Any damage to landscaping and sprinkler systems shall be repaired or replaced by the Contractor at no additional cost.

Measurement and payment for the removal of concrete foundations will be made at the contract unit price per each for the item listed in the JOC Price Book, which price includes all equipment, labor and material, complete in-place, including removing and disposing of existing foundation, backfilling and compacting voids, grading surface around pole and all other incidental work.

NEGOTIATED ITEMS:

ITEM 334: Traffic Control on Arterial Streets

Maintenance of traffic and sequencing of traffic for arterial street projects shall be in accordance with Section 401 of MAG Standard Specifications, TOG supplements to MAG Standard Specifications and Section 401 of these Special Conditions. Measurement and payment for traffic control will be made at the contract lump sum price, which price will be negotiated on a project by project basis, including message boards.

ITEM 335: Remove and Salvage Concrete Pavers
ITEM 336: Remove and Dispose of Concrete Pavers
ITEM 337: Furnish and Install Concrete Pavers

The work under these items shall be in accordance with MAG Section 342, MAG Standard Details and these Special Conditions. The concrete pavers shall be placed in accordance with MAG Standard Detail 225.

Measurement and payment for removing, salvaging and installing concrete pavers, removing and disposing of concrete pavers and furnishing and installing concrete pavers will be made at the contract unit price per square foot for the items listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including all equipment, labor and material such as pavers, sand, aggregate base course, elastomeric sealant, expansion joint filler and all other incidental work.

ITEM 338: Furnish and Install Bus Shelter

The work under this item shall be in accordance with MAG Section 515, the Town supplements to MAG Standard Specifications and these Special Conditions.

Contractor shall submit shop drawings to obtain approval prior to fabricating and installing the bus shelter.

Measurement and payment for furnishing and installing a bus shelter will be made at the contract unit price each for the item listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including all equipment, labor and material to fabricate, erect, paint and any other incidental work as directed by the Engineer.

ITEM 339: Full Depth Asphalt Milling
ITEM 340: Edge Line Asphalt Taper Mill

The work under these items shall include removing existing asphaltic concrete pavement by milling in accordance with MAG Section 317 and these Special Conditions

The limits for all areas to be milled will be determined in the field by the Engineer and the Contractor. Edge line milling is typically required along curb and gutters and valley gutters to remove heaved pavement or to accommodate asphalt concrete overlays and full depth milling is typically required at intersections and isolated locations to improve rutting conditions or failed pavement. Areas that require a tapered mill shall be milled to a depth below the lip of gutter and along any transition points that places the finished asphalt surface 1/4" above the lip of gutter per MAG Standard Detail 220. Tapers will vary in width, with the minimum width being 72". All milling shall be accomplished using a self-propelled pavement profiling machine with a minimum drum width of 72". The minimum pick spacing shall be 5/8" (15mm) or less.

Measurement and payment for full depth milling will be made at the contract unit price per square yard for the items listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including hauling, loading, disposal of millings, clean-up and other incidental work. Where the furnishing and placement of tack coat is required per MAG Section 321, it shall be considered incidental and included in the cost of other contract items listed in the JOC Price Book.

Measurement and payment for edge line taper milling will be made at the contract unit price per square foot for the items listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including hauling, loading, disposal of millings, clean-up and all other incidental work. Where the furnishing and placement of tack coat is required per MAG Section 321, it shall be considered incidental and included in the cost of other contract items listed in the JOC Price Book.

ITEM 341: Excavation and Backfill

The work under this item shall include excavating and removing material and backfilling for work to repair waterline breaks, sink holes and other utilities in accordance with MAG Sections 336, 601, 604 and 728, Subsection 336.2 and Section 601 of the Town's supplements to MAG Standard Specifications, MAG Standard Details and these Special Conditions.

Backfill of these excavations shall be with aggregate base course or controlled low strength material (1/2-sack slurry backfill) as outlined in MAG Section 601 and the Town's supplements to MAG Standard Specifications. The Engineer will make the final decision if aggregate base course or controlled low strength material shall be used.

Furnishing and installing slurry backfill shall be in accordance with MAG Sections 604 and 728. Sawcut and removal of existing pavement shall be performed in accordance with MAG Section 350 and replaced in accordance with MAG Section 336.

For trenches across existing asphaltic concrete or concrete pavement, backfill shall be in accordance with Gilbert Detail GIL-270. Slurry backfill for Town trenches outside of asphalt pavements shall be in accordance with Gilbert Detail GIL-831.

Measurement and payment for excavation and backfill shall be made at the contract unit price per cubic yard for each item listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including removal, disposal and replacement of asphaltic concrete pavement. Excavation and backfill volume will be measured by the width x depth x length of the trench from existing surface to bottom of trench as approved by the Engineer.

ITEM 342: Subgrade Preparation

The work under this item shall include subgrade preparation in accordance with MAG Section 301, the Town supplements to MAG Standard Specifications, MAG Standard Details, Town Standard Details and these Special Conditions.

The Contractor shall use manual compaction methods to achieve the optimum moisture content and required relative compaction next to adjusted manholes, valves and any other feature that is subject to vehicular traffic.

The Contractor shall exercise extreme caution when excavating or scarifying and compacting subgrade to prevent any damage to existing utilities. Contractor shall locate all utilities and if necessary, manually compact subgrade around shallow utilities to maintain a minimum of 18-inches of cover during construction activities.

Measurement and payment for subgrade preparation will be made at the contract unit price per square yard for each item listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including scarification of subgrade.

ITEM 343: Fill Construction

The work under this item shall include furnishing and installing fill material in accordance with MAG Section 211, the Town supplements to MAG Standard Specifications and these Special Conditions.

Measurement and payment for the construction of fill material will be made at the contract unit price per cubic yard for each item listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified.

ITEM 344: Contractor Provided Material Testing

The work under this shall include material testing in accordance with MAG Section 106, the TOG supplements to MAG and Section 106 of these Special Conditions.

Tests or observations shall only be conducted if requested by the Engineer. The minimum frequency for sampling and testing materials shall be as directed by the Engineer. See Section 106 of these Special Conditions for additional requirements.

Measurement and payment for material testing will be made at the contract unit price as approved by the Engineer for the various tests that may be needed, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described, specified and requested by the Engineer.

ITEM 345: Landscaping

The work under this item shall include furnishing and installing landscaping and irrigation improvements in accordance with MAG Sections 430 and 440, TOG supplements to MAG Standard Specifications and these Special Conditions.

Measurement and payment for landscaping will be made at the contract lump sum price, which price will be negotiated on a project by project basis. Prior to beginning work, Engineer and Contractor shall determine if any work will be measured and paid for under other contract items listed in the JOC Price Book.

ITEMS 346 to 349: Remove and Replace Water and Sewer Services

The work under these items shall include furnishing and installing new water and sewer services or repairing existing services in accordance with MAG Sections 610 and 615, the Town supplements to MAG Standard Specifications, MAG and TOG Standard Details and these Special Conditions.

Contractor shall install a new water service from the existing water main to the existing water meter in accordance with Gilbert Detail GIL-310. The existing water service shall be abandoned in-place in accordance with Gilbert Detail GIL-349, except the existing water meter and box shall remain and be reconnected to the new water service line. Existing service line shall remain operational until new service line has been installed, tested and is ready to be connected to the existing meter. The size of the service line shall be the same size as the existing line.

Contractor shall install a new sewer service from the existing sewer main to the existing sewer service at the existing right-of-way line in accordance with Gilbert Detail GIL-410. The existing sewer service shall be abandoned in-place in accordance with Gilbert Detail GIL-419. Existing service line shall remain operational until new service line has been installed, tested and is ready to be connected to the existing service line. The size of the service line shall be the same size as the existing line.

Contractor shall provide advanced notification of shutdown to affected residents and businesses a minimum of 48 hours in advance and provide durations that service will be disrupted.

Measurement and payment for the abandonment of existing services along with furnishing and installing new services will be made a the contract unit price per linear foot for the items listed in the JOC Price Book, which price includes all labor, materials (including pipe and fittings), equipment, tapping, abandonment and all necessary incidentals to provide new services from the existing mains to existing meters or to repair existing service lines. Measurement and payment for asphalt removal and replacement, excavation and backfill will be made at the contract unit price for other contract items listed in the JOC Price Book.

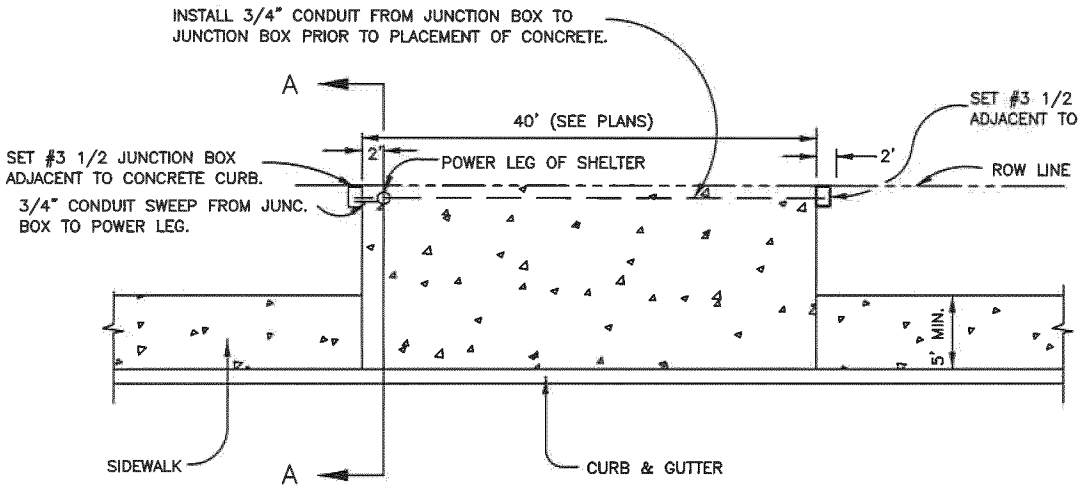
ITEMS 350 to 353: Remove and Replace Existing Water and Sewer Lines

The work under these items shall include removing existing water and sewer lines and furnishing and installing new water and sewer lines in accordance with MAG Sections 610 and 615, the Town supplements to MAG Standard Specifications, MAG and TOG Standard Details and these Special Conditions.

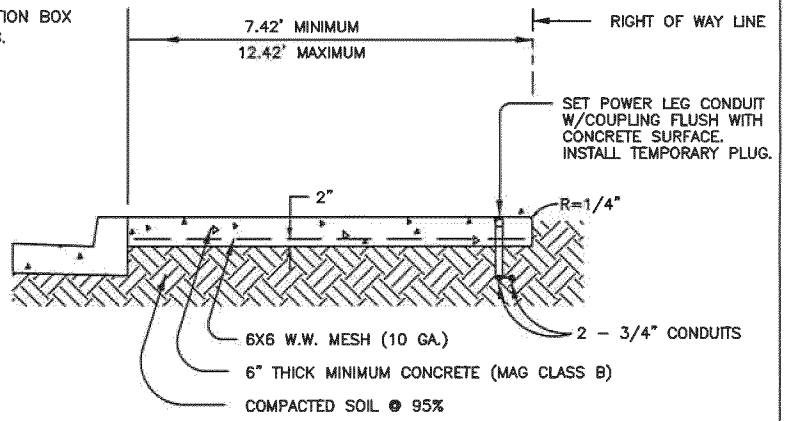
The Contractor shall verify all pipe locations, sizes, pipe material, and elevations at connection points prior to ordering material and starting construction at each location. The Contractor shall have all materials and equipment necessary to do the work at the job site prior to the shutdown occurring as verified by the Construction Manager. Contractor shall provide advanced notification of shutdown to affected residents and businesses a minimum of 48 hours in advance and provide durations that service will be disrupted.

Measurement and payment for removing existing water and sewer lines to furnish and install new water and sewer lines will be made at the contract unit price per linear foot for the items listed in the JOC Price Book, which price will be negotiated on a project by project basis. Negotiated unit price shall be full compensation for the item complete as herein described and specified, including all equipment, labor and material. Prior to beginning work, Engineer and Contractor shall determine if any work will be measured and paid for under other contract items listed in the JOC Price Book. All saw cutting, asphalt removal, excavation, pipe removal, bedding, backfill, pipe, fittings, thrust blocks, pipe supports and encasements shall be included in the cost of the new pipe unless otherwise approved by the Engineer.

APPENDIX A:



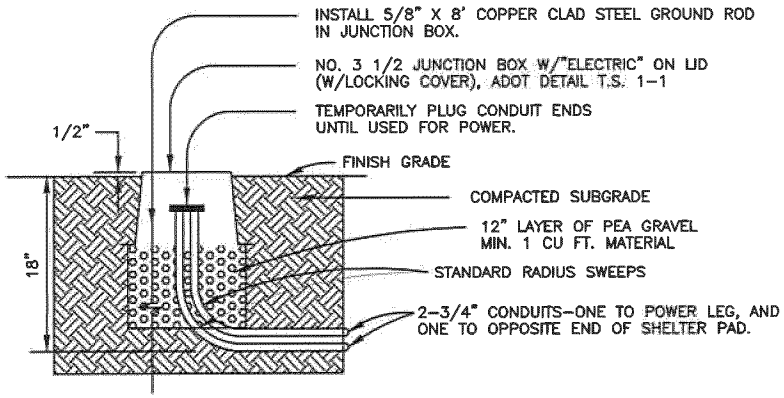
PLAN VIEW



SECTION A – A

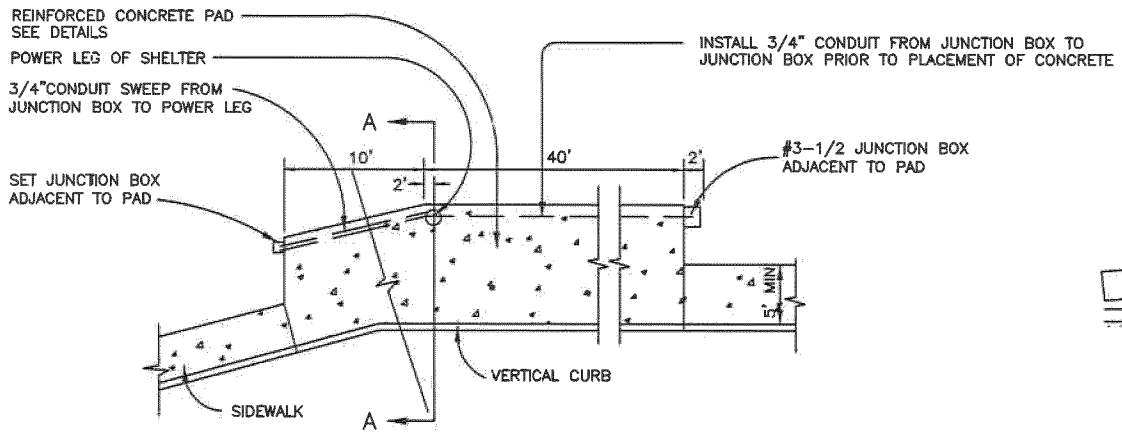
NOTES:

1. ACTUAL PLAN LAYOUT MAY VARY. ALL OTHER DETAIL INFORMATION REMAINS THE SAME. SEE PLANS FOR SPECIFIC LOCATIONS AND DIMENSIONS OF BUS SHELTER PAD.
2. ANY SHELTER OR BUS STOP FURNITURE PLACEMENT SHALL BE LOCATED TO PROVIDE A MIN. 5 ft. WIDE CLEAR SIDEWALK.
3. DECORATIVE PAVEMENT OPTIONS MAY INCLUDE EXPOSED AGGREGATE 1/4" (NO LARGER) WITH DESIGN STRENGTH OF 4000 PSI MINIMUM. OTHER OPTIONS INCLUDING COLOR (TO MATCH SURROUNDINGS) AND STAMPING WILL BE CONSIDERED. CONCRETE MIX DESIGN THROUGH THE CITY OF PHOENIX MATERIALS LAB. DECORATIVE OPTIONS TO BE APPROVED BY THE CITY OF PHOENIX. PAVERS ARE NOT TO BE USED.
4. ELECTRICAL CONDUITS AND JUNCTION BOXES SHALL NOT BE REQUIRED UNLESS REQUESTED.
5. ALL CONDUIT SHALL BE P.V.C. SCHEDULE 40, U.L. LISTED.
6. ALL COSTS ASSOCIATED WITH ELECTRICAL AND RELATED ITEMS SHOWN ON THESE DETAILS (CONDUITS, JUNCTION BOXES, GROUND ROD, ETC.) SHALL BE CONSIDERED INCLUDED IN THE COST OF THE PAY ITEM FOR CONCRETE BUS SHELTER PAD.
7. BUS BAY PAVEMENT, CONCRETE PAD, CONCRETE CURB, SINGLE CURB, CURB & GUTTER, SIDEWALKS, & DRIVEWAYS ARE SEPARATE PAY ITEMS.
8. SHELTER PADS AND DRIVEWAYS SHALL BE LOCATED TO PROVIDE MINIMUM INTERSECTION SIGHT DISTANCE IN ACCORDANCE WITH CURRENT AASHTO STANDARDS (CASE IIIA).

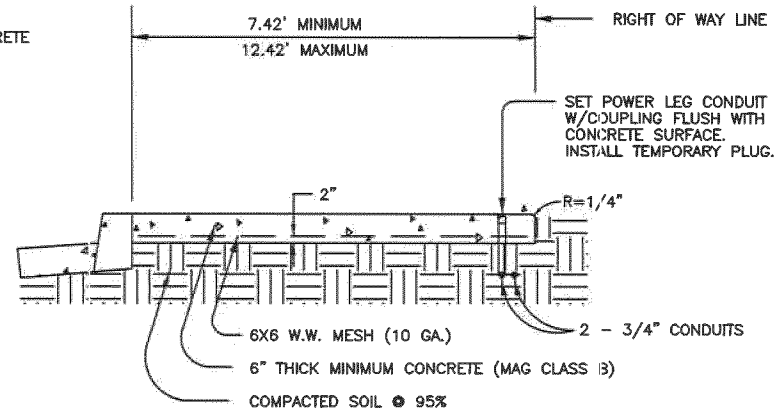


SLEEVE SWEEP & JUNCTION BOX DETAIL

DETAIL NO.			APPROVED	DETAIL NO.
P1260	City of Phoenix STANDARD DETAIL	BUS SHELTER/ACCESSORY PAD BUS STOP	ACTING CITY ENGINEER — 7/31/08 DATE	P1260



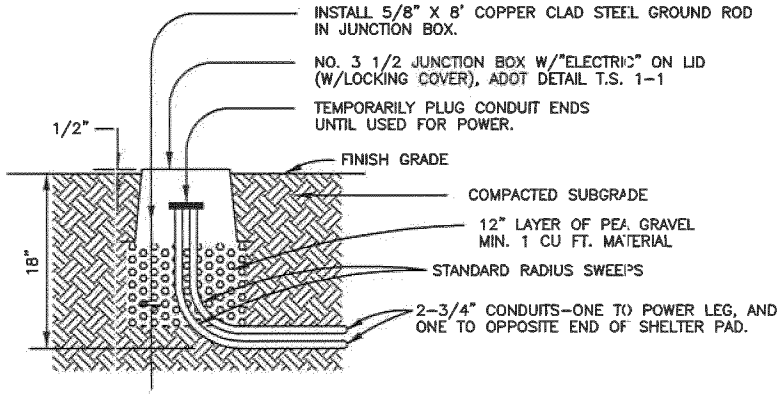
PLAN VIEW



SECTION A – A

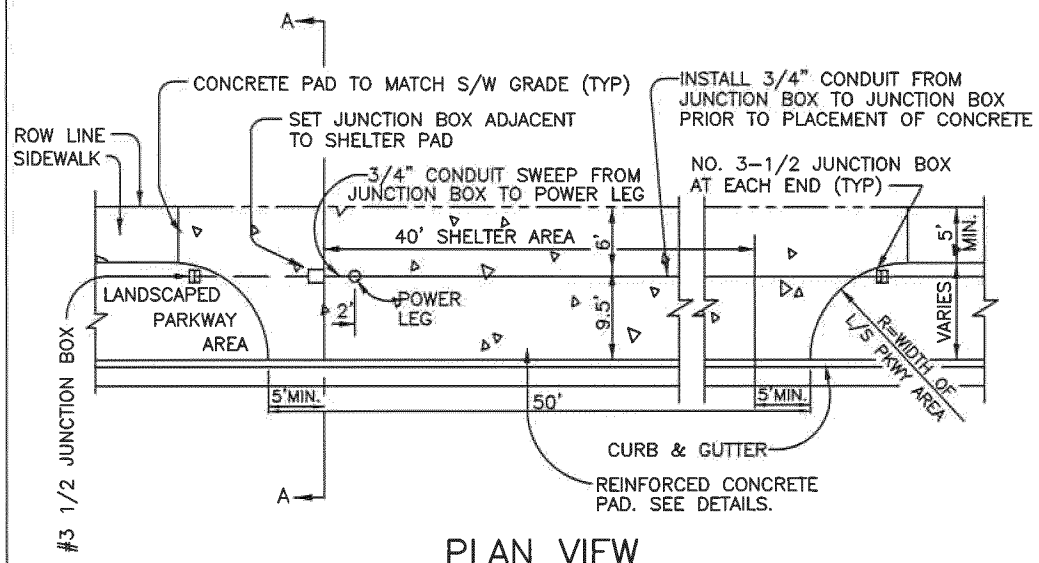
NOTES:

1. ACTUAL PLAN LAYOUT MAY VARY. ALL OTHER DETAIL INFORMATION REMAINS THE SAME. SEE PLANS FOR SPECIFIC LOCATIONS AND DIMENSIONS OF BUS SHELTER PAD.
2. ANY SHELTER OR BUS STOP FURNITURE PLACEMENT SHALL BE LOCATED TO PROVIDE A MIN. 5 ft. WIDE CLEAR SIDEWALK.
3. DECORATIVE PAVEMENT OPTIONS MAY INCLUDE EXPOSED AGGREGATE 1/4" (NO LARGER) WITH DESIGN STRENGTH OF 4000 PSI MINIMUM. OTHER OPTIONS INCLUDING COLOR (TO MATCH SURROUNDINGS) AND STAMPING WILL BE CONSIDERED. CONCRETE MIX DESIGN THROUGH THE CITY OF PHOENIX MATERIALS LAB. DECORATIVE OPTIONS TO BE APPROVED BY THE CITY OF PHOENIX. PAVERS ARE NOT TO BE USED.
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7. BUS BAY PAVEMENT, CONCRETE PAD, CONCRETE CURB, SINGLE CURB, CURB & GUTTER, SIDEWALKS, & DRIVEWAYS ARE SEPARATE PAY ITEMS.
8. SHELTER PADS AND DRIVEWAYS SHALL BE LOCATED TO PROVIDE MINIMUM INTERSECTION SIGHT DISTANCE IN ACCORDANCE WITH CURRENT AASHTO STANDARDS (CASE IIIA).

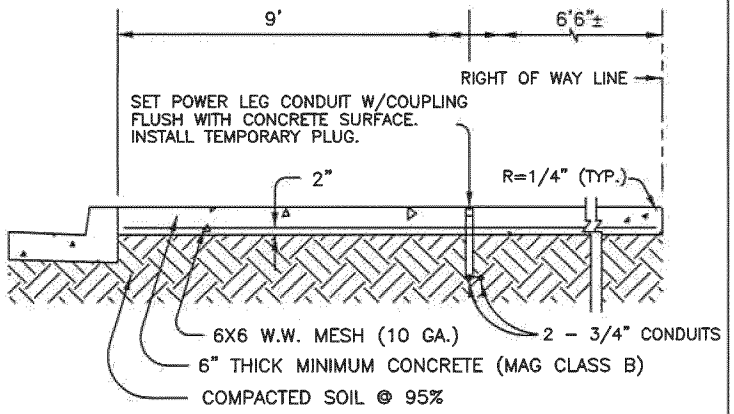


SLEEVE SWEEP & JUNCTION BOX DETAIL

DETAIL NO.	City of Phoenix STANDARD DETAIL	BUS SHELTER/ACCESSORY PAD BUS BAY	APPROVED ACTING CITY ENGINEER 7/31/08 DATE	DETAIL NO.
P1261				P1261



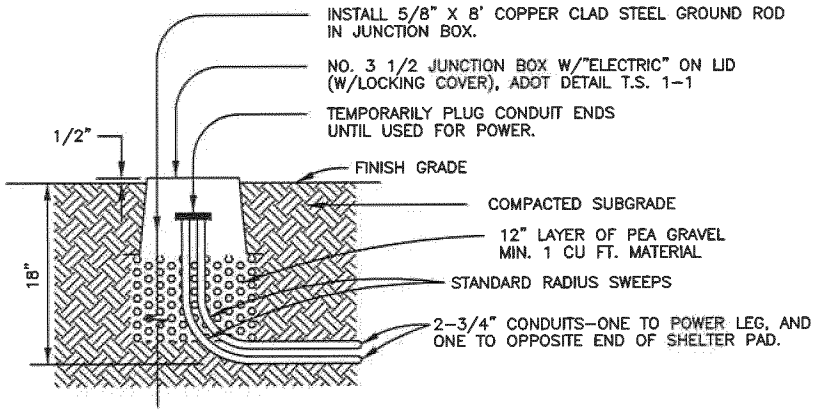
PLAN VIEW



SECTION A – A

NOTES:

1. ACTUAL PLAN LAYOUT MAY VARY. ALL OTHER DETAIL INFORMATION REMAINS THE SAME. SEE PLANS FOR SPECIFIC LOCATIONS AND DIMENSIONS OF BUS SHELTER PAD.
2. ANY SHELTER OR BUS STOP FURNITURE PLACEMENT SHALL BE LOCATED TO PROVIDE A MIN. 5 ft. WIDE CLEAR SIDEWALK.
3. DECORATIVE PAVEMENT OPTIONS MAY INCLUDE EXPOSED AGGREGATE 1/4" (NO LARGER) WITH DESIGN STRENGTH OF 4000 PSI MINIMUM. OTHER OPTIONS INCLUDING COLOR (TO MATCH SURROUNDINGS) AND STAMPING WILL BE CONSIDERED. CONCRETE MIX DESIGN THROUGH THE CITY OF PHOENIX MATERIALS LAB. DECORATIVE OPTIONS TO BE APPROVED BY THE CITY OF PHOENIX. PAVERS ARE NOT TO BE USED.
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8. SHELTER PADS AND DRIVEWAYS SHALL BE LOCATED TO PROVIDE MINIMUM INTERSECTION SIGHT DISTANCE IN ACCORDANCE WITH CURRENT AASHTO STANDARDS (CASE IIIA).



SLEEVE SWEEP & JUNCTION BOX DETAIL

DETAIL NO. P1262	City of Phoenix STANDARD DETAIL	PARKWAY BUS SHELTER/ACCESSORY PAD	APPROVED ACTING CITY ENGINEER 7/31/08 DATE	DETAIL NO. P1262

APPENDIX B

CONTRACT PRICING COEFFICIENT

1.0 Job Order Contractor shall furnish all supervision, labor, materials, tools, supplies, equipment, transportation, traffic control, insurance, bonds, taxes, overhead and profit to perform all operations necessary and required in accordance with the terms and conditions of the Contract, and as further specified in individual Job Orders.

2.0 The actual pricing for work performed under the Contract will be based on the mutually agreed quantities applied to the rates contained in the Unit Price Book, modified by **1.00** Coefficient.

3.0 In the event the Contract Unit Price Book does not apply to actual work performed a negotiated price between the Gilbert and the Job Cost Contractor shall be applied.

APPENDIX C

UNIT PRICE JOC BOOK

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
	Price Book Line Items for Remove and Replace Concrete Residential Streets			
1	Remove and Replace Concrete Rolled Curb and Gutter	LF	$40.00	$40.00
2	Remove and Replace Concrete Vertical Curb and Gutter	LF	$40.00	$40.00
3	Remove and Replace Concrete Single Curb	LF	$35.00	$35.00
4	Remove and Replace Concrete Ribbon Curb	LF	$31.20	$31.20
5	Remove and Replace Sidewalk	SF	$10.00	$10.00
6	Remove and Repalce Valley Gutter	SF	$16.25	$16.25
7	Remove and Replace Concrete Apron	SF	$16.25	$16.25
8	Remove and Replace Concrete ADA Ramp	SF	$12.50	$12.50
9	Remove and Replace Concrete ADA Ramp (Detectable Warning Surface Only)	SF	$62.50	$62.50
10	Remove and Replace Driveway Entrance	SF	$12.50	$12.50
11	Remove and Replace Concrete Scupper Top	SF	$62.50	$62.50
12	Remove and Replace Concrete Top of Catch Basin	SF	$62.50	$62.50
	Price Book Line Items for Remove and Replace Concrete Arterial Streets			
13	Remove and Replace Concrete Rolled Curb and Gutter	LF	$38.75	$38.75
14	Remove and Replace Concrete Vertical Curb and Gutter	LF	$58.00	$58.00
15	Remove and Replace Concrete Single Curb	LF	$52.00	$52.00
16	Remove and Replace Concrete Ribbon Curb	LF	$30.00	$30.00
17	Remove and Replace Sidewalk	SF	$19.00	$19.00
18	Remove and Repalce Valley Gutter	SF	$27.00	$27.00
19	Remove and Replace Concrete Apron	SF	$25.50	$25.50
20	Remove and Replace Concrete ADA Ramp	SF	$59.50	$59.50
21	Remove and Replace Concrete ADA Ramp (Detectable Warning Surface Only)	SF	$62.50	$62.50
22	Remove and Replace Driveway Entrance	SF	$12.00	$12.00
23	Remove and Replace Concrete Scupper Top	SF	$62.50	$62.50
24	Remove and Replace Concrete Top of Catch Basin	SF	$62.50	$62.50
	Price Book Line Items for Removal Items for Residential Streets			
25	Remove Concrete Rolled Curb and Gutter	LF	$5.00	$5.00
26	Remove Concrete Vertical Curb and Gutter	LF	$5.00	$5.00
27	Remove Concrete Single Curb	LF	$5.00	$5.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
28	Remove Concrete Ribbon Curb	LF	$5.00	$5.00
29	Remove Concrete Sidewalk	SF	$3.75	$3.75
30	Remove Concrete Valley Gutter	SF	$7.50	$7.50
31	Remove Concrete Apron	SF	$7.50	$7.50
32	Remove Concrete ADA Ramp	SF	$5.00	$5.00
33	Remove Concrete Driveway Entrance	SF	$5.00	$5.00
34	Remove Concrete Scupper Top	SF	$25.00	$25.00
35	Remove Concrete Top of Catch Basin	SF	$25.00	$25.00
36	Remove Asphalt Pavement 1.5" Depth 0-250 SY	SY	$29.00	$29.00
37	Remove Asphalt Pavement 1.5" Depth 251-500 SY	SY	$19.50	$19.50
38	Remove Asphalt Pavement 1.5" Depth 501-999 SY	SY	$14.50	$14.50
39	Remove Asphalt Pavement 1.5" Depth 1000+ SY	SY	$7.50	$7.50
40	Remove Asphalt Pavement 2" Depth 0-250 SY	SY	$29.00	$29.00
41	Remove Asphalt Pavement 2" Depth 251-500 SY	SY	$19.50	$19.50
42	Remove Asphalt Pavement 2" Depth 501-999 SY	SY	$14.50	$14.50
43	Remove Asphalt Pavement 2" Depth 1000+ SY	SY	$7.50	$7.50
44	Remove Asphalt Pavement 3" Depth 0-250 SY	SY	$29.00	$29.00
45	Remove Asphalt Pavement 3" Depth 251-500 SY	SY	$19.50	$19.50
46	Remove Asphalt Pavement 3" Depth 501-999 SY	SY	$14.50	$14.50
47	Remove Asphalt Pavement 3" Depth 1000+ SY	SY	$8.50	$8.50
48	Remove Asphalt Pavement 4" Depth 0-250 SY	SY	$29.00	$29.00
49	Remove Asphalt Pavement 4" Depth 251-500 SY	SY	$19.50	$19.50
50	Remove Asphalt Pavement 4" Depth 501-999 SY	SY	$14.50	$14.50
51	Remove Asphalt Pavement 4" Depth 1000+ SY	SY	$9.75	$9.75
52	Remove Asphalt Pavement 5" Depth 0-250 SY	SY	$29.00	$29.00
53	Remove Asphalt Pavement 5" Depth 251-500 SY	SY	$19.50	$19.50
54	Remove Asphalt Pavement 5" Depth 501-999 SY	SY	$14.50	$14.50
55	Remove Asphalt Pavement 5" Depth 1000+ SY	SY	$11.00	$11.00
56	Remove Asphalt Pavement 6" Depth 0-250 SY	SY	$29.00	$29.00
57	Remove Asphalt Pavement 6" Depth 251-500 SY	SY	$19.50	$19.50

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
58	Remove Asphalt Pavement 6" Depth 501-999 SY	SY	$14.50	$14.50
59	Remove Asphalt Pavement 6" Depth 1000+ SY	SY	$11.00	$11.00
60	Remove Asphalt Pavement 1.5" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
61	Remove Asphalt Pavement 1.5" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
62	Remove Asphalt Pavement 1.5" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
63	Remove Asphalt Pavement 1.5" Depth 1000+ SY (By Milling)	SY	$7.25	$7.25
64	Remove Asphalt Pavement 2" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
65	Remove Asphalt Pavement 2" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
66	Remove Asphalt Pavement 2" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
67	Remove Asphalt Pavement 2" Depth 1000+ SY (By Milling)	SY	$7.25	$7.25
68	Remove Asphalt Pavement 3" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
69	Remove Asphalt Pavement 3" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
70	Remove Asphalt Pavement 3" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
71	Remove Asphalt Pavement 3" Depth 1000+ SY (By Milling)	SY	$7.25	$7.25
72	Remove Asphalt Pavement 4" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
73	Remove Asphalt Pavement 4" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
74	Remove Asphalt Pavement 4" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
75	Remove Asphalt Pavement 4" Depth 1000+ SY (By Milling)	SY	$8.50	$8.50
76	Remove Asphalt Pavement 5" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
77	Remove Asphalt Pavement 5" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
78	Remove Asphalt Pavement 5" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
79	Remove Asphalt Pavement 5" Depth 1000+ SY (By Milling)	SY	$9.00	$9.00
80	Remove Asphalt Pavement 6" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
81	Remove Asphalt Pavement 6" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
82	Remove Asphalt Pavement 6" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
83	Remove Asphalt Pavement 6" Depth 1000+ SY (By Milling)	SY	$9.75	$9.75
Price Book Line Items for Removal Items for Arterial Streets				
84	Remove Concrete Rolled Curb and Gutter	LF	$5.00	$5.00
85	Remove Concrete Vertical Curb and Gutter	LF	$8.00	$8.00
86	Remove Concrete Single Curb	LF	$6.00	$6.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
87	Remove Concrete Ribbon Curb	LF	$5.00	$5.00
88	Remove Concrete Sidewalk	SF	$6.00	$6.00
89	Remove Concrete Valley Gutter	SF	$9.00	$9.00
90	Remove Concrete Apron	SF	$7.50	$7.50
91	Remove Concrete ADA Ramp	SF	$5.00	$5.00
92	Remove Concrete Driveway Entrance	SF	$5.00	$5.00
93	Remove Concrete Scupper Top	SF	$25.00	$25.00
94	Remove Concrete Top of Catch Basin	SF	$25.00	$25.00
95	Remove Concrete Bus Pad	SF	$5.00	$5.00
96	Remove Asphalt Pavement 1.5" Depth 0-250 SY	SY	$33.75	$33.75
97	Remove Asphalt Pavement 1.5" Depth 251-500 SY	SY	$24.00	$24.00
98	Remove Asphalt Pavement 1.5" Depth 501-999 SY	SY	$19.25	$19.25
99	Remove Asphalt Pavement 1.5" Depth 1000+ SY	SY	$8.50	$8.50
100	Remove Asphalt Pavement 2" Depth 0-250 SY	SY	$33.75	$33.75
101	Remove Asphalt Pavement 2" Depth 251-500 SY	SY	$24.00	$24.00
102	Remove Asphalt Pavement 2" Depth 501-999 SY	SY	$19.25	$19.25
103	Remove Asphalt Pavement 2" Depth 1000+ SY	SY	$8.50	$8.50
104	Remove Asphalt Pavement 3" Depth 0-250 SY	SY	$33.75	$33.75
105	Remove Asphalt Pavement 3" Depth 251-500 SY	SY	$24.00	$24.00
106	Remove Asphalt Pavement 3" Depth 501-999 SY	SY	$19.25	$19.25
107	Remove Asphalt Pavement 3" Depth 1000+ SY	SY	$9.75	$9.75
108	Remove Asphalt Pavement 4" Depth 0-250 SY	SY	$33.75	$33.75
109	Remove Asphalt Pavement 4" Depth 251-500 SY	SY	$24.00	$24.00
110	Remove Asphalt Pavement 4" Depth 501-999 SY	SY	$19.25	$19.25
111	Remove Asphalt Pavement 4" Depth 1000+ SY	SY	$11.00	$11.00
112	Remove Asphalt Pavement 5" Depth 0-250 SY	SY	$33.75	$33.75
113	Remove Asphalt Pavement 5" Depth 251-500 SY	SY	$24.00	$24.00
114	Remove Asphalt Pavement 5" Depth 501-999 SY	SY	$19.25	$19.25
115	Remove Asphalt Pavement 5" Depth 1000+ SY	SY	$12.00	$12.00
116	Remove Asphalt Pavement 6" Depth 0-250 SY	SY	$33.75	$33.75

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
117	Remove Asphalt Pavement 6" Depth 251-500 SY	SY	$24.00	$24.00
118	Remove Asphalt Pavement 6" Depth 501-999 SY	SY	$19.25	$19.25
119	Remove Asphalt Pavement 6" Depth 1000+ SY	SY	$13.25	$13.25
120	Remove Asphalt Pavement 1.5" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
121	Remove Asphalt Pavement 1.5" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
122	Remove Asphalt Pavement 1.5" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
123	Remove Asphalt Pavement 1.5" Depth 1000+ SY (By Milling)	SY	$7.25	$7.25
124	Remove Asphalt Pavement 2" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
125	Remove Asphalt Pavement 2" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
126	Remove Asphalt Pavement 2" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
127	Remove Asphalt Pavement 2" Depth 1000+ SY (By Milling)	SY	$7.25	$7.25
128	Remove Asphalt Pavement 3" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
129	Remove Asphalt Pavement 3" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
130	Remove Asphalt Pavement 3" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
131	Remove Asphalt Pavement 3" Depth 1000+ SY (By Milling)	SY	$7.25	$7.25
132	Remove Asphalt Pavement 4" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
133	Remove Asphalt Pavement 4" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
134	Remove Asphalt Pavement 4" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
135	Remove Asphalt Pavement 4" Depth 1000+ SY (By Milling)	SY	$8.50	$8.50
136	Remove Asphalt Pavement 5" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
137	Remove Asphalt Pavement 5" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
138	Remove Asphalt Pavement 5" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
139	Remove Asphalt Pavement 5" Depth 1000+ SY (By Milling)	SY	$9.00	$9.00
140	Remove Asphalt Pavement 6" Depth 0-250 SY (By Milling)	SY	$50.00	$50.00
141	Remove Asphalt Pavement 6" Depth 251-500 SY (By Milling)	SY	$24.00	$24.00
142	Remove Asphalt Pavement 6" Depth 501-999 SY (By Milling)	SY	$12.00	$12.00
143	Remove Asphalt Pavement 6" Depth 1000+ SY (By Milling)	SY	$9.75	$9.75
Price Book Line Items for Furnish and Installation Items for Residential Streets				
144	Furnish and Install Concrete Rolled Curb and Gutter	LF	$35.00	$35.00
145	Furnish and Install Concrete Vertical Curb and Gutter	LF	$35.00	$35.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
146	Furnish and Install Concrete Single Curb	LF	$30.00	$30.00
147	Furnish and Install Concrete Ribbon Curb	LF	$26.25	$26.25
148	Furnish and Install Concrete Sidewalk	SF	$6.25	$6.25
149	Furnish and Install Concrete Valley Gutter	SF	$8.75	$8.75
150	Furnish and Install Concrete Apron	SF	$8.75	$8.75
151	Furnish and Install Concrete ADA Ramp	SF	$7.50	$7.50
152	Furnish and Install Concrete Driveway Entrance	SF	$7.50	$7.50
153	Furnish and Install Concrete Scupper Top	SF	$37.50	$37.50
154	Furnish and Install Concrete Top of Catch Basin	SF	$37.50	$37.50
155	Furnish and Install Ultra Thin Bonded Wearing Course 1" Depth (Minimum 25,000+ SY)	SY	$10.00	$10.00
156	Furnish and Install Asphalt Pavement 1.5" Depth 0-250 SY	SY	$54.00	$54.00
157	Furnish and Install Asphalt Pavement 1.5" Depth 251-500 SY	SY	$36.00	$36.00
158	Furnish and Install Asphalt Pavement 1.5" Depth 501-999 SY	SY	$24.00	$24.00
159	Furnish and Install Asphalt Pavement 1.5" Depth 1000+ SY	SY	$19.25	$19.25
160	Furnish and Install Asphalt Pavement 1.5" Depth 25,000+ SY (PMTR+ 1/2" Mix)	SY	$14.00	$14.00
161	Furnish and Install Ultra Thin Bonded Wearing Course 1.5" Depth (Minimum 25,000+ SY)	SY	$14.25	$14.25
162	Furnish and Install Asphalt Pavement 2" Depth 0-250 SY	SY	$54.00	$54.00
163	Furnish and Install Asphalt Pavement 2" Depth 251-500 SY	SY	$36.00	$36.00
164	Furnish and Install Asphalt Pavement 2" Depth 501-999 SY	SY	$24.00	$24.00
165	Furnish and Install Asphalt Pavement 2" Depth 1000+ SY	SY	$19.25	$19.25
166	Furnish and Install Asphalt Pavement 3" Depth 0-250 SY	SY	$60.00	$60.00
167	Furnish and Install Asphalt Pavement 3" Depth 251-500 SY	SY	$48.00	$48.00
168	Furnish and Install Asphalt Pavement 3" Depth 501-999 SY	SY	$36.00	$36.00
169	Furnish and Install Asphalt Pavement 3" Depth 1000+ SY	SY	$31.25	$31.25
170	Furnish and Install Asphalt Pavement 4" Depth 0-250 SY	SY	$60.00	$60.00
171	Furnish and Install Asphalt Pavement 4" Depth 251-500 SY	SY	$48.00	$48.00
172	Furnish and Install Asphalt Pavement 4" Depth 501-999 SY	SY	$42.00	$42.00
173	Furnish and Install Asphalt Pavement 4" Depth 1000+ SY	SY	$36.00	$36.00
174	Furnish and Install Asphalt Pavement 5" Depth 0-250 SY	SY	$66.00	$66.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
175	Furnish and Install Asphalt Pavement 5" Depth 251-500 SY	SY	$60.00	$60.00
176	Furnish and Install Asphalt Pavement 5" Depth 501-999 SY	SY	$48.00	$48.00
177	Furnish and Install Asphalt Pavement 5" Depth 1000+ SY	SY	$42.00	$42.00
178	Furnish and Install Asphalt Pavement 6" Depth 0-250 SY	SY	$70.00	$70.00
179	Furnish and Install Asphalt Pavement 6" Depth 251-500 SY	SY	$62.50	$62.50
180	Furnish and Install Asphalt Pavement 6" Depth 501-999 SY	SY	$54.00	$54.00
181	Furnish and Install Asphalt Pavement 6" Depth 1000+ SY	SY	$48.00	$48.00
182	Furnish and Install 6" Compacted ABC 0-250 SY	SY	$18.00	$18.00
183	Furnish and Install 6" Compacted ABC 251-500 SY	SY	$16.00	$16.00
184	Furnish and Install 6" Compacted ABC 501-999 SY	SY	$14.50	$14.50
185	Furnish and Install 6" Compacted ABC 1000+ SY	SY	$12.00	$12.00
186	Furnish and Install 9" Compacted ABC 0-250 SY	SY	$27.00	$27.00
187	Furnish and Install 9" Compacted ABC 251-500 SY	SY	$25.00	$25.00
188	Furnish and Install 9" Compacted ABC 501-999 SY	SY	$21.75	$21.75
189	Furnish and Install 9" Compacted ABC 1000+ SY	SY	$18.00	$18.00
190	Furnish and Install 12" Compacted ABC 0-250 SY	SY	$36.00	$36.00
191	Furnish and Install 12" Compacted ABC 251-500 SY	SY	$31.25	$31.25
192	Furnish and Install 12" Compacted ABC 501-999 SY	SY	$29.00	$29.00
193	Furnish and Install 12" Compacted ABC 1000+ SY	SY	$24.00	$24.00
194	Furnish and Install 15" Compacted ABC 0-250 SY	SY	$45.00	$45.00
195	Furnish and Install 15" Compacted ABC 251-500 SY	SY	$39.00	$39.00
196	Furnish and Install 15" Compacted ABC 501-999 SY	SY	$36.00	$36.00
197	Furnish and Install 15" Compacted ABC 1000+ SY	SY	$30.00	$30.00
	Price Book Line Items for Furnish and Installation Items for Arterial Streets			
198	Furnish and Install Concrete Rolled Curb and Gutter	LF	$33.75	$33.75
199	Furnish and Install Concrete Vertical Curb and Gutter	LF	$50.00	$50.00
200	Furnish and Install Concrete Single Curb	LF	$46.00	$46.00
201	Furnish and Install Concrete Ribbon Curb	LF	$25.00	$25.00
202	Furnish and Install Concrete Sidewalk	SF	$13.00	$13.00
203	Furnish and Install Concrete Valley Gutter	SF	$18.00	$18.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
204	Furnish and Install Concrete Apron	SF	$18.00	$18.00
205	Furnish and Install Concrete ADA Ramp	SF	$52.00	$52.00
206	Furnish and Install Concrete Driveway Entrance	SF	$18.00	$18.00
207	Furnish and Install Concrete Scupper Top	SF	$37.50	$37.50
208	Furnish and Install Concrete Top of Catch Basin	SF	$37.50	$37.50
209	Furnish and Install Bus Shelter	EA	Negotiated	Negotiated
210	Furnish and Install Bus Pad	SF	$10.00	$10.00
211	Furnish and Install Ultra Thin Bonded Wearing Course 1" Depth (Minimum 25,000+ SY)	SY	$10.00	$10.00
212	Furnish and Install Asphalt Pavement 1.5" Depth 0-250 SY	SY	$54.00	$54.00
213	Furnish and Install Asphalt Pavement 1.5" Depth 251-500 SY	SY	$36.00	$36.00
214	Furnish and Install Asphalt Pavement 1.5" Depth 501-999 SY	SY	$24.00	$24.00
215	Furnish and Install Asphalt Pavement 1.5" Depth 1000+ SY	SY	$19.25	$19.25
216	Furnish and Install Asphalt Pavement 1.5" Depth 25,000+ SY (PMTR+ 1/2" Mix)	SY	$14.50	$14.50
217	Furnish and Install Ultra Thin Bonded Wearing Course 1.5" Depth (Minimum 25,000+ SY)	SY	$14.00	$14.00
218	Furnish and Install Asphalt Pavement 2" Depth 0-250 SY	SY	$54.00	$54.00
219	Furnish and Install Asphalt Pavement 2" Depth 251-500 SY	SY	$36.00	$36.00
220	Furnish and Install Asphalt Pavement 2" Depth 501-999 SY	SY	$31.00	$31.00
221	Furnish and Install Asphalt Pavement 2" Depth 1000+ SY	SY	$27.00	$27.00
222	Furnish and Install Asphalt Pavement 2" Depth 25,000+ SY (PMTR+ 1/2" Mix)	SY	$18.00	$18.00
223	Furnish and Install Asphalt Pavement 3" Depth 0-250 SY	SY	$60.00	$60.00
224	Furnish and Install Asphalt Pavement 3" Depth 251-500 SY	SY	$48.00	$48.00
225	Furnish and Install Asphalt Pavement 3" Depth 501-999 SY	SY	$41.00	$41.00
226	Furnish and Install Asphalt Pavement 3" Depth 1000+ SY	SY	$35.00	$35.00
227	Furnish and Install Asphalt Pavement 4" Depth 0-250 SY	SY	$62.50	$62.50
228	Furnish and Install Asphalt Pavement 4" Depth 251-500 SY	SY	$50.50	$50.50
229	Furnish and Install Asphalt Pavement 4" Depth 501-999 SY	SY	$42.00	$42.00
230	Furnish and Install Asphalt Pavement 4" Depth 1000+ SY	SY	$36.00	$36.00
231	Furnish and Install Asphalt Pavement 5" Depth 0-250 SY	SY	$67.25	$67.25
232	Furnish and Install Asphalt Pavement 5" Depth 251-500 SY	SY	$55.25	$55.25

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
233	Furnish and Install Asphalt Pavement 5" Depth 501-999 SY	SY	$48.00	$48.00
234	Furnish and Install Asphalt Pavement 5" Depth 1000+ SY	SY	$42.00	$42.00
235	Furnish and Install Asphalt Pavement 6" Depth 0-250 SY	SY	$70.00	$70.00
236	Furnish and Install Asphalt Pavement 6" Depth 251-500 SY	SY	$62.50	$62.50
237	Furnish and Install Asphalt Pavement 6" Depth 501-999 SY	SY	$54.00	$54.00
238	Furnish and Install Asphalt Pavement 6" Depth 1000+ SY	SY	$48.00	$48.00
239	Furnish and Install 6" Compacted ABC 0-250 SY	SY	$29.00	$29.00
240	Furnish and Install 6" Compacted ABC 251-500 SY	SY	$27.00	$27.00
241	Furnish and Install 6" Compacted ABC 501-999 SY	SY	$25.00	$25.00
242	Furnish and Install 6" Compacted ABC 1000+ SY	SY	$22.00	$22.00
243	Furnish and Install 9" Compacted ABC 0-250 SY	SY	$38.00	$38.00
244	Furnish and Install 9" Compacted ABC 251-500 SY	SY	$35.00	$35.00
245	Furnish and Install 9" Compacted ABC 501-999 SY	SY	$31.00	$31.00
246	Furnish and Install 9" Compacted ABC 1000+ SY	SY	$26.00	$26.00
247	Furnish and Install 12" Compacted ABC 0-250 SY	SY	$42.00	$42.00
248	Furnish and Install 12" Compacted ABC 251-500 SY	SY	$37.00	$37.00
249	Furnish and Install 12" Compacted ABC 501-999 SY	SY	$33.00	$33.00
250	Furnish and Install 12" Compacted ABC 1000+ SY	SY	$29.00	$29.00
251	Furnish and Install 15" Compacted ABC 0-250 SY	SY	$51.00	$51.00
252	Furnish and Install 15" Compacted ABC 251-500 SY	SY	$45.00	$45.00
253	Furnish and Install 15" Compacted ABC 501-999 SY	SY	$42.00	$42.00
254	Furnish and Install 15" Compacted ABC 1000+ SY	SY	$36.00	$36.00
	Price Book Line Items for Miscellaneous Installations, Adjustments and Potholes			
255	Furnish and Install Type II Slurry Seal, (Residential Street, Minimum 25,000+ SY)	SY	$4.00	$4.00
256	Furnish and Install Type II Slurry Seal (Parking Lot, 5,000+ SY)	SY	$4.75	$4.75
257	Furnish and Install Type II Micro Seal (Minimum 25,000+ SY)	SY	$4.25	$4.25
258	Furnish and Install Type III Micro Seal (Minimum 25,000+ SY)	SY	$5.00	$5.00
259	Furnish and Install Liquid Road RTU Surface Treatment (Parking Lot 5,000+SY)	SY	$3.55	$3.55
260	Furnish and Install Liquid Road RTU Surface Treatment (Local Streets 25,000+SY)	SY	$3.30	$3.30

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
261	Furnish and Install PMMRTU Rubberized Asphalt Emulsion Sealcoat (minimum 5,000 SY)	SY	$1.85	$1.85
262	Furnish and Install GuardTop Ultra or Approved Equal Sealcoat (minimum 5,000 SY)	SY	$1.85	$1.85
263	Furnish and Install Single Asphalt Chip Seal (Minimum 25,000+ SY)	SY	$4.00	$4.00
264	Furnish and Install Double Asphalt Chip Seal (Minimum 25,000+ SY)	SY	$7.50	$7.50
265	Furnish and Install Polymer Modified Asphalt Chip Seal (Minimum 25,000+ SY)	SY	$5.00	$5.00
266	Furnish and Install Polymer Terminal Blend Asphalt Rubber Chip Seal (Minimum 25,000+ SY)	SY	$5.25	$5.25
267	Furnish and Install Decorative Asphalt Stamping and Coating (0-500 SF)	SF	$14.50	$14.50
268	Furnish and Install Decorative Asphalt Stamping and Coating (501-1500 SF)	SF	$13.50	$13.50
269	Furnish and Install Decorative Asphalt Stamping and Coating (1501-2500 SF)	SF	$12.25	$12.25
270	Furnish and Install Decorative Asphalt Stamping and Coating (2501-5000 SF)	SF	$11.25	$11.25
271	Furnish and Install Decorative Asphalt Stamping and Coating (5000+ SF)	SF	$10.00	$10.00
272	Recoat Stamped Decorative Asphalt	SF	$3.25	$3.25
273	Valve Frame and Cover Adjustment, Arterial and Collector Streets	EA	$1,150.00	$1,150.00
274	Manhole Frame and Cover Adjustment, Arterial and Collector Streets	EA	$1,175.00	$1,175.00
275	Valve Frame and Cover Adjustment, Residential Streets	EA	$1,150.00	$1,150.00
276	Manhole Frame and Cover Adjustment, Residential Streets	EA	$1,175.00	$1,175.00
277	Furnish and Install Type A Survey Monument, Arterial and Collector Streets	EA	$1,150.00	$1,150.00
278	Furinish and Install Type A Survey Monument, Residential Streets	EA	$1,150.00	$1,150.00
279	Furnish and Install Type B Survey Monument/Includes RLS Survey, Residential Street	EA	$325.00	$325.00
280	Utility Pothole, MAG Standard Detail 212, Type B	EA	$2,250.00	$2,250.00
	Price Book Line Items for Landscaping			
281	Furnish and Install 1/2" minus Screened Decomposed Granite, 2" Thick	SY	$35.00	$35.00
282	Furnish and Install 24" Box Tree	EA	$635.00	$635.00
283	Furnish and Install 36" Box Tree	EA	$975.00	$975.00
284	Furnish and Install 5 Gal Shrub	EA	$115.00	$115.00
285	Furnish and Install 15 Gal Shrub	EA	$175.00	$175.00
	Price Book Line Items for Pavement Markings and Signing			

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
286	Furnish and Install 4" Solid White or Yellow Thermoplastic Markings	LF	$0.75	$0.75
287	Furnish and Install 4" Solid White or Yellow Painted Markings	LF	$0.40	$0.40
288	Furnish and Install 6" Solid White or Yellow Thermoplastic Markings	LF	$1.00	$1.00
289	Furnish and Install 6" Solid White or Yellow Painted Markings	LF	$0.50	$0.50
290	Furnish and Install 8" Solid White or Yellow Thermoplastic Markings	LF	$1.50	$1.50
291	Furnish and Install 8" Solid White or Yellow Painted Markings	LF	$0.75	$0.75
292	Furnish and Install 12" Solid White or Yellow Thermoplastic Markings	LF	$2.50	$2.50
293	Furnish and Install 12" Solid White or Yellow Painted Markings	LF	$1.25	$1.25
294	Furnish and Install 18" Solid White Thermoplastic Markings	LF	$3.00	$3.00
295	Furnish and Install 18" Solid White Painted Markings	LF	$1.50	$1.50
296	Furnish and Install Thermoplastic Arrow or Symbol Markings	EA	$400.00	$400.00
297	Furnish and Install Raised Reflective Pavement Markers	EA	$5.00	$5.00
298	Furnish and Install Large Channel Markers (Dagmars)	EA	$100.00	$100.00
299	Obliterate Existing Striping	LF	$1.75	$1.75
300	Obliterate Existing Arrow or Symbol Markings	EA	$75.00	$75.00
301	Furnish and Install Roadway Sign Panels	SF	$35.00	$35.00
302	Furnish and Install Roadway Sign Post, TOG Standard Detail GIL-227	LF	$12.50	$12.50
303	Furnish and Install Roadway Sign Foundation, TOG Standard Detail GIL-227	EA	$225.00	$225.00
304	Remove and Salvage Existing Signs, Posts and Foundations	EA	$100.00	$100.00
	Price Book Line Item for Survey and Staking			
305	Contractor Provided Survey and Staking (All Equipment and Material at Site)	HR	$200.00	$200.00
	Price Book Line Items for Street Light Installation and Removals			
306	Furnish and Install "Median - 35' High" GIL-905 Arterial Street Light Pole, Mast Arm, Wiring from Junction Box and Hardware	EA	$4,050.00	$4,050.00
307	Furnish and Install "Median - 40' High" GIL-906 Arterial Street Light Pole, Mast Arm, Wiring from Junction Box and Hardware	EA	$4,100.00	$4,100.00
308	Furnish and Install "Behind Curb - 32' High" GIL-902 Arterial Street Light Pole, Mast Arm, Wiring from Junction Box and Hardware	EA	$3,925.00	$3,925.00
309	Furnish and Install "Behind Curb - 40' High" GIL-901 Arterial Street Light Pole, Mast Arm, Wiring from Junction Box and Hardware	EA	$3,925.00	$3,925.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
310	Furnish and Install "Collector - 32' High" GIL-901 Street Light Pole, Mast Arm, Wiring from Junction Box and Hardware	EA	$3,175.00	$3,175.00
311	Furnish and Install "Local / Residential - 32' High" GIL-901 Street Light Pole, Mast Arm, Wiring from Junction Box and Hardware	EA	$3,175.00	$3,175.00
312	Remove Existing Direct Buried Pole and Furnish and Install "Median - 41'-6" High" GIL-931 Direct Buried Arterial Street Light Pole, Mast Arm, Wiring from Existing Junction Box and Hardware	EA	$5,050.00	$5,050.00
313	Remove Existing Direct Buried Pole and Furnish and Install "Median - 46'-6" High" GIL-931 Direct Buried Arterial Street Light Pole, Mast Arm, Wiring from Existing Junction Box and Hardware	EA	$5,525.00	$5,525.00
314	Remove Existing Direct Buried Pole and Furnish and Install "Behind Curb - 38'-6" High" GIL-930 Direct Buried Arterial Street Light Pole, Mast Arm, Wiring from Existing Junction Box and Hardware	EA	$4,775.00	$4,775.00
315	Remove Existing Direct Buried Pole and Furnish and Install "Behind Curb - 46'-6" High" GIL-930 Direct Buried Arterial Street Light Pole, Mast Arm, Wiring from Existing Junction Box and Hardware	EA	$5,525.00	$5,525.00
316	Remove Existing Direct Buried Pole and Furnish and Install "Collector - 38'-6" High" GIL-930 Direct Buried Street Light Pole, Mast Arm, Wiring from Existing Junction Box and Hardware	EA	$4,775.00	$4,775.00
317	Remove Existing Direct Buried Pole and Furnish and Install " Local / Residential - 38'-6" High" GIL-930 Direct Buried Street Light Pole, Mast Arm, Wiring from Existing Junction Box and Hardware	EA	$4,775.00	$4,775.00
318	Furnish and Install LED Luminaire (48W to 80W) and Hardware	EA	$1,050.00	$1,050.00
319	Furnish and Install LED Luminaire (81W to 160W) and Hardware	EA	$1,200.00	$1,200.00
320	Furnish and Install new Junction Box, Lid and Grounding Rod	EA	$500.00	$500.00
321	Install Utility Company Furnished Junction Box and Lid	EA	$325.00	$325.00
322	Furnish and Install Concrete "Arterial - Median" Street Light Foundation with Grounding Wire and Plate, Anchor Bolts, Conduit and Reinforcement	EA	$2,500.00	$2,500.00
323	Furnish and Install Concrete "Arterial - Behind Curb" Street Light Foundation with Grounding Wire and Plate, Anchor Bolts, Conduit and Reinforcement	EA	$2,500.00	$2,500.00
324	Furnish and Install Concrete "Collector" Street Light Foundation with Grounding Wire and Plate, Anchor Bolts, Conduit and Reinforcement.	EA	$2,500.00	$2,500.00

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
325	Furnish and Install Concrete "Local / Residential" Street Light Foundation with Grounding Wire and Plate, Anchor Bolts, Conduit and Reinforcement.	EA	$2,500.00	$2,500.00
326	Remove Direct Buried "Residential" and "Collector" Street Light Pole, Mast Arm, Luminaire, Hardware and Backfill and/or Grade with Proper Material	EA	$550.00	$550.00
327	Remove Direct Buried "Median or Behind Curb Arterial" Street Light Pole, Mast Arm, Luminaire, Hardware and Backfill and/or Grade with Proper Material	EA	$550.00	$550.00
328	Remove "Residential" and "Collector" Street Light Pole, Mast Arm, Luminaire and Hardware	EA	$550.00	$550.00
329	Remove "Median or Behind Curb Arterial" Street Light Pole, Mast Arm, Luminaire and Hardware	EA	$550.00	$550.00
330	Remove Existing Concrete Street Light Foundation and Backfill and/or Grade with Proper Material	EA	$2,250.00	$2,250.00
331	Install TOG Furnished Direct Buried Street Light Pole, Mast Arm, Luminaire and Hardware	EA	$1,000.00	$1,000.00
332	Install TOG Furnished Foundation Mounted Street Light Pole, Mast Arm, Luminaire and Hardware	EA	$575.00	$575.00
333	Remove and Dispose Concrete Foundations	EA	$825.00	$825.00
	Negotiated Items			
334	Traffic Control For Arterial Streets	L Sum	Negotiated	Negotiated
335	Remove and Salvage Concrete Pavers	SF	Negotiated	Negotiated
336	Remove and Dispose of Concrete Pavers	SF	Negotiated	Negotiated
337	Furnish and Install Concrete Pavers	SF	Negotiated	Negotiated
338	Furnish and Install Bus Shelter	EA	Negotiated	Negotiated
339	Full Depth Asphalt Milling	SY	Negotiated	Negotiated
340	Edge Line Asphalt Taper Mill	SF	Negotiated	Negotiated
341	Excavation and Backfill	CY	Negotiated	Negotiated
342	Subgrade Preparation	SY	Negotiated	Negotiated
343	Fill Construction	CY	Negotiated	Negotiated
344	Contractor Provided Material Testing	NEG.	Negotiated	Negotiated
345	Landscaping	LS	Negotiated	Negotiated

JOC PRICE BOOK - STREETS TRANSPORTATION

Item	Description	Unit	Unit Price	Total
346	Remove and Replace Existing Water Line (8", 10", 12", 16" and 24") In Residential Street	LF	Negotiated	Negotiated
347	Remove and Replace Existing Sewer Line (6", 8", 10", 12", 16" and 24") In Residential Street	LF	Negotiated	Negotiated
348	Remove and Replace Existing Water Line (8", 10", 12", 16" and 24") In Arterial Street	LF	Negotiated	Negotiated
349	Remove and Replace Existing Sewer Line (6", 8", 10", 12", 16" and 24") In Arterial Street	LF	Negotiated	Negotiated
350	Remove and Replace Existing Water Service Less than 2" Diameter	LF	Negotiated	Negotiated
351	Remove and Replace Existing Water Service 2" Diameter or Greater	LF	Negotiated	Negotiated
352	Remove and Replace Domestic Waste Water Service	LF	Negotiated	Negotiated
353	Remove and Replace Commercial Waste Water Service	LF	Negotiated	Negotiated

APPENDIX D

JOB ORDER

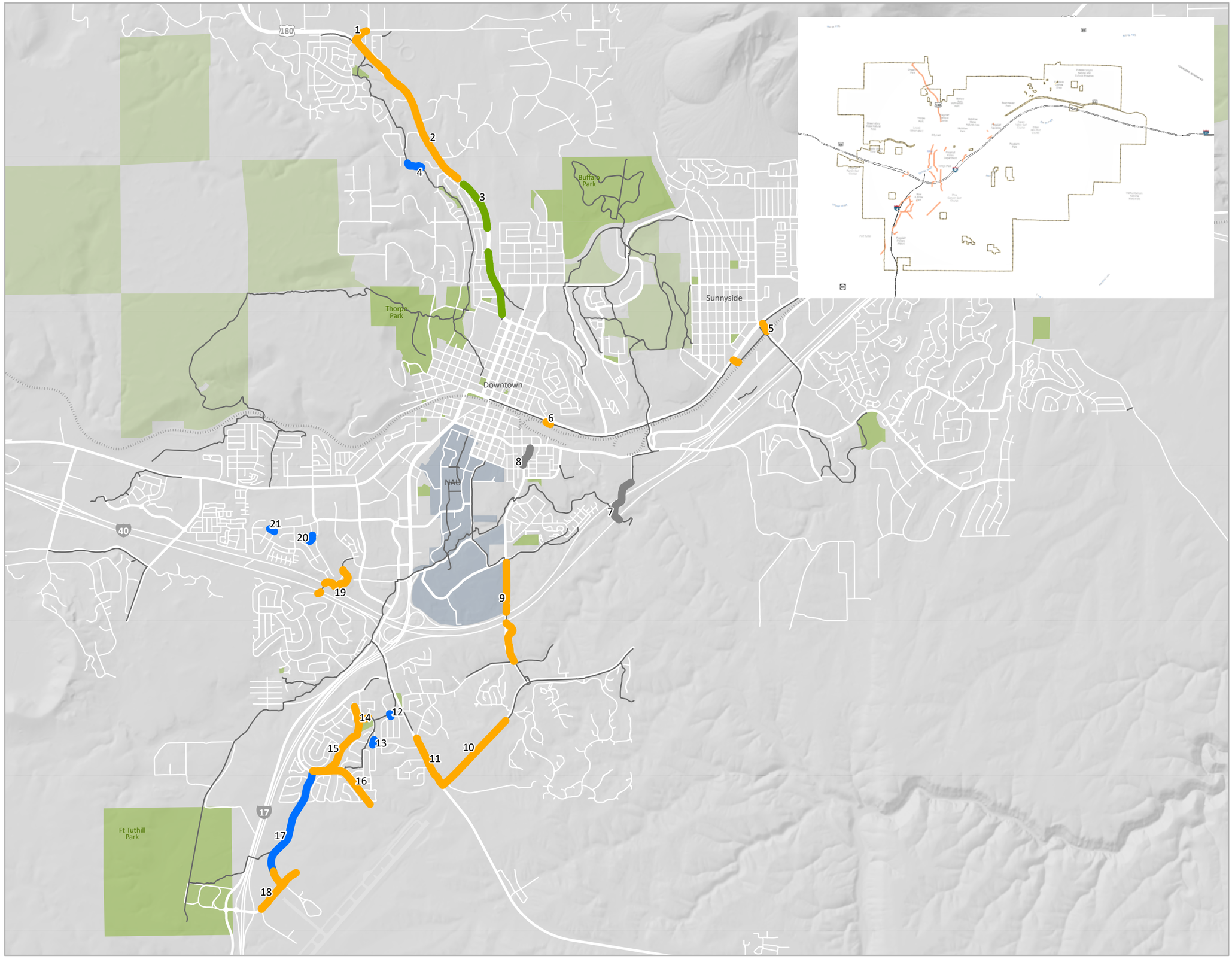
Date: _____
Project Number: _____
Contractor's Name: _____
Project Name: _____
Contract No: _____
Job Order No.: _____
Scope of Work/Technical Specifications/Drawings: See Attachment 1
Location of Work: _____
Total Cost for Job Order: _____
Completion Date/Schedule: _____
Submittal Requirements: See Attachment 2
Other: _____

Payment Submittal Requirements: The Payment submittal will be monthly and will be on the Town of Gilbert form attached to this Job Order. It shall identify the percent of work complete and the percent of payment requested.

Approved By: _____
CONTRACTOR

Approved By: _____
Authorized Town Representative

Approved By: _____
Town of Gilbert



Flagstaff Urban Trails System

Asphalt FUTS Repair Project

Map 4
Asphalt FUTS
by treatment option

Key	Trail segment
1	Schultz Pass Trail
2	Fort Valley Trail N
3	Fort Valley Trail S
4	Karen Cooper Trail
5	Route 66 Trail E
6	Route 66 Trail W
7	Arizona Trail
8	Lone Tree Trail N
9	Lone Tree Trail
10	JWP Trail E
11	Lake Mary Trail
12	Nicholas Access
13	Conquistador Connector
14	Big Valley Trail
15	Ponderosa Trail N
16	High Country Trail
17	Ponderosa Trail S
18	JWP Trail W
19	Southwest Crossing Trail
20	Daydream Connector
21	Fresh Aire Connector

Treatment

- No treatment
- Crack repair
- Mill-overlay
- Pulverize-replace
- FUTS trails | existing

1
Miles

City of Flagstaff
Feb 2025

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Rick Tadder, Management Services Director

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: A Cooperative Purchase Contract with U.S. Bancorp Asset Management, Inc. for Investment Management Services in the amount not to exceed $160,000, annually.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with U.S. Bancorp Asset Management, Inc. for Investment Management Services in an amount not to exceed $160,000, annually; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The City currently has approximately $117 million in City funds invested in a one to five year portfolio. The previously investments were managed by PFM Asset Management Services, LLC (PFMAM). In the Fall of 2024, PFMAM consolidated client accounts under its parent company, U.S. Bancorp Asset Management, Inc. (USBAM). With this change, the City looked to continue investment management services under USBAM. The City identified a recent formal procurement completed by the City of Yuma, which entered into a contract with USBAM to provide investment management services. This contract allows other cities to receive the same terms and conditions via a "cooperative purchase contract." The City's proposed cooperative purchase agreement with USBAM will commence on June 1, 2025 and will allow for annual extensions up to four additional years.

Financial Impact:

Utilizing a Investment Management Service allows for an actively managed investment portfolio that should yield higher investment returns for the City. These investment revenues support all of the funds within the City of Flagstaff.

The cost of the contract is based on the balance in size of our investment portfolio, also known as assets under management.

Assets Under Management	Annual Fee in Basis Points (bps)
On the first $100,000,000	7.0 bps (0.07%)
On the next $100,000,000	6.0 bps (0.06%)
On the next $200,000,000	5.0 bps (0.05%)
On all assets over $400,000,000	4.0 bps (0.04%)

Based on a $120,000,000 balance in our investment portfolio (assets under management), the annual fee would be $82,000. This is approximately $10,000 less than the previous contract with PFMAM. The City does intend on increasing our investment portfolio amounts and could have annual fees in excess of $100,000.

Policy Impact:
Investment Management Services must follow the City's Investment Policy.

Previous Council Decision or Community Discussion:
None.

Options and Alternatives to Recommended Action:

- Approve the Investment Management Services as submitted.
- Amend the Investment Management Services and ask USBAM to accept amendments.
- Do not approve the Investment Management Services and ask staff to complete a formal procurement for investment options.

Background and History:
Prior to July 2011, the city managed our investment portfolio through internal management and the Local Government Investment Pool (LGIP). The internal management process had City staff investing primarily in government issues (bonds) and in certificates of deposits (CDs) and were considered a very safe investment practice for the City. LGIP management is done through the State of Arizona's Treasury Department and as with internally management investments, LGIP investments are considered reasonably safe for a governmental entity.

In 2011, the City completed a Request for Proposal for investment management services and awarded the contract PFMAM. The City of Flagstaff has had a successful relationship with PFMAM and renewed the contract in 2016. The relationship has been exceptional and grown over the past 10 years. We continue to invest additional funds with PFMAM and as of December 31, 2024, the City of Flagstaff has invested over $118 million dollars with PFMAM. PFMAM is now operating under USBAM and we expect the same great service as we have seen in the past and will be keeping our current investment managers. The returns tend to be greater than the average measured against the ICE BofA 1-5 Year U.S. Treasury/Agency Index as published by Bloomberg Financial LP. As of December 31, 2024, our 1-Year portfolio return as 3.67% as compared to the benchmark of 3.42%.

Connection to PBB Priorities and Objectives:
High Performing Governance: Maintain the organization's fiscal stability through strong financial policies and best practices.

Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Attachments: Cooperative Contract

COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-82

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 2025 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and **U.S. Bancorp Asset Management, Inc.**, a Delaware corporation, as successor in interest to PFM Asset Management LLC a Delaware limited liability company ("Contractor").

RECITALS:

A. Contractor is a fully authorized vendor of Investment Management Services.

B. The **City of Yuma** conducted a competitive and open procurement process through Request for Qualifications **RFQ-24-253** that resulted in Contract No. **RFQ-24-253** with Contractor ("Agency Contract");

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 and or Services Purchased: Contractor shall provide to the City the materials and/or services, as specified in the Scope of Work attached as *Exhibit A*, and in accordance with the Agency Contract. A general description of materials and/or services being purchased is:

Investment Management Services

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Scope of Work attached as *Exhibit A* and incorporated by reference. The specific requirements of the City are in addition to the scope of work set forth in the underlying Agency Contract.

3. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as *Exhibit B*, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract, including, specifically changes in price for materials and/or services.

4. Payment:

   4.1 Payment to the Contractor for the materials and/or services not to exceed **one hundred sixty thousand dollars and no cents ($160,000.00) per year**; made in accordance with the price list and terms set forth in the Agency Contract.

   4.2 Any adjustment to the Payment amount must be approved by mutual written consent of the parties through a formal amendment.

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 and Renewal: This Cooperative Purchase Contract shall commence on June 1, 2025 and shall continue for a period of one year with an option for one-year extensions for an additional four-year renewal periods presuming that the underlying Agency Contract has not expired or been terminated.

7. Authority to Renew or Amend: The City Manager or his/her designee may approve a contract amendment or renewal if the annual contract price does not exceed $100,000.00; otherwise, City Council approval is required.

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

To the City:
Rick Tadder
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
rtadder@flagstaffaz.gov
928-213-2205

To Contractor:
Annette Gaston
PFM Asset Management
1101 W. Washington St.
Tempe, AZ. 85288
gastona@pfmam.com
480-271-0432

With a copy to:
Liane Garcia
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
lgarcia@flagstaffaz.gov

9. 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.

US BANCORP ASSET MANAGEMENT, INC.

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney’s Office

Last Updated January 6, 2025

EXHIBIT A
SCOPE OF WORK
(attached)

1. **City of Flagstaff, Investment Policy – 15 pages**

EXHIBIT B
AGENCY CONTRACT
(attached)

1. **PFM Asset Management LLC Agency Contract - 198 pages.**

SCOPE OF WORK – Investment Management – PFMAM Cooperative

1. Provide investment services in a comprehensive manner to handle the day-to-day administration of the City's investment portfolio.
2. Develop investment strategies to maximize earnings while balancing the constraints of cash flow needs.
3. Execute security purchases and/or sales with broker/dealers in accordance with the City's Investment Policy Statement.
4. Provide monthly investments statements no later than ten (10) business days after the conclusion of any month to include, but not limited to, individual security values at both market and cost, security ratings, transaction details, investment earnings, investment portfolio summary statistics, and credit analysis.
5. Review investment performance and recommendations with City's Treasurer or designee on a quarterly basis. Meet with Treasurer or designee as needed to review investment strategies. Remote meetings are acceptable.
6. Evaluate market risk and develop strategies that minimize the impact on the portfolio.
7. Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.
8. Establish an appropriate performance benchmark.
9. Review and understand the Investment Policy of the City. Ensure portfolio structure matches City objectives. Assist in reviewing the Investment Policy and provide recommendations for revisions and improvements to the policy.
10. Coordinate with City's custodian to ensure appropriate safe-keeping and reporting of investment assets.
11. Provide annual reporting for Governmental Accounting Standards Board requirements.



City of Flagstaff, Arizona
Investment Policy

Revised March 17, 2022

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1.0 Policy

It is the policy of the City of Flagstaff to invest public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all applicable state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all financial assets and funds held by the City of Flagstaff. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

2.1 Funds

1. General Funds
2. Special Revenue Funds
3. Capital Project Funds
4. Enterprise Funds
5. Debt Service Funds
6. Internal Service Funds
7. Trust and Agency Funds
8. Permanent Funds
9. Any new funds created by the City, unless specifically exempted

3.0 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" and/or "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Objective

The primary objectives, in priority order, of the City of Flagstaff's investment activities shall be safety of principal, liquidity, and return. These objectives are defined as follows.

4.1 Investment Objectives

1. Safety of Principal

   Safety of principal is the foremost objective of the investment program. Investments of the City of Flagstaff shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

   To attain the City's objectives, diversification is required in the portfolio composition. Diversification of the portfolio will include diversification by maturity and market sector and by broker/dealers. Competitive bidding will be used on each sale and purchase.

2. Liquidity

   The City of Flagstaff's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.

3. Return

   The City of Flagstaff's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority

Authority to manage the City of Flagstaff's investment program is derived from the City Charter, and from City Ordinances and Resolutions. The Management Services Director is designated the Investment Officer of the City and is responsible for investment decisions and activities. The Revenue Director is designated as the Deputy Investment Officer. Investment advisors contracted by the City serve as Designated Investment Officers. All designated officers will comply with provisions of the policy.

6.0 Investment Procedures

The Management Services Director shall establish written administrative investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Management Services Director.

7.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City of Flagstaff.

8.0 Authorized Financial Dealers and Institutions

The City of Flagstaff will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained for approved security broker/dealers selected by credit worthiness that are authorized to provide investment services in the State of Arizona. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15c3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the City with the following:

8.1 Qualified Bidder Requirements

1. Most recent annual audited financial statements;
2. Proof of State of Arizona registration;
3. Proof of National Association of Security Dealers certification;
4. Completed broker/dealer questionnaire; and
5. Trading resolution.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the City. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.

If the City utilizes an investment advisor, the advisor may be granted discretion to execute transactions utilizing their own list of approved broker/dealers.

9.0 Authorized and Suitable Investments

The City of Flagstaff may invest in the following types of securities.

9.1 Authorized Investments

1. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities;
2. Obligations of the State of Arizona, or any of its counties, incorporated

cities or towns, school districts,

3. Fully insured or collateralized certificates of deposit issued by a nationally or state chartered bank or savings institution;
4. Negotiable or brokered certificates of deposit issued by a nationally or state charted bank or savings and loan association that are rated within the top three ratings by a nationally recognized rating agency;
5. Interest bearing savings account deposits at banks and savings and loan institutions doing business within Arizona whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC);
6. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in section 35-323.01.
7. Banker's Acceptances eligible as collateral for borrowing from the Federal Reserve, of U.S. banks whose short-term obligations are rated Aa or better by two nationally recognized rating agencies;
8. Repurchase agreements, with a maximum maturity of 180 days; whose underlying collateral consist of securities in section 9.1.1 of this policy and executed with an Arizona bank or primary dealer;
9. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.
10. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.
11. SEC registered money market funds whose portfolios are limited to the foregoing authorized securities;
12. The State of Arizona's Local Government Investment Pool (LGIP) by the state treasurer pursuant to section 35-326; and
13. Companies that are not in the practice of extracting fossil fuels.

9.2 Competitive Bidding Requirement

All securities, including certificates of deposit, will be purchased or sold after a minimum of two (2) offers/bids are taken to verify that the City is receiving a fair market value/price for the investment.

9.3 Master Repurchase Agreement

If repurchase agreements are legal and authorized by policy, a Master Repurchase Agreement must be signed with the bank or dealer.

10.0 Collateralization

Collateralization will be required on two types of investments: certificates of deposit and

repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of the market value of principal and accrued interest.

The City of Flagstaff chooses to limit collateral to the following: treasuries and agency notes. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted.

11.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Flagstaff shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the City and evidenced by safekeeping receipts. Safekeeping receipts should list the specific instrument, rate, maturity, and other pertinent information.

12.0 Diversification

The City of Flagstaff will diversify its investments by security type and institution. Following is a list of diversification limitations:

12.1 Diversification Limitations

		Max % of Portfolio
1.	U.S. Treasury, Agency, and Instrumentality Obligations	100%
	With one agency	100%
2.	State of Arizona State, County, City or Town, or School District Obligations	50%
	With one entity	10%
3.	Certificates of Deposit	25%
	With one financial institution	Fully Amortized $250,000
4.	Negotiable Certificates of Deposit	25%
	With any one issuer	10%
5.	Interest Bearing Savings Account Deposits	50%
6.	Deposit Placement Programs	25%
7.	Banker's Acceptances	20%
8.	Repurchase Agreements	50%
	With one counterparty	20%
9.	Commercial Paper	20%
	With one issuer	5%
10.	Corporate Bonds	40%
	With one issuer	5%
11.	Money Market Funds	25%
12.	Local Government Investment Pool (LGIP)	100%

13.0 Maximum Maturities

To the extent possible, the City of Flagstaff will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

14.0 Internal Controls

The City of Flagstaff shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions of employees of the City or investment counterparties.

15.0 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

16.0 Benchmark

An appropriate benchmark shall be established against which portfolio performance shall be compared on a regular basis. The benchmark shall be reflective of the actual securities being purchased, risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

17.0 Reporting

The City is required to provide audited investment information in our Annual Comprehensive Financial Report as of June 30 of each fiscal year. Upon request of the City Council, the Management Services Director or designee will provide a comprehensive report regarding the City's investment program. The reports may include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies, security information (market value, par, coupon, issuer, earnings rate).

18.0 Investment Policy Adoption

As with all the City of Flagstaff financial policies, the investment policy is considered an administrative policy and adoption by the City Council is not required. The policy shall be reviewed annually by the Management Services Director and designated Investment Officer. Any modifications made thereto must be approved by the Management Services Director.

19.0 Glossary

ACCRUE: To recognize revenues when earned and to recognize expenditures as soon as they result in liabilities for benefits received.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A basis point equals one one-hundredth of 1% (0.01%).

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

CITY: City of Flagstaff, Arizona.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT: The official annual report for the City of Flagstaff. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COMMERCIAL PAPER (CP): An unsecured promissory note with a fixed maturity no longer than 270 days issued by banks, corporations, public entities, and finance companies. Public offerings are exempt from SEC regulation.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, *e.g.,* U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL FUNDS: Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States.

Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MAXIMUM MATURITY: The longest acceptable time to maturity that any one security in the portfolio may have at the time of purchase.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIME RATE: The rate which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing a RP, it is lending money that is increasing bank reserves.

RETURN: A return, also known as a financial return, in its simplest terms, is the money made or lost on an investment over some period of time. (see also Total Return)

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STATE: State of Arizona

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TOTAL RETURN: Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends, and distributions realized over a period. Total return accounts for two categories of return: income including interest paid by fixed-income investments, distributions, or dividends and capital appreciation, representing the change in the market price of an asset.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

WEIGHTED AVERAGE MATURITY: The weighted average time until all securities in a portfolio mature.

[!]jbancorp
Asset Management, Inc.

1735 Market Street, 43n1 Fl.
Philadelphia, PA 19103

Januaiy 24, 2025

CityofYuma
Attn: City Administrator
One City Plaza
Yuma, Arizona 85364

Re: Acknowledgement of Assignment to U.S. Bancorp Asset Management, Inc.

PFM Asset Management LLC ("PFMAM") signed the Offer and Acceptance for RFQ-24-253 with the City of Yuma (the "City") on May 23, 2024. The Offer and Acceptance was countersigned by the City on December 19, 2024, at which point the parties entered into a binding Professional Services Agreement.

In accordance with Paragraph 12.8 of the Professional Services Agreement, the City acknowledges the following:

- PFMAM was consolidated into its parent U.S. Bancorp Asset Management, Inc. ("USBAM") on October 1, 2024,
- PFMAM assigned its interests in the Professional Services Agreement to USBAM, and
- the Professional Services Agreement is now between the City and USBAM.

Sincerely,

Lu e Schneider
Managing Director

Acknowledged by City of Yuma:

John D. Simonton, City Administrator

Approvedas[(

Richard W. Files, City Attorney

Attest:

Lynda L. Bushong, City Clerk

Offer and Acceptance

To the City of Yuma: The undersigned Contractor hereby offers and agrees to furnish the goods and/or services in compliance with this Contract, as the term Contract is defined in this document.

By signing and submitting this Offer, Contractor certifies and warrants that Contractor: has read, understands and agrees to comply with the Contract as defined here, Contractor is qualified to perform all Services required herein; has no known, undisclosed conflict of interest; has not made an offer of any gift(s), payment(s) or other consideration to any City employee, elected official who has or may have had a role in the procurement process for this Contract; pursuant to A.RS. § 41-4401, Contractor and its subcontractors will comply with all immigration laws and regulations that relate to its employees and A.RS. § 23-214; and the signatory is an officer or duly authorized agent of the Contractor with full power and authority to submit binding offers for the goods and/or services as specified herein.

AZ Transaction Privilege Tax License# *(if aoo/icable)*	n/a
Arizona Contractor License # *(if aoolicable)*	n/a
Arizona Registrant License# *(if aoolicable)*	n/a
City of Yuma Business License#	n/a
Company Name	PFM Asset Management LLC
Address	1101 W. Washington Street
City, State, ZIP	Tempe, AZ 85288
Telephone	(480) 293-2344
Email Address	schneiderl@pfmam.com
Contact Person Authorized to Sign	Luke Schneider, CFA
Title of Authorized to Sign	Managing Director
Date	5/28/2024
Signature	Luke Schneider Digitally signed by Luke Schneider Date: 2024.05.23 13:31:23 -07'00'

ACCEPTANCE OF OFFER - CITY OF YUMA

Contractor's Offer is hereby accepted and a Contract awarded by the City. Contractor is now bound to provide the goods and/or services as specified in the Scope of Work in this Contract. Contractor shall not start any billable work or provide any material/services until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Acting City Adminis!rator, John D. Simonton

Attested by:

Lynda L. Bushong, City Clerk

Effective Date: Dec 19, 2024

Approved as to form:

Richard W. Files, City Attorney

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF YUMA
AND
PFM ASSET MANAGEMENT LLC

This Contract ("Agreement") is entered into as of the Effective Date set forth in the executed Offer and Acceptance Form between the City of Yuma, an Arizona municipal corporation, ("the City") and PFM Asset Management LLC, (the "Firm"). The City and the Firm are sometimes referred to individually as the "Party" and collectively as the "Parties".

RECITALS

A. The City issued a Request for Qualifications, RFQ 24-253 "Investment Management Services" (the "RFQ"), a copy of which is on file in the City Clerk's Office and incorporated by reference.

B. The Firm responded to the City by submitting a proposal (the "Proposal"), attached as Exhibit A and incorporated by reference, and the City desires to enter into an Agreement with the Firm for the Services.

AGREEMENT

In consideration of the above recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Firm agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the Effective Date set forth in the Offer and Acceptance Form fully executed by both Parties. The Agreement term is for a one-year term with the option to renew for four additional one-year periods, one period at a time, depending on the appropriation of funds and satisfactory performance.

2. Scope of Work. Firm shall provide the Services as set forth in the Scope of Work, attached as Exhibit B and incorporated herein by reference.

3. Compensation. The City shall pay Firm for Services at the rates set forth in the Best and Final Offer dated August 5, 2024, attached as Exhibit C and incorporated by reference.

4. Payments. The City shall pay the Firm monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the City pursuant to this Agreement shall be the property of the City.

6. Firm Personnel. Firm shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Firm agrees to assign specific individuals to key positions. Firm agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prompt written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days or are expected to devote substantially less effort to the Services than initially anticipated, Firm shall immediately notify the City of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

7. **RESERVED**

8. Licenses: Materials. Firm shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Firm. The City has no obligation to provide Firm, Firm's employees or subfirm any business registrations or licenses required to perform the specific services set forth in this Contract. The City has no obligation to provide tools, equipment or material to Firm.

9. Indemnification. To the fullest extent permitted by law, the Firm shall indemnify, defend and hold harmless the City and each City Council member, officer, director, employee or agent thereof {the City and any such person shall be deemed an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, fines, penalties, judgments, costs and expenses (including, but not limited to, reasonable Firm' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever (collectively "Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the intentional, reckless, or negligent acts, misconduct, errors, directives, mistakes or omissions in connection with the work or services of the Firm, Firm's officers, employees, agents, or any tier of subfirm or person attributable to Firm in the performance of this Agreement. The amount and types of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph. To the fullest extent permitted by law, the City shall indemnify, save and hold harmless the Contractor, Contractor's officers, agents, and employees for, from and against any and all claims, demands, actions, damages, judgements, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and_expenses, including attorney's fees and Litigation Expenses asserted by a third-party (i.e. a person or entity other than City or Firm to the extent caused by, in whole or in part, any negligence, recklessness, or intentional wrongful conduct of **the City.**

10. Termination: Cancellation.

10.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Firm of written notice by the City. Upon termination for convenience, Firm shall be paid for all undisputed services performed to the termination date.

10.2 For Cause.

If either Party fails to perform any obligation pursuant to this Agreement and such Party fails to cure its nonperformance within thirty (30) days after notice of nonperformance is given by the non-defaulting Party, such Party will be in default. In the event of such default, the non-defaulting Party may terminate this Agreement immediately for cause and will have all remedies that are available to the non-defaulting Party at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting Party's nonperformance is such that the default cannot reasonably be cured within thirty (30) days, then the defaulting Party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting Party immediately (A) provides written notice to the non-defaulting Party and (8) commences to cure the nonperformance and diligently continues to completion the cure of the nonperformance. In no event shall any such cure period exceed ninety (90) days. In the event of such termination for cause, payment shall be made by the City to the Consultant for the undisputed portion of Consultant's fee due as of the termination date.

10.3 Due to Work Stoppage. This Agreement may be terminated by the City upon thirty (30) days' written notice to Firm in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Firm for the undisputed portion of Firm's fee due as of the termination date.

10.4 Conflict of Interest. This Agreement is subject to the provisions of A.RS. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of City's departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of City's departments or agencies is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other Party to the Agreement in any capacity or a Firm to any other Party of the Agreement with respect to the subject matter of the Agreement.

10.5 Gratuities. The City may, by written notice to the Firm, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Firm or any agent or representative of the Firm to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Firm an amount equal to 150% of the gratuity.

10.6 Agreement Subject to Appropriation. The City is obligated only to pay City's obligations set forth in the Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay City's Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The Parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which the Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for City's obligations under this Agreement. The City shall keep Firm informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. Firm waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section. The City agrees to provide the Provider with prompt notice of any event of non-appropriation.

11. Insurance. Before the commencement of any services, the Firm must provide the City with certificates of insurance and formal endorsements identifying this Agreement by the City's agreement number and name. All required insurance policies must name the City, and City's employees, as Additional Insured with endorsement. The required General Liability, Automobile Liability, Workers' Compensation insurance must contain an endorsement waiving subrogation and Firm waives subrogation against the City. All insurance policies are subject to approval by the City. The required General Liability, Automobile policies must include an endorsement providing that such insurance is primary insurance and that any other insurance maintained by the City is excess and noncontributing with the insurance required under this section. Policies must be written on a per occurrence basis. The Firm must give the City 30 days written notice before canceling or terminating any policy. The Firm's failure to furnish evidence of insurance will be considered a breach.

The Certificate Holder must be named as follows: **City of Yuma, Yuma, Arizona**

All certificates are to be sent to: *purchasingweb@yumaaz.gov*

A. The Firm must carry **Worker's Compensation Insurance** to cover obligations imposed by federal and state statutes having jurisdiction of employees engaged in the performance of the work or services, and Employer's Liability Insurance of not less than $100,000.00 for each accident, $100,000.00 disease for each employee, and $500,000.00 disease policy limit. The policy must contain a waiver of subrogation by the insurance carrier. Firm must also waive subrogation.

   The Firm must require subfirm(s) to provide Worker's Compensation and Employer's Liability with at least as much coverage as that provided by the Firm.

B. The Firm must carry **Commercial/Business Automobile Liability** with a combined single limit for bodily injury and property damages of not less than $1 million for each occurrence on all vehicles the Firm uses, whether owned or leased, in the performance of the work or services under this Agreement. If hazardous materials or wastes are transported, CA 9948 endorsement must be included and $3 million per accident limits for bodily injury and property damage will apply.

C. The Firm must carry **Commercial General Liability** insurance with an unimpaired limit of not less than $1 million for each occurrence with a General Aggregate Limit of $2 million. The policy must be primary. Coverage must extend for two years past completion and acceptance of the project, and the Firm must provide annual Certificates of Insurance of continued coverage. No endorsement limiting or excluding a required coverage is permitted. All coverage's shall be on an occurrence basis. THE ADDITIONAL INSURED ENDORSEMENT REQUIRED HEREIN SHALL BE AN ISO FORM B (CG 20 10 10 01 or CG 20 34 10 01 AND CG 20 37 10 01), OR EQUIVALENT.

D. The Firm must carry **Umbrella/Excess Liability** insurance with an unimpaired limit of not less than $2 million per occurrence combined limit bodily injury and property damage, and applies in excess of the Commercial General Liability, Automobile Liability and Employer's Liability, as required above.

E. The Firm must carry **Professional Liability** coverage for errors and omissions arising out of the work or services performed by the Firm, its agents, and employees, with an unimpaired limit of $2 million each claim and $2 million all claims.

12. Miscellaneous.

12.1 Independent Firm. It is clearly understood that each Party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other, except that the Firm acts as an agent and as a fiduciary when it conducts a trade of portfolio securities or holds such securities on behalf of the City. At all times in the course of performance, the Firm shall act as a fiduciary to the City. An employee or agent of one Party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Firm acknowledges and agrees that the Services provided under this Agreement are being provided as an independent firm, not as an employee or agent of the City. Firm, Firm's employees, and subfirms are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Firm, Firm's employees, or subfirms. The Firm, and not the City, shall determine the time of Firm's performance of the services provided under this Agreement so long as Firm meets the requirements of Firm's agreed Scope of Work as set forth in Section 2 above and Exhibit B. Firm is neither prohibited from entering into other agreements nor prohibited from practicing Firm's profession elsewhere.

12.2 Applicable Law: Venue. Any action to enforce any provision of this Agreement or to obtain any remedy with respect this Agreement shall be brought exclusively in the Superior Court, Yuma County, Arizona (or as may be appropriate, in the Justice Courts of Yuma County, Arizona or in the United States District Court for the District of Arizona, John M. Roll Courthouse if, and only if, the Superior Court lacks jurisdiction over such action). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.

12.3 Laws and Regulations. Firm shall comply with the Americans with Disabilities Act (ADA) and shall indemnify City for any costs, including but not limited to, damages, Firm's fees, and staff time in any action or proceeding brought alleging violation of the ADA by Firm. Firm shall not discriminate against any person based on race, religion, color, age, sex, or national origin in the performance of this Agreement, and must comply with the terms and intent of Title VII of the Civil Rights Act of 1964, P.L. 88-354 (1964) and State Executive Order No. 2023-01. The Firm shall not participate in or cooperate with an international boycott, as defined in Section 999(b)(3) and (4) of the Internal Revenue Code of 1954, as amended, or engage in conduct declared to be unlawful by Arizona state law. The Firm shall include similar requirements of all sub-Firms in Agreements entered for performance of Firm's obligations under this Agreements. Firm shall keep fully informed and shall at all times during the performance of Firm's duties under this Agreement ensure that it and any person for whom the Firm is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to,

the following: (A) existing and future City ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards. Firm shall comply with all federal, state, and local laws, regulations, and ordinances applicable to Firm's performance under this Agreement.

12.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Firm.

12.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though such provisions were included 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 Agreement will promptly be amended to make such insertion or correction.

12.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which shall remain in effect without the invalid provision or application.

12.7 Entire Agreement; Interpretation; Paro! Evidence. This Agreement represents the entire Agreement of the Parties with respect to its subject matter, and all previous Agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral Contracts have been made by any of the Parties except as expressly set forth in a written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the Party drafting the Agreement. The Parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

12.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Firm without prior, written permission of the City, signed by the City Administrator, except if the rights and obligations of the Firm are assigned to the Firm's parent company. U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser, provided, however, that the City be provided seven (7) days' prior written notice of such assignment. Any attempted assignment or delegation by Firm in violation of this provision shall be a breach of this Agreement by Firm. The requirements of this Agreement are binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

12.9 Subcontracts. No subcontract shall be entered into by the Firm with any other Party to furnish any of the material or services specified without the prior written and signed approval of the City. The Firm is responsible for performance under this Agreement whether subfirms are used. Failure to pay subfirms in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Firm.

12.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Firm from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

12.11 Attorney's Fees. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default, the prevailing Party shall be entitled to receive from the other Party reasonable Attorney's fees and reasonable costs and expenses, determined by the court and not the jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment

12.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

12.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Firm any amounts Firm owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Firm any amounts Firm owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

12.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the Party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City:	If to Consultant:
City of Yuma	PFM Asset Management LLC
Attn: City Administrator	Attn: Luke Schneider
One City Plaza	1101 W. Washington Street
Yuma, Arizona 85364	Tempe, Arizona 85288

or at such other address, and to the attention of such other person or officer, as any Party may designate in writing. Notices shall be deemed received (A) when delivered to the Party, (B) three (3) business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a Party shall mean and refer to the date on which the Party, and not the Party's counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

12.15 Force Majeure. A Party may be excused from performance during the time and to the extent that they are prevented from obtaining, delivering, or performing by act of God, fire, strike, loss or shortage of transportation facilities, lock-out, pandemic, commandeering of materials, products, plants or facilities by the government, when satisfactory evidence is presented to the City, provided that it is satisfactorily established that the non-performance is not due to the fault or neglect of the Party not performing.

12.16 Confidentiality of Records. The Firm shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in Firm's records or obtained from the City or from others in carrying out Firm's obligations under this Agreement shall not be used or disclosed by either, Firm's agents, officers, or employees, except as required to perform Firm's duties under this Agreement. Persons requesting such information should be referred to the City. Firm also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Firm as needed for the performance of duties under this Agreement.

12.17 E-Verify Requirements. To the extent applicable under Arizona Revised Statutes ("A.RS.") § 41-4401, the Firm will comply, with all federal immigration laws and regulations that relate to their employees and their compliance with the E-Verify requirements under A.RS. § 23-214(A) ("Immigration Warranty"). Firm's failure to comply with Immigration Warranty shall be deemed a material breach of this Agreement and may subject Firm to penalties up to and including termination of this Agreement at the sole discretion of the City.

Neither Firm nor any subfirm will be deemed to have materially breached the Firm Immigration Warranty if Firm or subfirm establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 2748 of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.RS. § 23-214 (A).

12.18 Conflicting Terms. In the event of any inconsistency, conflict, or ambiguity among the terms of this Agreement, the Scope of Work, any City-approved Purchase Order, the Fee Proposal, the RFP and the Firm's Proposal, the documents shall govern in the order listed.

12.19 Non-Exclusive Agreement. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

12.20 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement Agreements developed by the City, at their discretion and with the Agreement of the awarded Firm. Firm may, at Firm's sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the Parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Firm. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

12.21 Time of the Essence. nme is of the essence in this Agreement. Unless otherwise specifically provided, any consent to delay in Firm's performance of Firm's obligations is applicable only to the particular transaction to which it relates and is not applicable to any other obligation or transaction.

12.22 Signatory Authority. Each person signing this Agreement represents that such person has the requisite authority to execute this Agreement on behalf of the entity the person represents and that all necessary formalities have been met.

12.23 Boycott of Israel. The Parties shall comply with the applicable requirements of Arizona Revised Statutes§ 35-393.01. Firm certifies that Firm is not currently engaged in and agrees for the duration of this Agreement that the Firm will not engage in a boycott of Israel, as that term is defined in A.RS. § 35-393.

12.24 Forced Labor of Ethnic Uyghurs Prohibited: Contractor shall comply with the applicable requirements of Arizona Revised Statutes § 35-394 and hereby certifies to the best of its knowledge and agrees Contractor does not currently use and will not use for the term of this Contract: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

12.25 Survival. The obligations of Firm under this Section shall survive the termination of this Agreement.

12.26 Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, and counterparts may be exchanged by electronic transmission (including by email), each of which will be deemed an original, but all of which together constitute one and the same instrument.

OFFER AND ACCEPTANCE FORM ATTACHED (After Fully Executed)

EXHIBIT A

TO

PROFESSIONAL SERVICES CONTRACT

BETWEEN

THE CITY OF YUMA

AND

PFM ASSET MANAGEMENT LLC

[Firm's Proposal]

See following page(s).

pfm asset management

May 28, 2024

City of Yuma

Request for Qualifications for Investment Management Services

RFQ #24-253

Response to RFQ#24-253
Investment Management Services
Attn: Melinda G. Holmes, CPPO, CPPB
City of Yuma, Procurement Division
One City Plaza
Yuma, AZ 85364

NOT FDIC INSURED :
NO BANK GUARANTEE :
MAY LOSE VALUE

For Institutional Investor or Investment Professional Use Only – This material is not for inspection by, distribution to, or quotation to the general public

PFM Asset Management LLC
1101 W. Washington Street
Tempe, AZ 85288
520.260.1574
pfmam.com

City of Yuma

May 28, 2024

Request for Qualifications for Investment Management Services

RFQ #24-253

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Certification Form

Addenda Form

Offer and Acceptance Form

Principal for this Engagement

Luke Schneider, CFA, Managing Director, schneiderl@pfmam.com

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About PFM Asset Management

PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

For more information regarding PFMAM’s services or entities, please visit www.pfmam.com

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

pfm asset management

May 28, 2024

Melinda G. Holmes, CPPO, CPPB
City of Yuma, Procurement Division
One City Plaza
Yuma, AZ 85364

RE: Request for Qualifications ("RFQ")-24-253 for Investment Management Services

Dear Ms. Holmes:

PFM Asset Management ("PFMAM") is pleased to submit our proposal to provide investment management services to the City of Yuma (the "City"). By leveraging our dedicated fixed income resources and Arizona-specific expertise, we believe we can help the City to improve its investment program to safely increase investment earnings while adhering to the objectives of safety, liquidity, and return.

Since 1980, our nearly 300 investment professionals have assisted local governmental clients with the management of fixed income portfolios with similar mandates to the City.[1] Nationally, we manage or advise on $229.8 billion in total assets, with $176.3 billion in discretionary assets under management ("AUM") and $53.4 billion in non-discretionary assets under advisement ("AUA").[1] In Arizona alone, we manage more than $7.5 billion for 20 cities and 11 other public entities across the state.[1]

Luke Schneider, CFA is the contact person for our proposal. He and other key personnel are available to begin work on this engagement immediately. His contact information is: 1101 W. Washington Street, Tempe, AZ 85288, schneiderl@pfmam.com, 520.260.1574.

PFM Asset Management (EIN: 41-2003732) is a limited liability company and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). Luke Schneider, CFA is authorized to act on PFMAM's behalf with regards to this proposal. Our headquarters is located at 213 Market Street, Harrisburg, Pennsylvania, and the local office at 1101 W. Washington Street, Tempe, AZ will provide engagement management and support. We include our certificate of authority for Arizona in Appendix A.

PFMAM maintains a nationwide investment advisory practice servicing hundreds of different clients at any one time. All of our client service contracts are terminable in the discretion of the client on short notice. Occasionally, PFMAM receives notice from a client terminating a contract, for a reason other than cause, breach default, nonperformance or non-allocation of funds. PFMAM does not maintain records that are indexed to identify why a client engagement has become inactive and, consequently, PFMAM is not in a position to identify agreements that have been terminated within the past years.

In December 2023, PFMAM was named as one of several defendants by a plan participant of a pension for which we serve as investment manager. The complaint contained allegations related to the employer's mandatory retirement age. PFMAM maintained that the claim was legally and factually unsupportable as it relates to PFMAM and that PFMAM had no liability. The plaintiff and primary named defendants (not including PFMAM) settled the matter and the case was dismissed in 2024.

Sincerely,

Luke Schneider
Managing Director
PFM Asset Management LLC

Annette Gaston
Director
PFM Asset Management LLC

[1] *As of December 31, 2023.*

I. Technical Proposal

A. Executive Summary

Executive Summary: a brief narrative that outlines the key elements of SOQ.

PFMAM's original practice was founded in 1978 to provide independent financial advisory services to the public sector. PFMAM began providing investment advisory services in 1980. These services have grown to include timely, market-driven portfolio management, bond proceeds reinvestment, cash flow analysis, portfolio design and accounting, as well as related services, such as arbitrage rebate calculation.

For more than 40 years, our investment professionals have assisted local governmental clients with the management of fixed income portfolios with similar mandates to the City. Nationally, we manage or advise on $229.8 billion in total assets, with $176.3 billion in discretionary AUM and $53.4 billion in non-discretionary AUA.[2] In Arizona alone, we manage more than $7.5 billion for 20 cities and 11 other public entities across the state.[2]

PFMAM has been serving public entities in the state since 2002, and we will continue to provide relationship management from our Tempe, Arizona office. Our team has extensive knowledge of relevant provisions of the Arizona Revised Statutes, and the fiscal and political environment in which Arizona cities operate every day. Additionally, we have provided education across the state of Arizona for the last 10 years, and we are active members of the Government Finance Officers Association of Arizona ("GFOAz"). We have also hosted a complimentary seminar for our Arizona clients focused on issues pertaining to public entities in the state for over a decade.

We further describe how we meet the key elements of the Statement of Qualifications ("SOQ") below, and describe how we will help the City address its Scope of Work in Section C.

A. Firm will be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 (or be exempt from registration as a bank/trust organization) and be properly registered to provide investment advisory services in Arizona. A copy of the latest Form ADV if applicable, to be included with Response.

PFMAM is registered with the Securities and Exchange Commission ("SEC") under the Investment Advisors Act of 1940 and are properly registered to provide investment advisory services in Arizona. We include our Form ADV Part II in Appendix B.

[2] *As of December 31, 2023.*

B. Firm will have a minimum of ten (10) years of experience managing fixed income portfolios for higher education institutions, state/local governments and/or other public entities.

PFMAM has been managing fixed income portfolios for higher education institutions, state/local governments, and/or other public entities for 44 years. Since our primary focus is on the public sector, we pay special attention to topics that are relevant to our governmental clients. Our focus on specific resource areas allows us to deliver high-quality customized services to each client. We manage operating funds, capital funds, reserve funds, and bond proceeds for governmental and other institutional entities across the country. Our fixed income professionals are dedicated to various aspects of public funds investing, including portfolio management/strategy, technical/research analysis, compliance, accounting and client service.

C. Firm will have experience managing fixed income portfolios in excess of $50 million.

Nationally, we manage or advise on $196.4 billion in total fixed income assets, with $148.7 billion in discretionary AUM and $47.7 billion in non-discretionary AUA.[3] This includes managing portfolios for more than 409 clients, each with assets in excess of $50 million. Of that total, we manage portfolios ranging in size from $300-$500 million for 37 clients.[3]

D. Firm will have assets under management of at least $10 billion.

PFMAM manages more than $176.3 billion in discretionary fixed income and multi-asset class assets nationwide.

E. Firm will assign a portfolio manager to the City's account with a minimum of ten (10) years of experience in providing investment services to higher education institutions and/or public entities.

PFMAM's portfolio managers all have at least 10 years of experience in providing investment services to public entities and/or higher education clients. We will determine primary and backup portfolio managers for the City's portfolio after discussions with the City to determine what we believe is the best strategy to optimize the City's portfolio. We include a graphic illustrating our portfolio management team on the following page.

[3] *As of December 31, 2023.*



F. Firm will be familiar with all applicable Arizona state statutes regarding qualified investments for public entities.

PFMAM has been serving public entities in the State of Arizona since 2002, and we will continue to provide relationship management from our Tempe office. In Arizona alone, we manage more than $7.5 billion for 20 cities and 11 other public entities across the State.[3] Our team has extensive knowledge not only of relevant provisions of the Arizona Revised Statutes, but also of the fiscal and political environment in which Arizona cities operate every day. Additionally, we have provided education in the State for the last 10 years, and we are active members of the GFOAz.

B. Firm

Firm: a profile of the Firm including its business history, range of services provided, and overall qualifications for the contract.

PFMAM began providing investment advisory services in 1980, and in 2001, PFM Asset Management LLC was created to house our asset management business and related services. Our

services include timely, market-driven portfolio management, bond proceeds reinvestment, cash flow analysis, portfolio design and accounting, as well as related services, such as arbitrage rebate calculations. We are registered with the SEC as an investment advisor under the Investment Advisers Act of 1940. PFMAM is a leading provider of independent investment advisory services to public entities and other institutional investors.[4] PFMAM managed or advised on $229.8 billion in total assets, including $176.3 billion in discretionary AUM and $53.4 billion in non-discretionary AUA.[5]

In December 2021, PFMAM was purchased by USBAM, a subsidiary of U.S. Bank National Association ("U.S. Bank"). We retained nearly all of our current employees after the acquisition, and our leaders continue to set the firm's strategic direction under the USBAM ownership. PFMAM is a direct subsidiary of USBAM, which is a direct subsidiary of U.S. Bank. USBAM and U.S. Bank are, respectively, indirect and direct subsidiaries of U.S. Bancorp.

PFMAM's major business lines are both discretionary and non-discretionary investment management and advisory services for fixed income assets and discretionary management and advisory services for multi-asset class assets. In addition, we serve as investment advisor to 18 local government investment pools ("LGIPs"). These services comprise more than 95% of our revenue, with the additional revenue from services such as arbitrage rebate and bond proceeds investment services.

Our professionals have extensive experience in providing fixed-income investment services for cities and other governmental entities across the nation. We provide a wide range of investment services, including:

- Discretionary investment management
- Non-discretionary investment advice
- Cash flow analyses
- Investment policy review and development
- Investment strategy analysis and implementation
- Performance reporting
- Credit analysis
- Management of LGIPs
- Bond proceeds strategies, including arbitrage rebate services
- Procurement of banking and custodial services

[4] Source: Pensions & Investments, Largest Money Managers 2023, published June 12, 2023, https://www.pionline.com/largest-money-managers/2023
[5] As of December 31, 2023.

- Investment education for finance staff and committee members
- Broker-dealer due diligence and relations
- Performance analysis and benchmarking
- Bond proceeds strategies, including arbitrage rebate services

C. Strategy and Approach

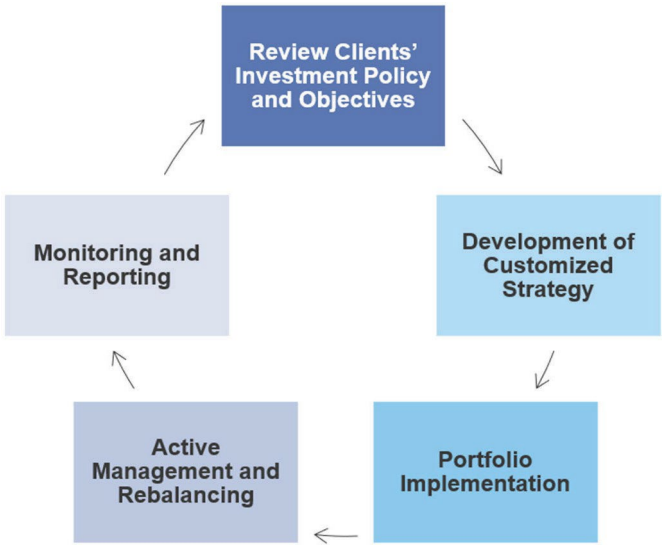
Strategy and Approach: overall methodology to be used in conducting the requested analysis while meeting the Scope of Work requirements.

We understand the City is seeking an investment manager with resources to support a comprehensive investment program. PFMAM is qualified to perform all of the required services outlined in the SOQ and has a proven track record of successfully delivering these services to similar governmental clients across Arizona and nationally. We have a disciplined, low-risk approach to investing. Our investment strategies are designed to optimize investment returns, while carefully managing risk, especially during times of market volatility. Our philosophy shares the City's primary objectives of seeking to ensure safety and liquidity—all in compliance with the City's Investment Policy and Arizona state statutes.

PFMAM believes that a successful investment program begins with a strong investment philosophy foundation. We detail our investment philosophy below, and then address each item included in the City's Scope of Work.

Investment Philosophy

Our core investment philosophy is fundamentally an active, relative-value-based approach, with an emphasis on investment grade securities and downside protection. Our goal is to ***outperform high-quality benchmarks, but with lower volatility***. We believe we distinguish ourselves from other investment advisors in that our primary focus is on the management of public sector fixed income funds with short to intermediate investment horizons. We strive to achieve competitive returns for our clients over time, while carefully managing risk and preserving principal.



Our investment objectives are consistent with the conservative and prudent nature of the City and are, in order of priority:

- Safety – Preservation of capital and legality of investments
- Liquidity – Provide liquidity when needed

- Return – Seek to optimize return, consistent with the primary objectives of safety and liquidity

Our conservative approach means that we always put safety and liquidity ahead of the risks involved with simply chasing higher yields. We understand the importance of protecting the City's investments, not only from an actual loss, but also from a loss of public trust.

The market volatility stemming from the COVID-19 pandemic to the Russia/Ukraine conflict solidifies for us the importance of focusing on safety and liquidity before return. As such, PFMAM always emphasizes a strong allocation to governmental securities, particularly Treasuries. We help our clients structure their portfolios with the understanding of the potential need to access these reserves during times of stress.

The objectives listed above are achieved by putting into practice our key principles:

- **We strive to deeply understand the needs of our clients when providing investment advice**. At the beginning of this engagement, we will work closely with the City to gain an understanding of its investment program objectives and risk tolerance.
- **We strive to create and manage investment programs that are safe, diversified and have low volatility**. Our investment approach is based on relative value—the thorough analysis of the relative merits and risks of various investment types, maturities, and issuers in the context of current market conditions. Every investment decision is thoroughly analyzed and compared against a range of investment alternatives.
- **We incorporate a low-risk, proactive management approach designed to complement and enhance our relative value approach**. Active management can capture opportunities for enhancing earnings as markets or the relationships between investment alternatives change. In other words, our portfolio managers do not hold all securities to maturity. Market opportunities may arise whereby a security could be sold, and another purchased which enhances the return of the portfolio. This approach is especially important in portfolios managed to a total return benchmark.
- **We employ a rigorous and diligent risk management process that includes careful monitoring of holdings**. Our primary goal will be to keep the City's portfolio safe. We perform ongoing and continuous due diligence on every issuer held in the portfolio. We use various monitoring tools as an early warning system to avoid negative surprises and conduct thorough issuer reviews that encompasses fundamentals such as liquidity, earnings, debt-to-equity ratios, and other factors.

Credit Process

PFMAM has a disciplined credit review process, described below, to monitor investments within the City's portfolio. We have the capabilities and internal research to assist, upon request, in performing due diligence on broker-dealers and financial institutions, including the City's depository and custodian bank.

PFMAM's Credit Monitoring Process

PFMAM employs a rigorous, market-driven credit review, approval, and monitoring process that relies primarily on internal research. We evaluate both the quantitative and qualitative aspects of issuers from the perspective of a public agency investor. Our approach to credit research was tested during the 2007-08 financial crisis and COVID-19 pandemic, and this process allowed us to help clients avoid the losses suffered by many investors during those difficult market conditions. No securities in our client's portfolios experienced a default or material liquidity issue during this period of extreme financial stress.

PFMAM's Fixed Income Credit Committee ("Credit Committee") is the cornerstone of our credit review process. Our Credit Committee—including the firm's chief compliance officer ("CCO"), the chief investment officer ("CIO"), portfolio managers, traders, strategy and research staff and a representative from PFMAM's Compliance Group—meets formally on a monthly basis, or more frequently if market conditions warrant. The Credit Committee is responsible for approving new issuers, monitoring existing holdings, and maintaining our Approved Issuer List. All portfolio managers and traders are restricted to purchasing only those issuers on our firm's approved credit list. Issuers are added to our approved lists only if they (1) meet our stringent credit requirements; (2) have stable or improving credit fundamentals; (3) are frequent issuers; and (4) offer yields which represent value in their respective sector and industry.

Issuers are monitored on an ongoing basis and are proactively removed if conditions warrant. We assign credit research responsibilities to portfolio managers and traders involved directly with our investment process, rather than separate credit analysts. Our conservative approach to credit and the direct involvement of our portfolio management team has resulted in exceptional outcomes, even during times of stress. We do not rely on a "hands-off" approach, as we feel it is necessary to be directly involved in the investment process so that important signals and changes in conditions impacting the credit markets are not overlooked. An overreliance on quantitative analysis and other traditional methods of credit research have proven to be insufficient to effectively assess credit risk.

Portfolio Strategy and Analysis

In reviewing the information provided throughout the bidding process, PFMAM has reviewed the City's current portfolio. We believe we may be able to offer additional strategies to help meet the City's needs, as shown in the information below. The sample portfolios are provided for illustrative purposes only.

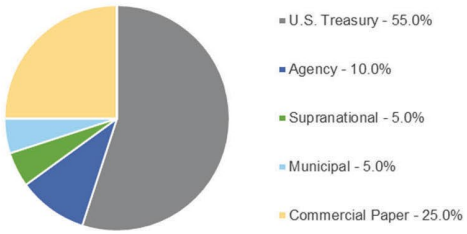
The portfolio on the following page is based on the City's current IPS.

Sample Portfolio: 0-5 Year Strategy (Investment Policy)

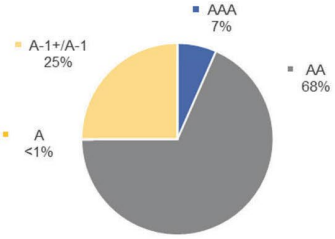
Portfolio Statistics

Duration	2.05 years
Yield at Market	4.93%

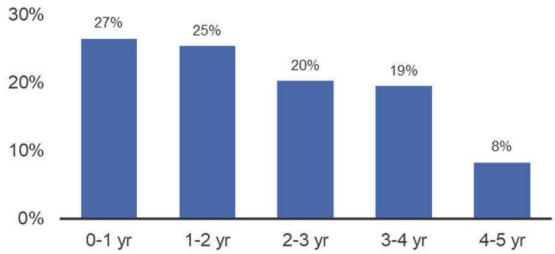
Sector Allocation



Credit Quality



Duration Distribution



- *Data Source: Bloomberg. Data as of May 23, 2024.*
- *Sample portfolio structured by PFMAM. Please see important disclosures at the end of this presentation.*

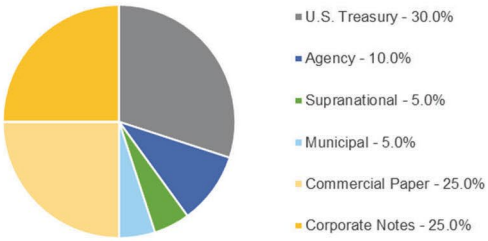
The portfolio below includes a 25% allocation to A-rated or better corporates. This is based on our current target allocation for an account that can invest in securities out to 5 years.

Sample Portfolio: 0-5 Year Strategy (Investment Policy + Corporates)

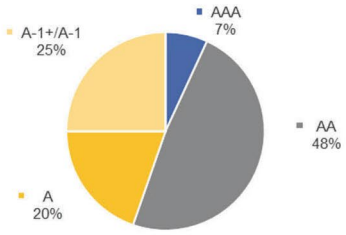
Portfolio Statistics

Duration	2.06 years
Yield at Market	5.05%

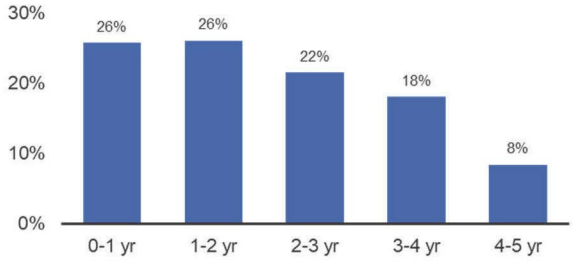
Sector Allocation



Credit Quality



Duration Distribution



- *Data Source: Bloomberg. Data as of May 23, 2024.*
- *Sample portfolio structured by PFMAM. Please see important disclosures at the end of this presentation.*

Sample portfolio is provided for illustrative purposes only and is not a recommendation.

Portfolio based on assumed investment noted under each portfolio.

Yield source Bloomberg for individual securities, as of May 23, 2024.

Ratings shown are S&P, or the equivalent Moody's or Fitch rating.

Security universe sourced from Bloomberg and Market Axess and further limited to those issuers permitted by PFMAM's internal Approved Credit List.

Actual yields and security availability may vary at time of purchase.

As economic and market conditions may change in the future, so may PFMAM's recommendations as to the sale and purchase of securities in the portfolio.

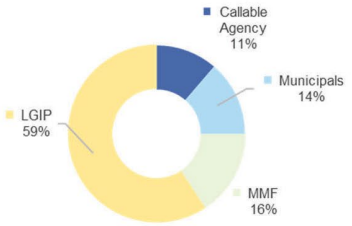
Current Portfolio

Portfolio Overview

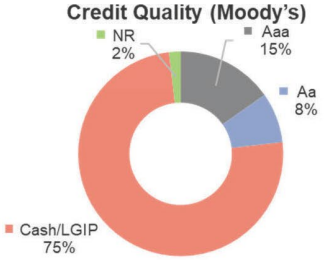
Portfolio Statistics

Par Amount Invested	$ 391,499,674
Number of Holdings	35
Duration	0.43 years
Average Maturity	0.43 years
Average Maturity to Call	0.10 years
Average Market Yield	4.23%
Average Quality	Aa1

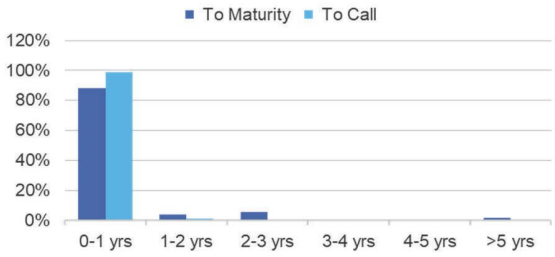
Sector Allocation



Credit Quality (Moody's)

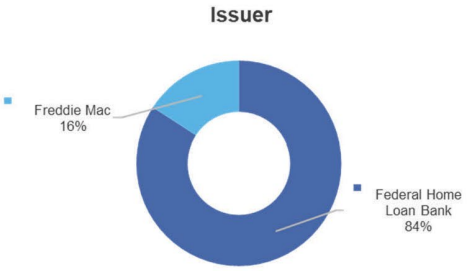


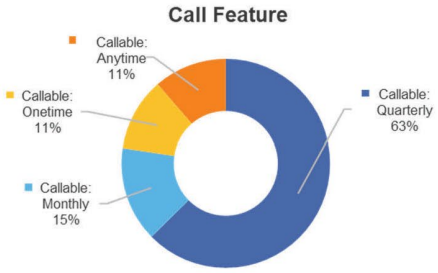
Maturity Distribution

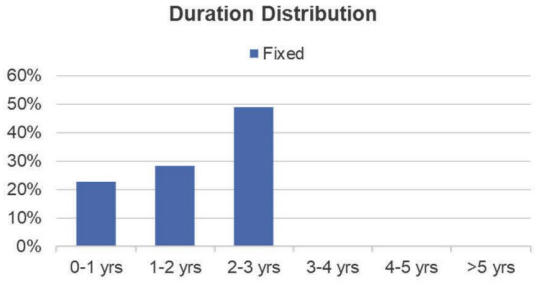


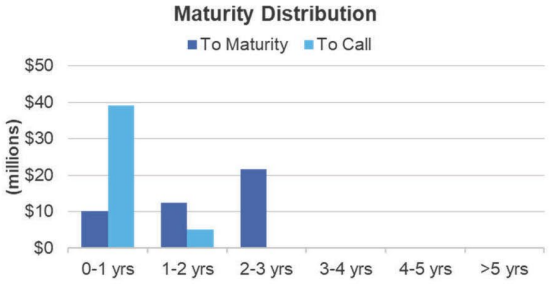
Source: Bloomberg, Portfolio data as of 3/31/24.

Agency Summary



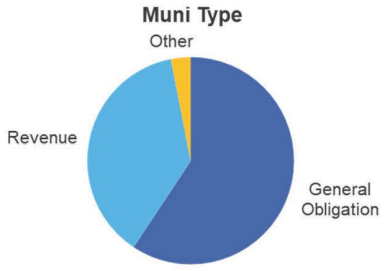


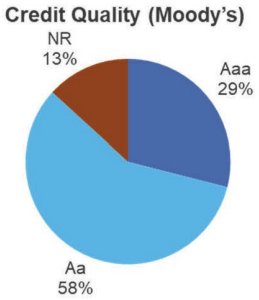


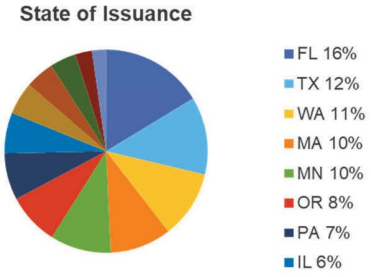


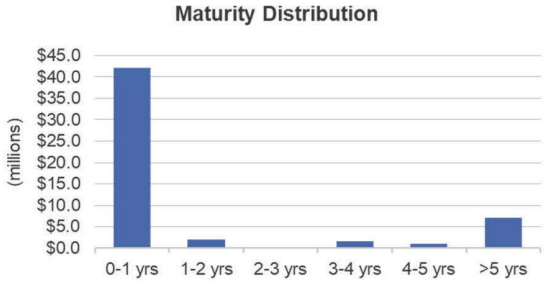
Source: Bloomberg, Portfolio data as of 3/31/24.

Municipal Summary









Source: Bloomberg, Portfolio data as of 3/31/24.

Scope of Work

A. Provide investment services in a comprehensive manner to handle the day-to-day administration of the City's investment portfolio.

PFMAM is proposing an investment program built on our five-step plan to help ensure the City's investment program rests on a strong foundation and follows a disciplined process.

1. Initial Review

At the beginning of the engagement, we will meet with the City's staff to review the scope of the engagement, key project milestones, and review the City's Investment Policy and guidelines in depth.

Where appropriate, we will provide policy recommendations for the City's consideration. If the City is willing to segment the portfolio and identify a "core" portfolio, we would also discuss the potential risk and return that is associated with a slightly longer weighted average maturity. Meanwhile, the "liquidity" allocation would have a shorter weighted average maturity target. The consideration of longer-term investment strategies has historically shown to be the best way to enhance returns and reduce income volatility through market and budgetary cycles. However, long-term investing exposes a portfolio to different types of investment risk. The actual maximum maturity and/or average maturity requirement for any security type or for a portfolio should be set around the City's risk aversion.

2. Liquidity Analysis

In conjunction with recommendations for modifications to the Investment Policy, we will work with staff to analyze historical cash flow patterns and consider any significant forecastable changes to liquidity needs. This cash flow analysis will help us confirm the City's "core" portfolio and understand any extra liquidity the City may want to maintain for unforeseen circumstances. In rising interest rate environments, as we are currently experiencing, there is increased opportunity cost associated with excess liquidity as short-term money market instruments (T-bills, agency discount notes, commercial paper, etc.) become attractive alternatives to liquid investments and deposits. We will work with the City to obtain a thorough and ongoing evaluation of cash flow expectations and provide recommendations to the City to proactively utilize these securities with the goal of increasing the portfolio's overall income potential.

3. Investment Strategy Development

Based on the information developed from the discussions above, we will meet with the City's staff to formulate an investment strategy for each of the liquidity and core allocations for the City's portfolios. We will review potential strategies with the City to determine the approach that best meets its specific investment objectives and constraints including a careful consideration of the City's tolerance for interest rate and credit risk. The strategy development process is unique to each of the City's funds, as their related cash flow expectations and use of funds vary. The nuances will be considered, and we will work with the City to determine the

appropriate performance benchmark for each of the managed funds. The finer points of the strategy—such as sector allocation targets—will be dependent on current market conditions and our assessment of relative value.

4. Portfolio Management and Monitoring

PFMAM's objective is to (1) ensure the safety of principal, (2) provide needed liquidity and within these constraints (3) maximize earnings. Our active management approach permits us to adjust the portfolio in response to changes in the cash flow needs to help ensure that funds are available as they are needed while investment returns on remaining funds are optimized. Through our extensive market presence, we have the necessary resources to undertake analysis with the objective to identify securities with the highest available yields. Moreover, we carefully monitor the markets to take advantage of investment opportunities created by market volatility.

Our portfolio management and monitoring approach entails:

- Portfolios are customized to each client's particular financial situation, investment balances, cash flow requirements, budget, and sophistication. For example, bond proceeds are managed differently from operating funds.
- Portfolios are managed as a whole, rather than as a series of individual transactions.
- Portfolios are monitored simultaneously for value-added trade ideas, and to mitigate risk in volatile markets.
- Portfolio characteristics such as duration, average maturity, credit quality and yield are designed and carefully implemented to meet each client's unique needs, policy constraints, and risk tolerance.
- Investments are evaluated both for yield/return potential and risk. Careful risk management is a constant and overriding consideration in all investment decisions.
- We regularly analyze investment alternatives and decide which sectors/maturities have value and then shop for them, rather than responding to broker pitches for what is "hot."
- Every effort is made to competitively bid trades to a minimum of three to five (when available) carefully selected brokers to seek best pricing.
- Trades are processed through Bloomberg Asset and Investment Manager ("AIM"), which performs a compliance check before each trade, after each trade, and at the end of each day for every portfolio.
- Straight-through processing from trading to settlement to accounting, which helps ensures timely and accurate trading and accounting.

5. *Accounting and Reporting*

PFMAM will maintain accurate records of all investments under our management. Our systems and procedures are structured to accurately track all investment activity and proactively identify any discrepancies and quickly correct them. PFMAM's Accounting Group reconciles our internal records with the custodian bank to help ensure accuracy of transactions and account holdings. This reconciliation is done by accounting staff independent of the trading desk.

We will provide the City with daily, monthly, and quarterly reports to keep staff informed about all aspects of the investment program.

B. Develop investment strategies to maximize earnings while balancing the constraints of cash flow needs.

As the City's full-time investment manager on a discretionary basis, we will formulate an investment strategy for the City's investment funds; determining the asset types, maturity ranges, and credit categories offering the City what we believe to be the best value for its investment; and, will seek best execution on all trades. We will review the City's portfolio holdings and provide our observations and recommendations to the City's upon commencement of this engagement.

PFMAM will work closely with the City to construct a portfolio that simultaneously meets all of the City's specific policy requirements while seeking to ensure a high degree of safety, liquidity and return. These opportunities can vary significantly over time, so an optimal portfolio a year from now might look different from one today. At all times, however, the portfolio would bear the following characteristics:

- **Safety**. PFMAM seeks to ensure the safety of funds by providing investment advice designed to strictly adhere to policy constraints on minimum credit ratings. We monitor the credit markets and, within regulatory requirements, can communicate with the City's staff on investments issued by issuers that have been included on our list of approved issuers.
- **Liquidity**. We will work with the City to understand cash flow needs, and make recommendations matched specifically to those identified needs.
- **Return**. PFMAM has developed a broad range of analytical tools and approaches that seek to maximize return safely. This involves selecting investment types that meet the City's objectives of safety and liquidity, and diversifying those investments in ways that are aimed to enhance return. Our recommendations to the City will be designed with the aim to increase yield, lower risk, and/or enhance future earnings.

We will maintain regular communication with the City to acquire real-time knowledge of the timing for upcoming cash flows, in order to provide proper foresight to any portfolio management decisions required to meet the City's cash needs. Using our proprietary cash flow models, we will work closely with the City's to examine and model actual historical cash flows so that we can determine optimal maturity allocations for each portfolio. Additionally, our

proprietary earnings projection tool will help the City determine expected investment earnings, which will inform the City's budgeting process, cash planning, and earnings tracking throughout the fiscal year.

C. Provide discretionary investment advisory services to help govern the City's investment portfolio, currently valued at approximately $386MM.

PFMAM will provide discretionary investment advisory services for the City's investment portfolio. We will actively manage the City's portfolio, seeking to take advantage of market conditions.

Our investment process for fixed income portfolios involves a combination of committee-driven strategic decisions and daily review and implementation by the assigned portfolio manager. Our Fixed Income Investment Committee ("Investment Committee") establishes key investment strategy parameters, such as duration and sector allocation targets, while the portfolio manager makes day-to-day decisions that incorporate the City's objectives, constraints and optimal portfolio structure. The portfolio management process is also informed by detailed sector reports and analysis distributed weekly by sector experts and by analytical support provided by the firm's Portfolio Strategies Group ("PSG").

To further shape how the portfolio strategy is developed and implemented, relationship managers like Annette and Luke will coordinate with our portfolio strategists and the portfolio manager. This approach allows us to provide more customized recommendations to our clients, such as cash flow considerations.

The City's portfolio management team is backed by dedicated fixed income groups that collaborate and reach consensus in a way to help ensure our clients receive our best ideas and solutions. This continual dialogue around our trading desk is informed by our:

- **Fixed Income Investment Committee** – meets formally at least once per month to review market conditions, assess relative value, review and evaluate analysis from a series of internal models, and discuss market risks and opportunities.

  The Investment Committee establishes strategic targets for portfolio duration, sector allocation preferences, yield curve placement, portfolio structure and any specific opportunities to be exploited or risks to be avoided.

- **Trading Desk** – comprises of a multi-disciplinary fixed-income trading desk which includes portfolio managers, traders, sector specialists, analysts, and PSG.

  Within the Investment Committee's strategic parameters, fixed-income portfolio managers have the flexibility to buy and sell securities to implement the strategy mandate for each portfolio, and to take advantage of market movements, relative value changes or specific opportunities. Trades must conform to our standards and limits, our Approved Issuer universe, our Approved Broker List, as well as all client investment policies and objectives.

- **Portfolio Strategies Group** – supports the analytical needs of the Investment Committee and Trading Desk in support of the investment strategy decision making framework. The group supports with portfolio oversight and the creation and implementation of specific strategies for fixed income clients.

D. Execute security purchases and/or sales with broker/dealers in accordance with the City's Investment Policy Statement.

Every purchase and sale of securities is competitively bid seeking to obtain the best possible execution for our clients. We typically (when available) solicit bids from a minimum of three broker-dealers and maintain complete records of all competitive pricing. PFMAM was founded on the principle of providing sound, independent advice that is solely in the best interest of our clients. Our firm executes transactions through a carefully screened set of third-party broker-dealers. Our trading volume of nearly $2.06 billion per day as of December 31, 2023, broad market access through approximately 60 national and regional broker-dealers, and security evaluation tools help our firm seek the best execution for our clients.

E. Provide monthly investments statements no later than ten (10) days after the conclusion of any month to include, but not limited to, individual security values at both market and cost, security ratings, transaction details, investment earnings and investment portfolio summary statistics.

PFMAM uses Connect, our password-protected Internet reporting site to deliver reports and other information to clients. Connect is available 24/7 and City staff will have real-time access to comprehensive monthly statements that detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). PFMAM's monthly statements are prepared in accordance with generally accepted accounting principles ("GAAP") and contain the required information to comply with Governmental Accounting Standards Board ("GASB") 31 and 40. Daily confirmation statements are available through Connect on the next business day. Monthly statements are available online through Connect by the fifth business day of the new month. Trade confirmations are provided electronically. Additionally, transactions can be queried and downloaded from Connect in a comma-separated values ("CSV") format or in Microsoft Excel format so that the City can easily upload this information to its own accounting systems if desired.

F. Provide monthly investment reports including a description of market conditions, investment performance and suggested changes to investment strategies.

PFMAM will provide monthly statements to the City. These will detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by S&P and Moody's. In addition, we will provide the City with a monthly market report which contains a description of market conditions and how those impact our views on investment strategies.

G. Review investment performance and recommendations with City's Director of Finance or designee on a quarterly basis. Meet with Director of Finance or designee as needed to review investment strategies.

Annette and/or Luke will meet with the City's Director of Finance or designee on a quarterly basis to review investment performance and recommendations and will also review investment strategies.

H. Provide the City with maturity analysis.

Through a series of analytical models, we identify those maturities that offer the greatest value—that is, the most amount of yield or return potential for a given amount of risk. Our analysis includes assessing the impact of extending maturity by evaluating the benefit of both higher initial yields and "roll down"—the tendency of longer maturities to appreciate as they age and shorten in maturity and are re-priced along the yield curve—a powerful force underestimated by most managers. We are happy to review these with the City at our quarterly meetings.

I. Provide credit analysis of investment instruments in portfolio.

PFMAM has a disciplined credit review process, described below, to monitor investments within the City's portfolio. We have the capabilities and internal research to assist, upon request, in performing due diligence on broker-dealers and financial institutions, including the City's depository and custodian bank.

We believe a strong credit process, including issuer monitoring, is more important than ever as markets increasingly face global events such as the pandemic and military conflicts. PFMAM benefits from the Credit Research Group, which represents the combined resources of USBAM and PFMAM's credit analyst teams, further enhancing our time-tested credit process.

We conduct our own independent credit research and do not rely solely on rating agencies to determine the quality or suitability of any investment. Our rigorous, market-driven approach to credit analysis evaluates both the quantitative and qualitative aspects of issuers that we recommend for investments. Our credit research seeks to identify issuers that meet our credit quality standards and that offer incremental value with minimal credit risk, allowing us to safely increase yield. Our Approved Lists consist of corporate issuers, issuers of asset-backed securities ("ABS") and asset-backed commercial paper ("ABCP"), and governmental and sovereign issuers. Each credit analyst focuses on specific sectors—such as technology, financial services, and telecom—as well as individual issuers. On average, each credit analyst follows approximately 30-50 separate credits.

We deploy credit in a manner which minimizes issuer concentration risk. We believe that having a lower allocation to a broader array of names is consistent with prudent risk management practices and limits the adverse impact that any one issuer can have on a portfolio. We have put in place extensive monitoring capabilities that can identify changes in security prices, ratings, and current news for every issuer on our approved lists. Our robust

internal credit review and monitoring procedures are critical elements of the security selection process, and allocations to individual issuers are limited to ensure broad diversification.

Our credit process is fully integrated into the investment process, and all portfolio managers and traders at PFMAM are involved in the monitoring process. Any adverse events are evaluated, and appropriate action taken. This proactive monitoring function is essential to assessing credit risks and taking appropriate actions to protect client assets. The Credit Research Group will continue to monitor the City's corporate issuers. We monitor issuers in and out of our Approved Issuer universe on a continual basis in order to identify potential downgrades before they occur. If a downgrade below the level required to purchase were to occur for a security in the City's portfolio, we would (1) notify the City, (2) fully assess the issuer's credit situation and (3) recommend a course of action based on the portfolio's circumstances.

When assessing the issuer's credit stance, we first determine whether those circumstances will continue to impact the creditworthiness of an issuer. In some cases, further purchases of an issuer may be suspended until a thorough review is completed, or in more serious cases, holdings are liquidated. In cases where the credit event is likely to be a one-time event (e.g., a one-time write-off, or if the issuer was downgraded but assigned a stable outlook) and the security is still rated within policy limits, no action may be necessary. If circumstances are serious, uncertain or likely to lead to additional potential downgrades, immediate action may be taken. Considerations of a sale would include the remaining time to maturity, policy requirements regarding downgrades and the state of the market.

Fixed Income Credit Committees

The Credit Research Group performs fundamental credit research and analysis, prepares and presents formal credit reviews, makes recommendations for inclusion on various approved lists, and conducts regular monitoring of issuers. The Credit Research Group supports two formal credit committees—one for taxable/corporate securities (the "Taxable Credit Committee"), and one for public and municipal securities (the "Public Finance Credit Committee"). The primary output of these committees is a series of approved lists. These committees are responsible for approving additions and deletions of issuers and securities to the relevant approved lists, and include representatives from the Credit Research Group, the CIOs of PFMAM and USBAM, and risk management personnel. PFMAM portfolio managers and traders can only purchase issues on the appropriate approved list.

PFMAM Credit Risk Management Committee

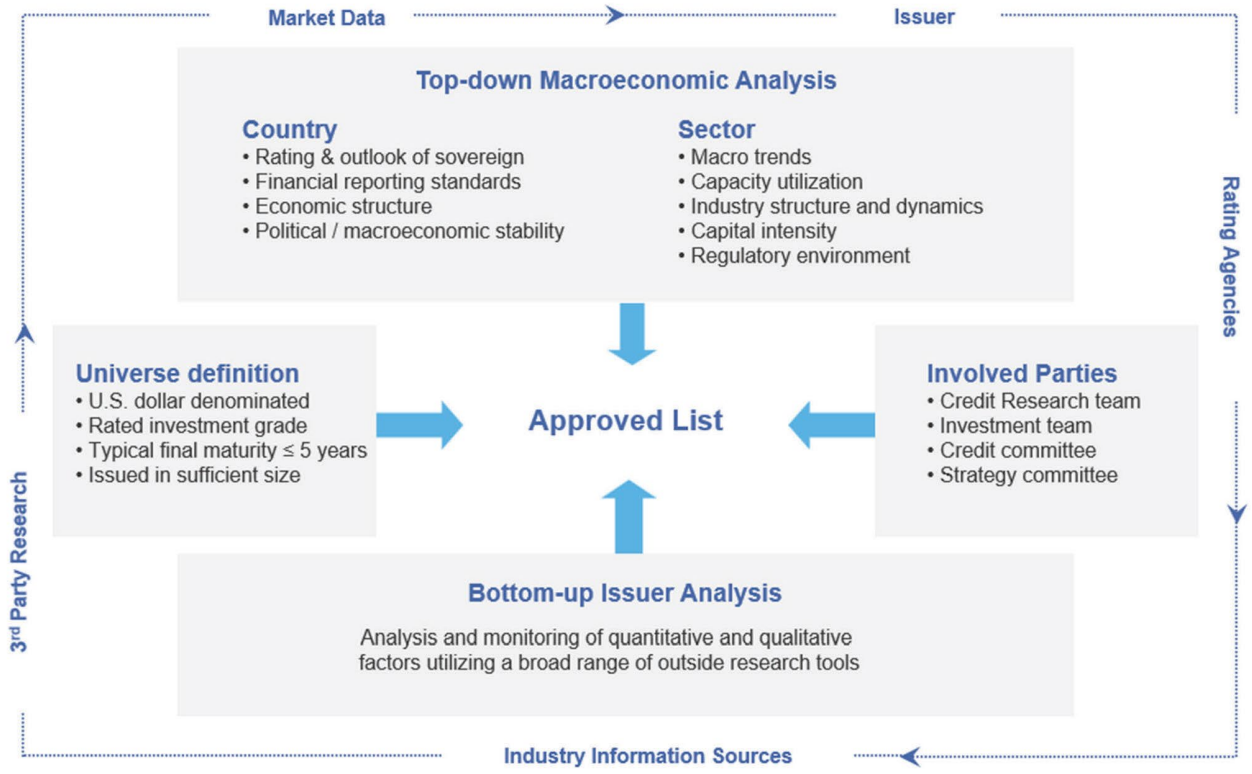
This committee is responsible for establishing credit policies and managing credit risk in PFMAM's fixed income portfolios. It develops and approves policies and procedures related to PFMAM clients' credit exposure, monitors and performs oversight of PFMAM's aggregate fixed income credit exposure, establishes credit categories and restrictions on issuers as necessary to enhance the approved lists to manage credit risk, and develops credit strategies and portfolio management initiatives with regard to the corporate and other credit-sensitive sectors.

The additional restrictions and parameters applied to the approved lists do not rely solely on rating agencies, but rather employ a rigorous, market-driven approach that evaluates both the quantitative and qualitative aspects of issuers from the perspective of a public agency investor. We believe this process will allow us to continue to help clients successfully navigate the markets during volatile times such as the 2007-2009 credit crisis and COVID-19 pandemic.

Integration of Research Ideas

In addition to monthly Investment Committee and Credit Risk Committee meetings, senior investment and strategy staff, portfolio managers, and sector specialists meet regularly to discuss detailed internal research and analysis of major fixed income sectors: Treasuries, federal agencies, callable federal agencies, corporates, municipals, mortgage-backed securities ("MBS"), ABS and supranationals. During these discussions, short-term opportunities are identified, sector allocation targets are reassessed and new or unique investment ideas are vetted. Strategy discussions also take place frequently among members of the trading desk to evaluate new issues and any significant market-moving event.

Credit Research Process



J. Provide monthly/quarterly annual reporting on all government entity funds.

PFMAM will provide monthly and quarterly reporting on all government entity funds.

K. Attend three meetings per year with City staff (remote is acceptable).

Annette and/or Luke will meet with the City at least three times each year.

L. Evaluate market risk and develop strategies that minimize the impact on the portfolio.

Investment decisions are monitored and evaluated at the portfolio level through a series of daily and weekly reports used by the portfolio management team to assess portfolio duration, sector allocation, maturity structure, and performance. Performance is compared to comparable market benchmarks and dissected to determine the source of relative performance differences.

At the individual security level, all risk characteristics are monitored regularly, triggering re-evaluation if necessary. In particular, we have monitoring systems in place to immediately identify important news that might affect an issuer, as well as any rating agency actions, such as upgrades, downgrades, credit watch, or changes to ratings outlooks. In fact, our credit review process seeks to identify potential rating changes ***before*** they occur. Individual holdings are also regularly assessed from both a yield and performance perspective. All holdings within a sector are evaluated against the universe of investments in that sector to identify individual securities with the best value.

M. Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.

PFMAM can provide a statement of portfolio compliance with applicable policies and laws and the City's Investment Policy in each quarterly report. The City's portfolio holdings will be monitored daily for compliance with the City's Investment Policy and the Arizona Revised Statutes.

PFMAM uses Bloomberg Asset and Investment Manager ("AIM"), along with accounting and investment software that allows for fully customized reporting. This allows PFMAM to maintain and report on the City's account.

The senior portfolio management staff assigned to serve the City will be familiar with the City's investment parameters and the Arizona Revised Statutes.

N. Establish an appropriate performance benchmark.

It is our philosophy that a performance benchmark should reflect the client's tolerance for risk. If selected as the City's investment advisor, we will work with the City to select a performance benchmark that accurately reflects the City's investment objectives and risk-return preferences procedures.

This process will be an iterative discussion with the City's decision-makers and will include an in-depth discussion of various potential benchmarks and the risks and rewards associated with

each. Ultimately, as a result of these discussions, the City will feel confident in its selection of an appropriate benchmark that provides the appropriate balance between risk and return and also provides an accurate comparison of the performance of the City's portfolio versus the performance of the larger high-quality fixed income investment markets.

Client objectives differ widely, and may include goals such as achieving predictable income, maintaining level earnings, or enhancing growth of overall portfolio value.

With clients seeking to grow the size of their assets, they often select a total return benchmark that measures the overall growth of the portfolio. We most often assist entities with selecting total return benchmarks based on the targeted maturity range of the portfolio and the types of securities permitted by the client's investment policy. We typically utilize the ICE Bank of America ("BofA") Indexes to compare portfolio performance, as they are considered industry standards. With this backdrop, we would begin the benchmark recommendation process with either the ICE BofA 0-3, 1-3 year 0-5, or 1-5 year U.S. Treasury indexes, which are often chosen by entities with similar circumstances.

O. Indicate full understanding of Investment Policy.

PFMAM has been helping public agencies similar to the City with developing and updating their investment policies and portfolio management guidelines for more than 40 years, specifically in Arizona for more than 20 years. We understand all applicable sections of Arizona Revised Statutes that regulate the investment activities of Arizona local governments. At the beginning of the relationship, we will provide comprehensive review of the City's Investment Policy Statement ("IPS"), and we propose annual reviews thereafter. Investment policies we update are designed to enable clients to meet their objectives of safety and liquidity, while providing enough flexibility to meet performance objectives. Additionally, as an active member of the Association of Public Treasurers of the United States and Canada ("APT US&C") and Government Finance Officers Association ("GFOA"), we incorporate best practices from these public-sector organizations when developing investment policies with our clients. We will keep the City appraised of any legislative or industry changes that might impact the City's Investment Policy.

P. Ensure portfolio structure matches City objectives.

At the outset of the engagement, and annually thereafter, PFMAM will review the City's Investment Policy (the "Policy") to help ensure that it is in line with Arizona Revised Statutes, and that it is consistent with the City's tolerances for risk. We will also keep the City appraised of any legislative or industry changes that might impact the City's Policy.

We will focus on the following policy factors during our initial review of the City's Policy to customize the City's portfolio and help ensure we understand the City's risk tolerances:

- **Statement of Objectives**. Once PFMAM understands the City's goals and objectives, we will offer language suggestions to better reflect them in the Policy.

- **Permitted Investments**. PFMAM can provide the City with a risk/return analysis of Arizona Revised Statutes-permitted security types. Together, we'll identify which investment types the City is comfortable including in the Policy.
- **Investment Guidelines**. We will discuss how maturity, sector and issuer percentage limits can promote diversification for the portfolio.
- **Credit Quality**. Together with the City, we will establish minimum credit requirements and defined action steps in the event a security is downgraded.
- **Safekeeping of Assets**. GFOA best practice is that institutional investors should have a third party hold assets in custody. PFMAM works with approximately 20 custodians, including major and regional banks. Even before our acquisition by U.S. Bank, we had established a particularly strong working relationship with U.S. Bank, which serves as the independent custodian for the majority of our clients. As a result, we were able to negotiate a highly competitive fee structure for our clients.
- **Reporting of Investment Activity and Results**. We will help the City describe when and how it reviews its investment objectives, investment performance, and security transactions in order to keep stakeholders informed.

The completed investment policy will then establish investment parameters and guide our efforts to:

- **Develop and Implement the Investment Strategy**. We will work with the City to develop a long-term investment strategy that will form the framework for all investment decisions. The strategy will incorporate the City's investment policy, expected cash flow requirements and risk tolerance, and will provide enough flexibility to allow the City to meet realistic performance objectives. We will implement the investment strategy and execute transactions on behalf of the City.
- **Assist in Selecting Appropriate Performance Benchmark**. It is our philosophy that a performance benchmark should reflect the client's tolerance for risk and help the client determine the value of an investment advisor. We will work with the City to select a benchmark that reflects the City's investment objectives and risk-return preferences and procedures to help ensure portfolio diversification.

Q. Coordinate with City's custodian to ensure appropriate safe-keeping and reporting of investment assets.

We reconcile our internal holdings and transaction records to that of each client's custodian bank on a weekly and month-end basis to ensure accuracy of transactions and account holdings. This reconciliation is completed by PFMAM's Accounting Group, which is independent of the trading desk and includes a review of cash positions, holdings, deposits, withdrawals and security purchases and sales. Any discrepancies will be promptly reviewed and reconciled. Month-end portfolio statements are also reconciled to those of the custodian.

We have built and maintain an automated reconciliation process with the largest eight custodians used by our clients.

D. Experience

Experience: provide an overview of similar projects undertaken for communities of Yuma's size.

In Arizona alone, we manage more than $7.5 billion for 20 cities and 11 other public entities across the State.[6] We encourage the City to contact the references below for a representation of the quality of our services. Should the City have additional questions, we are happy to provide additional references. We do not include client lists in order to protect the confidentiality of our clients.

Client Name	Contact Information	Services Provided
Town of Gilbert	Hakon Johanson, *Director of Finance* 480.503.6902	Investment Advisory Services
City of Mesa	Michael Kennington, *Deputy City Manager/Chief Financial Officer ("CFO")* 480.644.3606	Investment Advisory Services
City of Peoria	Sean Kindell, *CFO* 623.773.7819	Investment Advisory Services
City of Tempe	Lisette Camacho, *Financial Services Director* 480.350.8504	Investment Advisory Services
City of Tucson	Angele Ozoemelam, *Business Services Director* 520.837.4384	Investment Advisory Services
City of Chandler	Dawn Lang, *CFO* 480.782.2255	Investment Advisory Services

[6] *As of December 31, 2023.*

E. Team Makeup

Team Makeup: key person who will lead this engagement along with other persons or sub-Firms assigned to this task. A brief description of team member roles in this engagement would be appreciated.

We will pledge significant, senior-level resources to the City to help ensure that its investment needs are being met. Our proposed team is committed to providing the City with a high level of service. We include resumes of key professionals in Appendix C. Our project team includes:

- Client Contacts: **Luke Schneider, CFA**, Managing Director, Engagement Manager. 17 years of experience, 9 years with PFMAM. **Annette Gaston**, Director, Day-to-Day Relationship Manager. 19 years of experience, 6 years with PFMAM.

  Luke and Annette will serve as the main contacts for the City. They will answer any questions concerning the City's portfolio and will work with our portfolio management and strategy teams to develop a strategy that seeks to meet the City's needs and risk tolerances.

- Head of Portfolio Management: **Bob Cheddar, CFA**, Managing Director and Head of Portfolio Management. 26 years of experience, 20 years with PFMAM.

  Bob will oversee the management of the City's portfolio and will work with the assigned portfolio managers to implement the agreed-upon strategy.

- Strategy: **Christopher Harris, CFA, CAIA**, Director and Head of PSG. 16 years of experience, 16 years with PFMAM.

  Chris will work with other PSG team members to design a portfolio strategy for the City, incorporating market events.

- Oversight: **Kenneth Schiebel, CFA**, Managing Director and CIO. 43 years of experience, 30 years with PFMAM. **Leo Karwejna,** Managing Director and Chief Compliance Officer. 25 years of experience, 13 years with PFMAM.

  Ken and Leo will provide oversight for the City's portfolio, from investment and compliance-related perspectives.

II. Additional Requests

References (Attachment A)

We upload this separately.

III. Statement of Qualifications Evaluation Criteria

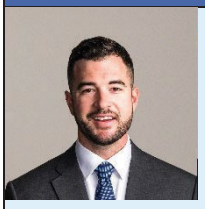
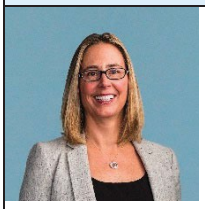
A. Qualifications of the Project Team

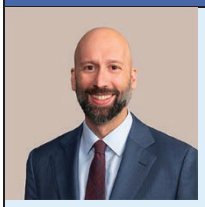
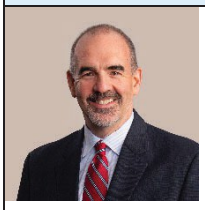
1. Provide an organizational chart of the Project Team. Include the names and brief description of project roles for each key personnel that will be performing the proposed services. Attach resumes of the key personnel in the Appendix.

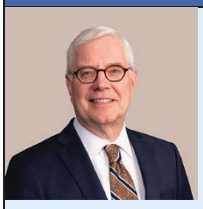
Annette Gaston and ***Luke Schneider, CFA*** will serve as the City's client contacts and will provide day-to-day services, with ***Lauren Brant*** providing engagement oversight. ***Robert Cheddar, CFA*** will serve as Head of Portfolio Management. Our Client Services Group is also available by phone and email as an additional resource to answer client questions or forward inquiries to the appropriate subject matter expert at PFMAM.

Below, we provide biographic information on our engagement team members. We provide resumes further detailing our engagement team's qualifications and experience in Appendix C.

Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 **Annette Gaston** *Director* **Proposed Role:** Relationship Manager **Educational Background:** B.A. in Finance and Economics, Grand Canyon University **Professional Designations or Licenses:** Financial Industry Regulatory Authority ("FINRA") Series 6, 7, 63 and 66 Licenses	**6 Years with PFMAM | 19 Years of Experience** ► Serves as primary contact and will assist the City in developing an investment strategy in collaboration with the portfolio management team ► Manages client relationships for public agency clients throughout Arizona and the Western United States ► Responsibilities include investment advisory services, investment policy evaluation, economic research, portfolio analysis and cash flow modeling ► Possesses expertise in all applicable Arizona statutes and State law ► Prior to joining the firm, served as a sales representative for Johnson & Johnson where she worked with key account clients in the Southern California market ► Before joining Johnson & Johnson, spent five years as a Consulting Group analyst managing private wealth and institutional client portfolios, in Arizona and Southern California

Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 **Luke Schneider, CFA** *Managing Director* **Proposed Role:** Back-up Relationship Manager **Educational Background:** B.S. in Finance, University of Arizona M.Acc., University of Southern California **Professional Designations or Licenses:** Chartered Financial Analyst ("CFA") FINRA Series 7, 24 and 66 Licenses	**9 Years with PFMAM | 17 Years of Experience** ► Serves as a secondary contact and will work with Annette to develop an investment strategy in collaboration with the portfolio management team ► Manages and advises on fixed income portfolios in PFMAM's Western region for institutional clients ► Prior to joining the firm, served as managing director and senior portfolio manager at Government Portfolio Advisors ("GPA") where he spent two years managing institutional investment portfolios ► Member of the CFA Institute, CFA Society of Tucson, and Finance Committee Member for the Community Foundation of Southern Arizona
 **Lauren Brant** *Managing Director* **Proposed Role:** Engagement Oversight **Educational Background:** B.S. in Economics, Pennsylvania State University **Professional Designations or Licenses:** FINRA Series 6, 26, 52 and 63 Licenses	**29 Years with PFMAM | 29 Years of Experience** ► Will provide engagement oversight to help ensure quality of investment advisory services ► Serves as a client liaison for selected clients in the Western region where she coordinates client services, presents investment reports, and works with clients to develop a customized investment policy ► Conducts workshops and seminars for clients' staff and board members on subjects including permitted investments, developing investment policies and internal controls and oversight to seek safety of principal invested ► Member of the California Association of County Treasurers and Tax Collectors, the California Municipal Treasurers Association, the California Society of Municipal Finance Officers, and the California Association of Joint Powers Authorities

Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 **Christopher Harris, CFA, CAIA** *Director and Head of PFMAM's PSG and Structured Products Group* **Proposed Role:** Portfolio Strategy Oversight **Educational Background:** B.A. in Economics, Dickinson College M.S. in Financial Mathematics, Johns Hopkins University **Professional Designations or Licenses:** CFA Chartered Alternative Investment Analyst ("CAIA")	**16 Years with PFMAM | 16 Years of Experience** ► Oversees the investment strategies for the City's portfolios and provides subject matter expertise ► Leads PSG's efforts in the investment strategy development process for many PFMAM client relationships similar to the State ► Will help devise a customized portfolio strategy designed to meet the State's specific investment needs ► Member of PFMAM's Investment Committee and Credit Risk Management Committee
 **Robert Cheddar, CFA** *Managing Director & Head of Portfolio Management* **Proposed Role:** Head of Portfolio Management **Educational Background:** B.S. in Business Administration, Susquehanna University MBA, Pennsylvania State University **Professional Designations or Licenses:** CFA	**20 Years with PFMAM | 26 Years of Experience** ► Oversees the portfolio management process ► Manages fixed-income assets and developing customized strategies for clients like cities, counties, insurance and self-insurance organizations, school districts, state and local government agencies, public finance authorities, and universities and has expertise in the government investment codes for various states ► Focuses on the managing operating funds, capital reserves, bond proceeds, and other post-employment benefits ("OPEB") obligation funds ► Chair of PFMAM's Credit Risk Management Committee and member of the Investment Committee

Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
 **Kenneth Schiebel, CFA** *Managing Director and CIO* **Proposed Role:** Portfolio Strategy Oversight **Educational Background:** B.A. in Mathematics and Computer Science, University of Michigan Executive Education, Behavioral Finance, Harvard University, John F. Kennedy School of Government **Professional Designations or Licenses:** CFA FINRA Series 7 and 63 Licenses	**30 Years with PFMAM | 43 Years of Experience** ► Serves as managing director and PFMAM's CIO ► Previously co-head of PFMAM's PSG, where he led a team of portfolio managers, traders, and research staff, responsible for the management of the fixed-income separate account business ► Serves as Chair of the Investment Committee and a member of the Credit Risk Management Committee ► Background in actuarial analysis helped establish the asset management practice as a market leader in managing assets in the insurance and self-insurance industry ► Prior to joining the firm in 1994, spent 13 years at Aetna Life & Casualty. As senior portfolio manager, he managed $5 billion of corporate operating funds, insurance reserves, and pension fund assets for Aetna and its investment advisory clients ► Member of the CFA Institute, invited as a guest lecturer in the University of Connecticut's MBA program, provided expert testimony to the GASB Deposit and Investment Risk Disclosure Task Force, and has spoken at numerous industry conferences, workshops, and seminars
 **Leo Karwejna** *Managing Director and Chief Compliance Officer* **Proposed Role:** Compliance Oversight **Educational Background:** B.S. in Finance, St. Joseph's University J.D., Temple University School of Law	**13 Years with PFMAM | 25 Years of Experience** ► Assists our professionals with specific compliance advisory guidance and leads the firm's efforts to develop, maintain, and monitor firm-wide compliance with policies, procedures, and regulatory requirements ► Serves as an Arbitrator within the FINRA Dispute Resolution Services program for securities-related issues among the investing public and/or industry participants

Name and Title, Proposed Role, Educational Background, Professional Designations or Licenses	Biographical Information
Professional Designations or Licenses: FINRA Series 7 and 66 Licenses	

2. List the subFirms and briefly describe their area(s) of involvement.

PFMAM does not anticipate the use of subcontractors on this engagement.

3. Clearly show the availability of key personnel who will be working on the project.

Key personnel will be available for the City via email, phone and in-person meetings. Luke and Annette are available from 7 AM to 5 PM weekdays and on an as-needed basis outside of those times, with advance notice. We use a team approach to managing portfolios, which allows us to provide a high level of attention to our clients and to share what we believe to be our best ideas. The portfolio strategy and management teams use the team approach to provide for backup in case the primary portfolio manager/strategist is out of the office. Our team approach also helps us maintain continuity in our investment and client service approach so that our clients have access to key staff when necessary or requested.

B. Experience

1. Describe knowledge and familiarity with the development of investment management services. Describe public and stakeholder involvement, coordination efforts with Municipalities.

PFMAM works with municipalities nationwide to develop and implement investment management programs. We work with stakeholders and members of the public, host training sessions and webinars for stakeholders, and are happy to present at city meetings as requested.

2. Provide specific examples of similar project experience with investment management services.

We encourage the City to contact our references for details of specific engagements.

For more than 40 years, PFMAM has been managing fixed income assets for public sector clients like the City. Nationally, we manage or advise on $196.4 billion in total fixed income assets, including $148.7 billion in discretionary AUM and $47.7 billion in non-discretionary AUA as of December 31, 2023.

Since our primary focus is on the public sector, we pay special attention to topics that are relevant to our governmental clients. Our focus on specific resource areas allows us to deliver high-quality customized services to each client. We manage operating funds, capital funds,

reserve funds, and bond proceeds for governmental and other institutional entities across the country. Our fixed income professionals are dedicated to all aspects of public investing, including portfolio management/strategy, technical/research analysts, compliance, accounting and client service. We believe that our professionals' successful management of high-quality assets is evidenced by a number of major accomplishments, including:

- Pioneering the nation's first grassroots LGIP in 1981;
- Successfully protecting our client assets during the 2007-2009 financial crisis and COVID-19 pandemic without a loss of principal due to default or bankruptcy;
- Adopting the CFA Institute's GIPS® in 2003;
- Surpassing $200 billion of public funds under management and advisement in 2022;
- Helping develop GFOA Best Practices related to investing public funds through membership on the GFOA's Committee on Treasury and Investment Management; and
- Maintaining an unblemished record of ethics and integrity.

C. Project Approach and Methodology

1. Understanding and completeness of approach to perform planning and development efforts required to successfully deliver investment management services.

We understand the City is seeking an investment manager with resources to support a comprehensive investment program. PFMAM is qualified to perform all of the required services outlined in the SOQ and has a proven track record of successfully delivering these services to similar governmental clients across Arizona and nationally. We have a disciplined, low-risk approach to investing. Our investment strategies are designed to optimize investment returns, while carefully managing risk, especially during times of market volatility. Our philosophy shares the City's primary objectives of seeking to ensure safety and liquidity—all in compliance with the City's Investment Policy and Arizona state statutes.

We detail our approach, methodology, and understanding of the City's needs throughout our response.

2. Describe innovative approach to solving key issues, minimizing risks, and addressing concerns when addressing a variety of interests.

In addition to the core investment management services that we have described throughout our proposal, PFMAM also provides a wide range of ancillary services to our public-sector clients that may offer innovating approaches to solving key issues, minimizing risks, and/or addressing concerns. We have developed these services based on requests from our clients and have innovated to serve the needs of the public sector. These services will be negotiated under a separate contract with the City and may be provided by our affiliates. We are happy to further discuss any of these services with City staff.

Multi-Asset Class Practice. We believe that creating customized multi-manager strategies is one of our greatest areas of expertise. Our approach is collaborative in nature, which has allowed us to create an investment solution that fits our clients' distinct needs, objectives and cash flow requirements. Our multi-asset class services seek to implement innovative solutions that will help our clients save valuable time and resources, while allowing for transparency of our investment strategy.

- **Other Post-Employment Benefits Programs.** PFMAM's OPEB management program provides thorough and rigorous solutions to the decision-making process, budget implications analysis, and ongoing investment management services to offer a comprehensive program for public entities.
- **Endowments and Foundations ("E&Fs").** The professionals in our firm's endowment and foundation national practice have partnered with our clients to develop comprehensive multi-asset class investment programs that are tailored to address the distinct challenges experienced in the non-profit community. In addition, our practice plays a vital role in providing our E&F clients with resources, guidance, and thought leadership to make informed decisions to help drive their unique missions.

- **Bond Proceeds Resources.** PFMAM has experience with all aspects managing bond proceeds and other capital project funds and employs multiple dedicated resources for these funds: (1) a Structured Products Group that has advised issuers on nearly 3,500 bond proceeds-related transactions totaling more than $330.2 billion (from 2006 through December 31, 2023); (2) an Arbitrage and Tax Compliance Group that allows us to look at bond proceeds investments from a tax planning standpoint; and (3) a Debt Service Reserve Fund Committee that meets regularly to determine portfolio structures and duration targets in consideration of valuation requirements.
- **Environmental, Social and Governance ("ESG").** Currently, we have clients whose portfolios incorporate ESG principles in various custom ways, such as exclusionary and inclusionary ESG guidelines. We partner with Sustainalytics to aid in our ESG screening process. We offer clients the ability to define the ESG investment parameters that would be applied to select permitted industries and issuers and to manage ESG risk exposure in a customized ESG investment portfolio. Clients maintain the flexibility to modify the parameters as market conditions or ESG targets change over time.
- **Arbitrage Rebate.** Our Arbitrage and Tax Compliance Group is focused exclusively on the challenges of arbitrage rebate and post-issuance compliance. We know arbitrage, routinely provide training to governmental finance officers on arbitrage rebate and post-issuance compliance issues, and work with issuers of every size nationwide. Our internally developed, sophisticated arbitrage rebate calculation models maintain the flexibility needed to analyze a wide variety of tax scenarios.
- **Post-Issuance Compliance.** We can assist issuers with the development of a system for post-issuance compliance that meets the best practices sought by the Internal Revenue

Service. This compliance system builds upon current business procedures and documents by incorporating client-specific processes, written policies and procedures, and internal controls to help ensure continued and timely application.

- **Procurement Card ("P-Card") Program.** The P-Card program is a simple, easy-to-use purchasing card program designed to help clients streamline the purchasing process, offer spending controls to mitigate risk, and provide free insurance protection from any employee misuse.

3. Specific planning principles or methodology to be used to perform the services.

At PFMAM, we use a team approach to managing portfolios. This approach helps ensure that multiple investment professionals are knowledgeable about each client's portfolio, actively participate in discussions about investment strategies, and have access to portfolio recommendations at all times. The portfolio strategy and management teams also use the team approach to provide for backup in case the primary portfolio manager/strategist is out of the office.

Each team consists of: (1) a portfolio strategist or client engagement manager who analyzes client requirements, evaluates macro investment options, and develops an overall investment approach; (2) a portfolio manager who provides input to the strategy-development process, implements the investment strategy, and makes sector and issue selections within the context of each client's investment policy; and (3) a trader who assembles market offerings, runs a comparative security analysis, executes trades on a competitive basis, and helps coordinate the settlement of trades.

IV. Appendices

A. Certificate of Authority

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF REGISTRATION

To all *to whom* **these presents shall** come, ***greeting:***

I, ***Brian C. McNeil,*** **.P:xecutive Secretary** of ***the Arizona*** *Corporation Commission,* do ***hereby*** *certify that*

******PFM ASSET MANAGEMENT LLC******

a *foreign limited liability* company *organized* under *the laws* of *the jurisdiction* of Pennsylvania did *obtain* **a** Certificate of *Registration in Arizona* on *the 5th* day of JUne *2004.*

This certificate relates *only to the* legal *authority* of *the* above named *entity* as of *the* date *issued. This certificate is* not *to be construed* **as an** *endorsement,* recommendation, *or notice* of *approval* of *the entity's condition or business activities* and *practices.*

IN WITNESS WHl!:REOF, I have hereunto *set* my *hand* and affixed *the* official *seal* of *the Arizona Corporation* Commission. Done at *Phoenix, the Capital, this 7th Day* of JUne, *2004, A. D.*

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
* 1912 *

Executive Secretary
By Theresa Mendoza

B. PFMAM's Form ADV Parts 2A & 2B

Form ADV, Part 2A

Brochure

March 29, 2024

pfm asset management

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Harrisburg, PA 17101-2141
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SEC File No. 801-60449
IARD/CRD No. 122141

This brochure provides information about the qualifications and business practices of PFM Asset Management LLC (PFMAM). If you have any questions about the contents of this brochure, please contact us at pfmamrequest@pfmam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about PFMAM is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for PFM Asset Management LLC is 122141.

PFMAM is a Registered Investment Adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Brochure

Notice of material changes

As an investment adviser registered with the SEC, PFMAM is required to maintain a written disclosure statement on our background and business experience, and to offer our investment advisory clients a current version of this statement when material changes occur.

There are no material changes from our last Brochure dated April 21, 2023.

If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, Leo Karwejna, at 717-231-2723 or at pfmamrequest@pfmam.com.

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Item 4: Advisory Business

Effective December 7, 2021, PFMAM became a wholly-owned subsidiary of U.S. Bancorp Asset Management, Inc. (USBAM). USBAM is a direct wholly-owned subsidiary of U.S. Bank National Association (U.S. Bank) and an indirect wholly-owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM continues to operate as a separate registered investment adviser.

Prior to December 7, 2021, PFMAM was part of the PFM Group of companies which included Public Financial Management, Inc. (PFM, Inc.). PFM, Inc. was founded in 1975 to provide independent financial advisory services to the public sector and began providing investment advisory services to public entities in 1980. Effective June 1, 2016, financial advisory services historically offered through PFM, Inc. were offered through a new operating company, PFM Financial Advisors LLC (PFMFA). PFM, Inc., PFMFA, PFMAM and certain other affiliated companies were collectively referred to as "PFM". PFMAM and other related businesses within PFM were indirect, wholly owned subsidiaries of a holding company, named PFM I, LLC.

PFMAM is a Delaware limited liability company.

As of December 31, 2023, the amount of client assets we managed on a discretionary basis was $176,338,510,327 and the amount we managed on a non-discretionary basis was $544,843,438. In addition, as of December 31, 2023, we provided investment consulting services with respect to assets in the amount of $53,428,084,398.

We offer the following types of investment advice:

Discretionary Advice

We offer discretionary advisory services for government, corporate, nonprofit and other institutional investors who invest in fixed-income and multi-asset class strategies. When a client gives us investment discretion, we have the authority to determine, without obtaining specific approval, (1) overall asset allocation, (2) the specific securities to be bought and sold, (3) the amount of securities to be bought and sold and (4) the broker or dealer through which the securities are bought or sold. For some accounts we may also have discretion to select the manager or sub-adviser to be utilized to manage some, or all, of the portfolio assets. These decisions are subject to limitations of law and restrictions in the contract with our client and limitations in our client's written investment policies. For discretionary advisory engagements, we assume day-to-day management responsibility for the assets covered by the investment advisory agreement. Examples of the securities we may recommend include U.S. Treasury securities, Federal Agency securities, investment-grade corporate obligations, mortgage and asset backed securities, municipal securities, institutional mutual funds (including exchange traded funds [ETFs]), private fund investments and money market instruments. We arrange for the purchase and sale of these securities to meet the investment objectives and cash flow requirements of each client. Additionally, we may outsource management of all or part of a portfolio to a sub-adviser or co-adviser through a contractual separate account arrangement.

We manage many fixed-income portfolios on a total return basis. We also implement liability-driven strategies that seek to generate cash flows from a portfolio of fixed-income securities to match specific liabilities such as bond-funded defeasance accounts, construction accounts, insurance liabilities or pension liabilities.

We also provide services to the PFM Multi-Manager Series Trust (MMST or the Trust), a registered open-end investment company, utilizing predominantly a manager-of-managers structure. The Trust offers several funds (MMST Funds), with each MMST Fund having specific investment objectives, policies, and restrictions. We are responsible for, among other overall management services, determining investment strategies, selecting and monitoring unaffiliated investment sub-advisers for each MMST Fund and for allocating and reallocating assets among the sub-advisers consistent with each MMST Fund's investment objective and strategies. We can also purchase securities directly for the MMST Funds.

For some of our clients, including trusts, pension plans, endowments, foundations, other post-employment benefits (OPEB) plans, insurance and self-insurance pools, or other similar asset pools, we serve as a discretionary manager to invest a client's assets in multiple types of investments. Generally, these accounts include a variety of asset classes, which may include domestic equity, international equity, fixed income and alternative asset classes, including shares of MMST Funds.

We provide discretionary multi-asset class investment services for multi-asset class mandates (sometimes known as outsourced chief investment officer, implemented consulting and a variety of other generic terms, collectively, "OCIO"). We work with the client to determine a target asset allocation based on a variety of risk and return characteristics. We then implement the asset allocation, either by buying shares of mutual funds (including ETF's and shares of the MMST Funds) and/or pooled funds or other investment vehicles (collectively, Funds), or by selecting separate investment managers (sub-advisers) who will manage separate accounts of specific asset classes and/or strategies. Under this approach, we have discretion to make the initial selection of the Funds or investment sub-advisers. We also provide ongoing periodic monitoring by evaluating the Fund's or the investment sub-adviser's portfolio management philosophy, policies, processes, controls, personnel and investment performance. Clients who hire us give us authority to change, drop or add funds or investment sub-advisers. The client generally gives the investment sub-advisers both investment and brokerage discretion in managing its portion of the portfolio. We prepare for these clients periodic reports on the investment performance of the various funds, investment sub-advisers and the portfolio as a whole.

We also offer clients the option to integrate non-pecuniary investment guidelines such as ESG (Environmental, Social and Governance), or DEI (Diversity, Equity and Inclusion) factors into the investment approach employed for their separately managed fixed-income or OCIO strategies. Through this approach, our clients define objective investment parameters related to the investment guidelines they wish to adopt that would be applied to select permitted issuers for their separately managed fixed-income portfolio and permitted funds, strategies and/or managers for their OCIO strategies. In addition, our OCIO ESG strategy provides clients with the option to implement ESG into a dedicated sleeve of the portfolio or in funds or managers that incorporate ESG themes or considerations.

We utilize third-party ESG data and analytics to evaluate issuer level and equity fund level ESG risks. For OCIO strategies, eligible domestic equity funds are required to meet certain screening criteria on a best-efforts basis. We monitor those funds' ESG risk scores to help ensure they continue to exhibit the appropriate ESG risk characteristics.

Services to Local Government Investment Pools and a Registered Investment Company

PFMAM currently provides investment advisory and/or administrative services to 18 pooled investment programs (generally known as local government investment pools) across 16 states and one registered investment company whose series or classes are registered in multiple states. We generally, but not always, provide administration services and an affiliate generally provides distribution services as described in this document. Where PFMAM is the investment adviser to a pooled investment vehicle, investment objectives, guidelines and any investment restrictions are described in the relevant offering documents for the vehicle.

Non-discretionary Advice and Consulting Services

We also may provide advice on a non-discretionary basis where we offer clients investment recommendations, subject to their specific approval and further execution instructions. In this case our client makes trades directly or specifically approves our purchase or sale of specific securities, which may include non-negotiable certificates of deposit.

We also provide non-discretionary investment consulting services to:

- governmental entities,
- public, Taft-Hartley and corporate pension funds,
- hospital endowments and foundations,
- trusts,

- OPEB plans, and
- other similar institutional investors.

As a consultant we may provide advice to the client in developing or revising its investment or spending policy, evaluating investment options, establishing and implementing a target asset allocation, determining performance benchmarks, conducting cash flow analysis, and selecting money managers, pooled trusts or mutual funds to carry out the client's investment strategy. Subject to the client's specific approval, we may also purchase or sell pooled trusts or mutual funds, hire or drop managers, or reallocate assets between managers or funds.

We typically begin these services by assessing the client's investment objectives, time horizon and risk tolerance and liquidity needs, if any. As part of our consulting service, we provide reporting that may include an inventory of holdings, portfolio analytics, credit analysis and investment performance, and whether the client's portfolio complies with its investment policy.

Our consulting services to OPEB plans and pension plans may involve financial reporting, analyzing cash flow implications of different funding strategies, and other matters relating to the OPEB benefits or pension benefits and funding arrangements. Often, we perform these services by working with our client's other professional advisors, such as the client's auditor or actuary.

Structured Products

We also provide analytical services for structuring and procuring portfolios in connection with the current issuance or advance refunding of municipal bonds and the investment of bond proceeds. For these engagements we arrange for purchases of specific securities that are generally government obligations or structured investments such as forward delivery agreements or guaranteed investment contracts by obtaining bids on a competitive basis or by negotiating on behalf of our client. We also advise clients on termination of existing investment agreements.

Services for Corporations, Insurers, Banks and Other Similar Financial Institutions

We also provide discretionary and non-discretionary advice tailored for corporations, insurers, banks and other similar financial institutions which invest in fixed-income securities or OCIO portfolios. These services are tailored to the particular investment needs, restrictions and requirements which apply to these types of clients.

General Approach to Advisory Services

We tailor our advisory services taking into account the following factors, including but not limited to:

- the services that the client has requested,
- the client's investment objective,
- the client's investment policy,
- the client's time horizon,
- the client's risk tolerance,
- the client's liquidity needs, if any,
- the client's tax status.

A client may impose additional restrictions, including restrictions on the types, quality or maturity of securities in which we can invest. We adhere to any investment restrictions provided by the client.

Item 5: Fees and Compensation

The fees we charge our advisory clients vary depending upon several factors including the types of investments permitted, the personnel providing the advisory services, the particular strategy, the size of portfolio being managed, the relationship with the client, and service requirements associated with the account.

Fees may also differ based on account type (e.g., a commingled, pooled account or a separate individual portfolio account).

Fees for Discretionary Advice – Separate Accounts

We generally receive compensation calculated as a percentage of assets we manage. We receive this compensation after a service is provided, and we bill in arrears on a monthly or quarterly basis. For some accounts based on assets under management, we charge a minimum fee and for some we apply a fee cap. Related client accounts can be aggregated for purposes of applying fee breakpoints.

As a general guideline, we charge the following range of fees for investment advisory services for fixed-income separate account management:

Fixed-Income Assets Under Management	**Annual Rate (basis points)**
First $50,000,000	6 - 30
Next $50,000,000	5 - 20
Next $100,000,000	4.5 - 15
Next $100,000,000	4 - 5
Above $300,000,000	3 - 4

For fixed-income separate account management, we generally charge a minimum annual fee of $40,000. The minimum annual fee may be waived or reduced. Generally, the fees we charge are calculated based on the value of the assets as determined by us using the agreed-upon measure in the contract with our client, typically month end market value of assets or amortized value plus accrued interest, as determined on a daily basis in good faith by PFMAM.

As a general guideline for the OCIO discretionary management, we charge the following range of fees for investment advisory services:

OCIO Assets Under Management	**Annual Rate (basis points)**
Up to $25,000,000	12 - 36
Next $75,000,000	8 - 20
Next $150,000,000	8 - 10
Next $250,000,000	5 - 8
Thereafter	2 - 5

For OCIO discretionary management, we generally charge a minimum annual fee of $25,000. The minimum annual fee may be waived or reduced. Generally, the fees we charge are calculated based on the value of the assets as determined by us using the agreed-upon measure in the contract with our client, typically market value of assets or amortized value plus accrued interest, as determined by the custodian on settlement date.

Registered Investment Company and Pools

The fees we charge for the investment services we provide to the registered investment company and local government investment pools vary by program. The fee schedule may include various breakpoints depending on asset levels and may include fee caps or waivers which can be triggered by the overall expense ratio of the pool. We may also receive compensation for the marketing and administrative services we provide (through ourselves or an affiliate) to the registered investment company or local government investment pools.

We generally provide these administrative and marketing services as an integral part of our investment advisory services, and the fees we receive for these services may be included as a component of the investment advisory fees we charge.

Non-discretionary Advice

We generally charge fixed fees for these services, depending upon the services that the client requests, and the complexity of the services.

We also offer non-discretionary advice on certificate of deposit investment programs, which are designed to provide clients with a fixed rate to a fixed maturity date. Fees typically range up to 0.25% per annum of the cost of the investment purchased by our clients. Under the certificate of deposit programs, we provide clients with the option to set aside moneys in client accounts to pay our fee after we have performed the service.

Consulting Services

For investment consulting services we generally charge clients either a fixed fee or a fee that is based on a percentage of assets. The fixed fee is based on the size of the portfolio, complexity, and scope of services which we perform. As a general guideline, we charge asset-based fees in a range from 0.05% to 0.30% annually, based on the characteristics listed above. From time to time, we charge hourly fees for these types of services.

Structured Products

In these engagements, we usually charge a fixed fee. We and our clients agree upon a fee at the outset of each of these engagements and the fee is a function of the size and complexity of the engagement. The client may pay the fee or may instruct the investment contract counterparty or underwriter in writing to pay our fee on the client's behalf. As a general guideline, the typical fee for investment of municipal bond proceeds in a structured investment, or in a refunding bond escrow structuring and procurement engagement, is less than or equal to 0.20% of the cost of the portfolio or the sum of the total deposits under the agreement.

Other Important Information About Our Compensation

Because we tailor our services to the individual needs of a client, we may offer clients more than one of the services described above. In addition, we may also provide services not mentioned above, such as assisting our clients with a one-time purchase or sale of securities. The fees we charge are negotiable and vary depending upon the particular services we perform and the complexity and extent of the work we provide.

We may charge a minimum fee for small accounts, as described above. Other than these minimum fee requirements, there are no other requirements for maintaining the account.

Fees are negotiable so one client may pay a higher fee than another client with similar investment objectives or goals.

In limited circumstances, the fee percentage will be higher, often because the portfolio is small.

All fees are payable to us only after we perform the services. We do not require our clients to pay our fees in advance. Under some engagements, our investment advisory engagements clients authorize us to deduct fees from their investment accounts after they are notified. Under some engagements, the client pays our fees from other sources. The method of payment of our fees is subject to negotiation, and clients have the ability to choose the method of payment, depending on the type of service. For most of our accounts, we bill monthly in arrears. Under some client contracts we bill the client quarterly. For some services, we bill the client on a one-time basis only when we complete the service.

We have an affiliate, PFM Fund Distributors, Inc. (PFMFD), that is a broker-dealer under the Securities Exchange Act of 1934. PFMFD typically serves as exclusive distributor of shares of the registered investment company and local government investment pools (Pooled Funds) for which we serve as investment adviser and/or administrator and we receive fees from this arrangement, as more fully described in Item 10 below.

No supervised person of our affiliated broker-dealer is compensated for the sale of securities.

PFMAM employees are paid a base salary and may also receive year end incentive compensation. The incentive compensation is dependent upon the profitability of the firm, each group's contribution to the overall profitability of the firm, and each individual's contribution to the group's success. The firm's compensation plan is intended to recognize and reward excellent performance on the part of individuals; however, no PFMAM employee is compensated on a commission-related basis.

Item 6: Performance-Based Fees and Side-by-Side Management

In rare instances we enter into advisory agreements under which the client pays us a fee, all or part of which is performance based. For example, we may enter into agreements where the client pays us all or part of our fee to the extent that the performance of the portfolio we manage exceeds a predetermined benchmark, measured over a designated period of time. We may manage both accounts that are charged a performance-based fee and accounts which are charged other fees, typically a percentage of the value of assets managed. To address any concern that we may have an incentive to favor certain investment opportunities for a performance-based account we follow written procedures designed to allocate trades on an equitable basis considering the investment objectives of the account and without regard to whether an account has a performance-based fee. Accounts with the same objectives and permitted investments should receive a fair allocation over time of similar securities purchased.

Item 7: Types of Clients

PFMAM provides investment advisory services to institutional investors, including state and local governments and their agencies, local government investment pools, non-profit organizations, pension and OPEB funds, banks, corporations, hospitals and insurance and self-insurance pools. For information concerning minimum fee requirements, please see Item 5 above.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Fixed-Income Portfolios – Analysis and Strategy

Investment strategies are developed by the Fixed-Income Investment Committee which considers the macroeconomic, interest rate, credit market, and other conditions described below. The strategies provide guidance for portfolio managers with regard to appropriate duration and sector allocation for individual portfolios. We may use a variety of analyses as well as internal (including affiliates) and external data sources and market research. External sources include various news and information sources, books, government bulletins, databases, research prepared by others and publications from rating agencies, unaffiliated broker-dealers and third-party information providers and in-person meetings with issuers. We also collect information from clients to determine their liquidity requirements, risk tolerances and any other policies or procedures that guide the investment of the client's assets.

For clients whose objectives are measured by total return or income our investment approach emphasizes the use of active management strategies that seek to add value. For liability-driven investment portfolios, such as those funded with bond proceeds and used to pay project costs, we identify securities whose cash flows are expected

to meet a draw schedule and we may modify the portfolio as the draw schedule changes or as investment opportunities present themselves, although in the latter case the draw schedule is considered first when making modifications.

Our Fixed-Income Active Management Process

The following describes the principles of our fixed-income investment strategy:

- Disciplined decision-making process,
- Seek relative value through sector weightings, yield spread analysis, yield curve positioning, security selection, and duration management, and
- Duration positioning to manage risk: generally manage durations so they are close to relevant benchmarks, usually no more than +/- 25% of a designated benchmark, and

We use top-down analysis to assess macroeconomic conditions including interest rates, the shape of the yield curve, Federal Reserve monetary policy, and current and historical yield spreads between sectors. Top-down analysis is a key element of our duration and sector allocation decision-making process.

We believe identifying macro-level trends in these areas is important for adding value, controlling risk, and lowering volatility.

We use a bottom-up approach to security selection that seeks to identify those industries and issuers with fundamental characteristics and financial strength that enhances their potential to perform well. We seek to combine fundamentally sound investments into a portfolio that optimizes return potential in consideration of investment guidelines or restrictions.

Lastly, we incorporate low-risk active management techniques designed to augment our relative value approach. We believe active management can capture market inefficiencies that create opportunities for return enhancement. While we expect that every security we buy will be suitable to hold to maturity, we frequently identify opportunities to swap one investment for another to increase earnings, adjust portfolio duration, improve liquidity, or restructure a portfolio to better meet future needs.

Our portfolio managers and analytical team have access to three major on-line market trading systems: Bloomberg, MarketAxess, and TradeWeb. These systems provide active market quotes, including real-time securities pricing. We also have access to news from Bloomberg News, Dow Jones/Wall Street Journal, CNBC, and other public or specialized news services. In addition, we communicate daily with major securities dealers and regional and specialty broker-dealers and receive market information from them that assists us in identifying specific market opportunities. We supplement these external systems and data sources with proprietary analytic tools which we have developed.

We add value through asset allocation strategies which involve sector selection (security type), yield curve placement (maturity), yield spread analysis and issue selection. Our overall view of the financial markets provides the context for selecting maturities which we believe represent the best relative value along the yield curve and the highest potential for enhanced return, for example by “rolling down the curve” and for selecting specific securities within a sector. We perform proprietary analysis on the yield curve to identify “cheap” areas of the curve, and to evaluate a variety of portfolio structures. Using the results of this analysis, our portfolios may be over- or under-weighted in certain maturity ranges.

We think there is a significant opportunity to enhance earnings with a strategy that focuses on the selection of securities based on relative value. Sectors are selected which represent the best relative value based on our sector outlook and historical yield spreads. Investments other than Treasuries are purchased when spreads are wide and avoided or sold when spreads are narrow. Many of our portfolio managers and traders are assigned to specific

market sectors in order to monitor products and opportunities and these responsibilities run across all portfolios. Individual issues are selected based on our assessment of issuer financial quality and rating trends, interest rate spread, credit trends, issue structure and liquidity. Analysis of individual issuers is supported by a Credit Research Group, which is a shared service with USBAM. In addition, the PFMAM Credit Risk Management Committee establishes overall credit policy for the firm, manages the PFMAM approved list of issuers that may include limits or constraints more restrictive (but never less restrictive) than those provided by the shared Credit Research Group, and other activities related to managing credit risk. Portfolios are generally diversified by security type, maturity and issuer to avoid concentrated investment in a single issuer and to accommodate varying cash flow needs to provide periodic liquidity.

After selecting investments to meet cash flow requirements and other objectives, we may position a portfolio's duration to take advantage of expected interest rate movements: positioning with a shorter bias when we expect rates to rise and longer when we expect rates to fall. We establish a duration (or average maturity) target for the portfolio based on our macro view of the economy and the financial markets, the type of funds, cash-flow analysis and benchmark chosen by a client. We seek to add value by re-balancing the portfolio to take advantage of market opportunities and in anticipation of interest rate movements. Duration targets for our strategies are established by our Fixed-Income Investment Committee and may be provided to our clients as a management and oversight tool.

We furnish monthly account summaries to each fixed-income portfolio client with assets under continuous management, which may be delivered by a third party. The summaries include details of all transactions during the reporting period, and holdings at the end of the period. We also provide access to account summaries on a daily basis via our internet-based client portal. We may also provide an investment advice memorandum upon advising and/or completing an order for a buy or sell of securities.

Fixed-Income Portfolios – Risk

Our fixed-income strategies involve certain risks which are typical for fixed-income portfolios. For portfolios whose investments are limited to obligations of the U.S government or its agencies and instrumentalities, we believe the risk of default is minimal. Portfolios whose investments include corporate and municipal obligations are subject to the risk that an issuer will fail to pay principal or interest on a timely basis, while those containing mortgage-backed and asset-backed securities are also subject to the risk of uncertain timing of principal payments. In order to manage risks, we seek to diversify portfolio holdings and we limit our investments in corporate and municipal obligations and in asset- and mortgage-backed securities to those that are investment grade. Generally speaking, the lower a security's credit rating, the higher its credit risk. If a security's credit rating is downgraded, its price tends to decline sharply, especially as it becomes more probable that the issuer will default.

Portfolios are also subject to interest rate risk. This is because the market value of securities changes as interest rates change, with a rise in rates typically reducing market values and a decline in rates typically increasing market values. Changes in interest rates generally affect longer maturity securities more than they affect shorter maturity securities, other things being equal. We manage this risk by managing these portfolios within duration ranges consistent with portfolio objectives. Nonetheless, investors should expect to experience market value and total return volatility which can include unrealized losses in excess of periodic income. Although the investment strategies we employ do not involve significant or unusual risk beyond that of the general investment grade fixed-income markets, investors should recognize that investing in securities involves a risk of loss that the investor should be prepared to bear. Past performance is not a guarantee of future returns.

The risk of our top-down strategy is that our macro view of the economy and financial markets is wrong and we position a portfolio's duration or sector allocation in a manner that is not optimal. We seek to manage this risk by limiting variations from duration or maturity concentrations from those of client benchmarks and by diversifying holdings among security types. For liability-driven investment portfolios, we seek to minimize market risk by approximately matching portfolio cash flows with expected liabilities.

The risk of our bottom-up strategy is that securities that we include in a portfolio because they are perceived to have relative value may later lose value when compared with the general fixed-income market. We

seek to manage this risk by careful and systematic analysis of relative values, monitoring news on issuers on the approved list, by reviewing credit analysis provided by the Credit Research Group and by diversifying holdings.

Frequent trading of securities can create higher overall transaction costs that will reduce portfolio income. We manage portfolios actively and we seek to minimize trading costs by recommending liquid issues that are actively traded in the markets and by utilizing competitive bidding wherever feasible.

Certain portfolios may invest in ETFs. An ETF is an individual security that trades on an exchange and represents a basket of securities or other assets that is designed to track the performance of specified indices, sectors or asset classes. ETFs are subject to various risks, including the ability of the ETF's managers to meet the investment objective, and to manage appropriately the ETF's portfolio when the underlying securities are redeemed or sold, particularly during periods of market turmoil and as investors' perceptions regarding ETFs or their underlying investments change. There is also no guarantee that an ETF will achieve a high degree of correlation to its targeted index and therefore achieve its investment objective.

Outsourced Chief Investment Officer (OCIO) – Analysis and Strategy

The Outsourced Chief Investment Officer (formerly Multi-Asset Class Management) Investment Committee: 1) oversees OCIO portfolio strategies by establishing asset allocation targets and approving investment sub-advisers (investment managers)/funds for all discretionary OCIO accounts; 2) provides investment and portfolio risk oversight for investment decisions; and 3) determines Capital Market Assumptions that are utilized to develop our OCIO portfolio strategies. Capital Market Assumptions are generally determined annually for intermediate- and long-term time periods and include expected returns and volatility measures for a wide range of asset classes. Intermediate-term (five years) assumptions are derived from our assessment of current economic conditions, including interest rates, yield spreads, corporate profits, balance sheets, and current valuations for various asset classes. Long-term assumptions (thirty years) are derived using an economic building block approach that projects economic and corporate profit growth; and that takes into consideration the fundamental factors driving long-term real economic growth, and our expectation for inflation, productivity and labor force growth. We may use a variety of analyses as well as internal (including affiliates) and external data sources and market research.

We use a consistent approach to OCIO accounts that involves:

- **Portfolio planning** – we use a survey to facilitate a discussion with clients on all the asset classes to help decide which should be permitted in the final overall allocation. The survey also provides information about goals, objectives, cash flow projections, risk tolerance, ability to withstand losses, as well as the view of the economy and the markets. The survey is revisited periodically throughout the life of the engagement as client circumstances change.
- **Determining asset allocation structure** – we believe that the asset allocation decision is the most important factor in determining the expected investment return of a portfolio. The use of the portfolio planning survey and Capital Market Assumptions allow us to determine an asset allocation plan for the client. We use a modeling program from FactSet Research Systems Inc., along with a proprietary modeling program which allow us to conduct a detailed asset/liability modeling study. Each model uses the latest historical data on asset class investment returns, volatility, and correlation with other asset classes. Our goal is to determine an "optimal" portfolio. We do this by running a series of tests on each model to determine the probability of achieving the desired investment objective under different market scenarios. Existing funding requirements may override the more subjective "tolerance for loss." This process helps inform our clients of the range of outcome possibilities associated with each asset allocation plan, and to identify a plan that best meets the expectations set forth in the portfolio planning survey.
- **Investment manager selection** – our research team screens and evaluates managers and funds across a wide range of asset classes, sectors and styles. Managers/funds are selected based on objective criteria that includes evaluation of investment process, personnel and performance history. Once selected, the research team monitors the investment products included in our client portfolios. The research team corresponds with investment managers on a regular basis and meets with them routinely to maintain an understanding of each manager's investment process and strategy. As part of

ongoing manager due diligence, research analysts run a series of risk/return statistics, peer universe analysis, portfolio attribution and style analysis on all investment strategies employed in our clients' portfolios to help ensure they continue to be an appropriate component of the overall portfolio.

- **Rebalancing** - we evaluate a client's portfolio regularly to determine the need for rebalancing based on factors including current positioning, allocation targets, perceived assessment of relative value, and changes in Capital Market Assumptions. For OCIO portfolios where we have discretion, we may establish target levels for each asset class in the planning stages along with a minimum /maximum range and may update these as our Capital Markets Assumptions and market conditions change. These parameters are recommended for inclusion in the client's investment policy statement.
- **Ongoing Monitoring** - we monitor a client's asset allocation, as well as the portfolio's money managers/mutual funds on an ongoing basis through detailed analysis and our proprietary manager ranking system. For our discretionary accounts, we may place a manager or fund on the watch list as a result of lagging performance, poor risk metrics, style drift, and/or qualitative issues, among other things. Removal from the watch list is typically based on several quarters of improved performance against peers and an appropriate benchmark or remediation of other issues. If problems endure, probation is a subsequent step in the process of reviewing managers. Ultimately, if the problem persists, our OCIO Investment Committee may terminate the manager.

The strategies are implemented in OCIO accounts through mutual funds or ETFs and/or separately managed accounts, and some OCIO accounts, for clients who qualify, invest in private investment vehicles advised by advisers that are not affiliated with us. In MMST, the strategies are implemented either by allocating assets to investment managers or by investing in mutual funds or ETFs advised by advisers that are not affiliated with us. Shares of MMST Funds may make up a portion or all of the assets of a client's OCIO account.

Outsourced Chief Investment Officer – Risk

Investing in OCIO strategies involves a risk of loss that an investor should be prepared to bear. The investment strategies we employ do not involve significant or unusual risk beyond that of the general markets for international and domestic equities, fixed income, publicly traded real estate, and other investments we recommend. In order to manage the risks inherent in these markets we seek to diversify portfolios by blending equity, fixed income, alternatives, and cash-based securities, in a manner that is designed to meet the client's risk tolerance, with the objective of reducing the risk of long-term losses. There is no assurance that client objectives will be met. Past performance is not a guarantee of future returns.

Investing in cash, fixed income, and equity funds through separate account managers, mutual funds ETFs or private investment vehicles involves risk. Each asset class has its own idiosyncratic risk and return characteristics. In modeling portfolios for our clients, we assess the individual characteristics of asset classes from a historic and forward-looking point of view, to optimize the best blend given the client's investment objectives and tolerance for risk. There is risk that our macro view of the economy and assumptions about asset class characteristics is wrong and we position a portfolio's asset allocation in a manner that is not optimal.

ETFs (described previously) are subject to various risks, including the ability of the ETF's managers to meet the investment objective, and to manage appropriately the ETF's portfolio when the underlying securities are redeemed or sold, particularly during periods of market turmoil and as investors' perceptions regarding ETFs or their underlying investments change. There is also no guarantee that an ETF will achieve a high degree of correlation to its targeted index and therefore achieve its investment objective.

Use of Co- and Sub-Advisers for Certain Strategy Implementations

When third-party managers are engaged to carry out a fixed-income strategy or OCIO strategy, they are chosen based upon their skill in specific investment styles or sectors and there is risk involved. We employ a due diligence process to review the capabilities of any proposed third-party manager and monitor third parties on an ongoing basis. Specifically, we examine their experience, background, expertise, investment philosophies, applicable operational capabilities, and past performance to assess how the manager has invested over a period of time and in different economic conditions. We monitor managers, with such monitoring typically including evaluating the

underlying holdings, strategies, concentrations, terms and performing reference checks as part of our initial and/or periodic risk assessment. A risk of investing with a third-party manager who has been successful in the past is that the third-party manager will not be able to replicate that success in the future. In addition, because we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager will deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment. Where multiple third-party managers are employed to manage a single account there is risk that the managers will have offsetting strategies or overlapping investment holdings. We do not control a third-party manager's daily business, regulatory compliance or operations, and seek to mitigate the investment, business, regulatory and reputational risks by undertaking due diligence and ongoing monitoring of the managers including monitoring of their adherence to the investment policy and guidelines they are employed to implement. From time to time a client may direct us to hire a specific third-party manager to manage a portion of the portfolio. In cases where a client directs assets to a manager that is not approved, the level of ongoing diligence we perform may be limited and clients acknowledge this in writing.

ESG Investing – Analysis and Strategy

PFMAM has developed an investment approach to help our clients integrate ESG factors into their investment process and strategy, if they specifically choose to do so. Our fixed-income ESG service provides our clients with the tools and methodology to develop and implement a customized ESG approach based on their defined ESG criteria. We employ third parties, such as Sustainalytics, who provide ESG data and ratings of companies that issue securities that we may recommend. We may also use third-party sub-advisers to manage funds with specific ESG or impact investing goals, such as geographically-targeted mortgage-backed securities or municipals.

For clients who choose to do so, we offer the potential for further customization through a range of screening tools, which can allow our clients to exclude specific issuers, industries, and funds based on certain defined criteria. Once objective ESG criteria are defined, we work with the client to evaluate investment strategies based on ESG investment parameters. Investment parameters are applied using an ESG risk rating system and other evaluation tools. The risk rating system is designed to objectively quantify an issuer's or fund's ESG risk from both an industry/sub-industry and issuer/fund-specific standpoint. Much like traditional credit ratings, the risk rating system provides a basis to evaluate issuers on a consistent basis and facilitates comparisons across industries and issuers.

Our OCIO ESG investment strategy enables clients who wish to include ESG principles into their strategy to select approved funds that meet certain ESG risk rating thresholds as determined by third-party providers. In addition, our OCIO ESG strategy provides clients with the option to implement ESG into a dedicated sleeve of the portfolio or into a customized ESG product that addresses a specific theme.

The following provides some additional detail related to our ESG strategies:

- ESG integration strategies include systematic and explicit consideration of ESG factors in the investment decision-making process.
- Values-based strategies, including screening for or avoiding certain companies or industries as specified by the client.
- Best in class strategies include making investments in companies based on positive ESG performance relative to industry peers.
- Theme-based strategies, including making investments based on specific environmental themes or assets related to sustainability.
- Hybrid strategy, including a combination of two or more of the above approaches.

We work through this process with our clients to help them develop and implement ESG investment approaches that are customized to their sustainable investment objectives. This dynamic approach also provides our clients with the flexibility to modify their ESG investment parameters as their sustainable investment objectives evolve.

ESG Risk

ESG approaches could cause an account to perform differently compared to accounts that do not utilize ESG investment strategies. The criteria related to certain ESG approaches may result in an account forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so or selling securities for ESG reasons when it might be otherwise disadvantageous to do so.

In addition, there is a risk that the companies identified by an ESG approach do not operate as expected when addressing ESG issues. A company's or fund's ESG performance or performance of the strategy could vary over time, which could cause a portfolio to be temporarily invested in companies that do not comply with the client's objectives in considering ESG characteristics. There can be significant differences in interpretations of what it means for a company to have positive ESG characteristics and strategy investment decisions may differ depending on these interpretations. In making investment decisions, we rely on information and data that could be incomplete or erroneous, which could cause us to incorrectly assess a company's ESG characteristics.

Consulting Engagements – Analysis Strategy and Risk

For OCIO consulting engagements where we do not have discretion, the methods and analysis generally are similar to those for discretionary accounts as described above. However, determining asset allocation, setting an appropriate asset mix and manager selection are the responsibilities of the client, and not us. We generally make recommendations and report the results at periodic client meetings and follow client direction with regard to selecting managers and re-balancing accounts. As directed by the client, portfolios may include managers that are not approved for our discretionary accounts. In cases where a client directs assets to a manager that is not approved, the level of ongoing diligence we perform may be limited and clients acknowledge this in writing. Risk for these accounts is similar to risk for discretionary OCIO accounts.

Regulatory Risk

Changes to monetary policy by the Federal Reserve or other regulatory actions could expose fixed-income and related markets to heightened volatility, interest rate movements, yield spread changes, and reduced liquidity, which may impact the universe of potential investment options, market values, and return potential.

Cybersecurity Risk

In addition to the risks identified above for each strategy, investing involves various operational and financial risks associated with cybersecurity. These risks include both intentional and unintentional events at our facilities or at one of our clients, third-party counterparties or service providers, that may result in a theft, loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our ability to conduct our business. A cybersecurity breach may also result in a third party obtaining unauthorized access to our clients' information, including account numbers, account balances, and account holdings. We have established and maintain business continuity plans and cybersecurity systems and protections designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because we do not directly control the cybersecurity systems of clients, issuers, trading counterparties, or third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

Business, Terrorism, and Catastrophe Risks

These are the risks of loss that may be incurred, indirectly, due to the occurrence of various events, including hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on our business and on clients' portfolios, including investments we make.

Item 9: Disciplinary Information

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

We and other entities under the common control of U.S. Bancorp, including USBAM, U.S. Bank, U.S. Bank Global Fund Services (USBGFS) and U.S. Bancorp Investments, Inc. (USBII) are related persons. We have certain relationships with related persons, as described below, which may conflict with clients' interests. At a minimum, conflicts are addressed by disclosing the conflicts to affected clients or prospective clients.

Our affiliate, PFMFD, is registered as a broker-dealer under the Securities Exchange Act of 1934. Its sole activities are to serve as exclusive distributor to the registered investment company and local government investment pools (Pooled Funds) for which we serve as investment adviser and/or administrator. If our client invests in a Pooled Fund, we disclose this relationship to the client, through the Form ADV Part 2A and the offering statement for the Pooled Fund. In addition, where Pooled Funds are employed as part of our investment strategy, our investment advisory agreement with the client provides that if we invest client assets in a Pooled Fund, either we will not take these assets into account for purposes of calculating our fees under the client's investment advisory agreement, or we will credit the investment advisory fee we earn on the client's Pooled Fund investment against investment advisory fees due us related to the client's separately managed account that holds assets in the Pooled Fund. This includes any assets that we may invest in registered investment companies advised by USBAM.

We serve as investment adviser to the MMST and the MMST Funds. We may enter arrangements with a third party to compensate for services provided. Such compensation payable to the third party is paid out of the fee we receive from the Pooled Fund. Our affiliate USBGFS provides services to the MMST Funds and receives a fee. We also serve as administrator and/or investment adviser to the following local government investment pools:

- California Asset Management Trust (CAMP),
- Colorado Statewide Investment Pool (CSIP),
- Florida Public Assets for Liquidity Management (FL PALM),
- Illinois Trust,
- Massachusetts Development Finance Agency Short-Term Asset Reserve Fund (Mass STAR),
- Michigan Liquid Asset Fund Plus (MILAF+),
- Minnesota Association of Governments Investing for Counties (MAGIC),
- Minnesota School District Liquid Asset Fund Plus (MSDLAF+),
- Missouri Securities Investment Program (MOSIP),
- Nebraska Liquid Asset Fund (NLAF),
- New Hampshire Public Deposit Investment Pool (NH PDIP),
- New Jersey Asset & Rebate Management Program (NJ/ARM),
- North Carolina Investment Pool (NCIP),
- Pennsylvania Local Government Investment Trust (PLGIT),
- Pennsylvania OPEB Trust (adviser and distributor only),
- TexasTERM Local Government Investment Pool d/b/a Texas Range Investment Program (Texas Range)
- Virginia State Non-Arbitrage Program (SNAP), and
- Wyoming Government Investment Fund (WGIF).

PFMFD serves as distributor to all pools listed above.

We may receive referral business from our related persons and may pay referral fees to them, as described further under "Client Referrals and Other Compensation" below.

USBAM also provides credit research and analysis to PFMAM, including development and management of various approved issuers lists and approved counterparties used by both PFMAM and USBAM.

U.S. Bank serves as custodian and/or depository for a significant number of our separately managed accounts and Pooled Funds. U.S. Bank may also participate as a member of underwriting syndicates in securities offerings, for which it may receive a fee. We may provide various investment advisory services to U.S. Bank for compensation, including managing accounts of certain U.S. Bank clients as sub-adviser under authority delegated by U.S. Bank, for which we may earn a negotiated fee.

We may invest client assets in mutual funds (including the First American Funds for which USBAM serves as investment adviser) or other pooled investment vehicles to whom USBGFS provides services and receives a fee.

USBII, a direct subsidiary of U.S. Bancorp, is a registered broker-dealer and SEC-registered investment adviser. USBII may participate as a member of underwriting syndicates in securities offerings, for which it may receive underwriting discounts or commissions. In certain circumstances and in compliance with applicable laws, regulations and regulatory guidance, including Rule 10f-3 under the Investment Company Act of 1940 (the "Investment Company Act"), we may recommend or purchase such securities for a client from a member of an underwriting syndicate of which USBII is also a member. For non-investment company client accounts, we may recommend or purchase such securities in which USBII participates in the underwriting syndicate if client investment guidelines, restrictions, or other directives do not specifically prohibit the account from purchasing during such securities offering and purchases are made from unaffiliated broker-dealers, unless client consent is obtained to allow for purchases from USBII.

We have no arrangements with other investment advisers for direct or indirect compensation for recommending those advisers to our clients. As a matter of policy and practice, we do not accept any fees, commissions or other forms of compensation from any underlying investment managers or others affiliated with our clients' accounts.

We may invest client assets in the publicly traded securities of other PFMAM clients or prospective clients. In such circumstances, we do not and will not receive any compensation from the issuers specifically for investing client assets in such issuers' securities. We may also invest the assets of the clients in securities issued by companies that are customers of our affiliates. For example, an issuer may be an investment advisory or commercial banking customer of one of our affiliates, or one of our affiliates may be involved in the underwriting or distribution of debt securities purchased by us on behalf of our clients. In such circumstances, the potential for a conflict of interest exists between our obligation to seek the most suitable investments for our clients and the perception that we have an incentive to assist in the success of our affiliate. In certain cases, we may also manage an issuer's proceeds from an underwriting in which an affiliate has been involved, and may receive an advisory fee for doing so, including where we have used our discretionary authority to purchase a portion of that issue for other clients.

PFMAM has arrangements with certain of its affiliates under which PFMAM provides or receives supplemental account administration, operations, client service, sales and marketing, product development and management, risk management, information technology, legal and compliance services, human resources and other corporate, finance or administrative services to or for such affiliates or its clients, or PFMAM or its clients receive such services from such affiliates. Certain personnel perform services for both PFMAM and one or more of its affiliates. The scope of certain such services and arrangements varies depending on the particular strategy, distribution channel, program, and client size and type.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Under Rule 204A-1 of the Investment Advisers Act of 1940, our employees are subject to our Code of Ethics ("Code"). Compliance with the Code is a condition of employment for all our employees.

This Code sets out ethical standards applicable to our employees. Employees are expected to maintain the highest ethical standards, embody a business culture that supports actions based on what is right rather than expediency, deal fairly with clients and one another, protect confidential information and seek guidance about ethical questions. More specifically with respect to advisory activities, the Code requires that whenever our personnel act in a fiduciary capacity, we will endeavor to put the client's interest ahead of the firm's. We will disclose

actual and potential meaningful conflicts of interest. We will manage actual conflicts in accordance with applicable regulatory and legal standards. If applicable regulatory and legal standards do not permit management of a conflict, we will seek to avoid the conflict.

We will not engage in fraudulent, deceptive or manipulative conduct with respect to clients. We will act with appropriate care, skill and diligence.

Our employees are required to know when we are acting as a fiduciary with respect to the work they are doing. If we are acting as a fiduciary, they are expected to comply with all fiduciary standards which apply to us in performing their duties. In addition, they must also put the client's interest ahead of their own personal interest. An employee's fiduciary duty is a personal obligation. While advisory personnel may rely upon subordinates to perform many tasks that are part of their responsibilities, they are personally responsible for fiduciary obligations even if carried out through subordinates.

In general, the Code expresses our recognition of our responsibilities to the public, clients and professional associates. Our Code also contains various reporting, disclosure and approval requirements regarding employees' personal securities transactions. The Code requires that our employees whom we deem to be "Access Persons" must report certain personal securities transactions, including transactions in mutual funds advised by us, to our Chief Compliance Officer, or to the person he designates. Additionally, Access Persons are required to pre-clear personal securities transactions. We prohibit our Access Persons from participating in initial public offerings unless our Chief Compliance Officer gives his approval. We also prohibit our employees from purchasing any security on PFMAM's restricted list.

You can receive a copy of our Code by contacting us at 213 Market Street, Harrisburg, PA 17101, by calling 717-231-2723 or by emailing pfmamrequest@pfmam.com.

On infrequent occasions, our employees may invest in securities that coincidentally we also recommend for purchase or sale in our client accounts. The securities we recommend for purchase and sale within our fixed- income and OCIO portfolios are of the type which the Securities and Exchange Commission has expressly recognized as presenting little opportunity for the type of improper trading which compliance with the Code reporting requirements is designed to uncover. Further, our employees are subject to our Code described above, and because our personnel are acting in a fiduciary capacity, we require our employees to put the client's interests ahead of their individual interests or that of the firm with respect to the purchase and sale of securities.

We have no obligation to buy, sell or recommend for purchase or sale any security that we or our employees may purchase or sell for themselves or for any of our clients. We have no obligation to seek to obtain any material nonpublic information about any issuer of securities, nor to effect transactions for our clients based on any material nonpublic information as may come into our possession.

"Cross transactions" are generally defined as transactions where an adviser effects transactions between and among client accounts. We do not engage in cross transactions.

Certain client assets are invested in investment companies for which we or an affiliate provide investment advisory services. However, in such circumstances, we do not charge a separate advisory fee with respect to the portion of the assets in a client's account that are invested in such fund(s).

Item 12: Brokerage Practices

We generally exercise brokerage discretion as follows: typically, our clients allow us to choose the broker or dealer to execute the trades. In these situations, we deal with brokers and dealers whom we determine to be major market makers for the types of securities purchased or sold. As a matter of policy, we do not recommend, request or require a client to direct us to execute transactions through a specified broker-dealer. If a client provides us with an approved list of brokers and dealers, we place all orders for the purchase or sale of securities for the client's account with those brokers or dealers and this may limit our ability to achieve the most favorable price or execution. Under these circumstances, the client and the broker or dealer determine the commission rates.

The factors that we consider in selecting or recommending a particular broker or dealer may include: the execution, clearance and settlement capabilities of the firm; our knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the portfolio transaction; the size of the transaction; the timing of the trade; the activity existing and expected in the market for the particular transaction; confidentiality; the availability of research and research related services provided through such firms (as discussed below); our knowledge of the financial stability of the firm; and our knowledge of actual or apparent operational problems of the firm. Given these factors, our clients may pay transaction costs in excess of those which another firm might have charged for effecting the same transaction.

When we select or recommend a firm that executes orders or is a party to portfolio transactions, relevant factors taken into consideration may also include whether that firm has furnished research and research related products and/or services. We receive a broad range of research services, including information on the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and tax law interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may affect the economy and/or security prices. Research may also consist of computer databases. Currently, as a matter of policy, we do not enter into any third party or proprietary soft dollar arrangements where a broker-dealer provides research services in exchange for an expectation of receiving a certain dollar amount of commissions.

From time to time some brokers offer us market commentary and data and statistical research reports on the economy and financial markets and on specific issuers. We believe that this information improves the quality of our investment and trading decisions for the benefit of all our clients. We obtain express authorization from our clients to consider the furnishing of statistical research and other information by the broker or dealer. It is possible that the use of a particular brokerage firm or firms may result from time to time in a less favorable price for a transaction than if we canvassed a broader range of brokers. We believe that the practice of taking into account the furnishing of market information is reasonable. For fixed-income and ETF securities we seek to minimize the effect, if any, of research on the transaction costs by seeking multiple competitive bids and offers and involving major market makers wherever feasible and use electronic trading platforms for many trades to facilitate market access and to minimize transaction costs.

We have no agreement, understanding or other arrangement, either internal or with brokers and/or dealers, which would influence the allocation of securities transactions among brokers and/or dealers, and we do not utilize soft dollar arrangements other than those activities explicitly authorized under Section 28(e) of the Securities Exchange Act of 1934.

In the fixed-income and ETF markets, we may cause securities transactions to be executed for a client's account concurrently with authorizations to purchase or sell the same securities or shares for other accounts we manage. It is our policy where feasible to aggregate the purchase or sale of securities or shares for various client accounts in order to achieve efficiency of execution and better pricing. Each client participating in an aggregate transaction will participate at the same price. Where we receive an allocation that is less than our aggregate order, we normally allocate the securities or shares to the participating client accounts on a pro rata basis in proportion to the size of the orders placed for each account, to the extent that we can. We may increase or decrease the amount of securities or shares allocated to a client if necessary due to factors including avoiding odd lots in a particular security.

We do not currently anticipate effecting brokerage transactions with any broker-dealer affiliated with us, except for potential transactions with USBII, as described above under "Other Financial Industry Activities and Affiliations."

We are prohibited from entering into any agreements or understandings under which brokerage with respect to portfolio securities transactions, or other compensation, is directed to a broker-dealer as consideration for the promotion or distribution of the First American Funds' shares, also referred to as "directed brokerage arrangements." Portfolio management and management involved in the process of selecting broker-dealers for portfolio securities transactions are prohibited from considering the level of the First American Funds' sales or promotional efforts of any broker-dealer in connection with such selection process.

Item 13: Review of Accounts

For fixed-income accounts our Fixed-Income Investment Committee generally meets monthly, or more frequently as necessary, to review the overall strategic direction and relative value and market risks. Tactical opportunities are presented routinely through reports and analysis prepared by sector specialists and may be discussed at a meeting. These reports highlight interest rate trends and the relative value of different sectors and maturity structures in the market. This investment committee consists of portfolio managers, senior research staff and our chief investment officer.

Ad-hoc strategy discussions take place regularly, and may occur after any significant market moving event, such as sudden changes in financial market conditions, change in general economic conditions, credit ratings downgrades, and/or a material change in the value of a particular portfolio security or market sector.

Many of our fixed-income portfolio managers and traders are assigned specific accounts and review client portfolios on a regular basis. The review includes upcoming maturities and any upcoming deposits or cash needs in a portfolio.

OCIO accounts are overseen by our Outsourced Chief Investment Officer Investment Committee which also meets generally on a monthly basis, or more frequently as necessary to review the overall strategic direction of markets. This investment committee consists of portfolio managers, research staff, our chief investment officer, and other investment professionals. We monitor the performance of OCIO accounts on at least a quarterly basis to determine whether the underlying investments selected are performing in line with expectations and are meeting the needs of the individual client. We provide our OCIO clients an analysis of the performance of the underlying funds in which the client's assets are invested and of any reallocation of assets among these underlying funds quarterly, or at the frequency requested by the client. At least annually, we will consult with the client to determine whether there are reasons to revise the client's target investment strategy.

Changes in our Capital Market Assumptions, our outlook for asset class valuation, sudden changes in financial market conditions, and general economic conditions may trigger a review of our OCIO accounts. Accounts are reviewed by an investment professional or in consultation with research staff or a portfolio manager. Normally, we sequence account reviews in a manner that provides for first review of the accounts that have the greatest potential exposure to the effects of the event which triggers the review.

Pursuant to our investment advisory agreements, we may also provide quarterly performance and economic reviews for some clients.

The custodians of our OCIO portfolio clients provides each client with a periodic statement of account detailing the client's period-end balances and any transactions which occurred during the period. We review these statements to determine whether transactions executed by the custodian are in agreement with any instructions which we or the client provided. In addition, we provide written statements monthly and performance reports quarterly, or on the frequency requested by the client.

Item 14: Client Referrals and Other Compensation

We maintain relationships with U.S. Bank, and at times with unaffiliated third parties pursuant to which we pay U.S. Bank and such unaffiliated third parties if they are responsible for introducing new client relationships. Under these arrangements, we enter into a written agreement with the party that describes the party’s activities on our behalf and the amount we agree to pay the party. The agreement also contains the party’s undertaking to act in a manner consistent with our instructions and with the provisions of the Investment Advisers Act of 1940. If the referral subsequently enters into an investment advisory agreement with us, we pay the promoter a percentage of our investment advisory fee, which fee arrangement is disclosed to the prospect by the promoter prior to any contact or meeting with the prospect.

Item 15: Custody

Custody

We do not have direct custody of client funds or securities, except that certain clients may have selected U.S. Bank to serve as custodian. The custody function is performed by other providers such as brokers, banks, or other qualified custodians with whom our clients contract. However, there are certain cases in which we have authority to initiate a withdrawal from a client account to pay our management fees; we are deemed to have custody for regulatory purposes solely as a consequence of this. For example, certain of our clients have authorized us to charge our fee against the account we manage after they have received our invoice. The client also has instructed the custodian to disburse funds from the managed account to pay our advisory fees. At all times, the custodial bank maintains actual custody of those assets. Clients receive regular statements from their custodians which list their assets, including information such as cost and market value, and transaction activity for the period. We urge clients to review these statements carefully and to contact their custodians if they have any concerns.

Differences Between Our Statements and Custodial Statements

The statements clients receive from us can differ from the statements clients receive from their custodian. We advise clients to consider the records of its custodian as the official records of their assets. A common difference involves the market value of certain securities. Since custodians may use a different pricing vendor to price securities than we do, the reported prices for certain securities may vary. In addition, the accounting system used by a client's custodian may differ from our accounting system and may employ a different reporting method. Our reports are based upon trade date accounting with accruals, whereas some custodians report activity on a settlement date basis with or without accruals. While both reporting methods are accurate and acceptable, clients should be aware of the potential differences that could appear. We urge clients to compare our reports with those received from their custodian and to contact us with any questions they may have.

Item 16: Investment Discretion

We offer discretionary advisory services with respect to a client's investable assets. These decisions are subject to limitations of law and any other restrictions in the contract with our client or in our client's investment policies. Many of our clients have their own investment policies which usually contain restrictions on the types and credit quality of investments. We agree contractually to follow those guidelines. In addition, many of our clients are subject to state investment statutes or other applicable regulatory requirements which we comply with as well. Our clients typically grant us discretionary authority in the investment advisory agreement which we enter into with them.

Item 17: Voting Client Securities

Because many of our clients will be invested primarily in fixed-income securities, the receipt of proxy requests on behalf of a client are infrequent. In these situations, while we expect client accounts will rarely hold voting securities, clients may confer upon us complete discretion to vote proxies. We also offer certain of our clients discretionary investment advice on securities which are mutual funds (including ETFs). These mutual funds send us proxies, which we vote on behalf of these discretionary clients if they have given us the authorization to vote them. We also occasionally receive consent requests related to fixed-income securities. Generally we arrange for the portfolio manager overseeing the client's investments to be responsible for making proxy-voting or consent decisions. We seek to vote proxy proposals, consents or resolutions in a manner that serves the best interests of our clients because it is our fiduciary duty to do so. When reviewing whether a proposed action would be in our client's best interests, we take into account the following factors:

- The impact on the valuation of securities,
- The anticipated costs and benefits associated with the proposal,
- An increase or decrease in costs, particularly management fees, of investment in the securities,
- The effect on liquidity, and
- Customary industry and business practices.

In reviewing proxy issues of the type described below, we will apply the following general principles:

- With respect to an election of directors, we will typically vote in favor of the management-proposed slate of directors unless there is a proxy contest for seats on the board of a portfolio fund or other important reasons for withholding votes for directors. We may abstain if there is insufficient information about the nominees disclosed in the proxy statement.

- Similarly, we will also generally support management's recommendation for the appointment of auditors unless there are reasons for us to question the independence or performance of the nominees.

- We will vote in accordance with management's recommendations on issues that are technical and administrative in nature, such as changes to increase the number of directors or to adopt term limits. However, we review and vote on a case-by-case basis any non-routine proposals which are likely to affect the structure and operation of the portfolio company. Examples of these types of proposals include any limitations on shareholder rights, or those which have a material economic effect on the company.

- We will generally vote in favor of proposals that give shareholders a greater vote in the affairs of the company and oppose any measure that seeks to limit those rights.

- We also generally support proposals promoting transparency and accountability within a company to ensure that the directors fulfill their obligations to shareholders.

- We review proposals that result in an increase of compensation to investment advisers and other service providers of portfolio mutual funds on a case-by-case basis, with particular emphasis on the relative performance of the fund.

- We also review proposals relating to executive compensation plans to ensure that the long-term interests of management and shareholders are properly aligned.

- We generally oppose proposals to give shareholders the right to vote on executive compensation.

These policies are not exhaustive due to the variety of proxy voting issues that we may be required to consider.

With the exception of a client's shareholdings in the Pooled Funds, a conflict of interest between us, and a client whose investments are managed by us, is unlikely. We are the investment adviser to the Pooled Funds. We either receive no investment advisory fee from a client for managing client assets which we invest in the Pooled Funds, or we credit to the client any investment advisory fee we receive from the Pooled Funds investment. In regard to voting of securities in the Pooled Funds for which we are the investment adviser (or where it would appear that we have an interest), we apply the following principles:

- If the proposal relates to the matters in which the outcome does not directly affect us, we will follow our general voting policies.

- If the proxy proposal relates to a transaction which directly affects us, or otherwise requires a case-by-case determination by us under our voting policies, we will seek the advice either of the managers of the client or of a qualified, independent third party, and we will submit the proxy statement to them. We will then follow the decision of our client's management or the recommendation of the third party in voting the proxy.

As an indirect, wholly-owned subsidiary of U.S. Bancorp, a large, multi-service financial institution, we recognize that there are circumstances where we have a perceived or real conflict of interest in voting the proxies of issuers or proxy proponents (e.g., a special interest group) who are clients or potential clients of some part of the U.S. Bancorp enterprise. Directors and officers of such companies may have personal or familial relationships with

the U.S. Bancorp enterprise and/or its employees that could give rise to potential conflicts of interest. We will vote proxies in the best interest of our clients regardless of such real or perceived conflicts of interest. To minimize this risk, we will discuss conflict avoidance at least annually with our affiliates to ensure that appropriate parties understand the actual and perceived conflicts of interest we face in voting proxies on behalf of our clients.

If we become aware of a material conflict, we will discuss with our affiliates and determine a course of action designed to address the conflict. Such actions could include, but are not limited to: (1) obtaining instructions from the affected clients on how to vote the proxy; (2) disclosing the conflict to the affected clients and seeking their consent to permit us to vote the proxy; (3) abstaining from voting; (4) voting in proportion to the other shareholders to the extent this can be determined; or (5) recusing a party from all discussion or consideration of the matter, if the material conflict is due to such person's actual or potential conflict of interest.

In addition to the above, our employees must notify the CCO of any direct, indirect or perceived improper influence exerted by any employee, officer or director within the U.S. Bancorp enterprise about how we should vote proxies. The CCO will investigate any such allegations and report the findings to the appropriate parties, typically the CEO and legal personnel. If it is determined that improper influence was attempted, appropriate action will be taken, which may include disciplinary action, notification of the appropriate senior managers within the U.S. Bancorp enterprise, or notification of the appropriate regulatory authorities. In all cases, we will not consider any improper influence in determining how to vote proxies and will vote in the best interests of clients.

We maintain records relating to all proxy voting for five years. We will provide information to any client about how we voted proxies for securities in the client's account. Our Proxy Voting Policy is available upon request by contacting us at 213 Market Street, Harrisburg, PA 17101, by calling 717-231-2723 or by emailing pfmamrequest@pfmam.com.

Under certain of our engagements we do not assume the responsibility for voting proxies on client securities. The clients make arrangements to receive proxies from their custodian. If we receive a proxy and we do not have authority to vote on it, we forward it to our client. Clients may contact the portfolio manager for their account if they have questions about a particular solicitation.

Item 18: Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to carry out our commitments and responsibilities under our client contracts.

Form ADV, Part 2B

Brochure Supplement

March 29, 2024



pfm asset management

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723 (phone)
www.pfmam.com

SEC File No. 801-60449

Brochure Supplement

What you need to know

This Brochure Supplement provides information about our investment personnel listed below and supplements the PFM Asset Management LLC brochure. You should have received a copy of that brochure. Please contact our Compliance Department at 717.231.2723 or contact us by emailing pfmamrequest@pfmam.com if you did not receive our Firm's brochure or if you have any questions about the contents of this supplement.

Investment Personnel	Location
Marc D. Ammaturo	Philadelphia, PA
Andrew Brown, CFA	San Francisco, CA
Robert H. Cheddar, CFA	Harrisburg, PA
Dorothy F. Cooney	San Francisco, CA
Joseph W. Creason, CFA	Harrisburg, PA
Ken S. Donaldson, CFP®, CTFA	Cincinnati, OH
Michael P. Downs, CFA	Harrisburg, PA
Cori C. Farwell	San Francisco, CA
Scott S. Grimm, CFA	Philadelphia, PA
Alex Gurvich, Ph.D.	Philadelphia, PA
Gregory Haendel, CFA	Los Angeles, CA
Christopher Harris, CFA, CAIA	Harrisburg, PA
Philip Levy, CFA	San Francisco, CA
Patrick J. Mahoney	Minneapolis, MN
Michael T. Maloney	Philadelphia, PA
Giancarlo Morales	Harrisburg, PA
Dennis S. Mullins, CFA	Philadelphia, PA
Kerri Muskin	Harrisburg, PA
Mitul Patel, CFA, FRM	Harrisburg, PA
Surya M. Pisapati, CFA	Philadelphia, PA
Brian Raubenstine	Harrisburg, PA
Christopher Rekawek, CFA	Harrisburg, PA
Richard A. Rosenthal	Philadelphia, PA
Jeffrey H. Rowe, CFA	Harrisburg, PA
Wayne A. Sattler, CFA	Milwaukee, WI
Kenneth E. Schiebel, CFA	Harrisburg, PA
Jason P. Sharpe, CFA	Los Angeles, CA
Floyd Simpson III, CFA, CAIA, CFP®	Philadelphia, PA
James P. Sims, CFA	Harrisburg, Pa
John Spagnola	Philadelphia, PA
Keith Stribling, CFA	Irvine, CA
Meredith L. Sullivan	Harrisburg, PA
John Zhang, CFA	Harrisburg, PA

Cincinnati

425 Walnut Street
Cincinnati, OH 45202

Harrisburg

213 Market Street
Harrisburg, PA 17101-2141

Irvine

18300 Von Karman Ave.
Irvine, CA 92612

Los Angeles, CA

633 W. 5th St.
Los Angeles, CA 90071

Milwaukee

1515 N. RiverCenter Drive
Milwaukee, WI 53212

Minneapolis

800 Nicollet Mall, 16th Floor
Minneapolis, MN 55402

Philadelphia

1735 Market Street, 43rd Floor
Philadelphia, PA 19103

San Francisco, CA

1 California Street
San Francisco, CA 94111

350 California Street, Suite 1600
San Francisco, CA 94104

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Educational Background and Business Experience

Item 2

Item 2 of Form ADV, Part 2B asks us to disclose background in education and business for our supervised persons who formulate the various types of investment advice we offer. Most types of our investment advice are provided to you by a team of more than five individuals. We have prepared background information for the team members who have the most responsibility for the advice the team prepares. We have provided the person's name, year of birth, formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years of our supervised persons. Also listed are certain professional designations held by the supervised person. An explanation of the minimum qualifications required for each designation is included so you may better understand the value of the designation.

Investment Professional	Educational Background and Business Experience	Area of Focus
Marc D. Ammaturo Year of Birth: 1974	**Formal Education after High School** • Pennsylvania State University, University Park, PA, Bachelor of Science, Accounting, Graduated 1996 • University of Maryland, College Park, MD, Master of Business Administration, Finance, Graduated 2004 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Managing Director, 1/2012 – Present	• Outsourced Chief Investment Officer services
Andrew Brown, CFA Year of Birth: 1966	**Formal Education after High School** • University of Southern California, Los Angeles, CA, Bachelor of Arts, International Relations, Graduated 1989 • University of Southern California, Los Angeles, CA, Master of Business Administration, Graduated 1997 **Business Background – Previous Five Years** • PFM Asset Management LLC, San Francisco, CA, Portfolio Manager, 1/2024 – Present • HighMark Capital Management, Inc., San Francisco, CA, Director and Senior Portfolio Manager, 2001 – 12/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services
Robert H. Cheddar, CFA Year of Birth: 1966	**Formal Education after High School** • Susquehanna University, Selinsgrove, PA, Bachelor of Science, Business, Graduated 1988 • Pennsylvania State University, Malvern, PA, Master of Business Administration, Graduated 2003 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Managing Director, 1/2011 – Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income

Investment Professional	Educational Background and Business Experience	Area of Focus
Dorothy F. Cooney Year of Birth: 1961	**Formal Education after High School** • University of Colorado, Bachelor of Arts, Political Science, Graduated 1983 • University of San Francisco, Master of Business Administration, Graduated 1990 **Business Background – Previous Five Years** • PFM Asset Management LLC, San Francisco, Portfolio Manager, 1/ 2024 – Present • HighMark Capital Management, Inc., San Francisco, CA, Vice President and Senior Portfolio Manager, 1997 – 12/2023	• Fixed Income
Joseph W. Creason, CFA Year of Birth: 1976	**Formal Education after High School** • Shippensburg University, Shippensburg, PA, Bachelor of Science, Finance, and Bachelor of Science, Economics, Graduated 2000 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 07/2000 – 1/2017; Director/Sr. Portfolio Manager, 2/2017 – Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Ken S. Donaldson, CFP®, CTFA Year of Birth: 1968	**Formal Education after High School** • The University of Evansville, Evansville, IN, Bachelor of Science, Finance and Economics, Graduated 1990 • Harlaxton College, Grantham England, International Business, 1988-1989 academic year study abroad program **Business Background – Previous Five Years** • PFM Asset Management LLC, Cincinnati, OH, Sr. Institutional Client Portfolio Manager, 7/2023 – Present • U.S. Bank National Association, Cincinnati, OH, Sr. Portfolio Manager, 11/2012 – 6/2023 **Certifications** • Certified Financial Planner. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item. • Certified Trust and Fiduciary Advisor. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Michael P. Downs, CFA Year of Birth: 1964	**Formal Education after High School** • The Ohio State University, Columbus, OH, Bachelor of Science, Finance and Accounting, Graduated 1987 • The Ohio State University, Columbus, OH, Master of Business Administration, Finance, Graduated 1991 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 4/2014 – Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Cori Farwell Year of Birth: 1966	**Formal Education after High School** • California State University – San Francisco, San Francisco, CA, Bachelor of Science, Business Administration/Management, Graduated 1990 • St. Mary's College, Moraga, CA, Master of Business Administration, Finance, Graduated 2001 **Business Background – Previous Five Years** • PFM Asset Management LLC, San Francisco, CA, Portfolio Manager, 1/ 2024 – Present • HighMark Capital Management, Inc., San Francisco, CA, Director, Short Duration Fixed Income Strategies Manager, 2002 – 12/2023	• Fixed Income
Scott S. Grimm, CFA Year of Birth: 1966	**Formal Education after High School** • The University of Washington, Seattle, WA, Bachelor of Arts, Business Administration, Accounting, Graduated 1989 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present • U.S. Bank National Association, Austin, TX, Senior Portfolio Manager, 5/2018 – 6/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Alex Gurvich, Ph.D. Year of Birth: 1964	**Formal Education after High School** • University of Chicago, Chicago, IL, Bachelor of Arts, Physics, Graduated 1986 • INSEAD, Fontainebleau, France, Master of Business Administration, Graduated 1993 • New York University, New York, NY, Master of Science, Financial Engineering, Graduated 2009 • Stevens Institute of Technology, Hoboken, NJ, Doctor of Philosophy, Financial Engineering, Graduated 2020 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Director of Research, 6/2018 – Present	• Outsourced Chief Investment Officer services
Gregory Haendel, CFA Year of Birth: 1975	**Formal Education after High School** • Amherst College, Amherst, MA, Bachelor of Arts, Economics, Graduated 1998 • UCLA Anderson School of Management, Los Angeles, CA, Master of Business Administration, Graduated 2003 **Business Background – Previous Five Years** • PFM Asset Management LLC, Los Angeles, CA, Managing Director, 1/ 2024 – Present • HighMark Capital Management, Inc., Los Angeles, CA, Managing Director and Head of Fixed Income, 8/2020 — 12/2023 • Bradford & Marzec/Tortoise Credit Strategies, Head of Investment Grade Credit, 8/2013—7/2020 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Christopher Harris, CFA, CAIA Year of Birth: 1986	**Formal Education after High School** • Dickinson College, Carlisle, PA, Bachelor of Arts, Economics, Graduated 2008 • Johns Hopkins University, Baltimore, MD, Master of Science in Financial Mathematics, Graduated 2023 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Analyst, 6/2008 — 12/2012; Senior Managing Consultant, 1/2013 – 1/2017; Director; 2/2017 — 7/2022; Head of Structured Products, 7/2022 — Present; Interim Head of Portfolio Strategies, 4/2023 — 10/2023; Head of Portfolio Strategies, 10/2023 — Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item. • Chartered Alternative Investment Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income • Structured Products

Investment Professional	Educational Background and Business Experience	Area of Focus
Philip Levy, CFA Year of Birth: 1968	**Formal Education after High School** • University of California, Santa Barbara, Bachelor of Arts, Business Economics/Accounting, Graduated 1990 **Business Background – Previous Five Years** • PFM Asset Management LLC, San Francisco, Portfolio Manager, 1/2024 – Present • HighMark Capital Management, Inc., San Francisco, CA, Director, Core Intermediate Fixed Income Manager, 2/2008 — 12/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Patrick J. Mahoney Year of Birth: 1972	**Formal Education after High School** • University of St. Thomas, St. Paul, MN, Bachelor of Arts, Economics and Political Science, Graduated 1995 • Washington University, St. Louis, MO, Master of Business Administration, Graduated 1999 **Business Background – Previous Five Years** • PFM Asset Management LLC, Minneapolis, MN, Managing Director, Client Portfolio and Practice Management, 7/2023 – Present • U.S. Bank Institutional Asset Management, Minneapolis, MN, Director, 4/2019 – 6/2023 • Wells Fargo Institutional Retirement and Trust, Minneapolis, MN, Senior Portfolio Manager, 8/2013 – 4/2019	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Michael T. Maloney Year of Birth: 1964	**Formal Education after High School** • St. Ambrose University, Davenport, IA, Bachelor of Arts, Economics/Finance, Graduated 1986 • DePaul University, Chicago IL, Master of Business Administration, Graduated 1990 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present • U.S. Bank National Association, Dubuque, IA, Vice President, Senior Portfolio Manager, U.S. Bank Institutional Asset Management, 10/2007 – 6/2023	• Outsourced Chief Investment Officer services
Giancarlo Morales Year of Birth: 1987	**Formal Education after High School** • Indiana University of Pennsylvania, Indiana, PA, Bachelor of Science, Finance, Graduated 2010 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 1/2017—1/2021; Director/Sr. Portfolio Manager, 2/2021 — Present	• Fixed Income
Dennis S. Mullins, CFA Year of Birth: 1959	**Formal Education after High School** • Wright State University, Dayton, OH, Bachelor of Science, Business, Accounting, Graduated 1982 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present • U.S. Bank National Association, Cincinnati, OH, Institutional Asset Management Senior Portfolio Manager, 4/2011 – 6/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Kerri L. Muskin Year of Birth: 1983	**Formal Education after High School** • Pennsylvania State University, Harrisburg, PA, Bachelor of Science, Business Management, Graduated 2006 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 7/2012 – 1/2017; Director/Sr. Portfolio Manager, 2/2017— Present	• Fixed Income
Mitul Patel, CFA, FRM Year of Birth: 1985	**Formal Education after High School** • Temple University, Philadelphia, PA, Bachelor of Business Administration, Finance, Risk Management and Insurance, and Real Estate, Graduated 2008 • Temple University, Philadelphia, PA, Master of Science, Finance and Accounting, Graduated 2010 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Director/Sr. Portfolio Manager, 6/2022 — Present • Blackrock, Philadelphia, PA, Sr. Portfolio Manager, 11/2018 — 06/2022; Portfolio Manager 8/2013 — 11/2018 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item. • Financial Risk Manager. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Surya M. Pisapati, CFA Year of Birth: 1984	**Formal Education after High School** • Jawaharlal Nehru Technological University, Hyderabad, Telangana, India, Bachelors in Mechanical Engineering, Graduated 2005 • Indian Institute of Management, Indore, Madhya Pradesh, India, Master of Business Administration, Finance, Graduated 2007 • Villanova University, Radnor, PA, Master of Science, Finance, Graduated 2012 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Senior Research Analyst 5/2016 — 12/2018; Manager, Research & Portfolio Strategy, 1/2019 — 12/2020; Director of Global Equities & Portfolio Strategist, 1/2021 — 6/2023; Director, Portfolio Strategies, 7/2023 — Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Brian Raubenstine Year of Birth: 1983	**Formal Education after High School** • Pennsylvania State University, University Park, PA, Bachelor of Science, Finance, and a Minor in History, Graduated 2006 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 9/2008—1/2021; Director/Sr. Portfolio Manager, 2/2021 – Present	• Fixed Income
Christopher Rekawek, CFA Year of Birth: 1986	**Formal Education after High School** • Boston University, Boston, MA, Bachelor of Arts, Economics, Graduated 2008 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Analyst, 12/2014 — 12/2015; Senior Analyst, 12/2015 – 12/2019; Senior Managing Consultant 1/2020 – 3/2022; 3/2023 – Present • T-Rowe Price, Baltimore, MD, Analyst, 3/2022-3/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Structured Products
Richard A. Rosenthal Year of Birth: 1973	**Formal Education after High School** • University of Arizona, Tucson, AZ, Bachelor of Arts, Economics, Graduated 1995 • Loyola Marymount University, Los Angeles, CA, Master of Business Administration, Finance, Graduated 2007 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Sr. Institutional Client Portfolio Manager, 7/2023 – Present • U.S. Bancorp Asset Management, Inc., Los Angeles, CA and Chicago, IL, Senior Portfolio Manager, 1/2012 – 6/2023	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Jeffrey H. Rowe, CFA Year of Birth: 1982	**Formal Education after High School** • Pennsylvania State University, University Park, PA, Bachelor of Science, Finance, Minor in Supply Chain and Information Systems Technology, Graduated 2005 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Manager, 5/2010 – 1/2017; Managing Director, 2/2017—Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Wayne A. Sattler, CFA Year of Birth: 1958	**Formal Education after High School** • University of Wisconsin—Milwaukee, Milwaukee, WI, Bachelor of Business Administration, Finance and Management Information Systems, Graduated 1984 • University of Wisconsin—Milwaukee, Milwaukee, WI, Master of Business Administration, Graduated 1986 **Business Background – Previous Five Years** • PFM Asset Management LLC, Milwaukee, WI, Sr. Institutional Client Portfolio Manager, 7/2023 – Present • U.S. Bank Institutional Asset Management, Milwaukee, WI, Senior Vice President, Managing Director, Municipal Advisory Group Head, 10/2014 – 6/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services
Kenneth E. Schiebel, CFA Year of Birth: 1959	**Formal Education after High School** • University of Michigan, Ann Arbor, MI, Bachelor of Arts, Mathematics & Computer Science, Graduated 1981 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Managing Director and Co-head of Portfolio Strategies, 1/1997 – 11/2021; Chief Investment Officer, 12/2021 – Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income • Outsourced Chief Investment Officer services • Structured Products

Investment Professional	Educational Background and Business Experience	Area of Focus
Jason P. Sharpe, CFA Year of Birth: 1973	**Formal Education after High School** • Biola University, Los Angeles, Bachelor of Science, Finance, Graduated 1995 **Business Background – Previous Five Years** • PFM Asset Management LLC, Los Angeles, CA, Portfolio Manager, 1/2024 – Present • Highmark Capital Management, Inc., Los Angeles, CA, Portfolio Manager, 2022 – 12/2023 • Bradford and Marzec/Tortoise Credit Strategies, Los Angeles, CA, Portfolio Manager, 2012 –2022 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
Floyd Simpson III, CFA, CAIA, CFP® Year of Birth: 1980	**Formal Education after High School** • Truman State University, Kirksville, MO, Bachelor of Business Administration, Finance, Graduated 2002 • De Paul University, Chicago, IL, Master of Business Administration, Financial Analysis and Strategy, Execution, and Valuation, Graduated 2005 • Northwestern University, Evanston, IL, School of Continuing Studies-Financial Planning, Completed 2007 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Senior Managing Consultant, 10/2019 – 6/2023; Director, Portfolio Strategies, 7/2023 – Present • Xponance (FIS Group), Philadelphia, PA, Investment Officer, 9/2010 – 9/2019 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item. • Chartered Alternative Investment Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item. • Certified Financial Planner. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
James P. Sims, CFA Year of Birth: 1970	**Formal Education after High School** • Georgia State University, Atlanta, GA, Bachelor of Business Administration, Finance, Graduated 1993 • Georgia State University, Atlanta, GA, Master of Science, Finance, Graduated 1997 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Director/Senior Portfolio Manager, 2/2016 – 10/2021; Managing Director, 12/2021 – Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income
John S. Spagnola Year of Birth: 1957	**Formal Education after High School** • Yale University, New Haven, CT, Bachelor of Arts, Political Science, Graduated 1980 **Business Background – Previous Five Years** • PFM Asset Management LLC, Philadelphia, PA, Managing Director, 1/2003 – Present	• Outsourced Chief Investment Officer services
Keith Stribling, CFA Year of Birth: 1962	**Formal Education after High School** • Stetson University, DeLand, FL, Bachelor of Business Administration Finance, Graduated 1984 **Business Background – Previous Five Years** • PFM Asset Management LLC, Irvine, CA, Portfolio Manager, 1/2024 – Present • HighMark Capital Management, Inc., San Francisco, CA, Co-Director, Value Equity, 1995 – 12/2023 **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Outsourced Chief Investment Officer services

Investment Professional	Educational Background and Business Experience	Area of Focus
Meredith L. Sullivan Year of Birth: 1985	**Formal Education after High School** • Temple University Fox School of Business, Philadelphia, PA Bachelor of Science, Finance, Graduated 2008 **Business Background – Previous Five Years** • PFM Asset Management LLC, Harrisburg, PA, Fixed Income Trader, 1/2013 – 1/2018; Portfolio Manager, 1/2018 – 1/2021, Director Senior Portfolio Manager 1/2021 – Present	• Fixed Income
John Zhang, CFA Year of Birth: 1993	**Formal Education after High School** • Franklin & Marshall College, Lancaster, PA, Bachelor of Arts, Economics & Mathematics, Graduated 2016 **Business Background** • PFM Asset Management LLC, Harrisburg, PA, Portfolio Strategies Analyst, 5/2016 – 1/2018; Credit Analyst, 1/2018 – 1/2020, Senior Credit Analyst, 01/2020 – 6/2022, Portfolio Manager, 7/2022 – Present **Certifications** • Chartered Financial Analyst. An explanation of the minimum qualifications required for this designation is provided at the conclusion of this Item.	• Fixed Income

SUMMARY OF PROFESSIONAL DESIGNATIONS

This Summary should assist you with evaluating the professional designations and the minimum requirements that an individual must meet to hold this designation.

CAIA – Chartered Alternative Investment Analyst

This designation is issued by the Chartered Alternative Investment Analyst Association (www.caia.org). In order to participate in the CAIA program, a candidate must: 1) Hold a bachelor's degree or the equivalent and have more than one year of professional experience (defined as full-time employment in a professional capacity within the regulatory, banking, financial, or related field); or 2) Have at least four years of professional experience. The educational requirements that must be completed involve 200 hours of study for each of the 2 levels, and there are 2 course exams. There is a continuing education requirement every three years.

CFA – Chartered Financial Analyst

This designation is issued by the CFA Institute (www.cfainstitute.org). The requirements to become a CFA charterholder include: 1) Obtaining a bachelor's degree or equivalent from a 4-year college/university or meeting a combination of higher education and qualified professional work requirements; 2) Passing the three levels of CFA exams, each of which involves approximately 300 hours of self-study; 3) Having at least 4,000 hours of relevant investment-related work experience, completed in a minimum of 36 months; and 4) Abiding by the CFA Code of Ethics. Continuing education is encouraged but not required.

CFP® – Certified Financial Planner

This designation is issued by the CFP Board of Standards (www.cfp.net). The requirements to become a CFP professional include: 1) Obtaining a bachelor's degree in any discipline from an accredited college/university; 2) Taking college or university-level coursework through a CFP Board Registered Program; 3) Passing the exam; 4) Having at least 4,000-6,000 hours of relevant financial planning related work experience, completed before 10 years

and/or after 5 years of completing the exam; and 5) Abiding by the CFP Code of Ethics. There is a continuing education requirement each two-year reporting period.

CTFA – Certified Trust and Fiduciary Advisor

This designation is issued by the American Bankers Association (www.aba.com). In order to participate in the CTFA program, a candidate must: 1) Have three years minimum experience in wealth management and completion of a specified wealth management training program within the last seven years; 2) Have five years minimum experience in wealth management and a bachelor's degree; or 3) Have ten or more years of experience in wealth management, with at least five of the last ten years within the last seven years. The requirements to become a CTFA include passing an exam and abiding by the ABA Professional Certifications Code of Ethics. There is a continuing education requirement each three-year reporting period.

FRM – Financial Risk Manager

This designation is issued by the Global Association of Risk Professionals (www.garp.org). The requirements to become a FRM include passing a two-part exam and having at least two years of relevant work experience. Continuing education is encouraged but not required.

Disciplinary Information

Item 3

If there are legal or disciplinary events material to your evaluation of the supervised person, Item 3 requires us to disclose all material facts regarding those events.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person

1. ***was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;***
2. ***is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;***
3. ***was found to have been involved in a violation of an investment-related statute or regulation; or***
4. ***was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.***

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such criminal or civil action.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person

1. ***was found to have caused an investment-related business to lose its authorization to do business; or***
2. ***was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority***
   - ***(a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;***
   - ***(b) barring or suspending the supervised person's association with an investment-related business;***
   - ***(c) otherwise significantly limiting the supervised person's investment-related activities; or***
   - ***(d) imposing a civil money penalty of more than $2,500 on the supervised person.***

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such administrative proceeding

C. A self-regulatory organization (SRO) proceeding in which the supervised person

1. ***was found to have caused an investment-related business to lose its authorization to do business; or***

2. *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than $2,500.*

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such proceeding by an SRO.

D. Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

Not applicable. None of the personnel listed in Item 2 above has ever been subject to any such suspension or revocation.

Other Business Activities

Item 4

A. If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

We have an affiliate, PFM Fund Distributors, Inc. ("PFMFD"), which is a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority ("FINRA"). PFMFD serves as distributor of shares, on either an exclusive or nonexclusive basis, of registered investment companies and local government investment pools ("Pooled Funds") for which we or our affiliated entities serve as investment adviser and/or administrator and we receive fees from this arrangement. Messrs. Ammaturo, Schiebel, Simpson and Spagnola are registered representatives of PFMFD.

- *If a relationship between the advisory business and the supervised person's other financial industry activities creates a material conflict of interest with clients, describe the nature of the conflict and generally how you address it.*

If a client invests in a Pooled Fund, we disclose this relationship to the client through our firm brochure (the Form ADV, Part 2A) and the offering statement for the Pooled Fund. In addition, if we have an investment advisory arrangement with a client to manage a separate account, our investment advisory agreement with the client provides that if we invest client assets in a Pooled Fund, we will not take these assets into account for purposes of calculating our fees for managing the separate account or we will credit investment advisory fees we earn on the client's Pooled Fund investment against investment advisory fees due us related to the client's separately managed account that holds assets in the Pooled Fund.

- *If the supervised person receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.*

PFMFD registered representatives listed in this Brochure Supplement do not receive commissions, bonuses or other compensation directly based on the sale of shares in the Pooled Funds.

B. If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.

None of our supervised persons described in this Brochure Supplement engages in any other business or occupation which provides a substantial source of income or involves a substantial amount of time.

Additional Compensation

Item 5

If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

We do not have any arrangements in which someone other than a client provides any economic benefit to our supervised persons for providing advisory services.

Supervision

Item 6

Explain how you supervise the supervised person, including how you monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

Kenneth Schiebel as Chief Investment Officer of PFM Asset Management LLC oversees or participates in meetings of the committees which develop investment strategies for the various types of investment advice we offer to our clients. The strategies and advice developed by these committees are then marketed to our clients and prospects by the managing directors of our firm and our additional personnel. As the Chief Investment Officer of the firm, Mr. Schiebel meets regularly with the other members of senior management, the Firm's Chief Compliance Officer, and the Operating Committee and officers of the Firm's parent company. Mr. Schiebel reports to Eric Thole, CEO and President of PFM Asset Management LLC (PFMAM). Mr. Thole is also the CEO and President of U.S. Bancorp Asset Management, Inc. (USBAM). Effective December 7, 2021, PFMAM became a wholly-owned subsidiary of USBAM. Mr. Schiebel may be reached at 717.231.6215.

C. Resumes of Key Professionals

pfm asset management



Annette Gaston

Director

PFM Asset Management LLC

Annette Gaston joined PFM Asset Management in 2018 as a senior managing consultant in the Chandler, AZ office. Annette oversees client relationships for public agency clients throughout the Western United States. Her responsibilities include investment advisory services, investment policy evaluation, economic research, portfolio analysis, and cash flow modeling.

Prior to joining the firm, Annette was a sales representative for Johnson & Johnson where she worked with key account clients in the Southern California market. Before joining Johnson & Johnson, Annette spent five years as a Consulting Group analyst managing private wealth and institutional client portfolios, in Arizona and Southern California. She brings a demonstrated history of working in the financial services industry, and multiple years of experience. She is an Arizona native and a graduate of Grand Canyon University where she pursued a degree in Finance and Economics.

Contact

1101 W. Washington Street
Tempe, AZ 85288

gastona@pfmam.com
480.271.0432 office

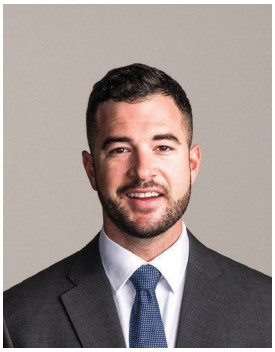
Education
B.A. in Finance and Economics
Grand Canyon University

Professional Designations or Licenses
FINRA Series 6, 7, 63 and 66 Licenses

Started with PFM: 2018

Started in the Field: 2005

pfm asset management



Luke Schneider, CFA

Managing Director
PFM Asset Management LLC

Luke Schneider joined PFM Asset Management in 2015 and oversees engagements in the Western region. Luke has extensive experience managing and advising on investment portfolios for institutional clients.

Prior to joining the firm, Luke was a managing director and senior portfolio manager at Government Portfolio Advisors (GPA) where he managed institutional investment portfolios. Before joining GPA, Luke spent four years with D.A. Davidson as a portfolio analyst and sales and trading representative.

Luke is a member of the CFA Institute and CFA Society of Tucson. He volunteers at many non-profits and is on the finance committee for the Community Foundation of Southern Arizona.

Contact

1101 W. Washington Street
Tempe, AZ 85288

schneiderl@pfmam.com
520.260.1574 cell

Specialties
State & Local Governments, Endowments, Foundations & Charitable Institutions

Education
B.S. in Finance
University of Arizona

M.Acc.
University of Southern California

Professional Designations or Licenses
FINRA Series 7, 24 and 66 Licenses

Chartered Financial Analyst (CFA)

Started with PFM: 2015

Started in the Field: 2007

pfm asset management



Lauren Brant

Managing Director
PFM Asset Management LLC

Lauren has been with PFM Asset Management since 1995 and currently serves as a client liaison for selected clients in the Western region. She coordinates client services, presents investment reports, and works with clients to develop a customized investment policy designed to meet their particular needs. She has conducted workshops and seminars for clients' staff and board members on subjects including permitted investments, developing investment policies and internal controls and oversight to seek safety of principal invested.

Lauren assists clients with the development and implementation of a long-term strategy for their investment programs beginnings with a thorough review of the client's investment policy and risk tolerances, followed by an extensive look at the client's historical and future cash flow needs. She is responsible for helping to ensure that each client's liquidity needs are being met, the funds are being invested appropriately and the portfolio is generating strong results relative to established benchmarks. She typically meets with her clients once a quarter to review recent market events and to provide a portfolio update.

Lauren is a member of the California Association of County Treasurers and Tax Collectors, the California Municipal Treasurers Association, the California Society of Municipal Finance Officers, and the California Association of Joint Powers Authorities.

Contact

1 California Street
Suite 1000
San Francisco, CA 94111

brantl@pfmam.com

Specialties
State & Local Governments

Education
B.S. in Economics
Pennsylvania State University

Professional Designations or Licenses
FINRA Series 6, 26, 52 and 63 Licenses

Started with PFM: 1995

Started in the Field: 1995

pfm asset management



Christopher Harris, CFA, CATA

Director

PFM Asset Management LLC

Chris joined PFM Asset Management in 2008 and works in the Harrisburg office. He is the head of the Portfolio Strategies Group and the head of the Structured Products Group.

As the head of the Portfolio Strategies Group, Chris focuses on the investment strategy development process for many large and strategically important client relationships. He is also a member of the Fixed Income Investment Committee and Credit Risk Management Committee.

As the head of the Structured Products Group, Chris oversees projects related to the procurement, valuation, and termination of structured investments and the structuring and procurement of asset-liability matching portfolios such as refunding and cash defeasance escrows. Chris also has experience negotiating and monetizing bankruptcy claims settlements and restructuring and terminating leveraged lease portfolios.

Chris also conducts training sessions on escrow optimization, bond proceeds reinvestment, structured investments, and fixed-income investment strategy for clients and colleagues. He is also a member of the firm's Reserve Fund Committee and assists with the firm's management of reserve fund proceeds.

Contact

213 Market Street
Harrisburg, PA 17101

harrisc@pfmam.com
717.213.3810 office

Specialties
Transportation, State & Local Governments, Public Power

Education
B.A. in Economics
Dickinson College

M.S. in Financial Mathematics
Johns Hopkins University

Professional Designations or Licenses
Chartered Financial Analyst (CFA)

Chartered Alternative Investment Analyst (CAIA)

Started with PFM: 2008

Started in the Field: 2008

pfm asset management



Robert Cheddar, CPA

Managing Director
PFM Asset Management LLC

Bob joined PFM Asset Management (PFMAM) in 2004 as a senior portfolio manager and was promoted to managing director in 2011. He manages client accounts across the country, specializing in high- quality fixed-income assets. He is responsible for the management of client assets in separate portfolios for cities, counties, insurance and self-insurance organizations, school districts, state and local government agencies, public finance authorities, and universities. Assets under management include operating funds, capital reserves, bond proceeds, and other post-employment benefits (OPEB) obligation funds.

Bob is the leader of PFMAM's short- and intermediate-term separate account management team. The team of portfolio managers and traders is responsible for managing separate accounts for PFMAM clients. He serves as the Chair of PFMAM's Credit Risk Management Committee and is a member of the Fixed Income Investment Committee.

Contact

213 Market Street
Harrisburg, PA 17101

cheddarr@pfmam.com
717.231.6202 office

Education

B.S. in Business Administration
Susquehanna University

MBA
Pennsylvania State University

Professional Designations or Licenses

Chartered Financial Analyst (CFA)

Started with PFM: 2004

Started in the Field: 1998

pfm asset management



Kenneth Schiebel, CFA

Chief Investment Officer
PFM Asset Management LLC

Ken Schiebel is a managing director and the firm's Chief Investment Officer. He was previously co-head of PFM Asset Management's Portfolio Strategies Group, and had led a team of portfolio managers, traders, and research staff, responsible for the management of the fixed-income separate account business. Ken's background in actuarial analysis helped establish the asset management practice as a market leader in managing assets in the insurance and self-insurance industry.

Prior to joining the firm in 1994, Ken spent 13 years at Aetna Life & Casualty. As senior portfolio manager, he managed $5 billion of corporate operating funds, insurance reserves, and pension fund assets for Aetna and its investment advisory clients. He also was responsible for managing Aetna's short-term debt issuance.

Ken holds the Chartered Financial Analyst (CFA) designation, is a member of the CFA Institute, and is a General Securities Registered Representative holding the Financial Industry Regulatory Authority (FINRA) Series 7 and 63 licenses. He has been a guest lecturer in the University of Connecticut's MBA program, provided expert testimony to the GASB Deposit and Investment Risk Disclosure Task Force, and has spoken at numerous industry conferences, workshops, and seminars. Ken is Chair of the Fixed Income Investment Committee and a member of the Credit Risk Management Committee.

Contact

213 Market Street
Harrisburg, PA 17101

schiebelk@pfmam.com
717.231.6215 office

Specialties
State & Local Governments, Insurance & Self-Insurance

Education
B.A. in Mathematics and Computer Science
University of Michigan

Executive Education
Behavioral Finance
Harvard University
John F. Kennedy School of Government

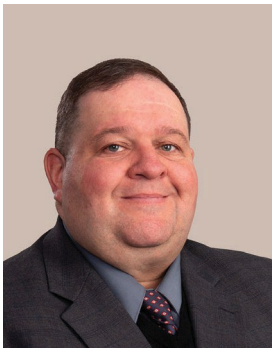
Professional Designations or Licenses
FINRA Series 7 and 63 Licenses

Chartered Financial Analyst (CFA)

Started with PFM: 1994

Started in the Field: 1981

pfm asset management



Leo Karwejna

Managing Director
PFM Asset Management LLC

Leo Karwejna joined PFM Asset Management to head the Compliance Group in 2011 as chief compliance officer and managing director. He has over 22 years of experience providing compliance support to firms in the investment advisory and securities-trading businesses including equity, fixed income, real estate (direct property and REIT securities) and additional alternative investment strategies.

Leo is responsible for all regulatory compliance program efforts related to the firm's business activities and personnel. He assists firm professionals with specific compliance advisory guidance and leads the firm's Compliance team's efforts to develop, maintain and monitor firm-wide compliance with appropriate policies, procedures and regulatory requirements.

Leo's prior experience includes compliance management positions at PFM Financial Advisors, Prudential Financial Inc., Deutsche Asset Management, and RREEF Alternative Investments. He serves as an Arbitrator within the FINRA Dispute Resolution Services program for securities-related issues among the investing public and/or industry participants.

Contact

213 Market Street
Harrisburg, PA 17101

karwejnal@pfmam.com
717.213.3847 office

Education
B.S. in Finance
St. Joseph's University

J.D.
Temple University School of Law

Professional Designations or Licenses
FINRA Series 7 and 66 Licenses

Started with PFM: 2011

Started in the Field: 1999

D. PFMAM's Sample Report

pfm asset management

SAMPLE CLIENT

Investment Performance Review
For the Quarter Ended March 31, 2024

Client Management Team

Luke Schneider, CFA, Managing Director
Annette Gaston, Director

PFM Asset Management LLC

1101 W. Washington Street
Tempe, AZ 85288
480-271-0432

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Agenda

- Market Summary
- Account Summary
- Portfolio Review
- Market Update

Market Summary

Summary

► The first quarter of 2024 was characterized by continued economic resilience led by strong consumer spending, inflation that continues to slowly grind lower, and a robust labor market.

► The Federal Reserve (Fed) kept the overnight rate at its current target range of 5.25% to 5.50% at its March 20 meeting, as expected, marking the fifth consecutive pause following the last rate hike in July 2023. The Fed's updated "dot plot" implies three 0.25% rate cuts through 2024 while the number of cuts implied for 2025 was reduced from three to two. Markets entered the year pricing in over six cuts in 2024 but since have now converged to Fed projections. The Fed chair has said they need more confidence that inflation is moving toward its 2% target before the first rate cut. Yields moved higher in the first quarter with the return of the Fed's "higher-for-longer" stance.

► A strong economic backdrop and increasing likelihood for a soft-landing led equity markets to reach new record highs. The S&P 500 Index jumped 10.6% in the first quarter, while yields on U.S. Treasury maturities from one to 30 years were higher by 25 to 40 basis points (bps).

Economic Snapshot

► Although January and February inflation readings came in above expectations, CPI actually trended lower in the first quarter and continued to decline from its mid-2022 peak. Headline and core CPI (which excludes food and energy) registered year-over-year increases of 3.2% and 3.8%, respectively, through February.

► U.S. real gross domestic product (GDP) growth in the fourth quarter came in at an impressive 3.4%, capping a strong year in which GDP grew 3.1%. The economy continues to be bolstered by strong consumer spending, supported by the strength of the labor market. This trend is expected to continue before moderating through the balance of the year.

► The U.S. labor market showed little signs of softening, adding over 800,000 jobs in the first quarter after 637,000 were added in the fourth quarter. In the latest reading, 303,000 jobs were created in March, which is the highest level since May of 2023. The unemployment rate also ticked down to 3.8% and has been below 4% for over two years. Strong wage increases reflect a competitive labor market and further support consumer spending.

Interest Rates

► The market spent the majority of the first quarter adjusting its expectations as strong economic data and Fed commentary pushed back on the notion that a rate cut was imminent. As a result, fed funds futures recalibrated expectations throughout the quarter and are now priced for the first rate cut to occur in July, a four-month delay from expectations at the beginning of the year.

► Reflecting the market adjustment to delayed rate cuts expectations, U.S. Treasury yields increased notably over the quarter. The yield on the 2-, 5-, and 10-year U.S. Treasuries rose 37 bps, 37 bps, and 32 bps, respectively.

► As a result of higher absolute yields, U.S. Treasury indices with longer durations generated negative returns, with the breakeven point around the two-year maturity. For example, the ICE BofA 3-, 5-, and 10-year U.S. Treasury indices returned -0.21%, -0.76%, and -1.61%, respectively. On the flipside, shorter-duration indices posted positive total returns, as higher income was able to more than offset negative price impacts. The ICE BofA 3-month, 1-, and 2-year U.S. Treasury indices returned +1.29%, +0.83%, and +0.21% respectively.

Sector Performance

► Yield spreads across most investment-grade (IG) sectors continued to tighten throughout the first quarter, resulting in positive excess returns on corporates and most other non-government fixed income sectors. Diversification across these "spread sectors" helped bolster relative performance given the absolute back-up in yields to start the year.

► Federal agency, municipal, and supranational spreads remained low and range bound throughout the first quarter. These sectors eked out positive excess returns, mostly from their modest incremental income. Callable agencies outperformed bullet agencies as bond market volatility waned from recent multi-year highs.

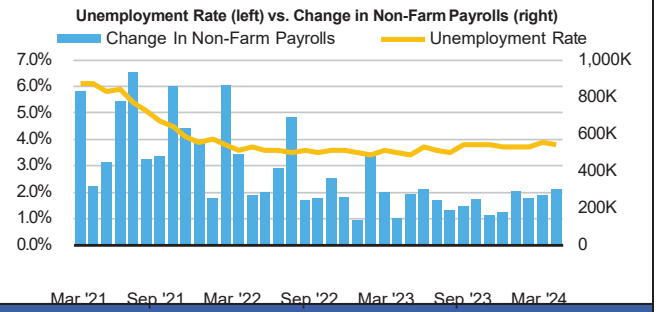
► IG corporates produced strong excess returns on robust market demand and continued yield spread tightening. IG corporates finished the quarter at their lowest spread in over two years. As a result of historically tight spreads, value in the sector is now more opportunistic.

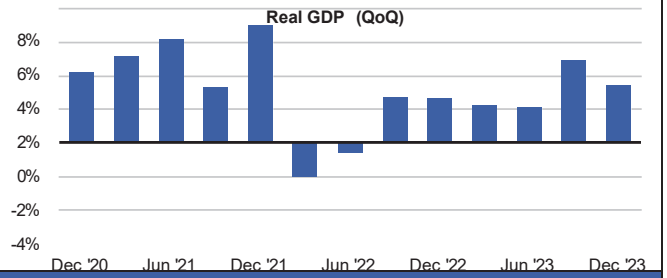
► The asset-backed security (ABS) sector was the strongest-performing fixed income sector in the first quarter. The rally in the sector was supported by strong structural elements of the asset class as well as ongoing optimism regarding the strength of the American consumer and, like IG corporates, robust appetite for new issues. Incremental income from ABS remains attractive and our fundamental outlook for the economy remains supportive for the sector.

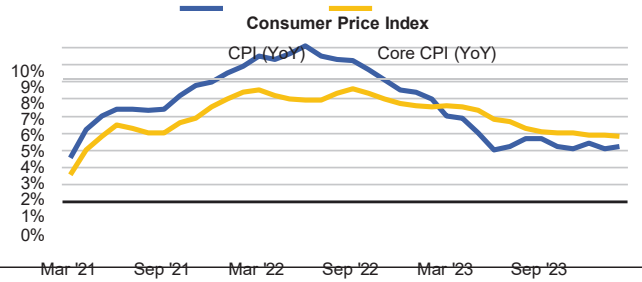
► Mortgage-backed security (MBS) performance was mixed for the first quarter, with yield spreads widening in longer maturity structures. Volatility was relativity muted compared to the fourth quarter and helped returns in the first quarter, but the overall sector underperformed. On the other hand, agency commercial mortgage-backed security spreads tightened relative to pass-throughs, resulting in strong relative performance.

Economic Snapshot

Labor Market		Latest	Dec '23	Mar '23
Unemployment Rate	Mar '24	3.8%	3.7%	3.5%
Change In Non-Farm Payrolls	Mar '24	303,000	290,000	146,000
Average Hourly Earnings (YoY)	Mar '24	4.1%	4.3%	4.6%
Personal Income (YoY)	Feb '24	4.6%	4.9%	5.8%
Initial Jobless Claims (Week)	3/30/24	221,000	198,000	216,000
Growth				
Real GDP (QoQ SAAR)	2024Q4	3.4%	4.9%[1]	2.6%[2]
GDP Personal Consumption (QoQ SAAR)	2024Q4	3.3%	3.1%[1]	1.2%[2]
Retail Sales (YoY)	Feb '24	1.5%	5.0%	2.2%
ISM Manufacturing Survey (Month)	Mar '24	50.3	47.1	46.5
Existing Home Sales SAAR (Month)	Feb '24	4.38 mil.	3.88 mil.	4.35 mil.
Inflation/Prices				
Personal Consumption Expenditures (YoY)	Feb '24	2.5%	2.6%	4.4%
Consumer Price Index (YoY)	Feb '24	3.2%	3.4%	5.0%
Consumer Price Index Core (YoY)	Feb '24	3.8%	3.9%	5.6%
Crude Oil Futures (WTI, per barrel)	Mar 31	$83.17	$71.65	$75.67
Gold Futures (oz)	Mar 31	$2,217	$2,072	$1,969



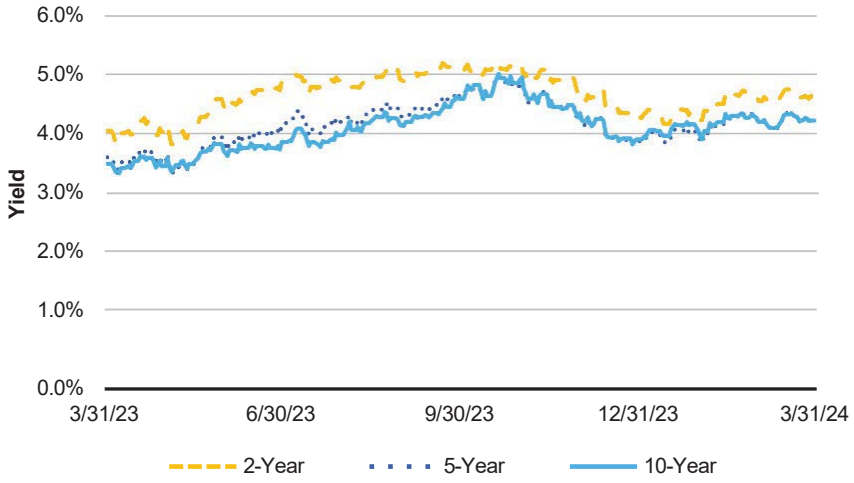




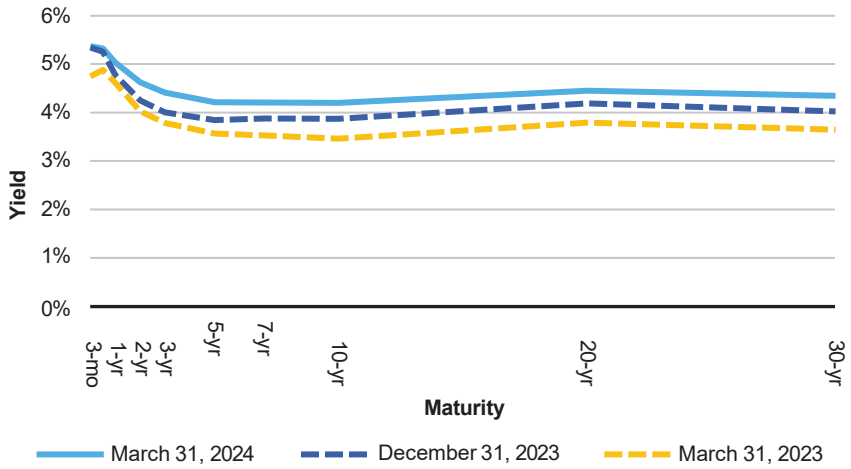
1. Data as of Third Quarter 2023.
2. Data as of Fourth Quarter 2022.
Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve

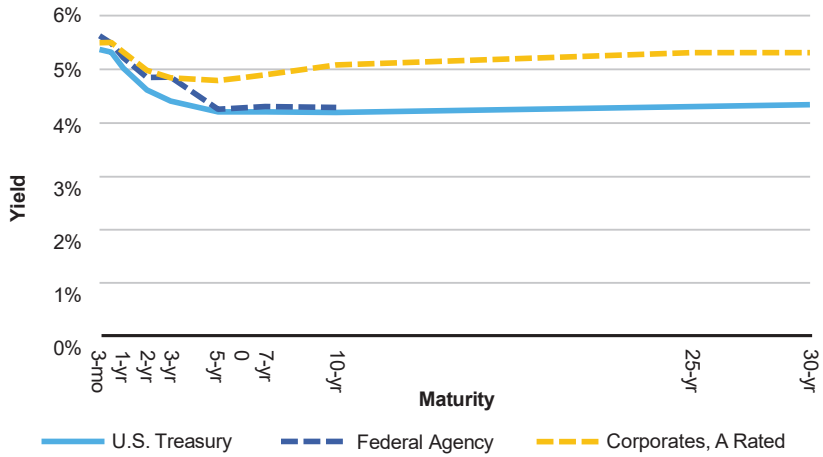


U.S. Treasury Yields

Maturity	Mar '24	Dec '23	Change over Quarter	Mar '23	Change over Year
3-Month	5.37%	5.34%	0.03%	4.75%	0.62%
1-Year	5.03%	4.77%	0.26%	4.62%	0.41%
2-Year	4.62%	4.25%	0.37%	4.03%	0.59%
5-Year	4.21%	3.85%	0.36%	3.58%	0.63%
10-Year	4.20%	3.88%	0.32%	3.47%	0.73%
30-Year	4.34%	4.03%	0.31%	3.65%	0.69%

Source: Bloomberg.

Yield Curves as of March 31, 2024



ICE BofAML Index Returns

	As of 03/31/2024		Returns for Periods ended 03/31/2024		
March 31, 2024	**Duration**	**Yield**	**3 Month**	**1 Year**	**3 Years**
1-3 Year Indices					
U.S. Treasury	1.83	4.70%	0.30%	2.97%	0.08%
Federal Agency	1.62	4.80%	0.46%	3.54%	0.27%
U.S. Corporates, A-AAA rated	1.84	5.23%	0.73%	4.71%	0.72%
Agency MBS (0 to 3 years)	1.97	5.27%	0.49%	3.84%	(0.49%)
Taxable Municipals	1.35	4.95%	0.89%	3.98%	1.09%
1-5 Year Indices					
U.S. Treasury	2.59	4.55%	(0.02%)	2.42%	(0.59%)
Federal Agency	1.96	4.70%	0.33%	3.29%	(0.29%)
U.S. Corporates, A-AAA rated	2.54	5.15%	0.58%	4.68%	0.14%
Agency MBS (0 to 5 years)	3.03	5.14%	0.30%	3.49%	(1.01%)
Taxable Municipals	2.25	4.87%	0.43%	3.40%	0.16%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.31	4.45%	(0.94%)	(0.19%)	(2.82%)
Federal Agency	3.32	4.65%	0.09%	2.89%	(1.01%)
U.S. Corporates, A-AAA rated	6.85	5.18%	(0.32%)	3.62%	(1.98%)
Agency MBS (0 to 30 years)	5.63	5.05%	(1.07%)	1.36%	(2.93%)
Taxable Municipals	8.94	5.10%	(0.38%)	2.43%	(3.01%)

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

Disclosures

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Account Summary

Fixed-Income Sector Commentary - 1Q 2024

- **U.S. Treasuries** markets spent the quarter adjusting its expectations as strong economic data and Fed commentary pushed back on the notion that a rate cut was imminent. Yields reflected the repricing and are higher by over 30 basis points for maturities greater than a year.
- **Federal Agency, Municipal, and Supranational** yield spreads remained low and range bound. These sectors eked out positive excess returns, mostly from their modest incremental income. Callable agencies outperformed bullet agencies, as bond market volatility generally waned from recent multi-year highs.
- **Investment-Grade (IG) Corporates** produced strong excess returns on robust market demand and continued spread tightening in the sector. IG corporates finished the quarter at their tightest spread levels in over two years. Lower rated issues performed best. With spreads near historical tights, some caution in the sector is warranted.
- **Asset-Backed Securities** were the strongest-performing fixed income sector. The rally in the sector was led by ongoing optimism regarding the strength of the American consumer and, like IG corporates, robust appetite for investment opportunities in the sector. Incremental income from ABS remains attractive and our fundamental outlook for the economy is supportive for the sector.
- **Mortgage-Backed Securities** performance was mixed with spreads widening in longer maturity structures. Volatility was relativity muted compared to Q4 and helped bolster returns in the sector. Agency commercial mortgage-backed security spreads tightened more aggressively relative to pass-throughs, resulting in strong relative performance.
- **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads continued to tighten over the quarter while the credit curve has steepened. Shorter-term maturities are less attractive and we prefer issues with maturities between 6 and 12 months.

Account Summary

SAMPLE CLIENT CORE PORTFOLIO

Portfolio Values	March 31, 2024
PFMAM Managed Account	$347,037,216
Amortized Cost	$356,808,303
Market Value	$347,037,216
Accrued Interest	$1,538,437
Cash	$160,952

Analytics1	March 31, 2024
Yield at Market	4.77%
Yield on Cost	3.25%
Portfolio Duration	2.07

SAMPLE CLIENT AUTHORITY

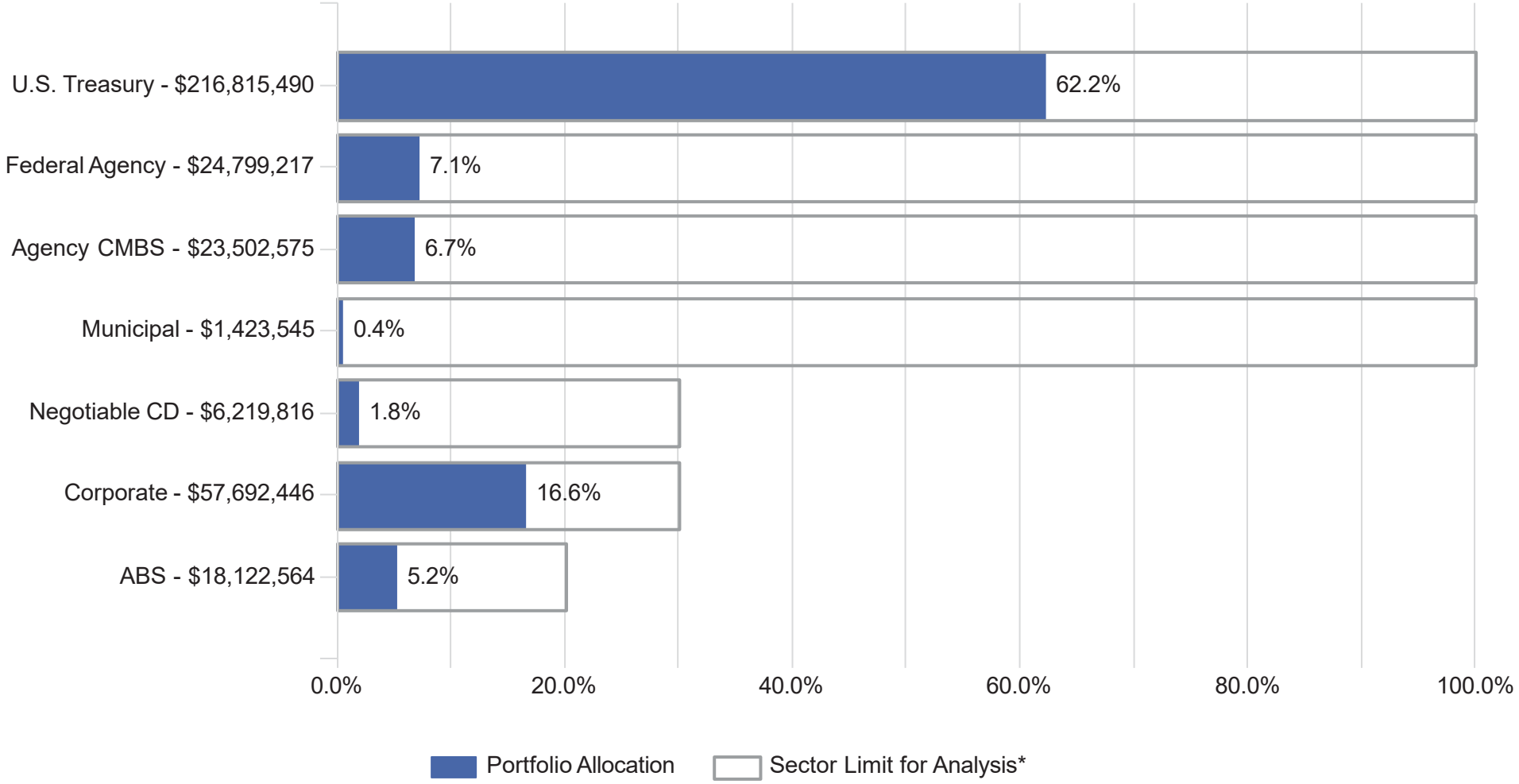
Portfolio Values	March 31, 2024
PFMAM Managed Account	$1,025,804
Amortized Cost	$1,028,926
Market Value	$1,025,804
Accrued Interest	$9,028
Cash	$47,880

Analytics1	March 31, 2024
Yield at Market	4.86%
Yield on Cost	4.68%
Portfolio Duration	1.47

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.

Portfolio Review:
SAMPLE CLIENT CORE PORTFOLIO

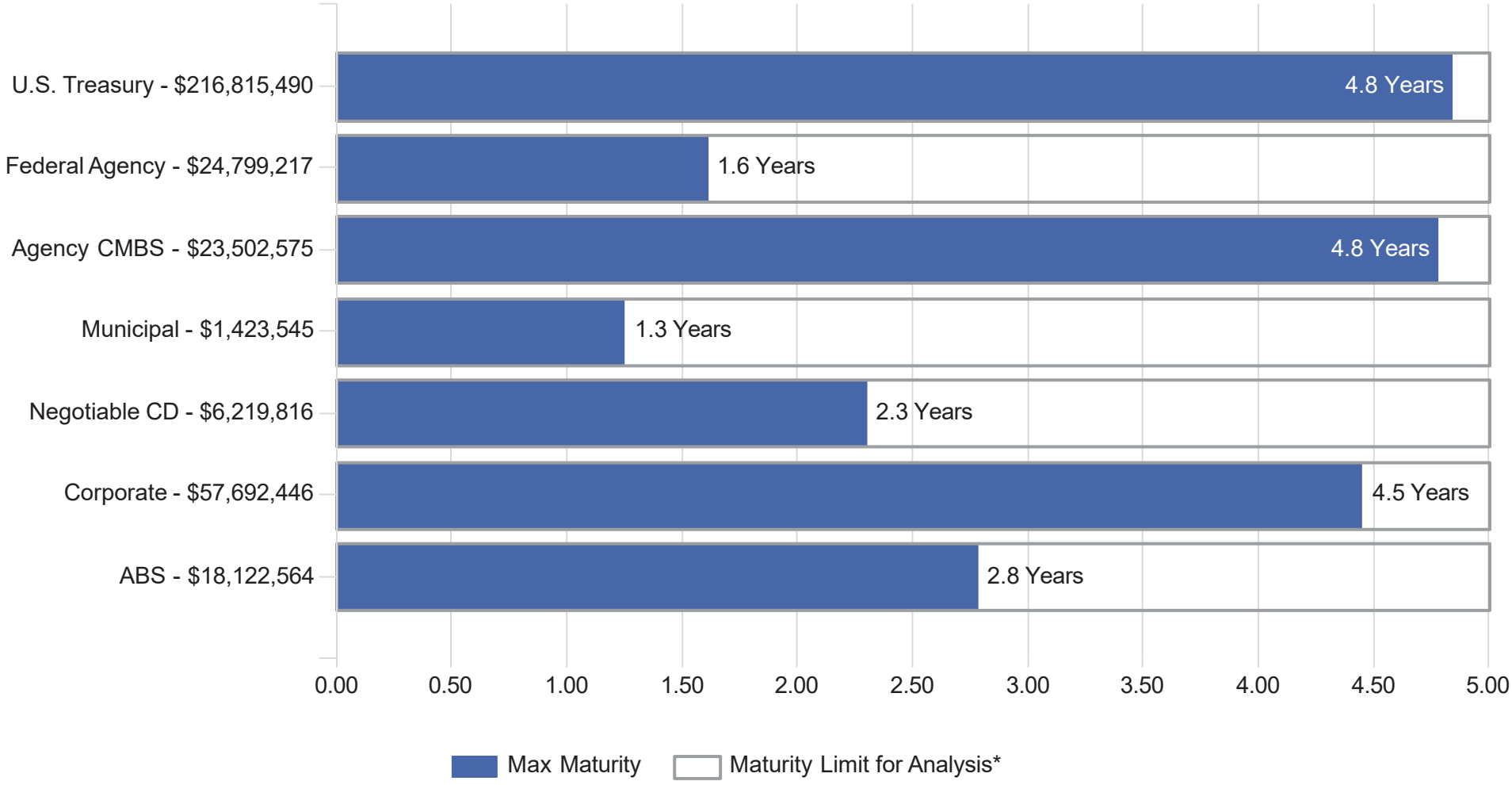
Sector Allocation Analytics



For informational1analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

Max Maturity Analytics



For informational1analytical purposes only and is not provided for compliance assurance. Includes accrued interest and excludes balances invested in overnight funds.
**Maturity Limit for Analysis is derived from our interpretation of your most recent Investment Policy as provided.*
Mortgage-backed securities and asset-backed securities, if any, limit is based on weighted average life, if applicable. Callable securities, if any, limit is based on maturity date.

Issuer Diversification

Security Type / Issuer	Market Value (/)	S&P / Moody's / Fitch
U.S. Treasury	**62.2/**	
UNITED STATES TREASURY	62.2%	AA / Aaa / AA
Federal Agency	**7.1/**	
FANNIE MAE	3.5%	AA / Aaa / AA
FREDDIE MAC	3.6%	AA / Aaa / AA
Agency CMBS	**6.7/**	
FREDDIE MAC	6.7%	AA / Aaa / AA
Municipal	**0.4/**	
CITY OF SCOTTSDALE	0.4%	AAA / Aaa / AAA
Negotiable CD	**1.8/**	
RABOBANK NEDERLAND	0.9%	A / Aa / AA
TORONTO-DOMINION BANK	0.9%	A / A / NR
Corporate	**16.6/**	
ADOBE INC	0.9%	A / A / NR
AMAZON.COM INC	0.4%	AA / A / AA
BANK OF AMERICA CO	1.5%	A / Aa / AA
CATERPILLAR INC	0.7%	A / A / A
DEERE & COMPANY	0.4%	A / A / A
HOME DEPOT INC	1.0%	A / A / A
IBM CORP	0.6%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / Aa / AA
MASTERCARD INC	0.5%	A / Aa / NR
MICROSOFT CORP	0.8%	AAA / Aaa / NR
MORGAN STANLEY	0.5%	A / A / A
NOVARTIS AG	1.8%	AA / Aa / AA
QUALCOMM INC	0.5%	A / A / NR

Security Type / Issuer	Market Value (/)	S&P / Moody's / Fitch
Corporate	**16.6/**	
STATE STREET CORPORATION	0.1%	A / A / AA
TARGET CORP	0.6%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.0%	A / A / AA
TOYOTA MOTOR CORP	0.5%	A / A / A
TRUIST FIN CORP	0.6%	A / A / A
WAL-MART STORES INC	1.4%	AA / Aa / AA
WELLS FARGO & COMPANY	1.3%	A / Aa / AA
ABS	**5.2/**	
BANK OF AMERICA CO	1.4%	NR / Aaa / AAA
CARMAX AUTO OWNER TRUST	0.1%	AAA / NR / AAA
CHASE ISSURANCE	0.9%	AAA / NR / AAA
CITIGROUP INC	0.2%	AAA / Aaa / AAA
CNH EQUIPMENT TRUST	0.1%	AAA / NR / AAA
DISCOVER FINANCIAL SERVICES	0.2%	AAA / Aaa / NR
FIFTH THIRD AUTO TRUST	0.6%	AAA / Aaa / NR
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.1%	NR / Aaa / AAA
HONDA AUTO RECEIVABLES	0.6%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.4%	AAA / NR / AAA
KUBOTA CREDIT OWNER TRUST	0.2%	NR / Aaa / AAA
TOYOTA MOTOR CORP	0.5%	AAA / Aaa / AAA
Total	**100.0/**	

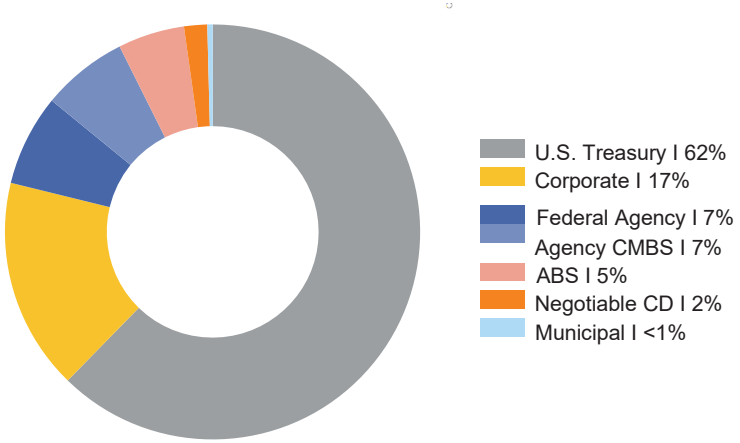
Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type 1 issuer category using all available security ratings, excluding 1ot-Rated (1R) ratings. For security type 1 issuer categories where a rating from the applicable 1RSRO is not available, a rating of 1R is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Snapshot - SAMPLE CLIENT CORE PORTFOLIO1

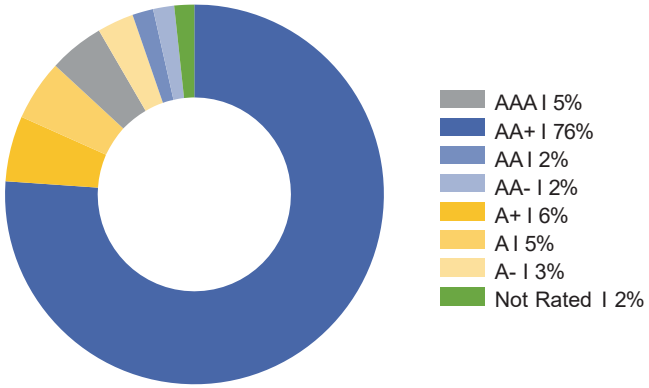
Portfolio Statistics

Total Market Value	$348,736,605.10
Securities Sub-Total	*$347,037,216.40*
Accrued Interest	*$1,538,437.06*
Cash	*$160,951.64*
Portfolio Effective Duration	2.07 years
Benchmark Effective Duration	2.52 years
Yield At Cost	3.25%
Yield At Market	4.77%
Portfolio Credit Quality	AA

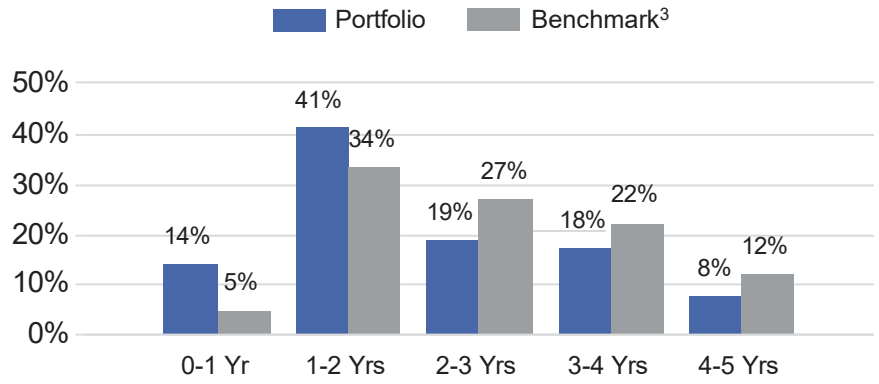
Sector Allocation



Credit Quality S&P[2]



Duration Distribution



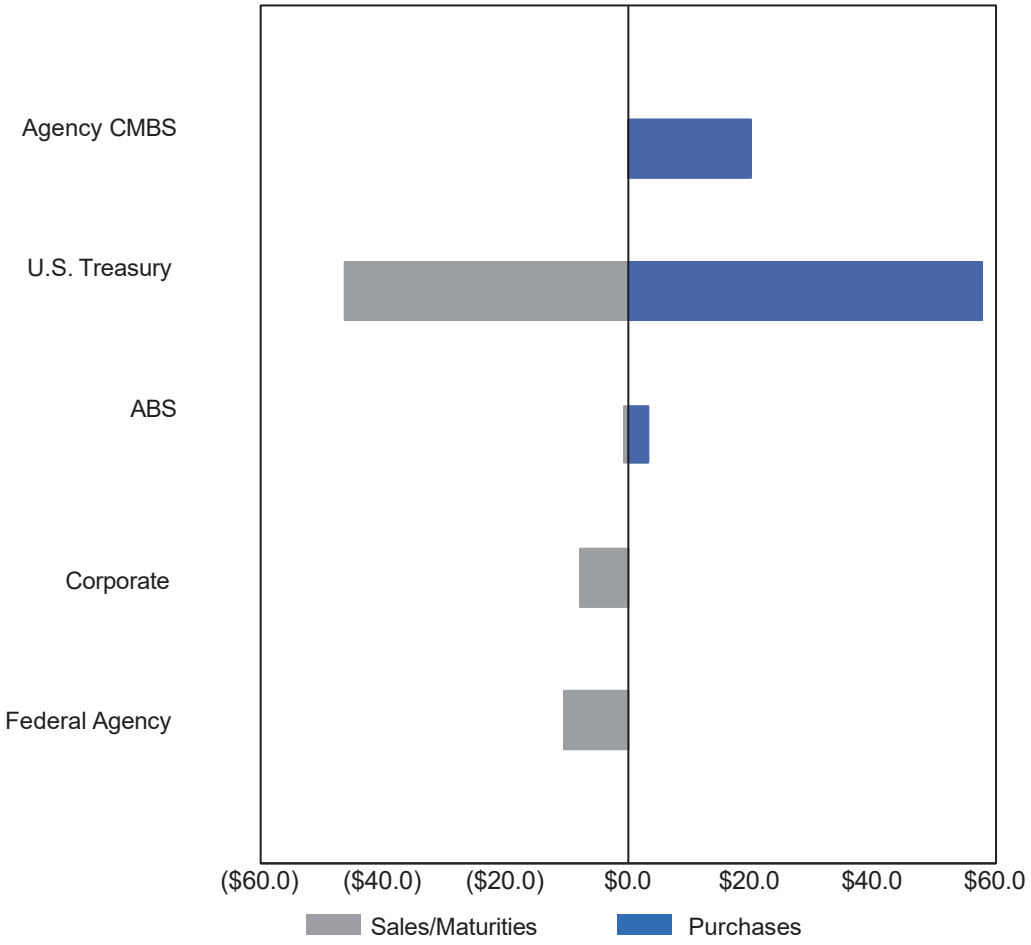
1. *Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest.*

2. *An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.*
3. *The portfolio's benchmark is currently the ICE BofA 1 Year U.S Treasury Index. Prior to 12/31/2 it was the ICE BofA 1 3 Year U.S Treasury Index. Prior to /3 /1 it was the ICE BofA 3 Year U.S Treasury Index. Prior to 12/31/12 it was the ICE BofA 1 Year U.S Treasury index. Source: Bloomberg.*

Portfolio Activity - SAMPLE CLIENT CORE PORTFOLIO

Net Activity by Sector

($ millions)

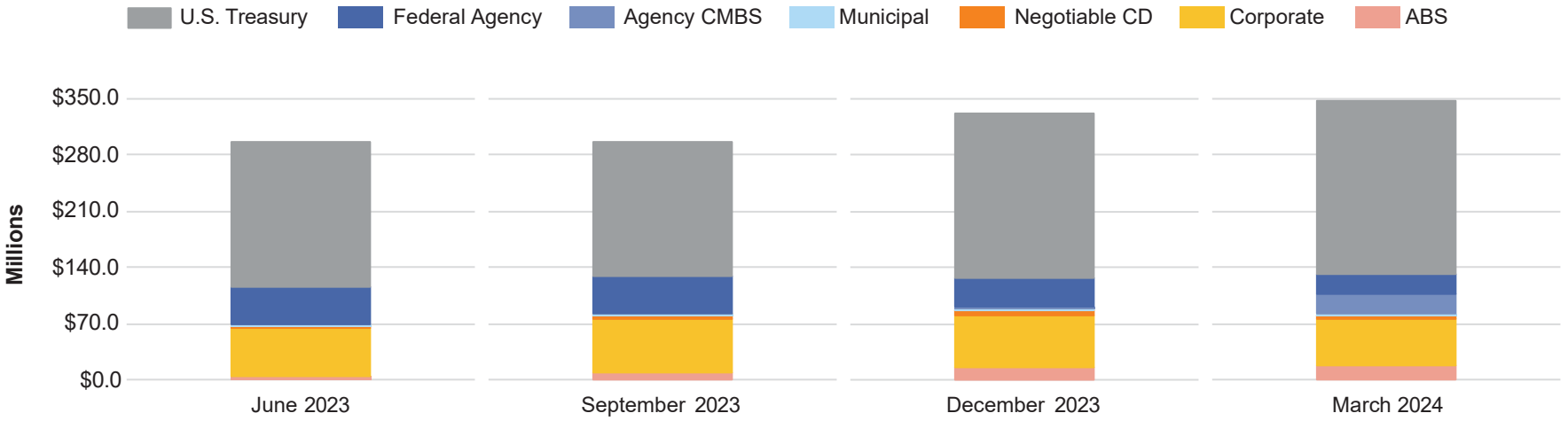


Sector	Net Activity
Agency CMBS	$20,039,350
U.S. Treasury	$11,399,517
ABS	$2,730,917
Corporate	($7,946,533)
Federal Agency	($10,400,474)
Total Net Activity	**$15,822,777**

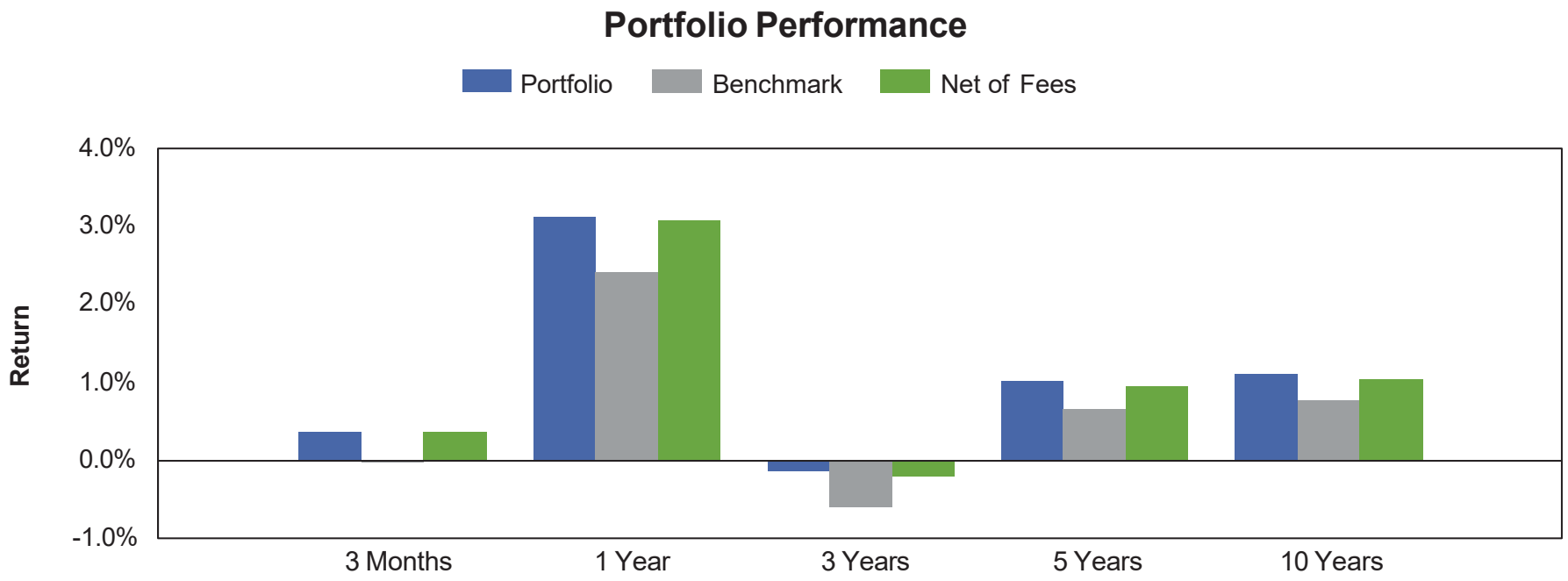
Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Sector Allocation Review - SAMPLE CLIENT CORE PORTFOLIO

Security Type	Jun-23	/ of Total	Sep-23	/ of Total	Dec-23	/ of Total	Mar-24	/ of Total
U.S. Treasury	$180.7	60.8%	$168.1	56.6%	$204.8	61.7%	$216.0	62.3%
Federal Agency	$47.4	16.0%	$45.6	15.3%	$35.1	10.6%	$24.8	7.1%
Agency CMBS	$0.0	0.0%	$0.0	0.0%	$3.5	1.1%	$23.4	6.7%
Municipal	$1.4	0.5%	$1.4	0.5%	$1.4	0.4%	$1.4	0.4%
Negotiable CD	$3.1	1.1%	$6.1	2.0%	$6.1	1.8%	$6.1	1.8%
Corporate	$60.0	20.1%	$66.0	22.2%	$65.4	19.7%	$57.3	16.5%
ABS	$4.4	1.5%	$10.2	3.4%	$15.4	4.7%	$18.1	5.2%
Total	**$296.9**	**100.0/**	**$297.3**	**100.0/**	**$331.7**	**100.0/**	**$347.0**	**100.0/**



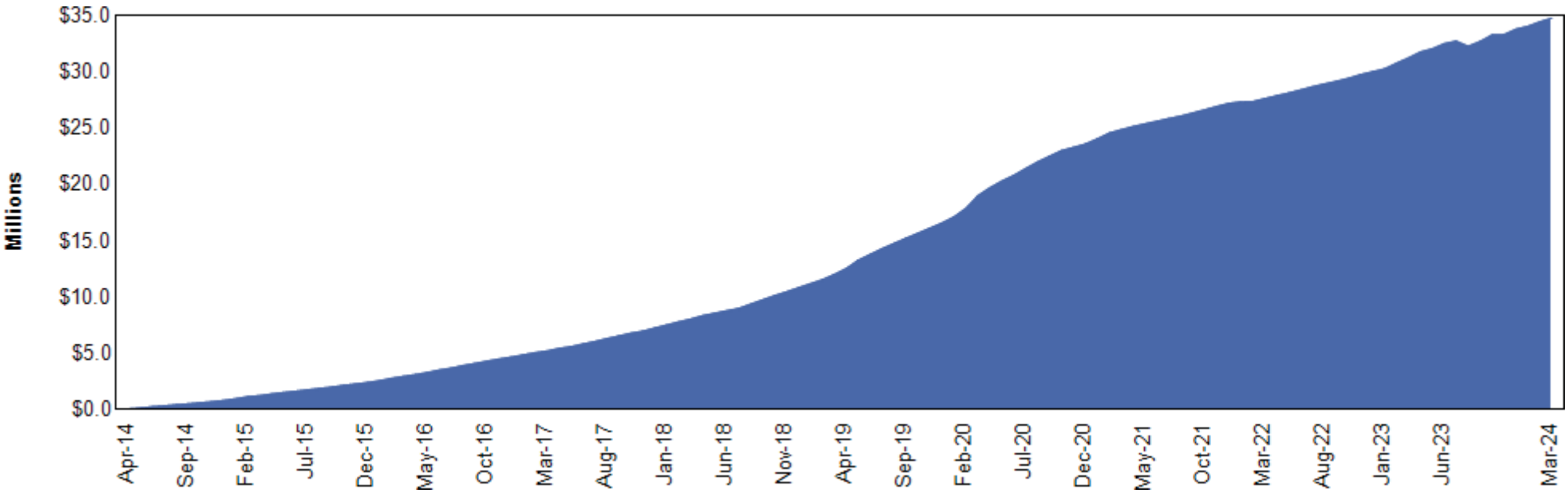
Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earnedð	$1,605,332	$5,368,620	$11,698,621	$21,224,251	$35,858,308
Change in Market Value	($359,828)	$4,516,614	($12,915,337)	($8,837,603)	($10,951,260)
Total Dollar Return	**$1,245,504**	**$9,885,234**	**($1,216,716)**	**$12,386,648**	**$24,907,048**
Total Return3					
Portfolio	0.37%	3.12%	-0.15%	1.01%	1.10%
Benchmark□	-0.02%	2.42%	-0.59%	0.66%	0.76%
Basis Point Fee	0.01%	0.05%	0.06%	0.06%	0.07%
Net of Fee Return	0.35%	3.07%	-0.21%	0.95%	1.03%

1. *The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2005.*
2. *Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.*
3. *Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.*
4. *The portfolio's benchmark is currently the ICE BofA 1-5 Year U.S Treasury Index. Prior to 12131120 it was the ICE BofA 1-3 Year U.S Treasury Index. Prior to 6130116 it was the ICE BofA 0-3 Year U.S Treasury Index. Prior to 12131112 it was the ICE BofA 1 Year U.S Treasury index. Source: Bloomberg.*

Accrual Basis Earnings - SAMPLE CLIENT CORE PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year1
Interest Earnedð	$1,605,332	$5,368,620	$11,698,621	$21,224,251	$35,858,308
Realized Gains / (Losses)3	($1,691,834)	($4,571,336)	($4,907,787)	($1,533,505)	($2,608,176)
Change in Amortized Cost	$1,055,564	$2,734,801	$3,107,431	$3,063,026	$1,511,441
Total Earnings	**$969,063**	**$3,532,085**	**$9,898,265**	**$22,753,773**	**$34,761,573**

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2005.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains 1 (losses) are shown on an amortized cost basis.

Issuer Distribution
As of March 31, 2024

Issuer	Market Value ($)	% of Portfolio
UNITED STATES TREASURY	215,965,222	62.24%
FREDDIE MAC	36,087,796	10.41%
FANNIE MAE	12,084,188	3.48%
BANK OF AMERICA CO	9,820,014	2.83%
NOVARTIS AG	6,221,347	1.79%
JP MORGAN CHASE & CO	5,067,780	1.46%
WAL-MART STORES INC	4,909,458	1.41%
WELLS FARGO & COMPANY	4,515,771	1.30%
THE BANK OF NEW YORK MELLON CORPORATION	3,625,782	1.04%
HOME DEPOT INC	3,429,707	0.99%
TOYOTA MOTOR CORP	3,418,347	0.99%
ADOBE INC	3,210,136	0.93%
TORONTO-DOMINION BANK	3,131,207	0.90%
CHASE ISSURANCE	3,028,983	0.87%
RABOBANK NEDERLAND	2,981,544	0.86%
MICROSOFT CORP	2,745,129	0.79%
CATERPILLAR INC	2,380,943	0.69%
TRUIST FIN CORP	2,155,299	0.62%
FIFTH THIRD AUTO TRUST	2,123,892	0.61%
IBM CORP	2,079,553	0.60%
TARGET CORP	2,041,624	0.59%
HONDA AUTO RECEIVABLES	1,991,578	0.57%
MORGAN STANLEY	1,781,026	0.51%
QUALCOMM INC	1,599,804	0.46%

Issuer	Market Value ($)	% of Portfolio
MASTERCARD INC	1,597,367	0.46%
CITY OF SCOTTSDALE	1,421,265	0.41%
DEERE & COMPANY	1,381,184	0.40%
AMAZON.COM INC	1,334,831	0.38%
HYUNDAI AUTO RECEIVABLES	1,257,219	0.36%
DISCOVER FINANCIAL SERVICES	816,494	0.24%
KUBOTA CREDIT OWNER TRUST	777,015	0.22%
CITIGROUP INC	721,069	0.21%
STATE STREET CORPORATION	424,712	0.12%
CARMAX AUTO OWNER TRUST	358,558	0.10%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	314,158	0.09%
CNH EQUIPMENT TRUST	237,218	0.07%
Grand Total	**347,037,216**	**100.00/**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	14,285,000.00	AA+	Aaa	1/17/2024	1/18/2024	14,001,532.03	5.23	10,538.11	14,142,314.78	14,137,685.94
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	3,340,000.00	AA+	Aaa	12/1/2023	12/5/2023	3,253,368.75	5.30	2,463.93	3,306,335.01	3,305,556.25
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,710,000.00	AA+	Aaa	3/21/2024	3/25/2024	1,690,628.91	5.36	1,261.48	1,692,282.54	1,692,365.62
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	565,000.00	AA+	Aaa	1/3/2024	1/4/2024	552,662.70	5.27	416.80	559,323.33	559,173.44
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	2,755,000.00	AA+	Aaa	12/1/2023	12/4/2023	2,683,004.10	5.32	2,032.38	2,727,166.53	2,726,589.06
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	4,010,000.00	AA+	Aaa	3/21/2024	3/21/2024	3,962,381.25	5.36	2,958.20	3,968,472.02	3,968,646.88
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	8,675,000.00	AA+	Aaa	11/20/2023	11/20/2023	8,430,337.89	5.35	6,399.59	8,586,780.49	8,585,539.06
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	2,285,000.00	AA+	Aaa	6/8/2021	6/9/2021	2,258,044.14	0.55	1,919.77	2,277,110.03	2,163,609.38
US TREASURY NOTES DTD 06/15/2022 2.875% 06/15/2025	91282CEU1	19,590,000.00	AA+	Aaa	3/4/2024	3/5/2024	19,109,432.81	4.87	166,193.85	19,137,217.21	19,112,493.75
US TREASURY NOTES DTD 09/30/2020 0.250% 09/30/2025	91282CAM3	3,315,000.00	AA+	Aaa	9/7/2021	9/9/2021	3,259,318.36	0.67	22.64	3,294,448.14	3,097,453.13
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	4,550,000.00	AA+	Aaa	4/22/2021	4/26/2021	4,457,044.92	0.71	4,781.25	4,517,417.81	4,237,187.50
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	8,970,000.00	AA+	Aaa	10/4/2021	10/6/2021	8,780,088.28	0.78	9,425.89	8,896,131.24	8,353,312.50
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	120,000.00	AA+	Aaa	2/2/2021	2/4/2021	119,104.69	0.41	126.10	119,700.87	111,750.00
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	2,220,000.00	AA+	Aaa	1/21/2021	1/22/2021	2,213,235.94	0.44	2,797.75	2,217,680.46	2,064,946.76
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	2,100,000.00	AA+	Aaa	11/2/2021	11/3/2021	2,046,597.66	1.01	2,646.52	2,078,179.69	1,953,328.02

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	4,650,000.00	AA+	Aaa	11/1/2021	11/2/2021	4,523,214.84	1.06	5,860.15	4,598,230.10	4,325,226.33
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	5,475,000.00	AA+	Aaa	5/5/2021	5/6/2021	5,384,320.31	0.74	5,189.22	5,440,915.10	5,078,062.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	5,540,000.00	AA+	Aaa	4/5/2021	4/7/2021	5,408,641.41	0.89	5,250.82	5,491,452.78	5,138,350.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	4,750,000.00	AA+	Aaa	4/19/2021	4/21/2021	4,660,566.41	0.78	4,502.06	4,716,677.51	4,405,625.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	5,150,000.00	AA+	Aaa	2/18/2021	2/19/2021	5,111,375.00	0.53	4,881.18	5,136,102.83	4,776,625.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	4,780,000.00	AA+	Aaa	5/3/2022	5/4/2022	4,346,812.50	2.95	3,003.92	4,567,839.46	4,419,259.14
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	5,285,000.00	AA+	Aaa	2/17/2022	2/18/2022	4,984,622.07	1.87	3,321.28	5,145,531.38	4,886,147.39
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	3,150,000.00	AA+	Aaa	7/2/2021	7/7/2021	3,089,460.94	0.80	1,979.57	3,125,697.32	2,912,273.28
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	1,595,000.00	AA+	Aaa	5/13/2022	5/16/2022	1,455,935.94	2.87	1,002.35	1,526,288.41	1,474,627.26
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	4,850,000.00	AA+	Aaa	1/6/2022	1/10/2022	4,657,894.53	1.38	3,047.91	4,763,150.70	4,483,976.32
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	2,400,000.00	AA+	Aaa	2/26/2021	2/26/2021	2,350,312.50	0.80	1,508.24	2,381,505.21	2,218,874.88
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	6,100,000.00	AA+	Aaa	12/3/2021	12/7/2021	5,935,585.94	1.15	2,652.17	6,025,672.92	5,637,734.68
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	1,095,000.00	AA+	Aaa	6/14/2021	6/15/2021	1,083,622.27	0.72	476.09	1,090,380.07	1,012,019.59
US TREASURY NOTES DTD 03/31/2021 0.750% 03/31/2026	91282CBT7	4,685,000.00	AA+	Aaa	4/19/2021	4/21/2021	4,666,516.21	0.83	96.00	4,677,534.80	4,340,945.31
US TREASURY NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	2,500,000.00	AA+	Aaa	5/27/2021	5/28/2021	2,493,261.72	0.81	7,881.18	2,497,155.53	2,309,375.00
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	500,000.00	AA+	Aaa	6/7/2021	6/7/2021	498,867.19	0.80	1,260.25	499,508.02	460,625.00
US TREASURY NOTES DTD 05/31/2019 2.125% 05/31/2026	9128286X3	5,890,000.00	AA+	Aaa	3/4/2022	3/4/2022	5,999,747.27	1.67	42,062.81	5,945,971.82	5,590,898.73

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 06/15/2023 4.125% 06/15/2026	91282CHH7	9,765,000.00	AA+	Aaa	3/4/2024	3/5/2024	9,683,370.70	4.51	118,860.86	9,686,019.73	9,670,401.56
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	9,235,000.00	AA+	Aaa	4/5/2022	4/7/2022	8,503,054.10	2.77	220.78	8,827,220.73	8,450,025.00
US TREASURY NOTES DTD 12/31/2021 1.250% 12/31/2026	91282CDQ1	3,900,000.00	AA+	Aaa	1/30/2023	1/31/2023	3,540,164.06	3.81	12,321.43	3,647,359.94	3,580,078.32
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	3,700,000.00	AA+	Aaa	8/9/2022	8/10/2022	3,282,015.63	3.00	4,675.82	3,422,514.58	3,268,140.44
US TREASURY NOTES DTD 06/30/2020 0.500% 06/30/2027	912828ZV5	4,550,000.00	AA+	Aaa	8/25/2022	8/26/2022	3,992,802.73	3.25	5,750.00	4,176,750.27	4,018,929.46
US TREASURY NOTES DTD 06/30/2022 3.250% 06/30/2027	91282CEW7	3,610,000.00	AA+	Aaa	1/30/2023	1/31/2023	3,535,402.73	3.76	29,653.57	3,555,128.64	3,486,470.13
US TREASURY NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	2,530,000.00	AA+	Aaa	9/29/2022	9/29/2022	2,386,600.39	4.05	11,659.55	2,431,260.52	2,402,709.38
US TREASURY NOTES DTD 08/15/2017 2.250% 08/15/2027	9128282R0	3,950,000.00	AA+	Aaa	9/1/2022	9/6/2022	3,744,939.45	3.40	11,231.46	3,810,072.32	3,687,695.51
US TREASURY NOTES DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	1,800,000.00	AA+	Aaa	11/1/2022	11/3/2022	1,788,257.81	4.27	202.87	1,791,632.38	1,785,937.50
US TREASURY NOTES DTD 10/31/2022 4.125% 10/31/2027	91282CFU0	3,580,000.00	AA+	Aaa	12/6/2022	12/8/2022	3,629,784.38	3.81	62,072.18	3,616,419.45	3,551,471.70
US TREASURY NOTES DTD 12/31/2022 3.875% 12/31/2027	91282CGC9	3,515,000.00	AA+	Aaa	1/30/2023	1/31/2023	3,541,637.11	3.70	34,425.76	3,535,315.43	3,458,979.69
US TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	6,000,000.00	AA+	Aaa	3/3/2023	3/7/2023	5,933,437.50	4.25	20,869.57	5,947,737.47	5,930,625.00
US TREASURY NOTES DTD 04/30/2023 3.500% 04/30/2028	91282CHA2	6,610,000.00	AA+	Aaa	5/15/2023	5/16/2023	6,619,811.72	3.47	97,243.27	6,618,072.59	6,411,700.00
US TREASURY NOTES DTD 05/31/2023 3.625% 05/31/2028	91282CHE4	5,235,000.00	AA+	Aaa	1/2/2024	1/3/2024	5,164,654.69	3.96	63,774.74	5,168,543.34	5,102,489.06
US TREASURY NOTES DTD 05/31/2021 1.250% 05/31/2028	91282CCE9	5,565,000.00	AA+	Aaa	11/2/2023	11/3/2023	4,788,725.98	4.67	23,377.56	4,858,409.46	4,923,285.94
US TREASURY NOTES DTD 07/31/2023 4.125% 07/31/2028	91282CHQ7	3,450,000.00	AA+	Aaa	8/1/2023	8/2/2023	3,432,345.70	4.24	23,849.07	3,434,696.38	3,429,515.63

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B NOTES DTD 01/31/2024 4.000% 01/31/2029	91282CJW2	3,300,000.00	AA+	Aaa	2/13/2024	2/14/2024	3,255,011.72	4.31	22,120.88	3,256,065.97	3,266,484.54
Security Type Sub-Total		**227,180,000.00**					**220,289,555.88**	**3.08**	**850,268.83**	**222,933,393.31**	**215,965,221.56**
Negotiable CD											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.470% 10/25/2024	89115B6F2	3,135,000.00	A	A1	10/27/2022	10/31/2022	3,135,000.00	5.44	75,738.99	3,135,000.00	3,131,206.65
COOPERAT RABOBANK UA/NY CERT DEPOS DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	3,000,000.00	A+	Aa2	7/17/2023	7/20/2023	3,000,000.00	5.08	31,326.67	3,000,000.00	2,981,544.00
Security Type Sub-Total		**6,135,000.00**					**6,135,000.00**	**5.26**	**107,065.66**	**6,135,000.00**	**6,112,750.65**
Municipal											
SCOTTSDALE, AZ TXBL GO BONDS DTD 12/30/2020 0.608% 07/01/2025	810454BL1	1,500,000.00	AAA	Aaa	12/10/2020	12/30/2020	1,500,000.00	0.61	2,280.00	1,500,000.00	1,421,265.00
Security Type Sub-Total		**1,500,000.00**					**1,500,000.00**	**0.61**	**2,280.00**	**1,500,000.00**	**1,421,265.00**
Federal Agency											
FREDDIE MAC NOTES DTD 02/14/2020 1.500% 02/12/2025	3137EAEP0	1,100,000.00	AA+	Aaa	2/21/2020	2/24/2020	1,106,567.00	1.38	2,245.83	1,101,146.96	1,066,164.00
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	4,705,000.00	AA+	Aaa	4/22/2020	4/24/2020	4,695,307.70	0.67	12,987.76	4,702,948.89	4,491,520.04
FANNIE MAE NOTES DTD 06/19/2020 0.500% 06/17/2025	3135G04Z3	1,200,000.00	AA+	Aaa	1/4/2021	1/5/2021	1,207,284.00	0.36	1,733.33	1,201,982.47	1,136,720.40
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	4,500,000.00	AA+	Aaa	2/9/2021	2/10/2021	4,480,020.00	0.47	375.00	4,493,600.71	4,214,160.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	5,145,000.00	AA+	Aaa	1/7/2021	1/11/2021	5,125,243.20	0.46	428.75	5,138,782.83	4,818,189.60
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	2,760,000.00	AA+	Aaa	9/23/2020	9/25/2020	2,751,692.40	0.44	230.00	2,757,540.51	2,584,684.80

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	3,485,000.00	AA+	Aaa	12/3/2020	12/4/2020	3,482,804.45	0.51	6,970.00	3,484,286.05	3,253,648.28
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	3,430,000.00	AA+	Aaa	11/16/2020	11/16/2020	3,425,060.80	0.53	6,860.00	3,428,409.78	3,202,299.45
Security Type Sub-Total		**26,325,000.00**					**26,273,979.55**	**0.55**	**31,830.67**	**26,308,698.20**	**24,767,386.57**
Corporate											
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/10/2022 1.250% 01/10/2025	24422EVY2	1,425,000.00	A	A1	3/8/2022	3/10/2022	1,391,113.50	2.12	4,007.81	1,415,719.61	1,381,184.10
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	1,365,000.00	AA	A1	4/11/2022	4/13/2022	1,362,829.65	3.06	19,110.00	1,364,253.45	1,334,830.77
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	270,000.00	A	A2	3/24/2022	3/28/2022	269,527.50	2.76	3,361.50	269,839.25	262,698.93
QUALCOMM INC CORP NOTES (CALLABLE) DTD 05/20/2015 3.450% 05/20/2025	747525AF0	1,630,000.00	A	A2	5/17/2022	5/19/2022	1,633,879.40	3.37	20,463.29	1,631,250.80	1,599,804.25
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 10/19/2021 1.164% 10/21/2025	61747YEG6	1,830,000.00	A-	A1	5/17/2022	5/19/2022	1,709,732.40	3.21	9,467.20	1,775,394.09	1,781,025.54
NOVARTIS CAPITAL CORP NOTES (CALLABLE) DTD 11/20/2015 3.000% 11/20/2025	66989HAJ7	1,665,000.00	AA-	Aa3	1/27/2023	1/31/2023	1,606,092.30	4.35	18,176.25	1,630,598.82	1,615,997.39
NOVARTIS CAPITAL CORP NOTES (CALLABLE) DTD 11/20/2015 3.000% 11/20/2025	66989HAJ7	4,745,000.00	AA-	Aa3	1/30/2023	1/31/2023	4,575,176.45	4.37	51,799.58	4,645,825.70	4,605,349.90
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/06/2023 4.800% 01/06/2026	14913R3B1	2,385,000.00	A	A2	1/17/2023	1/19/2023	2,411,735.85	4.39	27,030.00	2,400,923.01	2,380,943.12
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 01/28/2021 0.750% 01/28/2026	06406RAQ0	3,925,000.00	A	A1	2/2/2021	2/4/2021	3,922,331.00	0.76	5,151.56	3,924,021.32	3,625,781.55

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
STATE STREET CORP (CALLABLE) CORPORATE N DTD 02/07/2022 1.746% 02/06/2026	857477BR3	440,000.00	A	A1	2/2/2022	2/7/2022	440,000.00	1.75	1,173.70	440,000.00	424,711.76
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 03/22/2022 3.384% 04/02/2026	06051GKM0	3,100,000.00	A-	A1	3/17/2022	3/22/2022	3,100,000.00	3.38	52,160.60	3,100,000.00	3,033,588.70
WELLS FARGO BANK NA BANK NOTES (CALLABLE DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	4,495,000.00	A+	Aa2	8/18/2023	8/22/2023	4,486,054.95	5.52	36,746.63	4,487,900.23	4,515,771.40
MICROSOFT CORP (CALLABLE) NOTES DTD 08/08/2016 2.400% 08/08/2026	594918BR4	2,895,000.00	AAA	Aaa	2/23/2022	2/25/2022	2,927,105.55	2.14	10,229.00	2,911,063.25	2,745,128.75
BANK OF AMERICA NA CORPORATE NOTES DTD 08/18/2023 5.526% 08/18/2026	06428CAA2	1,985,000.00	A+	Aa1	8/17/2023	8/21/2023	1,984,880.90	5.53	13,101.99	1,984,905.31	2,003,847.58
WAL MART INC CORP NOTES (CALLABLE) DTD 09/17/2021 1.050% 09/17/2026	931142ER0	5,365,000.00	AA	Aa2	1/24/2023	1/26/2023	4,806,127.95	4.16	2,190.71	4,987,236.11	4,909,457.85
MASTERCARD INC CORP NOTES (CALLABLE) DTD 11/21/2016 2.950% 11/21/2026	57636QAG9	1,675,000.00	A+	Aa3	12/20/2022	12/22/2022	1,592,623.50	4.33	17,843.40	1,619,467.87	1,597,367.10
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	3,300,000.00	A+	Aa2	12/5/2023	12/8/2023	3,300,000.00	5.11	52,931.08	3,300,000.00	3,303,003.00
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	390,000.00	A	A2	1/19/2022	1/24/2022	389,337.00	1.99	1,605.50	389,628.18	361,924.29
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	1,810,000.00	A	A2	1/28/2022	2/1/2022	1,799,321.00	2.08	7,451.17	1,803,984.58	1,679,699.91
ADOBE INC (CALLABLE) CORP NOTE DTD 02/03/2020 2.150% 02/01/2027	00724PAC3	3,440,000.00	A+	A1	12/13/2022	12/15/2022	3,175,464.00	4.20	12,326.67	3,258,383.50	3,210,135.76
IBM CORP NOTES (CALLABLE) DTD 07/27/2022 4.150% 07/27/2027	459200KT7	2,125,000.00	A-	A3	8/2/2022	8/4/2022	2,167,117.50	3.71	15,677.78	2,152,842.78	2,079,552.63

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 08/03/2020 1.125% 08/03/2027	89788MAC6	2,460,000.00	A-	A3	8/3/2022	8/5/2022	2,151,589.80	3.91	4,458.75	2,253,885.95	2,155,299.48
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	3,370,000.00	A	A2	1/25/2023	1/27/2023	3,179,898.30	4.15	4,455.89	3,228,238.77	3,167,008.05
JPMORGAN CHASE CORP NOTES (CALLABLE) DTD 02/24/2022 2.947% 02/24/2028	46647PCW4	1,880,000.00	A-	A1	9/14/2023	9/18/2023	1,719,015.60	5.13	5,694.26	1,738,492.72	1,764,776.68
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 09/11/2023 5.250% 09/11/2028	89236TLB9	1,725,000.00	A+	A1	9/11/2023	9/13/2023	1,730,692.50	5.17	5,031.25	1,730,132.79	1,751,911.73
Security Type Sub-Total		**59,695,000.00**					**57,831,646.60**	**3.86**	**401,645.57**	**58,443,988.09**	**57,290,800.22**
Agency CMBS											
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	3,500,000.00	AA+	Aaa	1/22/2024	1/25/2024	3,527,480.47	4.55	13,825.00	3,526,459.92	3,500,392.95
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	1,800,000.00	AA+	Aaa	11/28/2023	12/7/2023	1,794,828.60	4.93	7,290.00	1,795,132.76	1,810,196.21
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	1,635,000.00	AA+	Aaa	12/11/2023	12/21/2023	1,650,267.63	4.78	6,812.50	1,649,482.63	1,653,654.14
FHMS K514 A2 DTD 02/01/2024 4.572% 12/01/2028	3137HBLV4	2,020,000.00	AA+	Aaa	2/1/2024	2/8/2024	2,040,197.98	4.34	7,696.20	2,039,643.14	2,008,974.40
FHMS K513 A2 DTD 01/01/2024 4.724% 12/01/2028	3137HBFY5	1,850,000.00	AA+	Aaa	1/10/2024	1/18/2024	1,868,479.65	4.50	7,282.83	1,867,783.00	1,851,786.36
FHMS K517 A2 DTD 03/01/2024 5.355% 01/01/2029	3137HC2C5	3,020,000.00	AA+	Aaa	3/5/2024	3/14/2024	3,110,557.72	4.66	13,476.75	3,109,741.66	3,102,926.51
FHMS K518 A2 DTD 03/01/2024 5.400% 01/01/2029	3137HC2L5	2,445,000.00	AA+	Aaa	3/19/2024	3/28/2024	2,504,034.53	4.83	11,002.50	2,503,915.89	2,524,086.31
FHMS K516 A2 DTD 03/01/2024 5.477% 01/01/2029	3137HBPM0	3,375,000.00	AA+	Aaa	2/29/2024	3/7/2024	3,476,239.88	4.78	15,404.06	3,474,981.51	3,482,542.32

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS K515 A2 DTD 02/01/2024 5.400% 01/01/2029	3137HBPD0	3,375,000.00	AA+	Aaa	2/14/2024	2/22/2024	3,465,922.50	4.78	15,187.50	3,464,148.97	3,470,038.38
Security Type Sub-Total		**23,020,000.00**					**23,438,008.96**	**4.69**	**97,977.34**	**23,431,289.48**	**23,404,597.58**
ABS											
HAROT 2021-1 A3 DTD 02/24/2021 0.270% 04/21/2025	43813GAC5	54,157.33	NR	Aaa	2/17/2021	2/24/2021	54,156.34	0.27	4.06	54,157.08	53,848.55
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	100,918.84	AAA	NR	4/20/2021	4/28/2021	100,908.22	0.38	17.04	100,915.31	100,077.14
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	83,480.17	AAA	NR	1/20/2021	1/27/2021	83,463.66	0.34	12.61	83,474.40	82,378.24
CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4	239,689.01	AAA	NR	3/9/2021	3/15/2021	239,632.98	0.41	42.61	239,668.90	237,218.32
TAOT 2021-C A3 DTD 09/27/2021 0.430% 01/15/2026	89239BAC5	465,384.76	AAA	Aaa	9/21/2021	9/27/2021	465,347.66	0.43	88.94	465,369.32	454,371.62
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	280,774.71	AAA	NR	4/13/2021	4/21/2021	280,714.20	0.52	64.89	280,751.13	276,179.35
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	263,438.25	AAA	NR	11/9/2021	11/17/2021	263,379.46	0.75	86.64	263,410.50	257,634.13
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	835,000.00	AAA	Aaa	9/20/2021	9/27/2021	834,821.23	0.58	215.24	834,911.60	816,493.73
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	3,045,000.00	AAA	NR	1/24/2024	1/31/2024	3,044,536.25	4.61	6,225.33	3,044,561.14	3,028,982.69
CCCIT 2023-A1 A1 DTD 12/01/2023 5.230% 12/01/2027	17305EGW9	720,000.00	AAA	Aaa	12/4/2023	12/11/2023	719,909.71	5.23	12,552.00	719,916.03	721,068.77
KCOT 2023-2A A3 DTD 07/26/2023 5.280% 01/18/2028	500945AC4	775,000.00	NR	Aaa	7/18/2023	7/26/2023	774,804.24	5.29	1,818.67	774,834.14	777,014.77
BAAT 2023-1A A3 DTD 07/31/2023 5.530% 02/15/2028	06428AAC2	1,255,000.00	NR	Aaa	7/25/2023	7/31/2023	1,254,952.44	5.53	3,084.51	1,254,959.46	1,259,941.69
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	1,930,000.00	AAA	NR	8/15/2023	8/22/2023	1,929,602.03	5.42	3,770.47	1,929,656.11	1,937,729.26
TAOT 2023-C A3 DTD 08/15/2023 5.160% 04/17/2028	89231FAD2	600,000.00	AAA	NR	8/8/2023	8/15/2023	599,864.28	5.17	1,376.00	599,882.57	600,816.48

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	2,315,000.00	NR	Aaa	11/15/2023	11/21/2023	2,314,958.10	5.74	5,905.82	2,314,961.04	2,343,595.74
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	605,000.00	AAA	NR	11/7/2023	11/14/2023	604,934.78	5.54	1,489.64	604,939.41	611,246.93
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	2,110,000.00	AAA	Aaa	8/15/2023	8/23/2023	2,109,869.18	5.53	5,185.91	2,109,885.15	2,123,891.82
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	890,000.00	AAA	NR	11/3/2023	11/13/2023	889,882.97	5.54	2,191.38	889,891.00	899,507.60
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	1,175,000.00	NR	Aaa	12/7/2023	12/14/2023	1,174,842.20	4.98	2,600.67	1,174,850.72	1,179,040.24
GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	315,000.00	NR	Aaa	1/9/2024	1/17/2024	314,936.65	4.85	636.56	314,939.02	314,157.75
Security Type Sub-Total		**18,057,843.07**					**18,055,516.58**	**4.68**	**47,368.99**	**18,055,934.03**	**18,075,194.82**
Managed Account Sub Total		**361,912,843.07**					**353,523,707.57**	**3.25**	**1,538,437.06**	**356,808,303.11**	**347,037,216.40**
Securities Sub Total		**$361,912,843.07**					**$353,523,707.57**	**3.25/**	**$1,538,437.06**	**$356,808,303.11**	**$347,037,216.40**
Accrued Interest											**$1,538,437.06**
Total Investments											**$348,575,653.46**

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
BUY									
1/2/2024	1/3/2024	5,235,000.00	91282CHE4	US TREASURY NOTES	3.62%	5/31/2028	5,182,283.48	3.96%	
1/3/2024	1/4/2024	565,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	552,739.89	5.27%	
1/9/2024	1/17/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	314,936.65	4.85%	
1/10/2024	1/18/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	1,872,606.59	4.50%	
1/17/2024	1/18/2024	14,285,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	14,004,849.58	5.23%	
1/22/2024	1/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	3,538,540.47	4.55%	
1/24/2024	1/31/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	3,044,536.25	4.61%	
2/1/2024	2/8/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,041,993.76	4.34%	
2/13/2024	2/14/2024	3,300,000.00	91282CJW2	US TREASURY N/B NOTES	4.00%	1/31/2029	3,260,088.64	4.31%	
2/14/2024	2/22/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	3,476,553.75	4.78%	
2/29/2024	3/7/2024	3,375,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	3,479,320.69	4.78%	
3/4/2024	3/5/2024	9,765,000.00	91282CHH7	US TREASURY NOTES	4.12%	6/15/2026	9,772,516.35	4.51%	
3/4/2024	3/5/2024	19,590,000.00	91282CEU1	US TREASURY NOTES	2.87%	6/15/2025	19,234,078.20	4.87%	
3/5/2024	3/14/2024	3,020,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	3,116,397.65	4.66%	
3/19/2024	3/28/2024	2,445,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	2,513,936.78	4.83%	
3/21/2024	3/21/2024	4,010,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	3,965,038.15	5.36%	

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
BUY									
3/21/2024	3/25/2024	1,710,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,691,808.62	5.36%	
Total BUY		**81,405,000.00**					**81,062,225.50**		**0.00**
INTEREST									
1/1/2024	1/1/2024	1,500,000.00	810454BL1	SCOTTSDALE, AZ TXBL GO BONDS	0.60%	7/1/2025	4,560.00		
1/1/2024	1/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
1/1/2024	1/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			785.67		
1/6/2024	1/6/2024	2,385,000.00	14913R3B1	CATERPILLAR FINL SERVICE CORPORATE NOTES	4.80%	1/6/2026	57,240.00		
1/10/2024	1/10/2024	1,425,000.00	24422EVY2	JOHN DEERE CAPITAL CORP CORPORATE NOTES	1.25%	1/10/2025	8,906.25		
1/15/2024	1/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	5,038.79		
1/15/2024	1/15/2024	306,980.97	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	102.33		
1/15/2024	1/15/2024	398,247.92	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	172.57		
1/15/2024	1/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
1/15/2024	1/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
1/15/2024	1/15/2024	614,952.64	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	220.36		
1/15/2024	1/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
1/15/2024	1/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
1/15/2024	1/15/2024	131,285.82	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	37.20		
1/15/2024	1/15/2024	341,804.47	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	210.78		
1/15/2024	1/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
1/15/2024	1/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
1/15/2024	1/15/2024	185,089.39	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	58.61		
1/15/2024	1/15/2024	2,200,000.00	87612EBM7	TARGET CORP CORP NOTES (CALLABLE)	1.95%	1/15/2027	21,450.00		
1/15/2024	1/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
1/15/2024	1/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
1/17/2024	1/17/2024	3,000,000.00	21684LGS5	COOPERAT RABOBANK UA/NY CERT DEPOS	5.08%	7/17/2026	74,930.00		
1/18/2024	1/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
1/21/2024	1/21/2024	138,037.56	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	31.06		
1/27/2024	1/27/2024	2,125,000.00	459200KT7	IBM CORP NOTES (CALLABLE)	4.15%	7/27/2027	44,093.75		
1/28/2024	1/28/2024	3,925,000.00	06406RAQ0	BANK OF NY MELLON CORP (CALLABLE) CORPOR	0.75%	1/28/2026	14,718.75		
1/29/2024	1/29/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	59,662.50		
1/31/2024	1/31/2024	22,060,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	41,362.50		
1/31/2024	1/31/2024	2,530,000.00	91282CFB2	US TREASURY NOTES	2.75%	7/31/2027	34,787.50		
1/31/2024	1/31/2024	3,450,000.00	91282CHQ7	US TREASURY NOTES	4.12%	7/31/2028	71,156.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
2/1/2024	2/1/2024	3,440,000.00	00724PAC3	ADOBE INC (CALLABLE) CORP NOTE	2.15%	2/1/2027	36,980.00		
2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			1,799.64		
2/1/2024	2/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
2/1/2024	2/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
2/1/2024	2/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
2/1/2024	2/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		
2/3/2024	2/3/2024	2,460,000.00	89788MAC6	TRUIST FINANCIAL CORP NOTES (CALLABLE)	1.12%	8/3/2027	13,837.50		
2/6/2024	2/6/2024	440,000.00	857477BR3	STATE STREET CORP (CALLABLE) CORPORATE N	1.74%	2/6/2026	3,841.20		
2/7/2024	2/7/2024	4,495,000.00	94988J6D4	WELLS FARGO BANK NA BANK NOTES (CALLABLE	5.45%	8/7/2026	121,127.76		
2/8/2024	2/8/2024	2,895,000.00	594918BR4	MICROSOFT CORP (CALLABLE) NOTES	2.40%	8/8/2026	34,740.00		
2/12/2024	2/12/2024	1,100,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	8,250.00		
2/15/2024	2/15/2024	315,476.88	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	194.54		
2/15/2024	2/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
2/15/2024	2/15/2024	3,950,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	44,437.50		
2/15/2024	2/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
2/15/2024	2/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
2/15/2024	2/15/2024	565,637.72	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	202.69		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
2/15/2024	2/15/2024	280,123.93	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	93.37		
2/15/2024	2/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
2/15/2024	2/15/2024	156,468.10	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	49.55		
2/15/2024	2/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
2/15/2024	2/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
2/15/2024	2/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
2/15/2024	2/15/2024	115,679.24	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	32.78		
2/15/2024	2/15/2024	358,319.07	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	155.27		
2/15/2024	2/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	5,836.25		
2/15/2024	2/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
2/15/2024	2/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
2/16/2024	2/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,230.69		
2/18/2024	2/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
2/18/2024	2/18/2024	1,985,000.00	06428CAA2	BANK OF AMERICA NA CORPORATE NOTES	5.52%	8/18/2026	54,845.55		
2/21/2024	2/21/2024	109,570.63	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	24.65		
2/24/2024	2/24/2024	1,880,000.00	46647PCW4	JPMORGAN CHASE CORP NOTES (CALLABLE)	2.94%	2/24/2028	27,701.80		
2/25/2024	2/25/2024	9,625,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	18,046.88		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
2/29/2024	2/29/2024	7,195,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	17,987.50		
2/29/2024	2/29/2024	6,000,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	120,000.00		
3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			771.45		
3/1/2024	3/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
3/1/2024	3/25/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	15,187.50		
3/1/2024	3/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
3/1/2024	3/25/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	7,696.20		
3/1/2024	3/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		
3/1/2024	3/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
3/11/2024	3/11/2024	1,725,000.00	89236TLB9	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	5.25%	9/11/2028	45,281.25		
3/14/2024	3/14/2024	3,370,000.00	437076BT8	HOME DEPOT INC CORP NOTES (CALLABLE)	2.80%	9/14/2027	47,180.00		
3/15/2024	3/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
3/15/2024	3/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	11,672.50		
3/15/2024	3/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
3/15/2024	3/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
3/15/2024	3/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
3/15/2024	3/15/2024	128,123.26	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	40.57		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
3/15/2024	3/15/2024	318,322.91	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	137.94		
3/15/2024	3/15/2024	288,836.63	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	178.12		
3/15/2024	3/15/2024	99,375.67	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	28.16		
3/15/2024	3/15/2024	513,298.13	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	183.93		
3/15/2024	3/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
3/15/2024	3/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
3/15/2024	3/15/2024	259,584.68	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	86.53		
3/15/2024	3/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
3/15/2024	3/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
3/15/2024	3/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
3/16/2024	3/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,273.13		
3/17/2024	3/17/2024	5,365,000.00	931142ER0	WAL MART INC CORP NOTES (CALLABLE)	1.05%	9/17/2026	28,166.25		
3/18/2024	3/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
3/21/2024	3/21/2024	81,371.45	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	18.31		
3/23/2024	3/23/2024	12,405,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/2025	23,259.38		
3/31/2024	3/31/2024	1,800,000.00	91282CFM8	US TREASURY NOTES	4.12%	9/30/2027	37,125.00		
3/31/2024	3/31/2024	9,235,000.00	91282CCZ2	US TREASURY NOTES	0.87%	9/30/2026	40,403.13		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
3/31/2024	3/31/2024	3,315,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	4,143.75		
3/31/2024	3/31/2024	4,685,000.00	91282CBT7	US TREASURY NOTES	0.75%	3/31/2026	17,568.75		
Total INTEREST		**211,486,587.07**					**1,471,348.59**		**0.00**
PAYDOWNS									
1/15/2024	1/15/2024	15,606.58	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,606.58		
1/15/2024	1/15/2024	39,928.85	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,928.85		
1/15/2024	1/15/2024	28,621.29	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,621.29		
1/15/2024	1/15/2024	26,857.04	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	26,857.04		
1/15/2024	1/15/2024	26,327.59	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,327.59		
1/15/2024	1/15/2024	49,314.92	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	49,314.92		
1/21/2024	1/21/2024	28,466.93	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,466.93		
2/15/2024	2/15/2024	39,996.16	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,996.16		
2/15/2024	2/15/2024	16,303.57	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	16,303.57		
2/15/2024	2/15/2024	28,344.84	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,344.84		
2/15/2024	2/15/2024	52,339.59	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	52,339.59		
2/15/2024	2/15/2024	26,640.25	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,640.25		
2/15/2024	2/15/2024	20,539.25	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	20,539.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
2/21/2024	2/21/2024	28,199.18	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,199.18		
3/15/2024	3/15/2024	27,204.42	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	27,204.42		
3/15/2024	3/15/2024	47,913.37	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	47,913.37		
3/15/2024	3/15/2024	25,398.38	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	25,398.38		
3/15/2024	3/15/2024	37,548.20	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	37,548.20		
3/15/2024	3/15/2024	19,895.67	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	19,895.67		
3/15/2024	3/15/2024	15,895.50	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,895.50		
3/21/2024	3/21/2024	27,214.12	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	27,214.12		
Total PAYDOWNS		**628,555.70**					**628,555.70**		**0.00**
SELL									
1/2/2024	1/3/2024	5,285,000.00	9128284Z0	US TREASURY NOTES	2.75%	8/31/2025	5,190,604.59		-238,526.85
1/12/2024	1/17/2024	2,320,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	2,177,396.09		-134,831.49
1/22/2024	1/25/2024	2,650,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	2,590,967.65		-92,892.52
1/22/2024	1/25/2024	565,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	550,295.74		-21,113.47
1/25/2024	1/31/2024	1,480,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	1,443,060.66		-53,832.81
1/25/2024	1/31/2024	1,400,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	1,364,260.33		-47,338.67
2/5/2024	2/8/2024	2,185,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	2,038,528.79		-133,567.60

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
SELL									
2/13/2024	2/14/2024	3,495,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	3,264,461.42		-220,213.41
2/16/2024	2/22/2024	3,150,000.00	57636QAN4	MASTERCARD INC CORP NOTES (CALLABLE)	2.00%	3/3/2025	3,085,138.00		-128,943.09
3/4/2024	3/5/2024	1,950,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,924,037.87		697.57
3/4/2024	3/5/2024	2,815,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,777,521.35		367.94
3/4/2024	3/5/2024	4,235,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	4,178,615.59		1,674.79
3/4/2024	3/5/2024	17,400,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	17,168,337.99		-640.47
3/4/2024	3/5/2024	3,000,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,960,058.28		-179.10
3/4/2024	3/7/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	3,170,128.42		-30,532.69
3/11/2024	3/14/2024	3,335,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	3,132,792.00		-197,276.88
3/20/2024	3/21/2024	940,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	882,228.38		-56,471.13
3/20/2024	3/21/2024	5,350,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	5,021,193.46		-326,762.54
3/21/2024	3/25/2024	1,700,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	1,691,266.25		-11,451.30
Total SELL		**66,480,000.00**					**64,610,892.86**		**-1,691,833.7**

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
BUY	1/2/2024	1/3/2024	5,235,000.00	91282CHE4	US TREASURY NOTES	3.62%	5/31/2028	5,182,283.48	3.96%	
BUY	1/3/2024	1/4/2024	565,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	552,739.89	5.27%	
BUY	1/9/2024	1/17/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	314,936.65	4.85%	
BUY	1/10/2024	1/18/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	1,872,606.59	4.50%	
BUY	1/17/2024	1/18/2024	14,285,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	14,004,849.58	5.23%	
BUY	1/22/2024	1/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	3,538,540.47	4.55%	
BUY	1/24/2024	1/31/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	3,044,536.25	4.61%	
BUY	2/1/2024	2/8/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	2,041,993.76	4.34%	
BUY	2/13/2024	2/14/2024	3,300,000.00	91282CJW2	US TREASURY N/B NOTES	4.00%	1/31/2029	3,260,088.64	4.31%	
BUY	2/14/2024	2/22/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	3,476,553.75	4.78%	
BUY	2/29/2024	3/7/2024	3,375,000.00	3137HBPM0	FHMS K516 A2	5.47%	1/1/2029	3,479,320.69	4.78%	
BUY	3/4/2024	3/5/2024	9,765,000.00	91282CHH7	US TREASURY NOTES	4.12%	6/15/2026	9,772,516.35	4.51%	
BUY	3/4/2024	3/5/2024	19,590,000.00	91282CEU1	US TREASURY NOTES	2.87%	6/15/2025	19,234,078.20	4.87%	
BUY	3/5/2024	3/14/2024	3,020,000.00	3137HC2C5	FHMS K517 A2	5.35%	1/1/2029	3,116,397.65	4.66%	
BUY	3/19/2024	3/28/2024	2,445,000.00	3137HC2L5	FHMS K518 A2	5.40%	1/1/2029	2,513,936.78	4.83%	
BUY	3/21/2024	3/21/2024	4,010,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	3,965,038.15	5.36%	
BUY	3/21/2024	3/25/2024	1,710,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,691,808.62	5.36%	
INTEREST	1/1/2024	1/1/2024	1,500,000.00	810454BL1	SCOTTSDALE, AZ TXBL GO BONDS	0.60%	7/1/2025	4,560.00		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST	1/1/2024	1/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
INTEREST	1/1/2024	1/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
INTEREST	1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			785.67		
INTEREST	1/6/2024	1/6/2024	2,385,000.00	14913R3B1	CATERPILLAR FINL SERVICE	4.80%	1/6/2026	57,240.00		
INTEREST	1/10/2024	1/10/2024	1,425,000.00	24422EVY2	JOHN DEERE CAPITAL CORP	1.25%	1/10/2025	8,906.25		
INTEREST	1/15/2024	1/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	5,038.79		
INTEREST	1/15/2024	1/15/2024	306,980.97	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	102.33		
INTEREST	1/15/2024	1/15/2024	398,247.92	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	172.57		
INTEREST	1/15/2024	1/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
INTEREST	1/15/2024	1/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
INTEREST	1/15/2024	1/15/2024	614,952.64	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	220.36		
INTEREST	1/15/2024	1/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
INTEREST	1/15/2024	1/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
INTEREST	1/15/2024	1/15/2024	131,285.82	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	37.20		
INTEREST	1/15/2024	1/15/2024	341,804.47	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	210.78		
INTEREST	1/15/2024	1/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
INTEREST	1/15/2024	1/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
INTEREST	1/15/2024	1/15/2024	185,089.39	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	58.61		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST	1/15/2024	1/15/2024	2,200,000.00	87612EBM7	TARGET CORP CORP NOTES	1.95%	1/15/2027	21,450.00		
INTEREST	1/15/2024	1/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
INTEREST	1/15/2024	1/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
INTEREST	1/17/2024	1/17/2024	3,000,000.00	21684LGS5	COOPERAT RABOBANK UA/NY CERT	5.08%	7/17/2026	74,930.00		
INTEREST	1/18/2024	1/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
INTEREST	1/21/2024	1/21/2024	138,037.56	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	31.06		
INTEREST	1/27/2024	1/27/2024	2,125,000.00	459200KT7	IBM CORP NOTES (CALLABLE)	4.15%	7/27/2027	44,093.75		
INTEREST	1/28/2024	1/28/2024	3,925,000.00	06406RAQ0	BANK OF NY MELLON CORP	0.75%	1/28/2026	14,718.75		
INTEREST	1/29/2024	1/29/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	59,662.50		
INTEREST	1/31/2024	1/31/2024	22,060,000.00	91282CBH3	US TREASURY NOTES	0.37%	1/31/2026	41,362.50		
INTEREST	1/31/2024	1/31/2024	2,530,000.00	91282CFB2	US TREASURY NOTES	2.75%	7/31/2027	34,787.50		
INTEREST	1/31/2024	1/31/2024	3,450,000.00	91282CHQ7	US TREASURY NOTES	4.12%	7/31/2028	71,156.25		
INTEREST	2/1/2024	2/1/2024	3,440,000.00	00724PAC3	ADOBE INC (CALLABLE) CORP NOTE	2.15%	2/1/2027	36,980.00		
INTEREST	2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			1,799.64		
INTEREST	2/1/2024	2/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
INTEREST	2/1/2024	2/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
INTEREST	2/1/2024	2/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
INTEREST	2/1/2024	2/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST	2/3/2024	2/3/2024	2,460,000.00	89788MAC6	TRUIST FINANCIAL CORP NOTES	1.12%	8/3/2027	13,837.50		
INTEREST	2/6/2024	2/6/2024	440,000.00	857477BR3	STATE STREET CORP (CALLABLE)	1.74%	2/6/2026	3,841.20		
INTEREST	2/7/2024	2/7/2024	4,495,000.00	94988J6D4	WELLS FARGO BANK NA BANK NOTES	5.45%	8/7/2026	121,127.76		
INTEREST	2/8/2024	2/8/2024	2,895,000.00	594918BR4	MICROSOFT CORP (CALLABLE) NOTES	2.40%	8/8/2026	34,740.00		
INTEREST	2/12/2024	2/12/2024	1,100,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	8,250.00		
INTEREST	2/15/2024	2/15/2024	315,476.88	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	194.54		
INTEREST	2/15/2024	2/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
INTEREST	2/15/2024	2/15/2024	3,950,000.00	9128282R0	US TREASURY NOTES	2.25%	8/15/2027	44,437.50		
INTEREST	2/15/2024	2/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
INTEREST	2/15/2024	2/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
INTEREST	2/15/2024	2/15/2024	565,637.72	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	202.69		
INTEREST	2/15/2024	2/15/2024	280,123.93	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	93.37		
INTEREST	2/15/2024	2/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
INTEREST	2/15/2024	2/15/2024	156,468.10	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	49.55		
INTEREST	2/15/2024	2/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		
INTEREST	2/15/2024	2/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
INTEREST	2/15/2024	2/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
INTEREST	2/15/2024	2/15/2024	115,679.24	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	32.78		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST	2/15/2024	2/15/2024	358,319.07	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	155.27		
INTEREST	2/15/2024	2/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	5,836.25		
INTEREST	2/15/2024	2/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
INTEREST	2/15/2024	2/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
INTEREST	2/16/2024	2/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,230.69		
INTEREST	2/18/2024	2/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
INTEREST	2/18/2024	2/18/2024	1,985,000.00	06428CAA2	BANK OF AMERICA NA CORPORATE	5.52%	8/18/2026	54,845.55		
INTEREST	2/21/2024	2/21/2024	109,570.63	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	24.65		
INTEREST	2/24/2024	2/24/2024	1,880,000.00	46647PCW4	JPMORGAN CHASE CORP NOTES	2.94%	2/24/2028	27,701.80		
INTEREST	2/25/2024	2/25/2024	9,625,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	18,046.88		
INTEREST	2/29/2024	2/29/2024	7,195,000.00	91282CBQ3	US TREASURY NOTES	0.50%	2/28/2026	17,987.50		
INTEREST	2/29/2024	2/29/2024	6,000,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	120,000.00		
INTEREST	3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			771.45		
INTEREST	3/1/2024	3/25/2024	1,635,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	6,812.50		
INTEREST	3/1/2024	3/25/2024	3,375,000.00	3137HBPD0	FHMS K515 A2	5.40%	1/1/2029	15,187.50		
INTEREST	3/1/2024	3/25/2024	3,500,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	13,825.00		
INTEREST	3/1/2024	3/25/2024	2,020,000.00	3137HBLV4	FHMS K514 A2	4.57%	12/1/2028	7,696.20		
INTEREST	3/1/2024	3/25/2024	1,850,000.00	3137HBFY5	FHMS K513 A2	4.72%	12/1/2028	7,282.83		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST	3/1/2024	3/25/2024	1,800,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	7,290.00		
INTEREST	3/11/2024	3/11/2024	1,725,000.00	89236TLB9	TOYOTA MOTOR CREDIT CORP	5.25%	9/11/2028	45,281.25		
INTEREST	3/14/2024	3/14/2024	3,370,000.00	437076BT8	HOME DEPOT INC CORP NOTES	2.80%	9/14/2027	47,180.00		
INTEREST	3/15/2024	3/15/2024	1,175,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	4,876.25		
INTEREST	3/15/2024	3/15/2024	3,045,000.00	161571HV9	CHAIT 2024-A1 A	4.60%	1/15/2027	11,672.50		
INTEREST	3/15/2024	3/15/2024	890,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	4,108.83		
INTEREST	3/15/2024	3/15/2024	600,000.00	89231FAD2	TAOT 2023-C A3	5.16%	4/17/2028	2,580.00		
INTEREST	3/15/2024	3/15/2024	835,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	403.58		
INTEREST	3/15/2024	3/15/2024	128,123.26	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	40.57		
INTEREST	3/15/2024	3/15/2024	318,322.91	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	137.94		
INTEREST	3/15/2024	3/15/2024	288,836.63	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	178.12		
INTEREST	3/15/2024	3/15/2024	99,375.67	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	28.16		
INTEREST	3/15/2024	3/15/2024	513,298.13	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	183.93		
INTEREST	3/15/2024	3/15/2024	1,255,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	5,783.46		
INTEREST	3/15/2024	3/15/2024	775,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	3,410.00		
INTEREST	3/15/2024	3/15/2024	259,584.68	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	86.53		
INTEREST	3/15/2024	3/15/2024	2,110,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	9,723.58		
INTEREST	3/15/2024	3/15/2024	605,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	2,793.08		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST	3/15/2024	3/15/2024	2,315,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	11,073.42		
INTEREST	3/16/2024	3/16/2024	315,000.00	36268GAD7	GMCAR 2024-1 A3	4.85%	12/18/2028	1,273.13		
INTEREST	3/17/2024	3/17/2024	5,365,000.00	931142ER0	WAL MART INC CORP NOTES	1.05%	9/17/2026	28,166.25		
INTEREST	3/18/2024	3/18/2024	1,930,000.00	43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	8,701.08		
INTEREST	3/21/2024	3/21/2024	81,371.45	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	18.31		
INTEREST	3/23/2024	3/23/2024	12,405,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/2025	23,259.38		
INTEREST	3/31/2024	3/31/2024	1,800,000.00	91282CFM8	US TREASURY NOTES	4.12%	9/30/2027	37,125.00		
INTEREST	3/31/2024	3/31/2024	9,235,000.00	91282CCZ2	US TREASURY NOTES	0.87%	9/30/2026	40,403.13		
INTEREST	3/31/2024	3/31/2024	3,315,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	4,143.75		
INTEREST	3/31/2024	3/31/2024	4,685,000.00	91282CBT7	US TREASURY NOTES	0.75%	3/31/2026	17,568.75		
PAYDOWN	1/15/2024	1/15/2024	15,606.58	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,606.58		
PAYDOWN	1/15/2024	1/15/2024	39,928.85	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,928.85		
PAYDOWN	1/15/2024	1/15/2024	28,621.29	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,621.29		
PAYDOWN	1/15/2024	1/15/2024	26,857.04	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	26,857.04		
PAYDOWN	1/15/2024	1/15/2024	26,327.59	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,327.59		
PAYDOWN	1/15/2024	1/15/2024	49,314.92	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	49,314.92		
PAYDOWN	1/21/2024	1/21/2024	28,466.93	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,466.93		
PAYDOWN	2/15/2024	2/15/2024	39,996.16	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39,996.16		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
PAYDOWN	2/15/2024	2/15/2024	16,303.57	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	16,303.57		
PAYDOWN	2/15/2024	2/15/2024	28,344.84	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	28,344.84		
PAYDOWN	2/15/2024	2/15/2024	52,339.59	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	52,339.59		
PAYDOWN	2/15/2024	2/15/2024	26,640.25	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	26,640.25		
PAYDOWN	2/15/2024	2/15/2024	20,539.25	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	20,539.25		
PAYDOWN	2/21/2024	2/21/2024	28,199.18	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	28,199.18		
PAYDOWN	3/15/2024	3/15/2024	27,204.42	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	27,204.42		
PAYDOWN	3/15/2024	3/15/2024	47,913.37	89239BAC5	TAOT 2021-C A3	0.43%	1/15/2026	47,913.37		
PAYDOWN	3/15/2024	3/15/2024	25,398.38	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	25,398.38		
PAYDOWN	3/15/2024	3/15/2024	37,548.20	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	37,548.20		
PAYDOWN	3/15/2024	3/15/2024	19,895.67	12598AAC4	CNH 2021-A A3	0.40%	12/15/2025	19,895.67		
PAYDOWN	3/15/2024	3/15/2024	15,895.50	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	15,895.50		
PAYDOWN	3/21/2024	3/21/2024	27,214.12	43813GAC5	HAROT 2021-1 A3	0.27%	4/21/2025	27,214.12		
SELL	1/2/2024	1/3/2024	5,285,000.00	9128284Z0	US TREASURY NOTES	2.75%	8/31/2025	5,190,604.59		-238,526.85
SELL	1/12/2024	1/17/2024	2,320,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	2,177,396.09		-134,831.49
SELL	1/22/2024	1/25/2024	2,650,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	2,590,967.65		-92,892.52
SELL	1/22/2024	1/25/2024	565,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	550,295.74		-21,113.47
SELL	1/25/2024	1/31/2024	1,480,000.00	912828YV6	US TREASURY NOTES	1.50%	11/30/2024	1,443,060.66		-53,832.81

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
SELL	1/25/2024	1/31/2024	1,400,000.00	3137EAEP0	FREDDIE MAC NOTES	1.50%	2/12/2025	1,364,260.33		-47,338.67
SELL	2/5/2024	2/8/2024	2,185,000.00	91282CAM3	US TREASURY NOTES	0.25%	9/30/2025	2,038,528.79		-133,567.60
SELL	2/13/2024	2/14/2024	3,495,000.00	91282CAJ0	US TREASURY NOTES	0.25%	8/31/2025	3,264,461.42		-220,213.41
SELL	2/16/2024	2/22/2024	3,150,000.00	57636QAN4	MASTERCARD INC CORP NOTES	2.00%	3/3/2025	3,085,138.00		-128,943.09
SELL	3/4/2024	3/5/2024	1,950,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	1,924,037.87		697.57
SELL	3/4/2024	3/5/2024	2,815,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,777,521.35		367.94
SELL	3/4/2024	3/5/2024	4,235,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	4,178,615.59		1,674.79
SELL	3/4/2024	3/5/2024	17,400,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	17,168,337.99		-640.47
SELL	3/4/2024	3/5/2024	3,000,000.00	91282CCG4	US TREASURY NOTES	0.25%	6/15/2024	2,960,058.28		-179.10
SELL	3/4/2024	3/7/2024	3,225,000.00	458140AS9	INTEL CORP NOTES (CALLABLE)	3.70%	7/29/2025	3,170,128.42		-30,532.69
SELL	3/11/2024	3/14/2024	3,335,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	3,132,792.00		-197,276.88
SELL	3/20/2024	3/21/2024	940,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	882,228.38		-56,471.13
SELL	3/20/2024	3/21/2024	5,350,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	5,021,193.46		-326,762.54
SELL	3/21/2024	3/25/2024	1,700,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	1,691,266.25		-11,451.30
TOTALS			**360,000,142.77**					**147,773,022.65**		**-1,691,833.72**

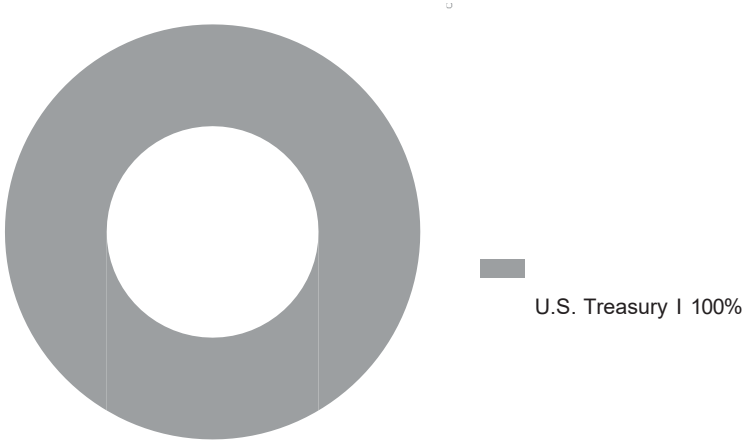
Portfolio Review:
SAMPLE CLIENT AUTHORITY

Portfolio Snapshot - SAMPLE CLIENT AUTHORITY1

Portfolio Statistics

Total Market Value	$1,082,712.59
Securities Sub-Total	*$1,025,804.08*
Accrued Interest	*$9,028.23*
Cash	*$47,880.28*
Portfolio Effective Duration	1.47 years
Yield At Cost	4.68%
Yield At Market	4.86%
Portfolio Credit Quality	AA

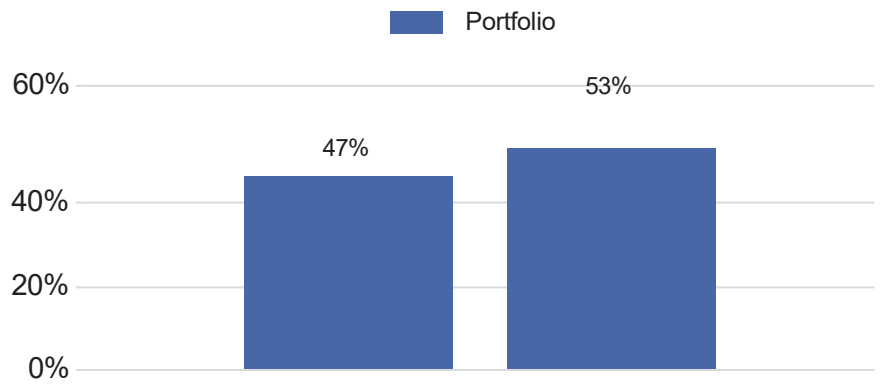
Sector Allocation



Credit Quality S&P[2]



Duration Distribution

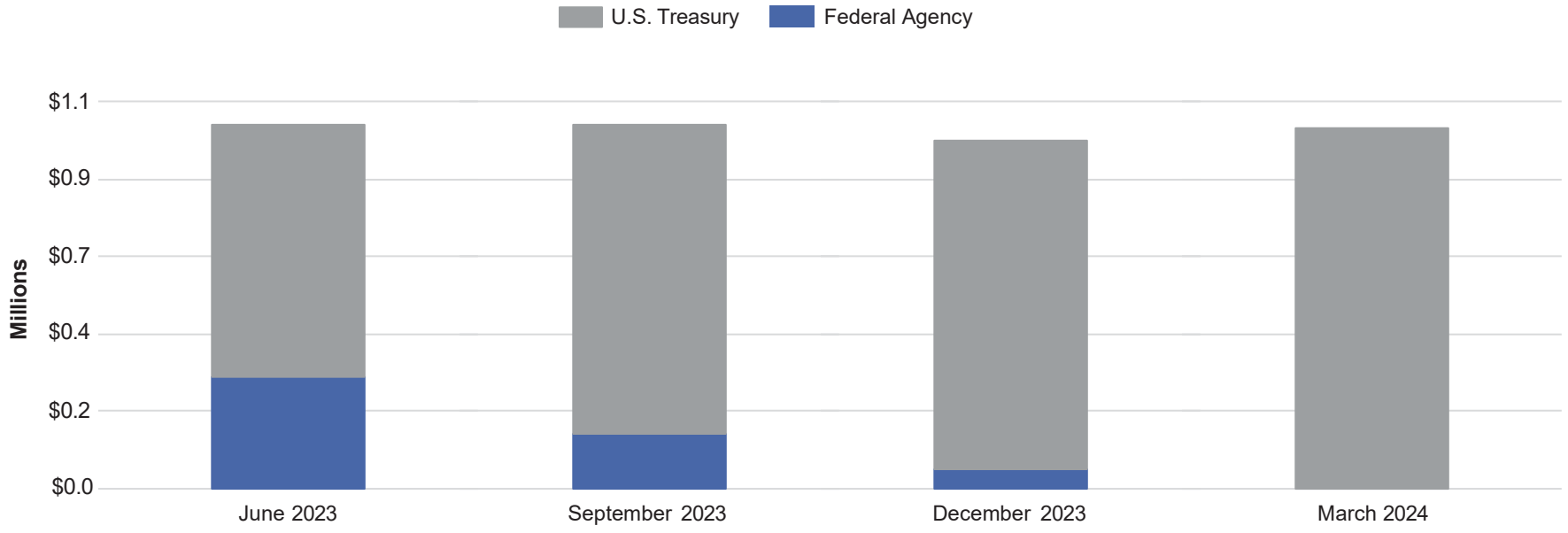


0-1 Yr 2-3 Yrs

1. *Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest.*
2. *An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.*

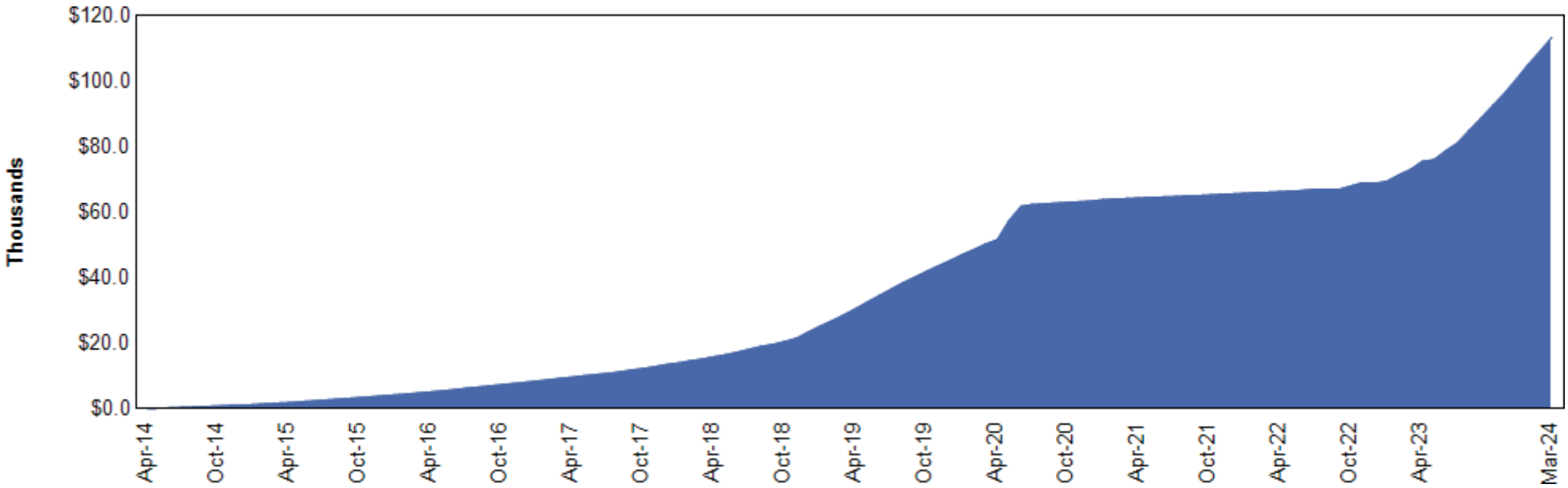
Sector Allocation Review - SAMPLE CLIENT AUTHORITY

Security Type	Jun-23	% of Total	Sep-23	% of Total	Dec-23	% of Total	Mar-24	% of Total
U.S. Treasury	$0.7	69.5%	$0.9	85.2%	$0.9	94.4%	$1.0	100.0%
Federal Agency	$0.3	30.5%	$0.2	14.8%	$0.1	5.6%	$0.0	0.0%
Total	**$1.0**	**100.0%**	**$1.0**	**100.0%**	**$1.0**	**100.0%**	**$1.0**	**100.0%**



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Accrual Basis Earnings - SAMPLE CLIENT AUTHORITY



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year1
Interest Earnedð	$7,291	$17,485	$26,358	$46,952	$80,834
Realized Gains / (Losses)3	-	($3,966)	($8,900)	$2,811	$181
Change in Amortized Cost	$5,336	$26,776	$31,677	$34,844	$32,303
Total Earnings	**$12,626**	**$40,295**	**$49,135**	**$84,608**	**$113,317**

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2005.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains 1 (losses) are shown on an amortized cost basis.

Issuer Distribution
As of March 31, 2024

Issuer	Market Value ($)	% of Portfolio
UNITED STATES TREASURY	1,025,804	100.00 %
Grand Total	**1,025,804**	**100.00 %**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	100,000.00	AA+	Aaa	5/1/2023	5/2/2023	97,234.38	4.88	840.66	99,779.66	99,718.75
US TREASURY NOTES DTD 04/30/2019 2.250% 04/30/2024	9128286R6	110,000.00	AA+	Aaa	5/18/2023	5/19/2023	107,207.03	5.02	1,040.32	109,766.58	109,707.82
US TREASURY NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	110,000.00	AA+	Aaa	6/1/2023	6/2/2023	104,603.13	5.18	81.15	108,932.02	108,865.63
US TREASURY NOTES DTD 06/30/2022 3.000% 06/30/2024	91282CEX5	160,000.00	AA+	Aaa	7/6/2023	7/7/2023	156,256.25	5.48	1,213.19	159,061.46	159,100.00
US TREASURY N/B NOTES DTD 11/15/2023 4.625% 11/15/2026	91282CJK8	40,000.00	AA+	Aaa	12/1/2023	12/4/2023	40,182.81	4.46	701.37	40,163.69	40,131.25
US TREASURY N/B NOTES DTD 12/15/2023 4.375% 12/15/2026	91282CJP7	300,000.00	AA+	Aaa	1/30/2024	1/31/2024	301,746.09	4.16	3,872.95	301,650.29	299,250.00
US TREASURY N/B NOTES DTD 01/15/2024 4.000% 01/15/2027	91282CJT9	55,000.00	AA+	Aaa	1/26/2024	1/29/2024	54,755.08	4.16	465.38	54,768.59	54,346.88
US TREASURY N/B NOTES DTD 02/15/2024 4.125% 02/15/2027	91282CKA8	156,000.00	AA+	Aaa	2/29/2024	2/29/2024	154,769.06	4.41	813.21	154,803.36	154,683.75
Security Type Sub-Total		**1,031,000.00**					**1,016,753.83**	**4.68**	**9,028.23**	**1,028,925.65**	**1,025,804.08**
Managed Account Sub Total		**1,031,000.00**					**1,016,753.83**	**4.68**	**9,028.23**	**1,028,925.65**	**1,025,804.08**
Securities Sub Total		**$1,031,000.00**					**$1,016,753.83**	**4.68/**	**$9,028.23**	**$1,028,925.65**	**$1,025,804.08**
Accrued Interest											**$9,028.23**
Total Investments											**$1,034,832.31**

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
BUY									
1/26/2024	1/29/2024	55,000.00	91282CJT9	US TREASURY N/B NOTES	4.00%	1/15/2027	54,839.70	4.16%	
1/30/2024	1/31/2024	300,000.00	91282CJP7	US TREASURY N/B NOTES	4.37%	12/15/2026	303,431.54	4.16%	
2/29/2024	2/29/2024	156,000.00	91282CKA8	US TREASURY N/B NOTES	4.12%	2/15/2027	155,016.56	4.41%	
Total BUY		**511,000.00**					**513,287.80**		**0.00**
INTEREST									
1/2/2024	1/2/2024		MONEY0002	MONEY MARKET FUND			193.11		
2/1/2024	2/1/2024		MONEY0002	MONEY MARKET FUND			202.70		
3/1/2024	3/1/2024		MONEY0002	MONEY MARKET FUND			109.28		
Total INTEREST		**0.00**					**505.09**		**0.00**
MATURITY									
1/28/2024	1/28/2024	55,000.00	3130AWV56	FEDERAL HOME LOAN BANK NOTES (CALLED,OMD	5.72%	1/28/2024	56,310.83		
1/31/2024	1/31/2024	165,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	165,721.88		
1/31/2024	1/31/2024	100,000.00	91282CDV0	US TREASURY NOTES	0.87%	1/31/2024	100,437.50		
2/29/2024	2/29/2024	155,000.00	91282CEA5	US TREASURY NOTES	1.50%	2/29/2024	156,162.50		
Total MATURITY		**475,000.00**					**478,632.71**		**0.00**

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- Accrued Interest: Interest that is due on a bond or other fixed income security since the last interest payment was made.
- Agencies: Federal agency securities and/or Government-sponsored enterprises.
- Amortized Cost: The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- Asset-Backed Security: A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- Bankers' Acceptance: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- Commercial Paper: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- Contribution to Total Return: The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- Effective Duration: A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- Effective Yield: The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- FDIC: Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- Interest Rate: Interest per year divided by principal amount and expressed as a percentage.
- Market Value: The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- Maturity: The date upon which the principal or stated value of an investment becomes due and payable.
- Negotiable Certificates of Deposit: A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- Par Value: The nominal dollar face amount of a security.
- Pass-through Security: A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



Economic Update

Fedspeak: Week of 4-8

“Despite the progress in restoring balance, two important indicators point to lingering tightness in the labor market: job openings and wage growth … Job vacancies, which reached record highs in 2022, have trended lower since then, but are still quite elevated relative to pre-pandemic norms. And while we have seen measures of wage growth come down from their pandemic-era peaks, they remain above pre-Covid rates … **There's no clear need to adjust monetary policy in the very near term.”**

- New York Fed Pres. John Williams

“At this point, I think it's one [rate cut]**.** But as months pass, I may move to two or I might move to zero and we'll just have to see where the chips fall.”

- Atlanta Fed Pres. Raphael Bostic

“**We've had multiple inflation readings that were higher than we wanted … [but PCE] is the better measure** ... If we start getting better readings that show us that arc of inflation coming down ... that will make us feel a lot better about where we are ... If PCE is reinflating - we will stabilize prices … The **most important number** to be watching on the inflation front here in the immediate term **is what is happening with housing**. If that doesn't go down to something like it was pre-COVID we will have a hard time getting the overall back to target."

- Chicago Fed Pres. Austan Goolsbee

“Overall, the recent data have not materially changed my outlook, but they do highlight uncertainties related to timing, and the need for patience. This also implies that **less easing of policy this year than previously thought may be warranted** … Recent data suggest it may take more time than I had previously thought to gain greater confidence in inflation’s downward trajectory, before beginning to ease policy … **Less concern about labor market fragilities, combined with the possibility that policy is only modestly restrictive, also reduces the urgency to ease …** [I am] **in the range of two** [cuts for 2024]”

- Boston Fed Pres. Susan Collins

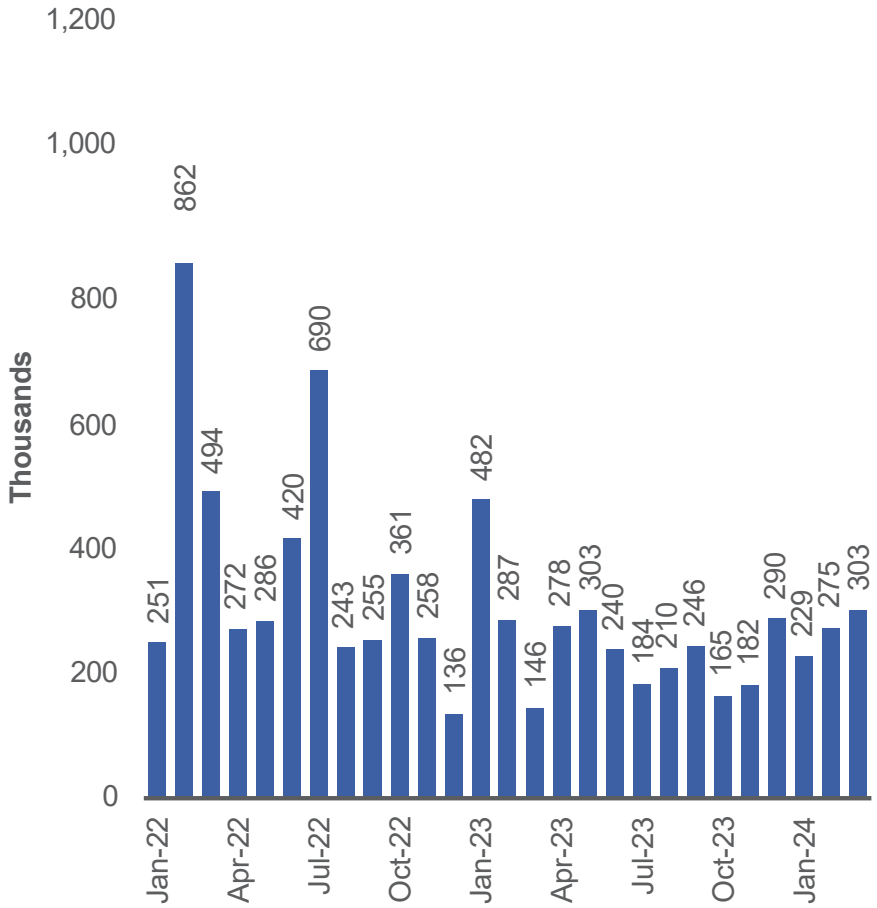
"Policy's in a good place right now, and I need to be fully confident that inflation is on track to come down to 2%, which is our definition of price stability, before we would consider a rate cut … **There's absolutely, in my mind, no urgency to adjust the policy rate."**

- San Francisco Fed Pres. Mary Daly

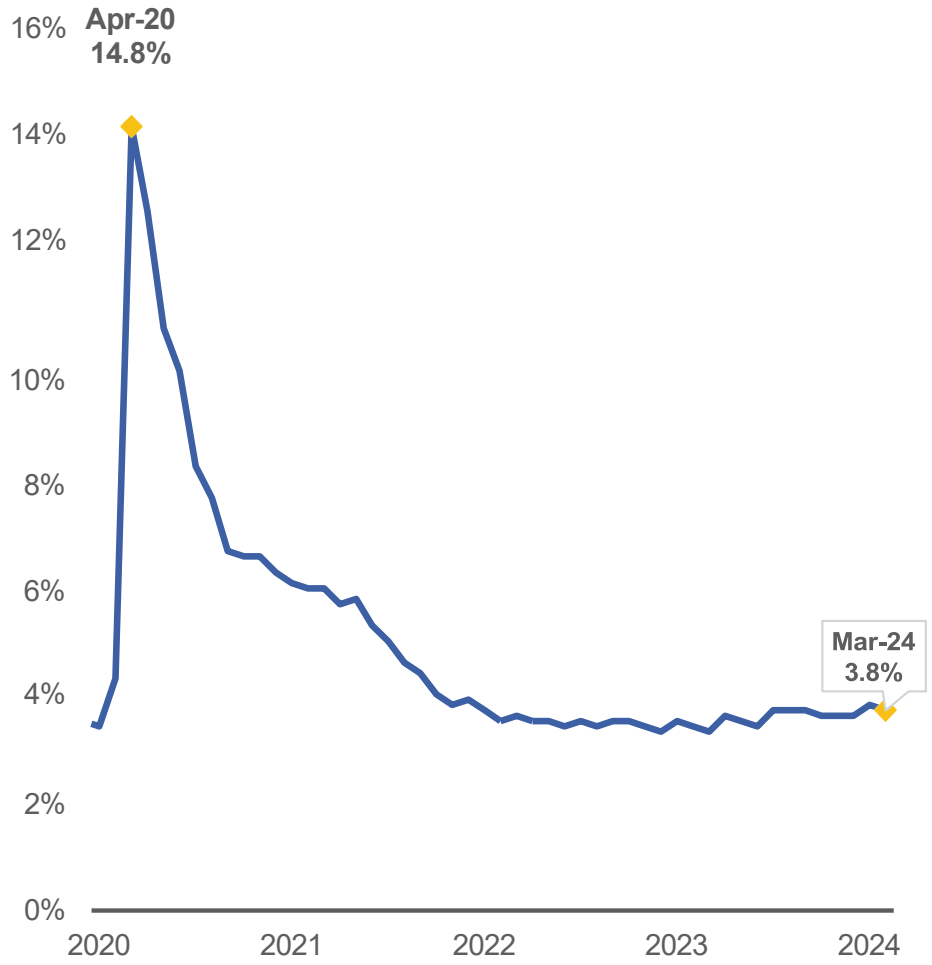
Sources: Various. Commentary from the week of April 8.

Barkin: “That’s a quite strong jobs report”

Monthly Change In Nonfarm Payrolls



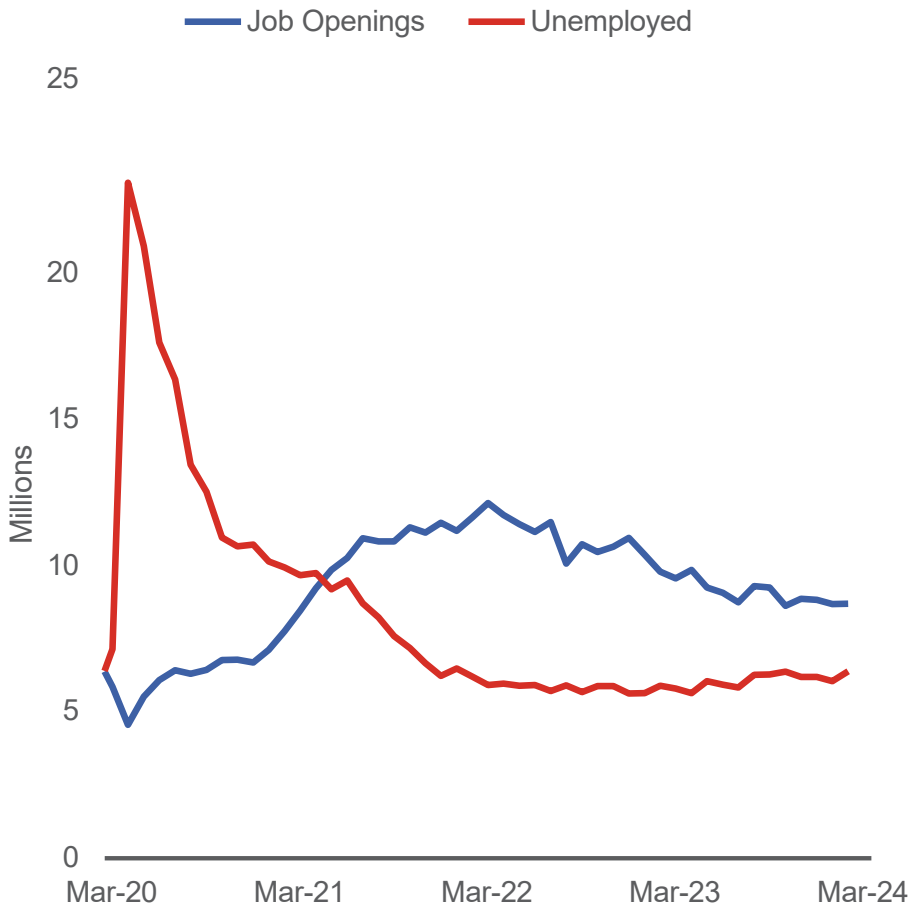
Unemployment Rate



Source: Bloomberg, as of March 2024. Data is seasonally adjusted.

Worker-Demand Gap Continues to Narrow

Job Openings vs. Unemployed Workers



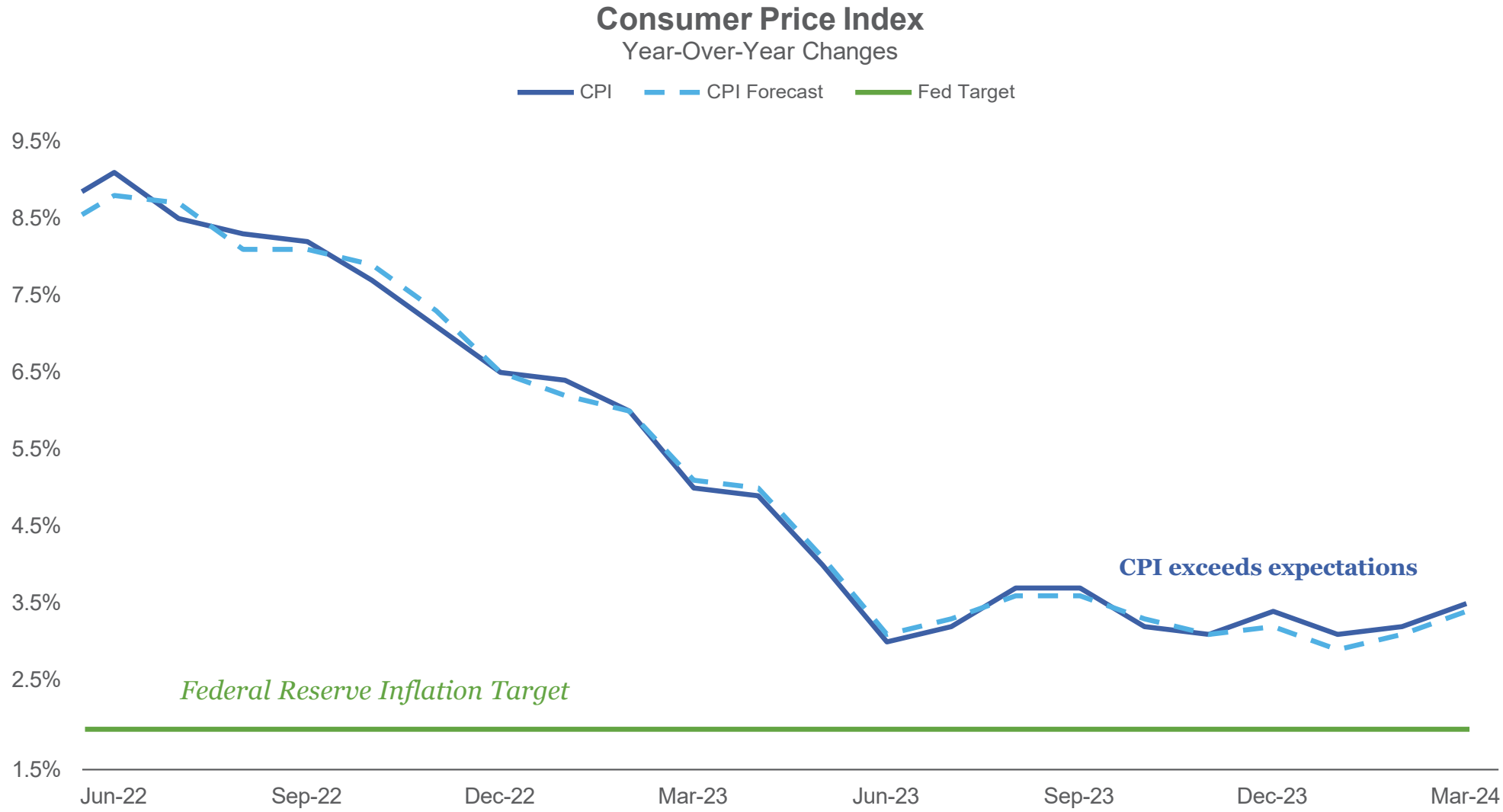
Average Hourly Earnings

MoM Change



Source: Bloomberg. Job openings as of February 2024; Monthly change in nonfarm payrolls as of March 2024. Data is seasonally adjusted.

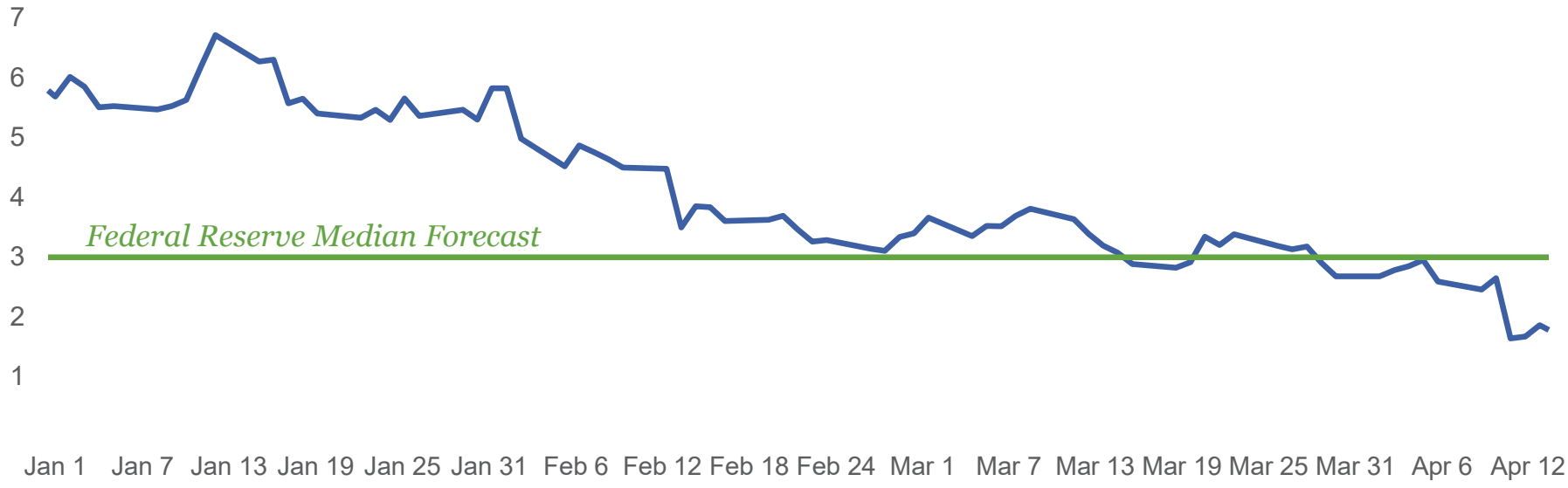
Inflation Remains Range Bound After Significant Decline in CPI in 2022 and Early 2023



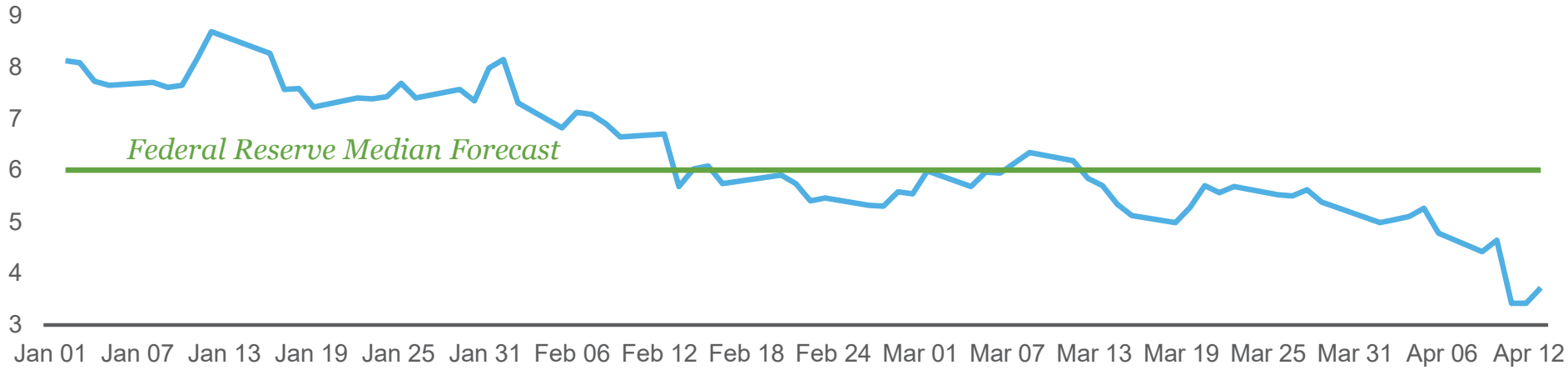
Source: Bureau of Labor Statistics and Bloomberg, as of 4/10/24

Number of Rate Cuts Continues to Trend Down

Number of Implied Rate Cuts by December 2024

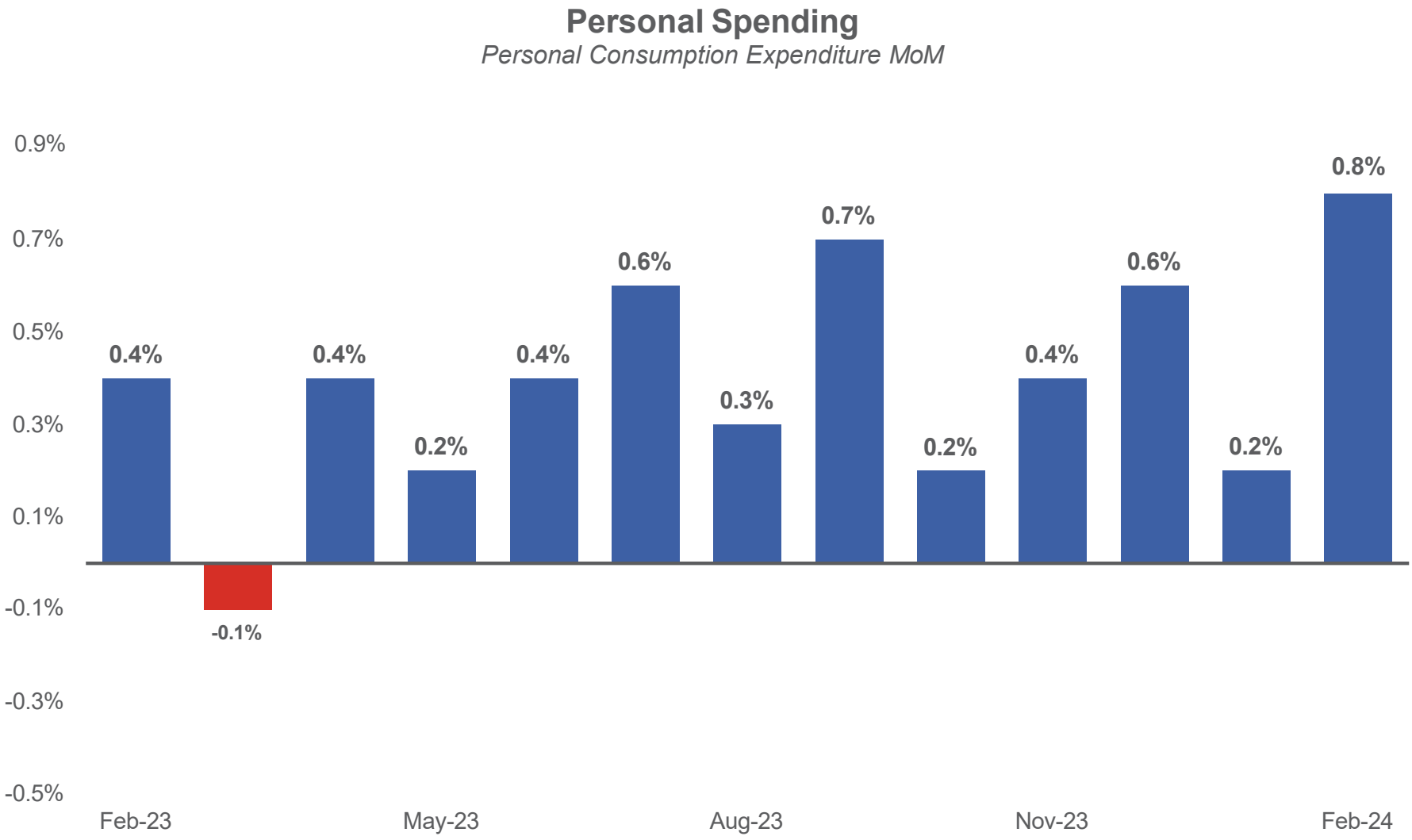


Number of Implied Rate Cuts by December 2025



Source: Institute for Supply Management; Bloomberg, as of 4/15/2024.

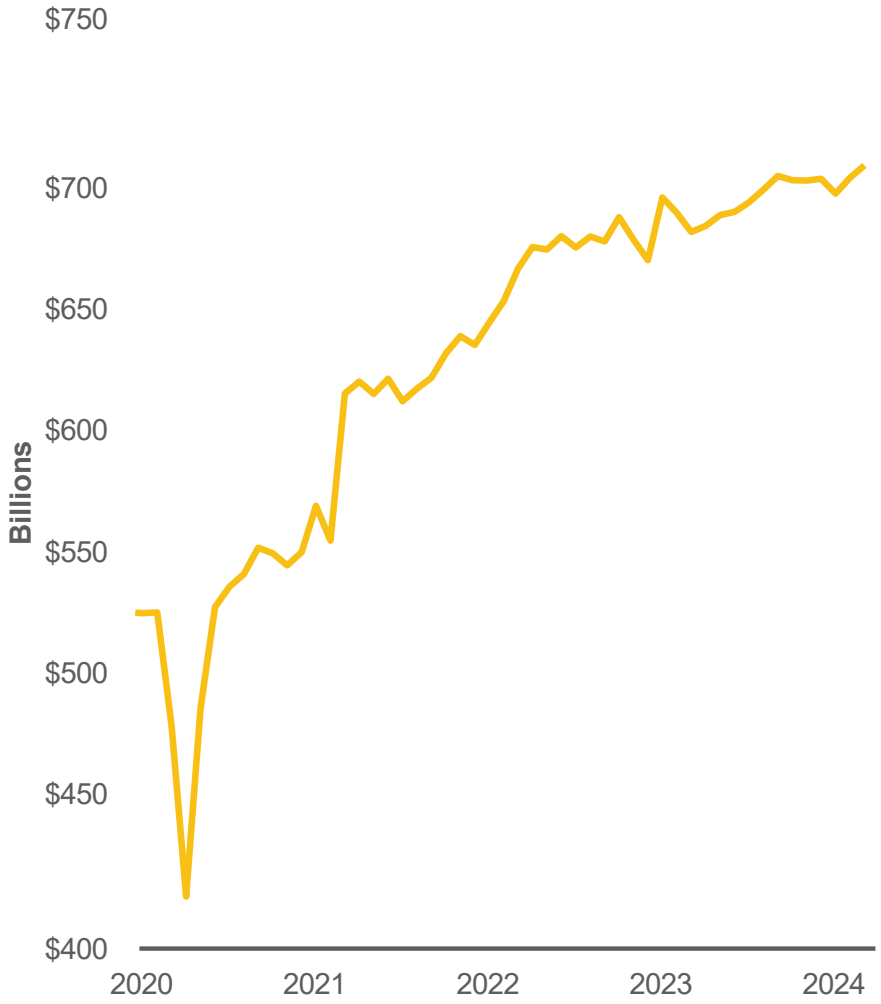
Personal Spending Exceeds Market Expectations



Source: Bloomberg, Federal Reserve, and U.S. Bureau of Economic Analysis as of February 2024.

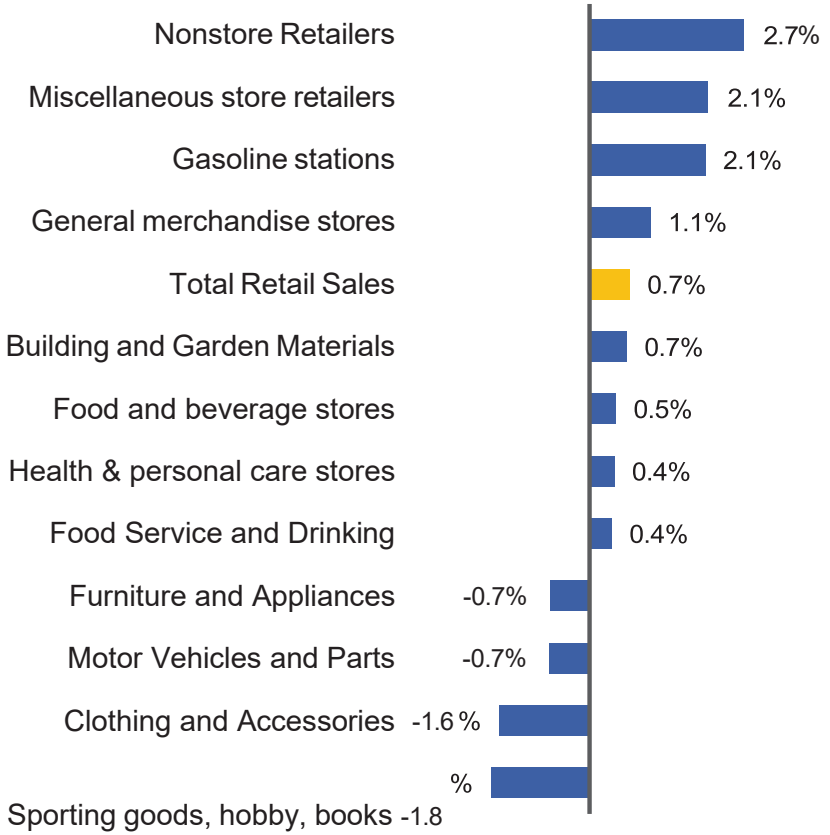
Retail Sales Tick Up More than Expected in March

Retail Sales (Monthly)



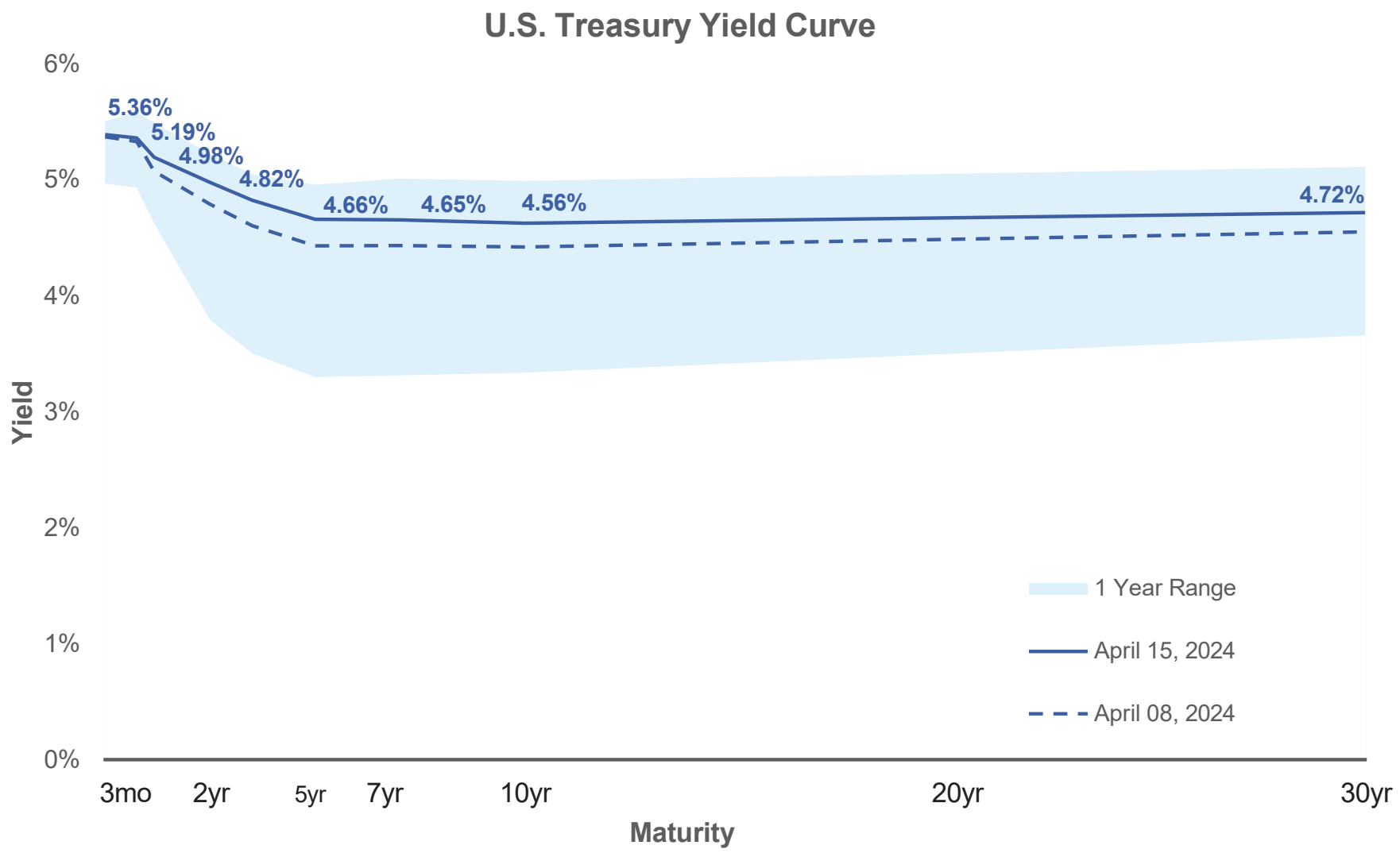
Retail Sales (Year over Year)

March 2024



Source: Bloomberg, as of March 2024.

Yields are Near Higher End of 12-Month Range



Source: Bloomberg, as of 4/15/2024.

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E. PFMAM's Proposed Exceptions

Exceptions to the RFQ

City of Yuma RFQ 24-253 – Section 7.1 (page 14 of 21)

SECTION E: Delineation of Responsibilities

E. Firm recognizes that all work completed under this contract will be considered property of the City and may be used or reproduced by the City for any purpose, unless such work is proprietary or confidential. All reports, research, calculations, and other work performed under this scope of work will become property of the City and will be delivered to the City within thirty days following completion of the work or termination of the contract.

Explanation: PFM Asset Management LLC ("PFMAM") respectfully requests the right to protect proprietary or confidential material from redistribution or public disclosure.

SECTION G: Delineation of Responsibilities

G. Immigration Compliance / Employment Verification

a) Firm warrants, ~~and shall require its sub-Firms to warrant~~, that it is in compliance with all federal immigration laws and regulations that relate to its employees directly providing services to the City under the Solicitation/Contract and with A.R.S. § 23-214 relating to verification of employment eligibility.

Explanation: The term subcontractor does not include vendors of the Firm who do not provide a service directly to the City and are not hired by Firm specifically for performance under the Solicitation/Contract.

~~**c) City retains the legal right to inspect the papers of any Firm or sub-Firm employee who works on this Agreement to ensure that the Firm or sub-Firm is complying with this warranty.**~~

Explanation: U.S. Bank does not share employee records and other jurisdictions (e.g. Colorado law 24-74-105) prohibit the bank from allowing this type of inspection and enforcement.

SECTION I: Records and Audits (Page 15 of 21)

A. Records and Audits

The Firm shall maintain accurate and complete financial records of its activities and operations relating to the Contract in accordance with generally accepted accounting principles. Upon reasonable prior notice, during the Firm's regular business hours and not more than once a year, the City, and/or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to the Contract for the purpose of reviewing compliance with the Contract. ~~All such material, including, but not limited to, architectural clearances, permits, all financial records, timecards and other employment records, and proprietary data and information, shall be turned over to the City following the final site inspection, and before a final invoice is paid~~

Explanation: PFMAM respectfully requests that audits be conducted with prior notice, during business hours, no more than once a year and for the purpose of reviewing compliance with the Contract. PFMAM requests that the last sentence be deleted as not applicable to a contract for investment management services.

Sample Contract ("Professional Services Contract")

If PFMAM is awarded the engagement, we respectfully request the inclusion of certain provisions in the resulting contract that are driven by our status as an investment adviser registered under the Investment Advisers Act of 1940 (e.g., registered adviser description; conflict of interest provision; our maintenance of books and records; and our brochure and brochure supplement [Form ADV, Parts 2A and 2B]).

Sample Contract – Section 6 (page 1 of 11)

6. Firm Personnel. Firm shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Contract. Firm agrees to assign specific individuals to key positions. Firm agrees that, upon commencement of the Services to be performed under this Contract, key personnel shall not be removed or replaced without ~~prior~~ prompt written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days or are expected to devote substantially less effort to the Services than initially anticipated, Firm shall immediately notify the City of same and shall, RFQ 24-253 Investment Management Services Page 2 of 11 Awarded Firm Revised: 2/2024 ~~subject to the concurrence of the City~~, replace such personnel with personnel possessing substantially equal ability and qualifications.

Explanation: PFMAM respectfully requests that changes to the key personnel be conditioned upon notice to City. Because PFMAM would be managing the City's investment portfolio, PFMAM is charged with daily management of the portfolio and must be able to respond immediately to changing mzcredit quality of portfolio securities and market conditions (such as those occurring at the onset of the pandemic). If making a replacement or addition is dependent upon City's written approval and PFMAM has no control over the timing of that approval process, PFMAM may be precluded from providing uninterrupted management of the portfolio. PFMAM respectfully requests that instead, PFMAM would provide City prompt notice of any replacement or addition.

Sample Contract – Section 7 (page 2 of 11)

7. [Reserved]~~Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Firm's performance. The Firm shall provide and maintain a selfinspection system that is acceptable to the City~~

Explanation: PFMAM respectfully requests that Section 7 regarding inspection and acceptance be deleted as not applicable to investment management services.

Sample Contract – Section 9 (page 2 of 11)

9. Indemnification. To the fullest extent permitted by law, Contractor shall indemnify, save and hold harmless the City, City's elected officials, officers, agents and employees (hereinafter referred to as "Indemnitee") for, from and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorney's fees and Litigation Expenses asserted by a third-party (i.e. a person or entity other than City or Contractor) to the extent caused by, in whole or in part, any negligence, recklessness, or intentional

wrongful conduct of the Contractor. ~~Contractor's directors, officers, employees, agents, representatives, or any tier of Subcontractors or any other person for whose acts, errors, fault, mistakes omissions, work or service the Contractor may be legally liable in the performance of this Contract.~~ To the fullest extent permitted by law, the City shall indemnify, save and hold harmless the Contractor, Contractor's officers, agents and employees for, from and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorney's fees and Litigation Expenses asserted by a third-party (i.e. a person or entity other than City or Contractor) to the extent caused by, in whole or in part, any negligence, recklessness, or intentional wrongful conduct of the City.

Explanation: PFMAM respectfully requests parallel indemnification and has deleted the second sentence as it cannot agree to make non-parties liable to the City under this contract.

Sample Contract – Section 10.6 (page 3 of 11)

10.6 Contract Subject to Appropriation. The City is obligated only to pay City's obligations set forth in the Contract as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Contract are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay City's Contract obligations, this Contract shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Contract. The Parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Contract in any budget in any fiscal year other than the fiscal year in which the Contract is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for City's obligations under this Contract. The City shall keep Firm informed as to the availability of funds for this Contract. The obligation of the City to make any payment pursuant to this Contract is not a general obligation or indebtedness of the City. Firm hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Contract pursuant to this section. The City agrees to provide the Provider with prompt notice of any event of non-appropriation.

Explanation: PFMAM respectfully requests that the City notify PFMAM in the event that the relevant funds become unavailable.

Sample Contract – Section 11 (page 3 of 11)

11. Insurance. Before the commencement of any services, the Firm must provide the City with certificates of insurance and formal endorsements identifying this Contract by the City's contract number and name. All required insurance policies, ~~except Workers' Compensation and Professional Liability~~ must name the City, and its employees, as Additional Insured with endorsement. The required General Liability, Automobile Liability, Workers' Compensation ~~and Professional Liability~~ insurance must contain an endorsement waiving subrogation and Firm must waive subrogation against the City. All insurance policies are subject to approval by the City. ~~All~~ The required General Liability, Automobile policies, ~~except Workers' Compensation and Professional Liability~~, must include an endorsement providing that such insurance as is afforded policies under Firm's policy is primary insurance as respects the additional insured and that any other insurance maintained by the additional insured is excess and noncontributing with the insurance required hereunder. Policies must be written on a per occurrence basis. The Firm must give the City thirty days written notice before canceling, or

terminating~~, or altering~~ any policy. The Firm's failure to furnish evidence of insurance may be considered a breach.

Sample Contract – Section 12.1 (page 4 of 11)

12.1 Independent Firm. It is clearly understood that each Party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other, except that the Firm acts as an agent when it conducts a trade of portfolio securities on behalf of the City. An employee or agent of one Party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Firm acknowledges and agrees that the Services provided under this Contract are being provided as an independent Firm, not as an employee or agent of the City. Firm, Firm's employees, and Sub-Firms are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Firm, Firm's employees, or Sub-Firms. The Firm, and not the City, shall determine the time of Firm's performance of the services provided under this Contract so long as Firm meets the requirements of Firm's agreed Scope of Work as set forth in Section 2 above and Exhibit B. Firm is neither prohibited from entering into other contracts nor prohibited from practicing Firm's profession RFQ 24-253 Investment Management Services Page 5 of 11 Awarded Firm Revised: 2/2024 elsewhere. City and Firm do not intend to, nor will they combine business operations under this Contract.

Explanation: PFMAM respectfully notes that if it is otherwise conducting trades of portfolio securities on behalf of the City, it would be doing so as **agent** of the City and would bind the City to such purchase or sale.

Sample Contract – Section 12.8 (page 6 of 11)

12.8 Assignment; Delegation. No right or interest in this Contract shall be assigned or delegated by Firm without prior, written permission of the City, signed by the City Administrator, except if the rights and obligations of the Firm are assigned to the Firm's parent company, U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser, provided, however, that the City be provided seven (7) days' prior written notice of such assignment. Any attempted assignment or delegation by Firm in violation of this provision shall be a breach of this Contract by Firm. The requirements of this Contract are binding upon the heirs, executors, administrators, successors, and assigns of both Parties.

Explanation: PFMAM respectfully requests to negotiate the language in any resulting contract to permit PFMAM to assign the resulting contract to either PFMAM's parent company, U.S. Bancorp Asset Management, Inc., or any other U.S. Bancorp affiliated registered investment adviser upon notice to the City.

Sample Contract – Section 12.17 (page 7 of 11)

12.17 E-Verify Requirements. To the extent applicable under Arizona Revised Statutes ("A.R.S.") § 41-4401, the Firm ~~and Firm's subFirms warrant compliance, and are contractually obligated to~~ will comply, with all federal immigration laws and regulations that relate to their employees and their compliance with the E-Verify requirements under A.R.S. § 23-214(A) ("Immigration Warranty"). Firm's ~~or Firm's subFirm's~~ failure to comply with Immigration Warranty shall be deemed a material breach of this Contract and may subject Firm 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 all Firm personnel who provide services under this Contract to ensure that Firm or Firm's subFirms are complying with the Immigration Warranty. Firm agrees to assist the City in regard to any such inspections. The City may, at City's sole discretion, conduct random verification of the employment records of Firm and any subFirm to ensure compliance~~

~~**with the Immigration Warranty. Firm agrees to assist the City in regard to any random verification performed.**~~

Neither Firm nor any subFirm will be deemed to have materially breached the Firm Immigration Warranty if Firm or subFirm 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).

Explanation: The term Sub-Firm does not include vendors of the Firm who do not provide a service directly to the city and are not hired by Firm specifically for performance under the Contract.

The 2nd paragraph needs to be struck since (1) U.S. Bank does not share employee records and (2) other jurisdictions (e.g. Colorado law 24-74-105) prohibits the bank from allowing this type of inspection and enforcement. "

Addenda Acknowledgement Form

Solicitation addenda are posted on the
City of Yuma Bonfire Procurement Portal identified as:

Ref #: RFQ-24-253

Project: Investment Management Services

It is the responsibility of the Responder to check the Yuma Procurement Portal for any addenda to the solicitation.

Responders must acknowledge any and all solicitation addenda issued to include the date of the addenda. Written acknowledgement is material term of the bidding contract and a material consideration for the awarding of any contract. The Responder's signature(s) below confirms receipt and consideration of the information contained in the addenda. If no addenda were issued, indicate as such by signing at the bottom of the page and upload to the Yuma Procurement Portal. Failure to meet this material term results in a non-responsive bid and will not be considered for evaluation and award.

company Name: PFM Asset Management LLC

	Dated	***Acknowledgement/Signature***
Addendum #1	05/13/2024	Luke Schneider g ! ˡr - 2 o'. ;;;i ;ig;
Addendum #2	05/20/2024	Luke Schneider :: : :;gned by Leke Date: 2024.05.21 04:23:41 -07'()0'
Addendum #3	05/20/2024	Luke Schneider D Hally ,.;gned by Leko Schno•do, D.ate: 2024.05.21 04:23:56-07'00'
Addendum #4		
Addendum #5		
Addendum #6		
Addendum #7		
Addendum #8		
Addendum #9		
Addendum #1O		

No Addenda were issued as part of this solicitation.

Signature Date

Upload this completed and signed document to the
Yuma Procurement Portal for the associated solicitation.

Certification Form

Ref #: RFQ-24-253

Project: Investment Management Services

Submission of Response: Undersigned hereby offers and agrees to provide goods and/or services in compliance with all the solicitation documents as indicated by the latest dated version below:

Offer Date: 05/28/24

PFM Asset Management LLC	(480) 293-2344
Responder Company Name	Contact Phone #
1101 W. Washington St.	Luke Schneider
Address	Printed Name
Tempe, AZ 85288	Managing Director
City, State, Zip	Title
schneiderl@pfmam.com	X Luke Schneider Digitally signed by Luke Schneider Date: 2024.05.23 13:18:12-07'00'
Contact Email Address	Signature of Person Authorized to Sign Offer

By signature in the Offer section above, the Respondent certifies:

1. The Respondent will not discriminate against any employee, or applicant for employment in violation of Federal Executive Order 11246 or A.RS.§ 31-1461 Et. Seq.
2. The Respondent has not given, offered to give, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted bid.
3. The Respondent submitting the Certification Form hereby certifies that the individual signing this form is an authorized agent for the company/firm and has the authority to bind the Respondent and the contract.

Upload this completed and signed document to the Yuma Procurement Portal for the associated solicitation.

CITY OF YUMA
Request For Qualifications
Investment Management Services

RFQ-24-253
Attachment A

Company Name: PFM Asset Management
Completed By: Luke Schneider, CFA

List Projects/Conracts below that have been processed by your firm in regards to **Investment Management Services. Include one reference from a State or Municipality project.**

	Name of Agency/Company	Project Name	Project Description	Project Cost	Contact Name	Title	Email Address	Phone #
1.	Town of Gilbert	Investment Advisory Services	Investment Advisory Services	N/A	Hakon Johanson	Director of Finance	Hakon.Johanson@gilbertaz.gov	480.503.6902
2.	City of Mesa	Investment Advisory Services	Investment Advisory Services	N/A	Michael Kennington	Manager/Chief Financial Officer ("CFO")	Michael.Kennington@mesaaz.gov	480.644.3606
3.	City of Peoria	Investment Advisory Services	Investment Advisory Services	N/A	Sean Kindell	CFO	sean.kindell@peoriaaz.gov	623.773.7819
4.	City of Tempe	Investment Advisory Services	Investment Advisory Services	N/A	Lisette Camacho	Financial Services Director	lisette_camacho@tempe.gov	480.350.8504
5.	City of Tucson	Investment Advisory Services	Investment Advisory Services	N/A	Angele Ozoemelam	Business Services Director	Angele.Ozoemelam@tucsonaz.gov	520.837.4384
6.	City of Chandler	Investment Advisory Services	Investment Advisory Services	N/A	Dawn Lang	CFO	dawn.lang@chandleraz.gov	480.782.2255
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								

EXHIBIT 8
TO
PROFESSIONAL SERVICES CONTRACT
BETWEEN
THE CITY OF YUMA
AND
PFM ASSET MANAGEMENT LLC

[Scope of Work]

See following page(s).

Scope of Work

A. Provide investment services in a comprehensive manner to handle the day-to-day administration of the City's investment portfolio.

PFMAM is proposing an investment program built on our five-step plan to help ensure the City's investment program rests on a strong foundation and follows a disciplined process.

1. Initial Review

At the beginning of the engagement, we will meet with the City's staff to review the scope of the engagement, key project milestones, and review the City's Investment Policy and guidelines in depth.

Where appropriate, we will provide policy recommendations for the City's consideration. If the City is willing to segment the portfolio and identify a "core" portfolio, we would also discuss the potential risk and return that is associated with a slightly longer weighted average maturity. Meanwhile, the "liquidity" allocation would have a shorter weighted average maturity target. The consideration of longer-term investment strategies has historically shown to be the best way to enhance returns and reduce income volatility through market and budgetary cycles. However, long-term investing exposes a portfolio to different types of investment risk. The actual maximum maturity and/or average maturity requirement for any security type or for a portfolio should be set around the City's risk aversion.

2. *Liquidity Analysis*

In conjunction with recommendations for modifications to the Investment Policy, we will work with staff to analyze historical cash flow patterns and consider any significant forecastable changes to liquidity needs. This cash flow analysis will help us confirm the City's "core" portfolio and understand any extra liquidity the City may want to maintain for unforeseen circumstances. In rising interest rate environments, as we are currently experiencing, there is increased opportunity cost associated with excess liquidity as short-term money market instruments (T-bills, agency discount notes, commercial paper, etc.) become attractive alternatives to liquid investments and deposits. We will work with the City to obtain a thorough and ongoing evaluation of cash flow expectations and provide recommendations to the City to proactively utilize these securities with the goal of increasing the portfolio's overall income potential.

3. Investment Strategy Development

Based on the information developed from the discussions above, we will meet with the City's staff to formulate an investment strategy for each of the liquidity and core allocations for the City's portfolios. We will review potential strategies with the City to determine the approach that best meets its specific investment objectives and constraints including a careful consideration of the City's tolerance for interest rate and credit risk. The strategy development process is unique to each of the City's funds, as their related cash flow expectations and use of funds vary. The nuances will be considered, and we will work with the City to determine the

appropriate performance benchmark for each of the managed funds. The finer points of the strategy-such as sector allocation targets-will be dependent on current market conditions and our assessment of relative value.

4. Portfolio Management and Monitoring

PFMAM's objective is to (1) ensure the safety of principal, (2) provide needed liquidity and within these constraints (3) maximize earnings. Our active management approach permits us to adjust the portfolio in response to changes in the cash flow needs to help ensure that funds are available as they are needed while investment returns on remaining funds are optimized. Through our extensive market presence, we have the necessary resources to undertake analysis with the objective to identify securities with the highest available yields. Moreover, we carefully monitor the markets to take advantage of investment opportunities created by market volatility.

Our portfolio management and monitoring approach entails:

- Portfolios are customized to each client's particular financial situation, investment balances, cash flow requirements, budget, and sophistication. For example, bond proceeds are managed differently from operating funds.
- Portfolios are managed as a whole, rather than as a series of individual transactions.
- Portfolios are monitored simultaneously for value-added trade ideas, and to mitigate risk in volatile markets.
- Portfolio characteristics such as duration, average maturity, credit quality and yield are designed and carefully implemented to meet each client's unique needs, policy constraints, and risk tolerance.
- Investments are evaluated both for yield/return potential and risk. Careful risk management is a constant and overriding consideration in all investment decisions.
- We regularly analyze investment alternatives and decide which sectors/maturities have value and then shop for them, rather than responding to broker pitches for what is "hot."
- Every effort is made to competitively bid trades to a minimum of three to five (when available) carefully selected brokers to seek best pricing.
- Trades are processed through Bloomberg Asset and Investment Manager ("AIM"), which performs a compliance check before each trade, after each trade, and at the end of each day for every portfolio.
- Straight-through processing from trading to settlement to accounting, which helps ensures timely and accurate trading and accounting.

5. Accounting and Reporting

PFMAM will maintain accurate records of all investments under our management. Our systems and procedures are structured to accurately track all investment activity and proactively identify any discrepancies and quickly correct them. PFMAM's Accounting Group reconciles our internal records with the custodian bank to help ensure accuracy of transactions and account holdings. This reconciliation is done by accounting staff independent of the trading desk.

We will provide the City with daily, monthly, and quarterly reports to keep staff informed about all aspects of the investment program.

B. Develop investment strategies to maximize earnings while balancing the constraints of cash flow needs.

As the City's full-time investment manager on a discretionary basis, we will formulate an investment strategy for the City's investment funds; determining the asset types, maturity ranges, and credit categories offering the City what we believe to be the best value for its investment; and, will seek best execution on all trades. We will review the City's portfolio holdings and provide our observations and recommendations to the City's upon commencement of this engagement.

PFMAM will work closely with the City to construct a portfolio that simultaneously meets all of the City's specific policy requirements while seeking to ensure a high degree of safety, liquidity and return. These opportunities can vary significantly over time, so an optimal portfolio a year from now might look different from one today. At all times, however, the portfolio would bear the following characteristics:

- **Safety.** PFMAM seeks to ensure the safety of funds by providing investment advice designed to strictly adhere to policy constraints on minimum credit ratings. We monitor the credit markets and, within regulatory requirements, can communicate with the City's staff on investments issued by issuers that have been included on our list of approved issuers.
- **Liquidity.** We will work with the City to understand cash flow needs, and make recommendations matched specifically to those identified needs.
- **Return.** PFMAM has developed a broad range of analytical tools and approaches that seek to maximize return safely. This involves selecting investment types that meet the City's objectives of safety and liquidity, and diversifying those investments in ways that are aimed to enhance return. Our recommendations to the City will be designed with the aim to increase yield, lower **risk,** and/or enhance future earnings.

We will maintain regular communication with the City to acquire real-time knowledge of the timing for upcoming cash flows, in order to provide proper foresight to any portfolio management decisions required to meet the City's cash needs. Using our proprietary cash flow models, we will work closely with the City's to examine and model actual historical cash flows so that we can determine optimal maturity allocations for each portfolio. Additionally, our

proprietary earnings projection tool will help the City determine expected investment earnings, which will inform the City's budgeting process, cash planning, and earnings tracking throughout the fiscal year.

C. Provide discretionary investment advisory services to help govern the City's investment portfolio, currently valued at approximately **$386MM.**

PFMAM will provide discretionary investment advisory services for the City's investment portfolio. We will actively manage the City's portfolio, seeking to take advantage of market conditions.

Our investment process for fixed income portfolios involves a combination of committee-driven strategic decisions and daily review and implementation by the assigned portfolio manager. Our Fixed Income Investment Committee ("Investment Committee") establishes key investment strategy parameters, such as duration and sector allocation targets, while the portfolio manager makes day-to-day decisions that incorporate the City's objectives, constraints and optimal portfolio structure. The portfolio management process is also informed by detailed sector reports and analysis distributed weekly by sector experts and by analytical support provided by the firm's Portfolio Strategies Group ("PSG").

To further shape how the portfolio strategy is developed and implemented, relationship managers like Annette and Luke will coordinate with our portfolio strategists and the portfolio manager. This approach allows us to provide more customized recommendations to our clients, such as cash flow considerations.

The City's portfolio management team is backed by dedicated fixed income groups that collaborate and reach consensus in a way to help ensure our clients receive our best ideas and solutions. This continual dialogue around our trading desk is informed by our:

- **Fixed Income Investment Committee -** meets formally at least once per month to review market conditions, assess relative value, review and evaluate analysis from a series of internal models, and discuss market risks and opportunities.

  The Investment Committee establishes strategic targets for portfolio duration, sector allocation preferences, yield curve placement, portfolio structure and any specific opportunities to be exploited or risks to be avoided.

- **Trading Desk -** comprises of a multi-disciplinary fixed-income trading desk which includes portfolio managers, traders, sector specialists, analysts, and PSG.

  Within the Investment Committee's strategic parameters, fixed-income portfolio managers have the flexibility to buy and sell securities to implement the strategy mandate for each portfolio, and to take advantage of market movements, relative value changes or specific opportunities. Trades must conform to our standards and limits, our Approved Issuer universe, our Approved Broker List, as well as all client investment policies and objectives.

- **Portfolio Strategies Group** - supports the analytical needs of the Investment Committee and Trading Desk in support of the investment strategy decision making framework. The group supports with portfolio oversight and the creation and implementation of specific strategies for fixed income clients.

D. Execute security purchases and/or sales with broker/dealers in **accordance with the City's Investment Policy Statement.**

Every purchase and sale of securities is competitively bid seeking to obtain the best possible execution for our clients. We typically (when available) solicit bids from a minimum of three broker-dealers and maintain complete records of all competitive pricing. PFMAM was founded on the principle of providing sound, independent advice that is solely in the best interest of our clients. Our firm executes transactions through a carefully screened set of third-party broker-dealers. Our trading volume of nearly $2.06 billion per day as of December 31, 2023, broad market access through approximately 60 national and regional broker-dealers, and security evaluation tools help our firm seek the best execution for our clients.

E. Provide monthly investments statements no later than ten (10) days after the conclusion **of any month to include, but not limited to, individual security values at both market and cost, security ratings, transaction details, investment earnings and investment portfolio summary statistics.**

PFMAM uses Connect, our password-protected Internet reporting site to deliver reports and other information to clients. Connect is available 24/7 and City staff will have real-time access to comprehensive monthly statements that detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). PFMAM's monthly statements are prepared in accordance with generally accepted accounting principles ("GAAP") and contain the required information to comply with Governmental Accounting Standards Board ("GASB") 31 and 40. Daily confirmation statements are available through Connect on the next business day. Monthly statements are available online through Connect by the fifth business day of the new month. Trade confirmations are provided electronically. Additionally, transactions can be queried and downloaded from Connect in a comma-separated values ("CSV") format or in Microsoft Excel format so that the City can easily upload this information to its own accounting systems if desired.

F. Provide monthly investment reports including a description of market conditions, investment performance and suggested changes to investment strategies.

PFMAM will provide monthly statements to the City. These will detail investment activity, earnings, the value of the investment portfolio, portfolio return, market valuations, and weighted average maturity, accrued interest by investment type, and rating of investments by S&P and Moody's. In addition, we will provide the City with a monthly market report which contains a description of market conditions and how those impact our views on investment strategies.

G. Review investment performance and recommendations with City's Director of Finance or designee on a quarterly basis. Meet with Director of Finance or designee as needed to review investment strategies.

Annette and/or Luke will meet with the City's Director of Finance or designee on a quarterly basis to review investment performance and recommendations and will also review investment strategies.

H. Provide the City with maturity analysis.

Through a series of analytical models, we identify those maturities that offer the greatest value-that is, the most amount of yield or return potential for a given amount of risk. Our analysis includes assessing the impact of extending maturity by evaluating the benefit of both higher initial yields and "roll down"-the tendency of longer maturities to appreciate as they age and shorten in maturity and are re-priced along the yield curve-a powerful force underestimated by most managers. We are happy to review these with the City at our quarterly meetings.

I. Provide credit analysis of investment instruments in portfolio.

PFMAM has a disciplined credit review process, described below, to monitor investments within the City's portfolio. We have the capabilities and internal research to assist, upon request, in performing due diligence on broker-dealers and financial institutions, including the City's depository and custodian bank.

We believe a strong credit process, including issuer monitoring, is more important than ever as markets increasingly face global events such as the pandemic and military conflicts. PFMAM benefits from the Credit Research Group, which represents the combined resources of USBAM and PFMAM's credit analyst teams, further enhancing our time-tested credit process.

We conduct our own independent credit research and do not rely solely on rating agencies to determine the quality or suitability of any investment. Our rigorous, market-driven approach to credit analysis evaluates both the quantitative and qualitative aspects of issuers that we recommend for investments. Our credit research seeks to identify issuers that meet our credit quality standards and that offer incremental value with minimal credit risk, allowing us to safely increase yield. Our Approved Lists consist of corporate issuers, issuers of asset-backed securities ("ABS") and asset-backed commercial paper ("ABCP"), and governmental and sovereign issuers. Each credit analyst focuses on specific sectors-such as technology, financial services, and telecom-as well as individual issuers. On average, each credit analyst follows approximately 30-50 separate credits.

We deploy credit in a manner which minimizes issuer concentration risk. We believe that having a lower allocation to a broader array of names is consistent with prudent risk management practices and limits the adverse impact that any one issuer can have on a portfolio. We have put in place extensive monitoring capabilities that can identify changes in security prices, ratings, and current news for every issuer on our approved lists. Our robust

internal credit review and monitoring procedures are critical elements of the security selection process, and allocations to individual issuers are limited to ensure broad diversification.

Our credit process is fully integrated into the investment process, and all portfolio managers and traders at PFMAM are involved in the monitoring process. Any adverse events are evaluated, and appropriate action taken. This proactive monitoring function is essential to assessing credit risks and taking appropriate actions to protect client assets. The Credit Research Group will continue to monitor the City's corporate issuers. We monitor issuers in and out of our Approved Issuer universe on a continual basis in order to identify potential downgrades before they occur. If a downgrade below the level required to purchase were to occur for a security in the City's portfolio, we would (1) notify the City, (2) fully assess the issuer's credit situation and (3) recommend a course of action based on the portfolio's circumstances.

When assessing the issuer's credit stance, we first determine whether those circumstances will continue to impact the creditworthiness of an issuer. In some cases, further purchases of an issuer may be suspended until a thorough review is completed, or in more serious cases, holdings are liquidated. In cases where the credit event is likely to be a one-time event (e.g., a one-time write-off, or if the issuer was downgraded but assigned a stable outlook) and the security is still rated within policy limits, no action may be necessary. If circumstances are serious, uncertain or likely to lead to additional potential downgrades, immediate action may be taken. Considerations of a sale would include the remaining time to maturity, policy requirements regarding downgrades and the state of the market.

Fixed Income Credit Committees

The Credit Research Group performs fundamental credit research and analysis, prepares and presents formal credit reviews, makes recommendations for inclusion on various approved lists, and conducts regular monitoring of issuers. The Credit Research Group supports two formal credit committees-one for taxable/corporate securities (the "Taxable Credit Committee"), and one for public and municipal securities (the "Public Finance Credit Committee"). The primary output of these committees is a series of approved lists. These committees are responsible for approving additions and deletions of issuers and securities to the relevant approved lists, and include representatives from the Credit Research Group, the CIOs of PFMAM and USBAM, and risk management personnel. PFMAM portfolio managers and traders can only purchase issues on the appropriate approved list.

PFMAM Credit Risk Management Committee

This committee is responsible for establishing credit policies and managing credit risk in PFMAM's fixed income portfolios. It develops and approves policies and procedures related to PFMAM clients' credit exposure, monitors and performs oversight of PFMAM's aggregate fixed income credit exposure, establishes credit categories and restrictions on issuers as necessary to enhance the approved lists to manage credit risk, and develops credit strategies and portfolio management initiatives with regard to the corporate and other credit-sensitive sectors.

The additional restrictions and parameters applied to the approved lists do not rely solely on rating agencies, but rather employ a rigorous, market-driven approach that evaluates both the quantitative and qualitative aspects of issuers from the perspective of a public agency investor. We believe this process will allow us to continue to help clients successfully navigate the markets during volatile times such as the 2007-2009 credit crisis and COVID-19 pandemic.

Integration of Research Ideas

In addition to monthly Investment Committee and Credit **Risk** Committee meetings, senior investment and strategy staff, portfolio managers, and sector specialists meet regularly to discuss detailed internal research and analysis of major fixed income sectors: Treasuries, federal agencies, callable federal agencies, corporates, municipals, mortgage-backed securities ("MBS"), ABS and supranationals. During these discussions, short-term opportunities are identified, sector allocation targets are reassessed and new or unique investment ideas are vetted. Strategy discussions also take place frequently among members of the trading desk to evaluate new issues and any significant market-moving event.



J. Provide monthly/quarterly annual reporting on all government entity funds.

PFMAM will provide monthly and quarterly reporting on all government entity funds.

K. Attend three meetings per year with City staff {remote is acceptable).

Annette and/or Luke will meet with the City at least three times each year.

L. Evaluate market risk and develop strategies that minimize the impact on the portfolio.

Investment decisions are monitored and evaluated at the portfolio level through a series of daily and weekly reports used by the portfolio management team to assess portfolio duration, sector allocation, maturity structure, and performance. Performance is compared to comparable market benchmarks and dissected to determine the source of relative performance differences.

At the individual security level, all risk characteristics are monitored regularly, triggering re-evaluation if necessary. In particular, we have monitoring systems in place to immediately identify important news that might affect an issuer, as well as any rating agency actions, such as upgrades, downgrades, credit watch, or changes to ratings outlooks. In fact, our credit review process seeks to identify potential rating changes ***before*** they occur. Individual holdings are also regularly assessed from both a yield and performance perspective. All holdings within a sector are evaluated against the universe of investments in that sector to identify individual securities with the best value.

M. Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.

PFMAM can provide a statement of portfolio compliance with applicable policies and laws and the City's Investment Policy in each quarterly report. The City's portfolio holdings will be monitored daily for compliance with the City's Investment Policy and the Arizona Revised Statutes.

PFMAM uses Bloomberg Asset and Investment Manager ("AIM"), along with accounting and investment software that allows for fully customized reporting. This allows PFMAM to maintain and report on the City's account.

The senior portfolio management staff assigned to serve the City will be familiar with the City's investment parameters and the Arizona Revised Statutes.

N. Establish an appropriate performance benchmark.

It is our philosophy that a performance benchmark should reflect the client's tolerance for risk. If selected as the City's investment advisor, we will work with the City to select a performance benchmark that accurately reflects the City's investment objectives and risk-return preferences procedures.

This process will be an iterative discussion with the City's decision-makers and will include an in-depth discussion of various potential benchmarks and the risks and rewards associated with

each. Ultimately, as a result of these discussions, the City will feel confident in its selection of an appropriate benchmark that provides the appropriate balance between risk and return and also provides an accurate comparison of the performance of the City's portfolio versus the performance of the larger high-quality fixed income investment markets.

Client objectives differ widely, and may include goals such as achieving predictable income, maintaining level earnings, or enhancing growth of overall portfolio value.

With clients seeking to grow the size of their assets, they often select a total return benchmark that measures the overall growth of the portfolio. We most often assist entities with selecting total return benchmarks based on the targeted maturity range of the portfolio and the types of securities permitted by the client's investment policy. We typically utilize the ICE Bank of America ("BofA") Indexes to compare portfolio performance, as they are considered industry standards. With this backdrop, we would begin the benchmark recommendation process with either the ICE BofA 0-3, 1-3 year 0-5, or 1-5 year U.S. Treasury indexes, which are often chosen by entities with similar circumstances.

0. Indicate full understanding of Investment Policy.

PFMAM has been helping public agencies similar to the City with developing and updating their investment policies and portfolio management guidelines for more than 40 years, specifically in Arizona for more than 20 years. We understand all applicable sections of Arizona Revised Statutes that regulate the investment activities of Arizona local governments. At the beginning of the relationship, we will provide comprehensive review of the City's Investment Policy Statement ("IPS"), and we propose annual reviews thereafter. Investment policies we update are designed to enable clients to meet their objectives of safety and liquidity, while providing enough flexibility to meet performance objectives. Additionally, as an active member of the Association of Public Treasurers of the United States and Canada ("APT US&C") and Government Finance Officers Association ("GFOA"), we incorporate best practices from these public-sector organizations when developing investment policies with our clients. We will keep the City appraised of any legislative or industry changes that might impact the City's Investment Policy.

P. Ensure portfolio structure matches City objectives.

At the outset of the engagement, and annually thereafter, PFMAM will review the City's Investment Policy (the "Policy") to help ensure that it is in line with Arizona Revised Statutes, and that it is consistent with the City's tolerances for risk. We will also keep the City appraised of any legislative or industry changes that might impact the City's Policy.

We will focus on the following policy factors during our initial review of the City's Policy to customize the City's portfolio and help ensure we understand the City's risk tolerances:

- **Statement of Objectives.** Once PFMAM understands the City's goals and objectives, we will offer language suggestions to better reflect them in the Policy.

- **Permitted Investments.** PFMAM can provide the City with a risk/return analysis of Arizona Revised Statutes-permitted security types. Together, we'll identify which investment types the City is comfortable including in the Policy.
- **Investment Guidelines.** We will discuss how maturity, sector and issuer percentage limits can promote diversification for the portfolio.
- **Credit Quality.** Together with the City, we will establish minimum credit requirements and defined action steps in the event a security is downgraded.
- **Safekeeping of Assets.** GFOA best practice is that institutional investors should have a third party hold assets in custody. PFMAM works with approximately 20 custodians, including major and regional banks. Even before our acquisition by U.S. Bank, we had established a particularly strong working relationship with U.S. Bank, which serves as the independent custodian for the majority of our clients. As a result, we were able to negotiate a highly competitive fee structure for our clients.
- **Reporting of Investment Activity and Results.** We will help the City describe when and how it reviews its investment objectives, investment performance, and security transactions in order to keep stakeholders informed.

The completed investment policy will then establish investment parameters and guide our efforts to:

- **Develop and Implement the Investment Strategy.** We will work with the City to develop a long-term investment strategy that will form the framework for all investment decisions. The strategy will incorporate the City's investment policy, expected cash flow requirements and risk tolerance, and will provide enough flexibility to allow the City to meet realistic performance objectives. We will implement the investment strategy and execute transactions on behalf of the City.
- **Assist** in **Selecting Appropriate Performance Benchmark.** It is our philosophy that a performance benchmark should reflect the client's tolerance for risk and help the client determine the value of an investment advisor. We will work with the City to select a benchmark that reflects the City's investment objectives and risk-return preferences and procedures to help ensure portfolio diversification.

Q. Coordinate with City's custodian to ensure appropriate safe-keeping and reporting of investment assets.

We reconcile our internal holdings and transaction records to that of each client's custodian bank on a weekly and month-end basis to ensure accuracy of transactions and account holdings. This reconciliation is completed by PFMAM's Accounting Group, which is independent of the trading desk and includes a review of cash positions, holdings, deposits, withdrawals and security purchases and sales. Any discrepancies will be promptly reviewed and reconciled. Month-end portfolio statements are also reconciled to those of the custodian.

EXHIBITC

TO

PROFESSIONAL SERVICES CONTRACT

BETWEEN

THE CITY OF YUMA

AND

PFM ASSET MANAGEMENT LLC

[Best and Final Offer]

See following page(s)

pfm)asset management

August 5, 2024

Melinda G. Holmes, CPPO, CPPB
City of Yuma, Procurement Division
One City Plaza
Yuma, AZ 85364

RE: Best and Final Offer Response to Request for Proposals for Investment Advisor Services

Dear Ms. Holmes:

As a follow-up to the email dated July 31, 2024, PFM Asset Management LLC ("PFMAM") is pleased to submit the following Best and Final Offer to the City of Yuma (the "City").

As we discussed during our interview, we understand the City's economy, cash flow patterns and investment needs. This knowledge better positions us to help:

- Add value through a holistic review of the City's investment program;
- Identify sectors and securities that offer increased earnings potential;
- Optimize the liquidity portion of the City's portfolio with intra-fiscal year pool investments; and
- Take on day-to-day management, settlement and reporting responsibilities.

Our fee schedule for the City is included below (only applicable to the securities portfolio).

Assets Under Management	Annual Fee in Basis Points '(' bps")
On the first $100 million	7.0 bps (0.07%)
On the next $100 million	6.0 bps (0.06%)
On the next $200 million	5.0 bps (0.05%)
On all assets over $400 million	4.0 bps (0.04%)

Mz"mmum annualfee 0/$40,000 applies to all accounts.

We are offering a fee cap of $175,000 for the first year. This represents a fee of 4.375 bps (.04375%) on a portfolio of $400 Million and an approximate 24% discount to the fee schedule listed above.

Fees are charged monthly in arrears based on the daily net assets under management on an amortized cost basis, including accrued interest, for the month. This fee represents the only revenue PFMAM will receive for this engagement, and it includes all of the services described throughout our proposal response, attendance at all requested meetings, and all travel and other out-of-pocket expenses. PFMAM fees are charged on assets managed by our firm and not on bank deposits or state of Arizona LGIP balances.

Thank you for your consideration of **PFMAM's** proposal. We enjoyed meeting you at our interview and look forward to the possibility of partnering with the City on this engagement. Should you have questions about our Best and Final Offer, please contact Luke Schneider at 520.260.1574 or schneiderl@pfmam.com.

Sincerely,



Luke Schneider
Managing Director
PFM Asset Management LLC

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Sarah Langley, Public Affairs Director

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Ratification of Letter of Support: Coconino County Superintendent School Violence Prevention Program grant application

STAFF RECOMMENDED ACTION:

Retroactively approve the letter of support

Executive Summary:

City staff received a request to voice the City's support for a school safety grant application being submitted by the Coconino County Accommodation School District. The District is seeking funding through the U.S. Department of Justice's Community Oriented Policing Services (COPS) School Violence Prevention Program for FY25. This grant aims to help schools, districts, and local agencies implement safety measures that prioritize student and staff well-being. The proposal outlines a comprehensive school safety system, which includes a mass communication system integrated with direct emergency alerts to law enforcement, exterior and interior electronic door access control, a security camera network, shatterproof window film for added security, police-alerting panic buttons, enhanced exterior lighting and distress noise sensors, visitor management software, two-way radios, and handheld metal detectors.

The attached signed letter was sent to the District to include with their grant application by May 1 in order to meet the application deadline.

Financial Impact:

N/A

Policy Impact:

N/A

Previous Council Decision or Community Discussion:

N/A

Options and Alternatives to Recommended Action:

N/A

Background and History:

N/A

Connection to PBB Priorities and Objectives:

This letter of support is in alignment with the Council's Safe and Healthy PBB Objective.

Connection to Regional Plan:

N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments: Letter of Support

CITY OF
FLAGSTAFF

FLAGSTAFF CITY COUNCIL
211 West Aspen Avenue, Flagstaff, Arizona 86001
Main Line: 928-213-2000
Website: https://www.flagstaff.az.gov

U.S. Department of Justice
Office of Community Oriented Policing Services (COPS)
ATTN: School Violence Prevention Program Grant Review Committee

Re: Letter of Support – Coconino County Accommodation School District COPS School

Dear Review Committee Members,

On behalf of the Flagstaff City Council, I am pleased to provide this letter of support for the Coconino County Accommodation School District's application to the School Violence Prevention Program (SVPP) Grant for FY25. We strongly endorse their proposal, which seeks to implement essential safety improvements in the district to create a more secure learning environment for students, staff, and our community as a whole.

The total grant application requests a project funding of $682,471, with a federal grant amount of $500,000 and an applicant match of about $182,471. The safety measures proposed include a comprehensive solution that directly address current safety needs as follows:

- A mass communication system with real-time law enforcement notifications,
- Enhanced access control with electronic locking for both exterior and interior doors,
- A modern security camera system for both deterrence and rapid incident response,
- Shatterproof film for entry points, panic buttons that alert police, and improved lighting,
- A visitor management system to track and manage campus entry,
- Distress noise sensors, two-way communication radios, and metal detectors.

The anticipated impact of these enhancements is significant. By bolstering the district's ability to prevent and respond to emergencies, these systems will not only help protect students and staff but also foster a sense of security for families and the larger community.

We urge the COPS grant committee to consider the critical benefits this funding will provide. Through this partnership, we have an opportunity to prioritize the safety and well-being of our students and educators, helping them thrive in a supportive, protected environment. Thank you for your attention to this important application, and for your dedication to supporting safety initiatives in communities across the country.

Sincerely,

Becky Daggett,
Mayor, City of Flagstaff, on behalf of the Flagstaff City Council

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Amy Tressler, Building Official

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: Approve Two Cooperative Purchase Agreements for Plan Review and Building Inspection Services in a Total Amount Not to Exceed $290,000, annually.

STAFF RECOMMENDED ACTION:

1. Approve a Cooperative Purchase Contract with Shums Coda for Plan Review and Building Inspection Services in an amount not to exceed $290,000, annually;
2. Approve a Cooperative Purchase Contract with Bureau Veritas for Plan Review and Building Inspection Services in an amount not to exceed $290,000, annually; and
3. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Staff is recommending the award of two Cooperative Purchase Contracts for building permit plan review and building inspection services to allow the Building Safety Section to be able to choose which consulting firm is best suited for that type of plan review or inspection services. These Cooperative Purchase Contracts will help maintain high quality customer service by providing timely plan reviews and inspections during the peak times.

Financial Impact:

Bureau Veritas North America, Inc. ("Bureau Veritas") shall provide building permit plan review and inspection services as outlined in the scope of work. Compensation for the completion of said services shall be made in accordance with the fee schedule established by the agency, as detailed in **Exhibit B.1.**

Shums Coda ("Shums Coda") shall provide building permit plan review and inspection services as outlined in the scope of work. Compensation for the completion of said services shall be made in accordance with the fee schedule established by the agency, as detailed in **Exhibit B.1.**

Policy Impact:

Building Safety has historically used consulting services for building permit plan review and building inspections in order to maintain required permit review timeframes and timely inspection services. The Building Safety and Code Compliance Section has recently been inundated with a series of retirements and staff changes. Staff are required to meet state-mandated timelines for building permit plan review. These Cooperative Purchase Contracts provide additional resources so that Building Safety can adequately serve the public's need for building permit review and inspections while meeting state-mandated timelines.

Previous Council Decision or Community Discussion:

N/A

Options and Alternatives to Recommended Action:

1. Approve the two Cooperative Purchase Contracts for Plan Review and Building Inspection Services; or
2. Do not approve the Cooperative Purchase Contracts.

Background and History:
Building Safety utilizes consulting services during times when the City experiences a high volume of plan review submissions and staffing vacancies in order to meet plan review timelines mandated by the state. In the past, the City would solicit for these various services, the procurement team helped the safety team to identify cooperative purchase agreements from the City of Tempe. The City of Tempe conducted a competitive and open procurement process through Request for Proposal **22-002** that resulted in Contract **T24-029-05** with Contractor. By utilizing the Tempe agency contract, the City of Flagstaff is able to get services at a greater value.

Connection to PBB Priorities and Objectives:

- Safe and Healthy Community
  - Ensure the built environment is safe through the use of consistent standards as well as best practices for building and land use
- Sustainable and Innovative Infrastructure
  - Facilitate, develop, and encourage carbon-neutral energy opportunities
- Livable Community
  - Achieve a well-maintained community through comprehensive and equitable code compliance and development
- High Performing Governance
  - Serve the public by providing high-quality customer service
- Environmental Stewardship
  - Implement and enhance sustainable building practices, waste diversion programs, alternative energy programs, and multimodal transportation options

Connection to Regional Plan:

- Goal E.1. Increase energy efficiency.
- Goal E&C.2. Achieve carbon neutrality for the Flagstaff community by 2030
- Goal NH.4. All housing is safe and sanitary.

Connection to Carbon Neutrality Plan:

- CE-2 Increase renewable energy installations and usage in new buildings.
- CE-3 Support solar installations on existing residential and commercial buildings.
- BE-2 By 2030, require new homes in Flagstaff to be net zero energy homes.

Connection to 10-Year Housing Plan:

- Explore alternative models of housing and make recommendations to Council.

Attachments: Shums Coda Cooperative
Bureau Veritas Cooperative

COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-90

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 2025 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City"), and Shums Coda Associates, Inc., a California S Corporation ("Consultant").

RECITALS:

A. Consultant is a fully authorized vendor of **Plan Review and Building Inspection Services**;

B. The City of Tempe conducted a competitive and open procurement process through Request for Proposal **22-002** that resulted in Contract No. **T24-029-05** with Consultant ("Agency Contract"); and

C. The City has authority to enter into a cooperative purchase contract with Consultant utilizing the Agency Contract.

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the City and Consultant (the "Parties") agree as follows:

1. Materials and/or Services Purchased: Consultant shall provide to the City the materials and/or services, as specified in the Scope of Work attached as *Exhibit A*, and in accordance with the Agency Contract. A general description of materials and/or services being purchased is:

Plan Review and Building Inspection Services

2. Specific Requirements of City: Consultant shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Scope of Work attached as *Exhibit A*.

3. Term and Renewal: This Cooperative Purchase Contract shall be effective as of the date signed by both parties and shall continue until January 18, 2026, with an option for three (3) one (1)-year renewal periods presuming that the underlying Agency Contract has not expired or been terminated. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

4. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as *Exhibit B*, including any amendments, shall apply to this Contract as though fully set forth herein. Consultant is responsible for promptly notifying the City in writing of any changes to the Agency Contract related to changes in price or scope which must be approved by mutual written consent of the parties through a formal amendment.

5. Compensation: There are multiple vendors who may be performing similar services and the total annual budget for this work is **two-hundred ninety thousand dollars and zero cents ($290,000.00).** It is anticipated that Consultant shall be paid some portion of this amount for satisfactory performance of the work, in an amount not to exceed **two-hundred ninety thousand dollars and zero cents ($290,000.00), annually**, including fees and taxes, in accordance with the Hourly Rates identified within the Agency Contract and any subsequent amendments.

6. 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, Consultant shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

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

To the City:
Amy Tressler – Building Official
Community Development
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Amy.Tressler@flagstaffaz.gov

To Consultant:
Barbara Rice – AZ Reginal Manager
Shums Coda Associates, Inc.
5776 Stoneridge Mall Rd, Suite 150
Pleasanton, CA 94588
Barbara.rice@shumscoda.com

With a copy to:
Emily Markel – Purchasing Manager
Purchasing
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
EMarkel@flagstaffaz.gov

9. 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.

SHUMS CODA ASSOCIATES, INC:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

EXHIBIT A
SCOPE OF WORK

1. Building Inspection Services

The consultant upon request of the City shall provide International Code Council certified inspectors certified within the specific areas they will be inspecting. Experienced building inspectors will conduct inspections of all phases of construction for compliance with approved plans and all applicable codes and City Ordinances including but not limited to those relating to structural integrity, life safety, electrical, plumbing, mechanical, energy, accessibility, and site work. Contract inspection services also include enforcement of compliance with conditions of approval, and the requirements set forth on the plans for which the permit was issued. Each contract inspector shall be responsible for scheduling, attaching any additional documentation and electronically resulting their inspections in the City of Flagstaffs online permitting system.

To meet the required services, the Consultant shall supply a vehicle, office supplies, code books, cell phone, and computer. The city will provide the selected consultants with access to copies of all adopted Building Code Amendments, available data, information, reports, records and maps available in City files that may be relevant to the contracted work. Research of and the familiarity with this material shall be the responsibility of the consultant. The consultant upon request of the City shall attend meetings connected with the plan review or field inspection of the projects. Except when, and if, the workload demands otherwise, all inspections shall be conducted within the normal business hours of 7:00 am to 4:00 pm, Monday through Friday.

2. Plan Review Services

The consultant shall perform high quality reviews for both residential and commercial plans, calculations, reports and specifications for compliance with the most recently enacted rules and regulations as adopted by the Federal, State and local legislative bodies, including the City of Flagstaff adopted codes and amendments. The consultant shall receive electronic plans and supporting documentation to review within the required plan review time frames. The standard turn-around time for assigned plan reviews shall be 5-10 working days for residential projects and 7-14 days for all non-residential projects. Plan review comments shall be specific, detailed, complete, and reference plan sheet numbers and code sections where applicable. The consultant is encouraged to work directly by telephone or email with the project's applicant, engineer/architect or City of Flagstaff staff when reviewing submitted plans or subsequent corrections. Reviews shall be performed by persons who hold the appropriate International Code Council certifications for that type of project.

To meet the required services, the Consultant shall provide their own office supplies, code books, cell phone, and computer. The city will provide the selected consultants with access to copies of all adopted Building Code Amendments, available data, information, reports, records and maps available in City files that may be relevant to the contracted work. Research of and the familiarity with this material shall be the responsibility of the consultant. The consultant upon request of the City shall attend meetings connected with the plan review or field inspection of the projects.

EXHIBIT B
AGENCY CONTRACT
(attached)

1. Price Sheet - Award Notice - City of Tempe T24-029-05 (2 pages)
2. Contract – RFP # 22-002 (39 pages)
3. Vendors Offer - City of Tempe T24-029-05 Offer letter and proposal (75 pages)

Contract Award Notice

Financial Services
Procurement Office
20 E. 6th Street
Tempe, AZ 85281

Contract Number: T24-029-05
Description: Plan Review and Building Inspection Services

Issue Date: 01/19/2024

93231
Shums Coda Associates, Inc.
Attn: Christine Godinez
5776 Stoneridge Mall Road, Suite 150
Pleasanton, CA 94588
Phone: 925-463-0651
Email: Christine.godinez@shumscoda.com

Award Period
Beginning: 01/19/2024
Ending: 01/18/2026

Potential Renewals: 3, 1-Year Renewal Options

This Contract Award Notice is issued for the purchase of goods, materials and/or services as requested by the above noted solicitation/contract number. The contract shall remain in effect as noted in the award period block unless extended, renewed or canceled per terms and conditions of the solicitation.

It is to be noted that any contracted vendor document(s) that conflict with the language and requirements of the City's solicitation are not acceptable and will void the contract. In addition, contracted vendor is not to begin work or make delivery of awarded items until any and all required insurance and/or performance bonds are posted with the City Procurement Office.

If contracted vendor has a change of address for mailing payments and/or for mailing future bid solicitations, it is the vendor's responsibility to notify the City Procurement Officer identified with this contract and to ensure all such mailing address information is kept current.

Please note that your City of Tempe contract number should appear on all shipping documents, invoices and statements. Invoices are to be sent directly to the requesting department.

Award Information

Structure Type	Initial Review Hourly Rate	Second Review Hourly Rate	3rd/Addtl Review Hourly Rate
Plan Review Services			
Single-family residences, duplexes, garages and related structures	$95.00	$95.00	$95.00
Multiple Residences (apartments, condominiums)	$110.00	$110.00	$110.00
Commercial/Industrial building and other related structures	$125.00	$125.00	$125.00
High-rise mixed use residential/retail buildings	$125.00	$125.00	$125.00
Civil grading and drainage reviews	$135.00	$135.00	$135.00
Indicate any fees for expedited reviews	1.5 times hourly rate	1.5 times hourly rate	1.5 times hourly rate
Indicate any fees for deferred submittals, construction change directives and revisions	Hourly to match discipline	Hourly to match discipline	Hourly to match discipline

Turnaround Times for Review Services – Indicate your firm's turnaround times for each of the following:	
Single-family residences, duplexes, garages and related structures	10 initial/5 recheck Business Days
Multiple Residences (apartments, condominiums)	14 initial/5 recheck Business Days
Commercial/Industrial building and other related structures	14 initial/5 recheck Business Days
High-rise mixed use residential/retail buildings	14 initial/7 recheck Business Days
Expedited Reviews	Varies
Inspection Services – Pricing for inspection services shall be based upon an hourly rate	
Job Description	**Hourly Rate**
Planning Manager	$150.00
Plan Reviewer I	$95.00
Plan Reviewer II	$110.00
Plan Reviewer III	$125.00
Civil Engineer	$145.00
Civil Inspector	$85.00
Civil Plan Reviewer	$135.00
Senior Planner	$135.00
Planner	$120.00
Permit Technician	$75.00
Administrative	$45.00
Building Inspector I	$75.00
Building Inspector II	$85.00
Building Inspector III	$95.00
Certified Building Official	$135.00

Cecille Lewis

Cecille Lewis (Jan 19, 2024 17:00 MST)

Cecille Lewis
Procurement Officer

Michael Greene (Jan 19, 2024 18:15 MST)

Michael Greene, C.P.M., CPPO
Procurement Administrator

All terms and conditions of this Award Document are per the City's Solicitation Document

THIS IS NOT A PURCHASE ORDER

REQUEST FOR PROPOSAL

RFP# 22-002
PLAN REVIEW AND BUILDING INSPECTION SERVICES

RFP ISSUE DATE:
JUNE 18, 2021

DEADLINE FOR INQUIRIES/QUESTIONS:
TUESDAY, JULY 6, 2021, AT 5:00 P.M. LOCAL ARIZONA TIME

RFP DUE DATE AND TIME:
THURSDAY, JULY 15, 2021, 3:00 P.M. LOCAL ARIZONA TIME

ALL INQUIRIES MUST BE DIRECTED TO:
LISA GOODMAN, NIGP-CPP, CPPO, CPPB
EMAIL: lisa_goodman@tempe.gov
PHONE: 480-350-8533

SUBMITTAL LOCATION: Due to the COVID Virus, Tempe will only accept an e-copy of the completed and signed proposal via e-mail to the following address: Bids@tempe.gov

No hard copy proposals will be accepted at this time.

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General Instructions

Failure to follow these instructions may result in rejection of proposal for non-responsiveness or cancellation of any Contract awarded.

1. **Preparation of Proposal:**

   A. Proposals shall be submitted to the City of Tempe ("City") in the sequence specified herein, on the forms attached hereto, including Vendor's Offer.

   B. All proposals shall be submitted on the forms provided in this Request for Proposal, signed by an authorized signer and returned with the proposal response to the City.

   C. Completed and signed proposal forms for offer, acceptance and any solicitation addendums shall be signed by an authorized individual. Such proposal constitutes an irrevocable Offer to sell the good and/or service specified herein. Offeror shall submit all additional data, documentation, or information as requested by the City, signifying its intent to be bound by the terms of the Request for Proposal.

   D. Negligence in preparation of a proposal confers no right of withdrawal. Offeror is solely responsible for seeking clarification of any requirement and presenting accurate information in the proposal response. The City shall not reimburse any costs for a proposal, or its submission, presentation or withdrawal, for any reason. Failure to read, examine and understand the Solicitation and any of its addenda will not excuse any failure to comply with the requirements of the Solicitation or any resulting contract, nor shall such failure be a basis for claiming additional compensation.

   E. Offeror shall identify each subcontractor to be utilized in the services and/or work set forth herein, if applicable.

2. **Definitions:** For purposes of this Request for Proposal and resultant Contract, the following definitions apply:

   A. "City" means the municipal corporation of the City of Tempe, Arizona.

   B. "Code Governance" means unless otherwise specified herein, the provisions of the Tempe City Code, Chapter 26A shall apply and govern this Request for Proposal.

   C. "Contract" means the agreement for the procurement of goods, equipment, materials, software, maintenance, contracted services, professional services, or concessions.

   D. "Contractor" means an Offeror responding to a Request for Proposal who has been awarded a Contract with the City.

   E. "Offer" means a written offer to furnish goods, equipment, materials, software, maintenance, contracted services, professional services, or concessions to the City, in conformity with the standards, specifications, delivery terms and conditions, and all other requirements established in a competitive solicitation.

   F. "Offeror" means a business, entity or person who submits an Offer in response to a competitive solicitation.

   G. "Public Record" means proposals and all other documents submitted in response to this solicitation shall become the property of the City and shall be a matter of public record available for review following the Contract award.

   H. "Purchase Order" means a document issued by the Procurement Office directing the Contractor to deliver the goods, equipment, materials, software, maintenance, contracted services, professional services or concessions. to the City.

   I. "Request for Proposal" means a competitive solicitation issued by the City for the procurement of goods, equipment, materials, software, maintenance, contracted services, professional services or concessions.

3. **Late, Unsigned and/or Incomplete Proposal:** A late, unsigned and/or materially incomplete proposal will be considered nonresponsive and rejected.

4. **Inquiries:** Questions regarding this Request for Proposal shall be directed to the Procurement Officer identified on the cover page of this document, unless another City contact is specifically named. Inquiries shall be submitted in writing (preferably via e-mail), identifying the appropriate Request for Proposal's number, page and paragraph at issue. PLEASE NOTE: Offeror must not place the Request for Proposal's number on the outside of an envelope containing questions. Oral responses provided by the City shall have no binding effect or legal effect. Inquiries should be submitted within the designated timeframe noted on the front page of the solicitation. Those questions received after the designated date may be considered at the sole discretion of the Procurement Officer. The City reserves the right to contact Offerors to obtain additional information for use in evaluating proposal and solicitation requirements.

5. **Proposal Conference:** If a proposal conference is scheduled, Offerors are strongly encouraged to attend to seek clarification on any aspects of the documents that are not clear or questions that might pertain the specifications or scope of work published. There are times when attendance at a proposal conference is mandatory and those conferences shall be specially noted when applicable.

6. **Withdrawal of Proposal:** At any time before the specified proposal due date and time, an Offeror may withdraw its proposal by way of written correspondence from the Offeror or its authorized representative.

7. **Proposal Addenda:** Receipt and acceptance of a Request for Proposal addendum shall be acknowledged by signing and returning the document either with the vendor's proposal response or by separate envelope prior to proposal due date/time. Failure to sign and return an addendum prior to the proposal due date/time may result in the proposal being considered nonresponsive to that portion of the Request for Proposal and may result in rejection. For all addenda published, the City will send electronic notification to those companies who have downloaded the solicitation from the City's web site. If a company receives the solicitation via a third- party plan holder organization, it will be the responsibility of the company to download the solicitation from the City's web site to ensure that their company is included on any forthcoming addenda notification.

8. **Compliance with City Solicitation Requirements:** Unless stated otherwise in this Request for Proposal, the City reserves the right to award by individual line item, by group of items, or as a total at the City's discretion. The City expressly reserves the right to waive any immaterial defect or informality, or reject any or all proposals, or portions thereof, or reissue this Request for Proposal.

9. **Compliance of Proposal Offeror/Contractor Forms:** Any documents or forms (including separate Contract, maintenance agreement or training agreement) intended by the Offeror to be utilized in any resulting Contract, must be submitted with proposal. Any documents inconsistent with or taking exception to the terms, conditions, specifications and/or other requirements stated within this Request for Proposal may cause the proposal to be considered as nonresponsive and rejected. No documents will be considered unless submitted with vendor's proposal Offer and approved by the Procurement Office.

10. **Responsiveness to Specifications:** Performance or feature requirements which are designated as mandatory or minimums are needed in order to satisfy an identified task or performance need. A description is given for each designated feature. This description shall be used to determine if the Offeror's proposed product(s) and/or service(s) is/are capable of performing the function(s) specified in the Request for Proposal.

    It is recognized that more than one method may be used to accomplish the sought-after task functionality. If Offeror has an alternate method of performing functional tasks, then Offeror shall list such method as an "alternate" and described in full detail within the proposal. The City shall be the sole judge as to whether any alternate methodology will be accepted.

    "Must", "shall", "will", "minimum", "required" and/or "mandatory" performance/feature statements must be met or exceeded by the Offeror. Should no Offeror be found responsive to all designated Request for Proposal requirements, the City at its option, may either award the Contract to the most responsive Offeror or cancel the Request for Proposal and issue another Request for Proposal for the need under revised specifications.

11. **Questionnaire:** Offeror must complete the Questionnaire portion of this Request for Proposal and provide any documentation required to support the answers. Questionnaire items, which are designated as mandatory, are needed to satisfy a required task or performance criteria. Items, which may be listed as desirable, are not required to be responsive to the Request for Proposal and will be relatively evaluated against other proposals in making a final award decision.

    If supporting documentation is required, Offeror shall provide the documentation in the sequence set forth in the Request for Proposal and ensure all technical literature and/or narrative explanations fully address the specifics of the question. Vague or disorganized responses that do not allow sufficient information for evaluation purposes may result in rejection of a proposal.

12. **Clarifications and Negotiations with Offerors and Revisions to Proposal:** Clarifications may be made with any submitting firm at any time during the evaluation phase of this procurement. Clarifications are not negotiations and may be utilized by the City to ensure thorough and complete understanding of, and responsiveness to, the solicitation requirements. Negotiations may be conducted with responsible Offerors who submit proposals determined to be reasonably susceptible of being selected for award. The purpose of negotiations is to allow the City and the Offeror(s) to revise initial Offers through an exchange or series of exchanges. Should the City elect to call for best and final offers, Offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiations and revision of proposals, and such revisions may be permitted after submissions and prior to award. In conducting clarifications and negotiations there shall be no disclosure of any information derived from proposals submitted by competing Offerors. The purposes of such negotiations shall include but not be limited to:

    A. Determine in greater detail such Offeror's qualifications;

    B. Explore with the Offeror the scope and nature of the project, the Offeror's proposed method of performance, and the relative utility of alternate methods of approach;

    C. Determine that the Offeror will make available the necessary personnel and facilities to perform within the required time; and

    D. Agree upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

13. **Proposal Opening:** Proposals shall be opened at the time and place designated on the cover page of this Request for Proposals. The name of each Offeror and the identity of the Request for Proposal for which the proposal was submitted shall be publicly read and recorded in the presence of witnesses. Proposals, modifications and all other information received in response to this Request for Proposal shall be shown only to City personnel having a legitimate interest in its evaluation. Prices shall not be read. After Contract award, the proposals and the evaluation documentation shall be open for public inspection, except where the City has determined that specific portions of the proposal are confidential.

14. **Technical Proposal Opening:** Technical proposals (as received in step one of a two-step bidding process) shall be opened at the time and place designated on the cover page of this document. The name of each Offeror and the identity of the Request for Proposal for which the proposal was submitted shall be publicly read and recorded in the presence of witnesses. Proposals, modifications and all other information received in response to this Request for Proposal shall be shown only to City personnel having a legitimate interest in the evaluation. Evaluation documentation to substantiate technical proposal selection(s) shall be open for public inspection.

15. **Proposal Evaluation and Award:** The City shall determine whether a proposal meets the specifications and requirements of this Request for Proposal, at its sole discretion, and reject any proposals not meeting the intent or requirements set forth herein. Award(s) shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration the evaluation factors set forth in the Request for Proposal. The City shall be the sole judge as to the acceptability of the products and/or services offered. The City reserves the right to reject any and all proposals.

16. **Award of Contract:** A proposal shall constitute a binding Offer to Contract with the City based on the terms, conditions and specifications contained in this Request for Proposal. An Offeror shall become a Contractor only upon execution of a formal Contract from the Procurement Office. Unless this Request for Proposal includes separate Contract document(s) or requires the Offeror to submit a Contract for review, a Contract shall be formed when the Procurement Office provides a written notice of award or a purchase order to the successful Offeror. All terms and conditions of the Contract are contained herein, unless modified by an amendment approved by the City. Proposals that take exception to the terms, conditions, specifications and/or other requirements stated within this Request for Proposal may cause the vendor's Offer to be considered non-responsive and rejected. Exceptions will be evaluated on an individual basis to determine compliance with the purpose and intent of the terms and conditions stated within this solicitation. The City shall be the sole judge as to whether an exception complies with the general purpose and intent of any term, condition and/or specification set forth herein.

17. **Proposal Results:** Offerors may attend the scheduled proposal opening at which the name of each Offeror will be publicly read. All other information contained in the proposals shall be kept confidential until the Contract is awarded. After award of Contract, an appointment may be made with the Procurement Officer to review proposal documents. Formal Contract award results shall be placed on the Procurement Office web page (www.tempe.gov/procurement) and posted at the front counter of the Procurement Office at the time the Contract award is approved by the City Council. Award recommendations may also be viewed via the City Clerk's web site normally up to five (5) days prior to the scheduled City Council meeting by visiting (http://documents.tempe.gov/sirepub/?sort=meet_date .

18. **Protests:** Any actual or prospective Offeror who is aggrieved in conjunction with this Request for Proposal or award may protest the award to the Procurement Office. A protest based upon alleged improprieties in this Request for Proposal that are apparent before the proposal opening shall be filed prior to the proposal due date/time. A protest concerning an award recommendation must be filed within ten (10) business days after the date of award. Up to five (5) days before award of a contract, the Procurement Office will post award recommendations on the City Clerks website at (http://documents.tempe.gov/sirepub/?sort=meet_date) and at the Procurement Office front counter and web site for public review (www.tempe.gov/procurement). A protest shall be in writing and include the protester's name, address and phone number, identification of the solicitation or Contract being protested, a detailed statement of the legal and factual grounds of the protest, including copies of all relevant documents and the form of relief requested. A protest is to be on the protester's company letterhead and signed by the protestor or its authorized representative.

19. **Delivery:** All materials, equipment and/or products shall be delivered F.O.B. Destination to the City of Tempe Per the location identified in the solicitation.

20. **Tax:** Unless specified herein, sales, use or federal excise tax shall not be included in proposal pricing. The City is exempt from payment of federal excise tax. For proposal evaluation, transaction (sales) privilege tax paid to the City of Tempe (1.8%) is considered a pass-through cost, calculated as zero ($0) expense when comparing pricing among competing companies that are not located in Tempe. For information on privilege (sales) tax, please contact the City's Tax and License Office at (480) 350-2955 or visit their web site at **salestax@tempe.gov**

21. **Payment:** For a single requirement purchase, the City will endeavor to remit payment within thirty (30) calendar days from receipt and approval of acceptable products, materials and/or services and approval of correct invoice. For ongoing term Contract purchases, the City will endeavor to remit payment within thirty (30) calendar days from approval of invoice.

22. **Discounts:** Payment discounts periods shall be computed from the date of receipt of acceptable products, materials and/or services or correct invoice, whichever is later to the date payment is mailed. Discounts shall be taken on the full amount of the invoice, unless otherwise indicated. The City shall be entitled to receive any discounts offered by Offeror, if payment is made within the discount period.

23. **Payment by City Procurement Card:** The Procurement Office may elect to remit payment through the use of a City procurement card. Each Offeror may indicate on the Vendor's Offer Page in this Request for Proposal its ability to accept City procurement card payments. The inability to accept payment by City procurement card will not disqualify a proposal.

24. **Code Governance:** Unless otherwise specified herein, the provisions of the Tempe City Code, Chapter 26A shall apply and govern this Request for Proposal.

25. **Public Record:** Proposals and all other documents submitted in response to this solicitation shall become the property of the City and shall be a matter of Public Record available for review following the Contract award. Material portions of the recommended Offer(s) as determined by the City may be posted to the City's web site up to five (5) days prior to the City Council meeting.

26. **Late Responses:** The Offeror assumes responsibility for having the Proposal submitted on time via e-mail to the address shown on the front page of this RFP. Any Offers received after the Solicitation Due Date and Time shall not be considered and will be returned to the Offeror. The Offeror assumes the risk of any delay in the electronic processing of the supplier's e-mail through both parties (Supplier and City) networks. Offerors must allow adequate time to ensure that the e-mail is timely received by the City at the designated e-mail address. All times referenced are Tempe, Arizona local times. Respondents agree to accept the time and date that is recorded on the received e-mail as the official time. Any e-mail submissions that are timed at 3:01 or later on the schedule due date will be considered late and not considered.

27. **Copying Responses:** The Offeror hereby grants the City permission to copy all parts of its Offer including, without limitation, any documents and/or materials copyrighted by the Offeror. The City's right to copy shall be for internal use in the evaluating the Offers.

28. **Confidential Information and Public Record:** After award of a Contract, proposals shall be available for public inspection, except to the extent that the withholding of information is required or permitted by law. Pursuant to A.R.S. § 35-214, and 41-1330 *et seq*., all records relating to the Request for Proposal and Contract shall be subject to inspection at all reasonable times by the City for five (5) years after completion of the Contract. Such records shall be produced by Bidder or Contractor at the time and place designated by the City.

    A. If a person believes that an offer or specification contains information that should be withheld as confidential, a statement advising the procurement officer of this fact shall accompany the submission and the information shall be so identified wherever it appears. A general statement of confidentiality that is not appropriately referenced to a specific section of the RFP will not be sufficient to warrant protection by the City. The confidential portion of the submission must be clearly noted with accompanying justification for treating the section confidential. Failure of the vendor to appropriately designate confidential information in this manner will relieve the City of any obligation to protect this information as confidential.

    B. The information identified by the person as confidential shall not be disclosed until the Procurement Office makes a written determination pursuant to A.R.S. § 121, *et seq*.

    C. If the City determines to disclose the information, the Offeror shall be informed in writing of such determination. Notwithstanding the foregoing, following an award of Contract, all proposal response information shall be available for public inspection.

Standard Terms and Conditions

Please note that these Standard Terms & Conditions shall be fully complied with by Offeror. Failure to comply with these requirements may result in rejection of a proposal for non-responsiveness, or cancellation or termination of any awarded Contract.

1. **Applicable Law:** This Contract shall be governed by, and the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code as adopted in the State of Arizona, except as otherwise provided in this Request for Proposal and resultant Contract, and all statutes, or ordinances pertaining specifically to the City. This Contract shall be governed by State of Arizona law and suits pertaining to this Contract may only be brought in courts located in Maricopa County, Arizona.

2. **Arizona Climate Action Compliance:** Offeror shall comply with all applicable standards, laws, rules, orders and regulations issued pursuant to A.R.S. §49-101, *et seq*., including but not limited to, Arizona Executive Orders Nos. 2006-13, 2005-02, and 2010-14 with regard to reducing GHG emissions, increasing energy efficiency, conserving natural resources and developing renewable energy sources.

3. **Availability of Funds for the Next Fiscal Year:** The City's obligation for performance of the Contract is contingent upon the availability of City, state and federal funds that are allocated or appropriated for payment obligations of the Contract. If funds are not allocated by the City or available for the continued use or purchase of services, work and/or materials set forth herein, the City may terminate the Contract. The City will use reasonable efforts to notify Contractor of such non-allocation affecting the obligations of the Contractor and/or City. The City shall not be penalized or adversely affected for exercise of its termination rights. Further, the City shall in no way be obligated or liable for additional payments or other damages as a result of such termination. No legal liability on the part of the City for any payment may arise for performance under this Contract.

4. **Certification:** By signing the "Vendor's Offer", the Offeror certifies:

   A. The submission of the vendor's proposal Offer response did not involve collusion or other anti-competitive practices.

   B. Offeror agrees that it will comply with section 2-603(5) of the Tempe City Code ("TCC"), and will not refuse to hire or employ or bar or discharge from employment any person or discriminate against such person in compensation, conditions, or privileges of employment because of race, color, gender, gender identity, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status. Offeror further agrees to provide a copy of its antidiscrimination policy to the Procurement Officer to demonstrate compliance with TCC section 2-603(5) or attest in writing to its compliance in accordance with the attached Affidavit of Compliance.

   C. 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, or service to a public servant in connection with the submitted Offer. Failure to sign the "Vendor's Offer" or signing it with a false statement shall void the submitted proposal and any resulting Contract. In addition, the Offeror may be barred from future proposal and bidding participation with the City and may be subject to such further actions as permitted by law.

   D. The Offeror agrees to promote and offer to the City only those materials and/or services as stated and allowed by this Request for Proposal and resultant Contract award. Violation of this condition shall be grounds for Contract termination by the City.

   E. The Offeror expressly warrants that it has and will continue to comply in all respects with Arizona law concerning employment practices and working conditions, pursuant to A.R.S. § 23-211, *et seq*., and all laws, regulations, requirements and duties relating thereto. Offeror further warrants that to the extent permitted by law, it will fully indemnify the City for any and all losses arising from or relating to any violation thereof.

F. Contractor agrees and covenants that it will comply with any and all applicable governmental restrictions, regulations and rules of duly constituted authorities having jurisdiction insofar as the performance of the work and services pursuant to the Contract, and all applicable safety and employment laws, rules and regulations, including but not limited to, the Fair Labor Standards Act, the Walsh-Healey Act, and the Legal Arizona Workers Act (LAWA), and all amendments thereto, along with all attendant laws, rules and regulations. Contractor acknowledges that a breach of this warranty is a material breach of this Contract and Contractor is subject to penalties for violation(s) of this provision, including termination of this Contract. City retains the right to inspect the documents of any and all contractors, subcontractors and sub-subcontractors performing work and/or services relating to the Contract to ensure compliance with this warranty. Any and all costs associated with City inspection are the sole responsibility of Contractor. Contractor hereby agrees to indemnify, defend and hold City harmless for, from and against all losses and liabilities arising from any and all violations thereof.

G. If Contractor engages in for-profit activity and has 10 or more employees, and if this Agreement has a value of $100,000 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Agreement to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842. Unless and until the U.S. District Court, District of Arizona's injunction is lifted, A.R.S. § 35-393.01 is unenforceable.

5. **Commencement of Work:** Contractor is cautioned not to commence any work or provide any materials or services under the Contract until and unless Contractor receives a purchase order, Notice to Proceed, or is otherwise directed in writing to do so, by the City.

6. **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. Contractor also agrees that any 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.

7. **Termination for Conflict of Interest:** This Contract is subject to the cancellation provisions of A.R.S. § 38-511. The City may cancel this Contract within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, securing, drafting, or creating the Contract for the City becomes an employee or agent of the Contractor.

8. **Contract Formation:** This Contract shall consist of this Request for Proposal and the vendor's proposal Offer submitted, as may be found responsive and approved by the City. In the event of a conflict in language between the documents, the provisions of the City's Request for Proposal shall govern. The City's Request for Proposal shall govern in all other matters not otherwise specified by the Contract between the parties. All previous contracts between the Offeror and the City are not applicable to this Contract or other resultant contracts. Any contracted vendor documents that conflict with the language and requirements of the City's solicitation are not acceptable and void the Contract.

9. **Contract Modifications:** This Request for Proposal and resultant Contact may only be modified by a written Contract modification issued by the Procurement Office and counter-signed by the Contractor. Contractors are not authorized to modify any portion of this solicitation or resulting Contract without the written approval of the Procurement Office and issuance of an official modification notice.

10. **Contract Administration:** Contractor must notify the designated Procurement Officer from the Procurement Office for guidance or direction on matters of Contract interpretation or problems regarding the terms, conditions or scope of this Contract. The Contract shall contain the entire agreement between the City and the Contractor and the Contract shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders or master agreements in any form.

11. **Cooperative Use of Contract:** Any Contract resulting from this solicitation shall be for the use of the City of Tempe. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tempe's Department of Procurement are eligible to participate in any subsequent Contract. Additionally, this Contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See http://www.mesaaz.gov/business/purchasing/save for a listing of participating agencies. The parties agree that these lists are subject to change. Any such usage by other municipalities and government agencies must be in accord with the ordinance, charter and/or rules and regulations of the respective political entity.

    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 City shall not be responsible for any disputes arising out of transactions made by others. Contractor shall be responsible for correctly administering this Contract in accordance with all terms, conditions, requirements, and approved pricing to any eligible procurement unit.

12. **Dispute Resolution:** This Contract is subject to arbitration to the extent required by law. If arbitration is not required by law, the City and the Contractor agree to negotiate with each other in good faith to resolve any disputes arising out of the Contract. In the event of any legal action or proceeding arising out of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred with said fees and costs to be included in any judgment rendered.

13. **Billing:** All invoices submitted by Contractor for the City's review and approval shall be in itemized form to identify the specific item(s) being billed. Items must be identified by the name, model number, and/or serial number most applicable along with the correct unit cost. Any purchase/delivery order issued by the City shall refer to the Contract number resulting from this Request for Proposal. Separate invoices are required on individual contracts or purchase orders. Only invoices with items resulting from this Request for Proposal will be accepted for review and approval by the City.

14. **Estimated Quantities:** This Request for Proposal references quantities as a general indication of the City's needs. The City anticipates considerable activity resulting from Contracts that will be awarded as a result of this Request for Proposal; however, the quantities shown are estimates only and the City reserves the right to increase or decrease any quantities actually acquired, in its sole discretion. No commitment of any kind is made concerning quantities and Offeror hereby acknowledges and accepts same.

15. **Events of Default and Termination:**

    A. In the event a party is in default then the other party may, at its option and at any time, provide written notice to the defaulting party of the default. The defaulting party will have thirty (30) days from the receipt of the written notice to cure the default; the thirty (30) day cure period may be extended by mutual agreement of the parties, but no cure period may exceed ninety (90) days. A default notice will be deemed to be sufficient if it is reasonably calculated to provide notice of the nature and extent of such default. Failure of the non-defaulting party to provide written notice of the default does not waive any rights under the Agreement. The occurrence of any one or more of the following events shall constitute a material breach of and default under the Contract.

        i) Any failure by Contractor to pay funds or furnish materials, services and/or goods that fail to conform to any requirement of this Contract or provide personnel that do not meet Contract requirements;

        ii) Any party's failure to observe, perform or undertake any provision, covenant or condition of this Contract to be observed or performed by Contractor or City herein, including but not limited to failing to submit any report required herein;

        iii) Any failure to make progress in the performance required pursuant to the Contract and/or gives either party reason to believe that the other party cannot or will not perform to the requirements of the Contract; or,

iv) Any failure of Contractor to commence construction, work or services within the time specified herein, and to diligently undertake Contractor's work to completion.

B. In the event the default has not been corrected to the non-defaulting party's satisfaction within the cure time specified, the non-defaulting party, at its option and in addition to any other remedies available by law or in equity, without further notice or demand of any kind to Contractor, may do the following:

i) Terminate the Contract;

ii) Pursue and/or reserve any and all rights for claims to damages for breach or default of the Contract; and/or,

iii) Recover any and all monies due from Contractor, including but not limited to, the detriment proximately caused by Contractor's failure to perform its obligations under the Contract, or which in the ordinary course would likely result therefrom, including, any and all costs and expenses incurred by the City in: (a) maintaining, repairing, altering and/or preserving the premises (if any) of the project; (b) costs incurred in selecting and retaining a substitute Contractor for the purchase of services, materials and/or work; and/or (c) attorneys' fees and costs in pursuing any remedies under the Contract and/or arising therefrom.

C. The exercise of any one of the City's remedies as set forth herein shall not preclude subsequent or concurrent exercise of further or additional remedies. In addition, the City shall be entitled to terminate this Contract at any time, in its discretion. The City may terminate this Contract for default, non-performance, breach or convenience, or pursuant to A.R.S. § 38-511, or abandon any portion of the project for which services have not been fully and/or properly performed by the Contractor.

D. Termination shall be commenced by delivery of written notice to Contractor by the City personally or by certified mail, return receipt requested. Upon notice of termination, Contractor shall immediately stop all work, services and/or shipment of goods hereunder and cause its suppliers and/or subcontractors to cease work pursuant to the Contract. Contractor shall not be paid for work or services performed or costs incurred after receipt of notice of termination, nor for any costs incurred that Contractor could reasonably have avoided.

E. The City, in its sole discretion, may terminate or reduce the scope of this Contract if available funding is reduced for any reason.

F. Whenever the City in good faith has reason to question Contractor's intent or ability to perform, the City may demand that Contractor give a written assurance of its intent and ability to perform. In the event that the demand is made, and no written assurance is given within the time period required, the City may treat this failure as an anticipatory repudiation of the Agreement.

16. **Termination for Convenience:** The City at its sole discretion may terminate this Contract for convenience with thirty (30) days advance notice to Contractor. Contractor shall be reimbursed for all appropriate costs as provided for within the Contract up to the termination date specified.

17. **Force Majeure:**

A. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under the Contract only in the event that and to the extent that such party's performance of the Contract is prevented by reason of force majeure. Force majeure means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, mobilization, labor disputes, civil disorders, fire, floods, lockouts, injunctions, failures or refusal to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

B. Force majeure shall not include the following occurrences:

i) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.

ii) Late performance by a subcontractor.

C. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours of the commencement thereof and shall specify the causes of such delay in the notice. Such notice shall be hand delivered or sent via certified mail and shall make a specific reference to this clause, 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 by hand delivery or certified mail 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 the results or effects of such delay prevent the delayed party from performing in accordance with the Contract.

18. **Gratuities:** The City may elect to terminate any resultant Contract, if it is found that gratuities in any form were offered or given by the Contractor or agent thereof, to any employee of the City or member of a City evaluation committee with a view toward securing an order, securing favorable treatment with respect to awarding, amending or making of any determinations with respect to performing such order.

19. **Indemnification:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, officer, officials, and employees from and against all claims, damages, losses and expenses (including but not limited to attorney's fees, court costs, and the costs of appellate proceedings), arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work, services, or professional services of the Contractor, its agents, employees, or any other person (not the City) for whose acts, errors, mistakes, omissions, work, services, or professional services the Contractor may be legally liable in the performance of this Contract. Contractor's duty to hold harmless and indemnify the City, its agents, officers, officials and employees shall arise in connection with any claim for damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of any person or property, including loss of use resulting from, or caused by any acts, errors, mistakes, omissions, work, services, or professional services in the performance of this Contract by Contractor or any employee of the Contractor or any other person (not the City) for whose acts, errors, mistakes, omissions, work, or services the Contractor may be legally liable. The amount and type of insurance coverage requirement set forth herein will in no way be construed as limiting the scope of indemnity in this paragraph. This provision shall survive the term of this Contract.

21. **Interpretation of Parole Evidence:** This Contract is intended as a final expression of the agreement between the parties and as a complete and exclusive statement of the Contract, unless the signing of a subsequent Contract is specifically called for in this Request for Proposal. 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 acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of the Contract, even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. **Key Personnel:** Contractor shall provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract during the Contract term and any renewal periods. The Contractor must agree to assign specific individuals to the key positions.

A. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without prior written notice to the City.

B. If key personnel are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall replace each person with personnel of substantially equal ability and qualifications upon prior City approval.

23. **Licenses and Permits:** Contractor shall maintain in current status and at its sole expense, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor and the provision of the services to be provided under the Contract.

24. **No Assignment:** No right or interest in this Contract shall be assigned by Contractor and no delegation of any duty of Contractor shall be made without prior written permission of the City, which consent may be granted or withheld in City's unfettered discretion.

25. **Notices:** All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provision collectively called "Notices"), shall be in writing and shall be hand delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

City of Tempe Procurement Office
Attn: Procurement Officer
20 E. 6th Street (Second Floor)
PO Box 5002
Tempe, Arizona 85280

[Contractor's Name]
[Attn of Offeror Named in Contract]
[Address]

Or to such other address as either party may from time to time furnish in writing to the other by notice hereunder.

26. **No Waiver:** No breach of default hereunder shall be deemed to have been waived by the City, except by written instrument to that effect signed by an authorized agent of the City. No waiver of any such breach or default shall operate as a waiver of any other succeeding or preceding breach or default or as a waiver of that breach or default after demand by the City for strict performance of this Contract. Acceptance of partial or delinquent payments or performance shall not constitute the waiver of any right of the City. Acceptance by the City for any materials shall not bind the City to accept remaining materials, future shipments or deprive the City of the right to return materials already accepted. Acceptance by the City of delinquent or late delivery shall not constitute a waiver of a later claim for damages and/or bind the City for future or subsequent deliveries.

27. **Overcharges by Antitrust Violations:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the City. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the goods and/or services used to fulfill the Contract.

28. **Preparation of Specifications by Persons Other Than City Personnel:** No person preparing specifications for this Request for Proposal shall receive any direct or indirect benefit from the use of these specifications.

29. **Provisions by Law:** Each and every provision of law and any clause required by law to be in this Contract will 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 will forthwith be physically amended to make such insertion or correction.

30. **Public Record:** After award of Contract, proposal responses shall be considered Public Record and open for public inspection except to the extent the withholding of information is permitted or required by law. If an Offeror believes a specific section of its proposal response is confidential, the Offeror shall mark the page(s) confidential and isolate the pages marked confidential in a specific and clearly labeled section of its proposal response. The Offeror shall include a written statement as to the basis for considering the marked pages confidential and the Procurement Office will review the material and make a determination, pursuant to A.R.S. §§ 39-121, *et seq.*, and 41-151, *et seq.* A general statement of confidentiality (boiler plate statement) that is not appropriately referenced to a specific section of the RFP will not be sufficient to warrant protection by the City. The confidential portion of the submission must be clearly noted with accompanying justification for treating the section confidential. Failure of the vendor to appropriately designate confidential information in this manner will relieve the City of any obligation to protect this information as confidential.

31. **Records:** Pursuant to provisions of Title 35, Chapter 1, Article 6 Arizona Revised Statutes §§ 35-214 and 36-215, Contractor shall retain, and shall contractually require each subcontractor to retain, all books, accounts, reports, files and other records relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All such documents shall be subject to inspection and audit at reasonable times. Upon request, a legible copy of any or all such documents shall be produced at the offices of the City Attorney or Procurement Office.

32. **Relationship of Parties:** It is clearly understood that each party to this Contract will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other party. The Contractor is an independent Contractor and shall be solely responsible for any unemployment or disability insurance payments, or any social security, income tax or other withholdings, deductions or payments that may be required by federal, state or local law with respect to any compensation paid to the Offeror. An employee or agent of one party shall not be an employee or agent of the other party for any purpose whatsoever.

33. **Rights and Remedies:** No provisions of this Request for Proposal or in the proposal shall be construed, expressly or by implication, as a waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of Contract. The failure of the City to insist upon strict performance of any term or condition of the Contract or to exercise or delay the exercise of any right or remedy provided in the Contract, or by law, shall not release the Contractor from any responsibilities or obligations imposed by the Contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.

34. **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 invalid provision or application.

35. **Specially Designated Nationals and Blocked Persons List:** Contractor represents and warrants to the City that neither Contractor nor any affiliate or representative of Contractor:

    A. Is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury (OFAC) pursuant to Executive Order no. 13224, 66 Fed. Reg. 49079 (“Order”);

    B. Is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirements contained in any enabling legislation or other related Order(s);

    C. Is engaged in activities prohibited in the Order; or,

    D. Has been convicted, pleaded *nolo contendre,* indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

36. **Unauthorized Firearms & Explosives:** No person conducting business on City property is to carry a firearm or explosive of any type. All Offerors, Contractors and subcontractors shall honor this requirement at all times and failure to honor this requirement shall result in Contract termination and additional penalties. This requirement also applies to any and all persons, including those who maintain a concealed weapons permit. In addition to Contract termination, anyone carrying a firearm or explosive device will be subject to further legal action.

37. **Warranties:** Contractor expressly warrants that all materials and/or goods delivered under the Contract shall conform to the specifications of this Contract and be merchantable and free from defects in material and workmanship, and of the quality, size and dimensions specified herein. This express warranty shall not be waived by way of acceptance or payment by the City, or otherwise. Contractor expressly warrants the following:

    A. All workmanship shall be finest and first-class;

    B. All materials and goods utilized shall be new and of the highest suitable grade for its purpose; and

C. All services will be performed in a good and workmanlike manner. Contractor's warranties shall survive inspection, acceptance and/or payment by the City, and shall apply to the City, its successors, agents and assigns.

The Contractor agrees to make good by replacement and/or repair, at its sole expense and at no cost to the City, any defects in materials or workmanship which may appear during the period ending on a date twelve (12) months after acceptance by the City, unless otherwise specified herein. Should Contractor fail to perform said replacement and/or repair to City's satisfaction within a reasonable period of time, City may correct or replace said defective or nonconforming materials and recover the costs thereof from Contractor. This warranty shall not operate to reduce the statute of limitations period for breach of contract actions or otherwise, or reduce or eliminate any legal or equitable remedies.

38. **Work for Hire and Ownership of Deliverables:** Contractor hereby agrees and covenants that all the results and proceeds of Contractor's work and/or services for the Project specified herein, for Contractor and all of its agents, employees, officers and subcontractors, shall be owned by the City, including the copyright thereto, as work for hire. In the event, for any reason such results and proceeds are not deemed work for hire, Contractor agrees and covenants that it shall be deemed to have assigned to the City all of its right, title and interests in such results, proceeds and content to the City, without limitation. Contractor agrees to indemnify and hold the City harmless from and against all claims, liability, losses, damages and expenses, including without limitation, legal fees and costs, arising from or due to any actual or claimed trademark, patent or copyright infringement and any litigation based thereon, with respect to any work, services and/or materials contemplated in this Contract. Contractor agrees to pay to defend any and all such actions brought against the City. Contractor's obligations hereunder shall survive acceptance by the City of all covenants herein as well as the term of the Contract itself.

39. **Non-exclusive Contract:** Any Contract resulting from this Request for Proposal shall be awarded with the understanding and agreement that it is non-exclusive and entered into for the sole convenience of the City. The City reserves the right to obtain like goods or services from another source.

40. **Ordering Process:** Upon award of a Contract by the Procurement Office, the City may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate Contractor. Each purchase order must cite the correct Contract number. Such purchase order is required for the City to order and the Contractor to deliver the material and/or service.

41. **Shipping Terms:** Prices shall be F.O.B. Destination to the delivery location(s) designated herein. 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. The City will notify the Contractor promptly of any damaged materials and shall assist the Contractor in arranging for inspection. Shipments under reservation are prohibited. No tender of a bill of lading shall operate as a tender of the materials.

42. **Delegated Awards:** In the event this Contract is administratively awarded via delegated authority as provided for in Section 26A-5 of the Procurement Ordinance, the Contractor acknowledges that a final Contract with the City of Tempe requires City Council approval and possibly the signature of the Mayor. Should this Contract be rejected by the City Council, Contractor agrees that it is immediately void and unenforceable against any party. The awarded firm(s) will be compensated only for any and all costs incurred up to the date of notification of such termination.

Special Terms & Conditions and Instructions

Proposals taking exception to Special Terms & Conditions and Instructions stated within this Request for Proposal may cause the Proposal to be considered nonresponsive and rejected.

1. **City Procurement Document:** This Request for Proposal is issued by the City. No alteration of any portion of this Request for Proposal by an Offeror is permitted and any attempt to do so shall result in vendor's proposal Offer being considered nonresponsive and rejected. No alteration of any portion of a resultant Contract is permitted without the written approval of the Procurement Office and any attempt to do so shall be considered a breach of the Contract. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, Contract termination and/or suspension of the Contractor.

2. **Offer Acceptance Period:** To allow for an adequate evaluation, the City requires the vendor's proposal Offer in response to this Request for Proposal to be valid and irrevocable for ninety (90) days after the proposal due time and date.

3. **Contract Type:** Term with justifiable price adjustments allowed, indefinite quantity.

4. **Term of Contract:** The term of the Contract shall commence on the date of award and shall continue for a period of two (2) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

5. **Contract Renewal:** The City reserves the right to unilaterally extend the period of any resultant Contract for ninety (90) days beyond the stated term. In addition, the City at its option may renew for supplemental terms of up to a maximum of three (3) additional years. The period for any single renewal increment shall be determined by the Procurement Office. Such increment shall not be for more than a period of one (1) year each unless the City is eligible to obtain a significant cost and/or supply advantage by a longer Contract renewal period.

6. **Multiple Awards:** The City has a large number and variety of potential customer departments. In order to ensure that any ensuing Contracts will allow the City to fulfill current and future requirements, the City reserves the right to award Contracts to multiple companies. The actual utilization of any Contract will be at the sole discretion of the City. The fact that the City may make multiple awards should be taken into consideration by each Offeror.

7. **Pricing:**

   A. Pricing accuracy and completeness are critical to the determination of an award. Offeror shall identify and price all items being proposed.

   B. In the case of system proposals, Offeror shall identify all items which are required to make the system function in accordance with the specifications stated in the Request for Proposal.

   C. If provided pricing pages do not cover all such items, the Offeror shall include an itemized listing of all required products and services in the Proposal required for all system equipment to be fully functional and in conformity with specifications stated in the Request for Proposal.

8. **Price Adjustment:**

   A. The Procurement Office will review fully documented requests for price increases after the Contract has been in effect for twelve (12) months. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the Proposal and can be shown to directly affect the price of the item concerned. The Procurement Office will determine whether the requested price increase, or an alternative option, is in the best interest of the City. Advanced thirty (30) day written notification by Contractor is required for any price changes. All price adjustments will be effective on the first day of the month following approval or acceptance by the Procurement Office. After the City approves a price increase the Contractor shall not be eligible to receive an additional increase until twelve (12) months from the date of the last approved price increase.

   B. Price increase requests must be acknowledged in writing by the Procurement Office before becoming effective. If not acknowledged within thirty (30) days, Contractor shall contact the Procurement Office to ensure the price increase request was received.

C. The Contractor shall offer any published price reduction or if applicable to the Contract, profit sharing price advantage to the City concurrent with its announcement to other customers. A price reduction or profit-sharing price advantage may be offered at any time during the term of an awarded Contract and shall become effective upon notice and acceptance. The City shall likewise be given any special sales discounts offered to the general public, which exceed contracted price discounts extended to the City by the Contractor.

9. **Insurance:**

A. Insurance Required: Prior to commencing services under this Contract, Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries (including death) to persons and damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees, subcontractors, or sub-subcontractors. For Offerors with self-insurance, proof of self-insurance with minimum limits expressed below must be submitted on proper forms for evaluation prior to award of Contract.

A Contract Award Notice or Purchase Order will not be issued to the Contractor until receipt of all required insurance documents by the Procurement Office with such documents meeting all requirements herein. In addition, before any Contract renewal, all required insurance must be on file with the Procurement Office. Contractor must submit required insurance within ten (10) calendar days after request by the Procurement Office or the award may be rescinded and another Offeror selected for award.

B. Minimum Limits of Coverage: Without limiting any obligations or liabilities, the Contractor, at its sole expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed or otherwise approved by the State of Arizona, Department of Insurance and with forms satisfactory to the City. Each insurer shall have a current A.M. Best Company, Inc., rating of not less than A-VII. Use of alternative insurers requires prior approval from the City.

i. Minimum Limits of Insurance. Contractor shall maintain the following minimum limits:

a. *Commercial General Liability*

Commercial general liability insurance limit of not less than $1,000,000 for each occurrence, with a $2,000,000 general aggregate limit. The general aggregate limit shall apply separately to the services under this Contract or the general aggregate shall be twice the required per occurrence limit. The policy shall be primary and include coverage for bodily injury, property damage, personal injury, products, completed operations, and blanket contractual coverage, including but not limited to the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office policy form CG0001 or its equivalent.

In the event the general liability policy is written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of the services as evidenced by annual certificates of insurance. In addition, the retro date shall be no later than the start date of the contract. The retro date shall be disclosed on the certificate of insurance.

Such policy shall contain a "severability of interests" provision.

b. *Worker's Compensation*

The Contractor shall carry worker's compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of 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 cases when services are subcontracted, the Contractor will require the subcontractor to provide worker's compensation and employer's liability to at least the same extent as provided by Contractor.

c. *Automobile Liability*

Commercial business automobile liability insurance with a combined single life or bodily injury and property damages of not less than $1,000,000 per accident regarding any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor services. Coverage will be at least as broad as coverage Code 1 "any auto". Insurance Service Office policy form CA0001 Y87 or any replacements thereof. Such coverage shall include coverage for loading and unloading hazards.

C. Additional Insured: The insurance coverage, except for workers compensation and professional liability coverage, required by this Contract, shall name the City, its agents, representatives, directors, officials, employees, and officers, as additional insureds, and shall specify that insurance afforded the Contractor shall be primary insurance. The additional insured wording on the commercial general liability policy will be at least as broad as Insurance Services Office policy forms CG2010 04/13 edition and CG2037 04/13 edition or their equivalent. The additional insured wording on the automobile liability policy will be at least as broad as Insurance Services Office policy form CA 20 48 or its equivalent. This provision and the naming of the city as an additional insured shall in no way be construed as giving rise to responsibility or liability of the City for applicable deductible amounts under such policy(s).

D. Coverage Term: All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted by the City. Failure to do so shall constitute a material breach of this Contract.

E. Primary Coverage: Contractor's insurance shall be primary insurance to the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

F. Claim Reporting: Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect the City.

G. Waiver: The policies, including workers' compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of the Contractor.

H. Deductible/Retention: The policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be disclosed by the contractor and shall not be applicable with respect to the coverage provided to the City under such policies. Contractor shall be solely responsible for deductible and/or self-insurance retention and the City, at its option, may require Contractor to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

I. 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 the Contractor's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number or name and shall provide for not less than thirty (30) days advance notice of cancellation, termination, or material alteration. Such certificates shall be sent directly to: Contract Administrator, City of Tempe, P. O. Box 5002, Tempe, AZ 85280.

J. Copies of Policies: The City reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the above 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.

10. **Professional Liability:** The Contractor shall maintain professional liability insurance covering errors and omissions arising out of the services performed by the Contractor and/or any person(s) employed by it, with an unimpaired limit of not less than $1,000,000 each claim and $1,000,000 all claims. In the event the insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of services as evidenced by annual certificates of insurance provided by Contractor to the City. In addition, Contractor shall maintain property coverage on an all-risk, replacement cost basis in an amount established by the City with valuable papers insurance sufficient to assure the restoration of any documents, memoranda, reports, or other similar data relating to the services of the Contractor used in the completion of this Contract.

11. **Payments - After Monthly Statement:** Payment in full shall be made to the Contractor within thirty (30) days after receipt and approval of monthly itemized statement, unless terms other than net thirty (30) days are offered as a discount, at the City's sole discretion.

12. **Conduct and Dress Code:** The Contractor's employees shall maintain proper conduct at all times while on City property. Employees shall maintain a professional demeanor and show respect to other personnel at the work site. Employees will be dressed appropriately for the work with badges or uniforms that identify them as employees of the Contractor.

13. **Safety, Health and Sanitation:** The Contractor shall provide and maintain in a neat, sanitary condition such facility accommodations for the use by their employees as may be necessary to comply with the requirements and regulations of the Arizona State Department of Health or as specified by the Maricopa County Health Department, Sanitary Code. The Contractor shall be fully responsible for the safety of their employees, the public and property in connection with the performance of the work covered by this Contract. The Contractor shall provide all safeguards, safety devices and protective equipment and be responsible for taking any needed actions to protect the life and health of their employees and the public during work activity. The Contractor shall also take any necessary actions as directed by the City Project Manager to reasonably protect the life and health of employees on this job and others coming into contact with the job site. Precaution shall be exercised by the Contractor at all times for the protection of persons (including employees) and property. The Contractor shall comply with the provisions of all applicable laws, pertaining to such protection including all Federal and State Occupational Safety and Health Acts, and Standards and Regulations promulgated there under.

14. **Protection and Restoration of Property and Landscape:** The Contractor shall be responsible for all damage or injury to public or private property of any character, during the prosecution of the work resulting from any act, omission, neglect, or misconduct in its manner or method of executing the work or at any time due to defective work or materials. The Contractor's responsibility will not be released until the project has been completed and accepted.

    If damage is caused by the Contractor, the Contractor shall restore at no cost to the City, such property to a condition similar or equal to that existing before such damage or injury was done, by repairing, rebuilding or otherwise restoring as may be directed, or they shall make good such damage or injury in an acceptable manner. Further payments will be withheld until the City has inspected the corrected damage or injury and has signed-off the completion and acceptance. Contractor shall not dump spoils or waste material on private or public property without first obtaining from the owner written permission for such dumping.

15. **Responsibility for Work:** The Contractor shall properly guard, protect, and take every reasonable precaution necessary against damage or injury to all finished or partially finished work due to weathering action by the elements or from any other cause, until the entire portion of their respective Contract obligation is completed and accepted by the City. The Contractor shall rebuild, repair, restore, and make good all injuries or damages to any portion of the work before final acceptance at no cost to the City. Partial payment for any completed portion of work shall not release the Contractor from such responsibility.

16. **Employees of the Contractor:** No one except authorized employees of the Contractor is allowed on the premises of the City. Contractor employees are NOT to be accompanied in their work area by acquaintances, family members, assistants, or any other person unless said person is an authorized employee of the Contractor. Failure of Contractor to meet this requirement will result in permanent removal of employee performing work at the City sites.

17. **Sub-Contractor(s):** The City reserves the right to approve all sub-contractors. Contractor is responsible for all actions of sub-contractors. Contractor shall name sub-contractors as additionally insured, in addition to the City on all required insurance documents.

18. **Materials and/or Equipment:** Materials and/or equipment, furnished by the City will be delivered or made available to the Contractor when necessary. The Contractor will be held responsible for all materials and/or equipment accepted by them and will make good any shortages, deficiencies or damages that may occur after such acceptance.

19. **Project Data and Documents:** The Contractor shall be entitled to rely upon the accuracy of all data furnished by the City, which is or may be used by the Contractor in the provision of services under this Contract. The Contractor has the right to retain and use all data furnished, and all plans, designs, specifications and other work product created by the Contractor during its provision of service under this Contract.

Scope of Work

Introduction

The City of Tempe (City) is seeking proposals for plan review and/or building inspection services. The contract(s) shall be for an initial term of two (2) years with renewal options as stated in the Special Terms and Conditions section of this Request for Proposal (RFP).

The awarded Contractor(s) will perform applicable functions as an extension of the City staff and will follow all City procedures and directives related to the services provided.

Definitions

The phrase *City of Tempe Representative (COTR)* means the Deputy Community Development Director or the assigned representative.

The phrase *perform all work to the complete satisfaction of the COTR* means that there will be no major omissions or deficiencies in plan review and building inspection reviews of type of construction, allowable area, height, occupancy/area separation, exterior wall and opening protection, exit requirements, life safety and engineering requirements, handicap regulations, electrical, plumbing, fire, and mechanical requirements, current adopted General Plan, Zoning and Development Code and all other items required by applicable codes, ordinances, regulations or other applicable regulations of the State. The COTR may perform random sample checks to verify this. The COTR will keep actual records on plan review on plan review turnaround times and inspections performed.

Services

The awarded Contractor(s) shall agree to perform all work to the complete satisfaction of the COTR assigned to oversee such plan review and building inspection services within the time specified within this RFP. The evaluation of the work performed by the Contractor will be conducted by the COTR or designated City staff. If the quality of work is deemed not satisfactory or untimely, the COTR has the right to:

1. Meet with the Contractor to review the quality of work and resolve matters of concern.

2. Require the Contractor to repeat unsatisfactory work at no additional cost until it is completed to the satisfaction of the City as determined by the COTR or designated City staff.

3. Suspend the Contractor from further work for an indefinite period of time as determined by the City and obtain the services of another firm during the time of suspension.

4. Direct the City Procurement Office to terminate the City's contract with the Contractor, as allowed under the Special Terms and Conditions of this RFP.

Qualifications

Contractor may submit qualifications to perform any combination of items 1 and 2 below.

1. Contractor must be qualified to perform plan review work necessary to establish compliance with code requirements based on the currently adopted Building, Mechanical, Electric, Plumbing Codes, including other applicable codes, policies and ordinances as adopted by the City, as well as ADA requirements, and other applicable regulations of the State.

2. Contractor must be qualified to inspect an assigned project for compliance with code requirements based on the Building, Mechanical, Electric, Plumbing Codes, and other applicable codes, policies and ordinances as adopted by the City, as well as ADA requirements, and other applicable regulations of the State.

3. Contractor must provide experience associated with alternative delivery models such as BIM/IPD, Permits by Inspection, Adaptive Reuse, Annual Facilities Permits and Collaborative Plan Reviews.

4. Time is of the essence. Direct communication with the designer, contractor, customer and the City is required to provide efficient customer service. Contractor must provide examples of how their business model reduced review times for a major project and how they would utilize their model in serving the City's and customer's needs.

Individuals within the Contractor's firm who perform commercial, industrial, or residential plan review or building inspection functions shall hold a current certification from a nationally recognized code development organization. The respective plan reviewer(s) or inspector(s) must have a minimum of five (5) years of commercial, industrial, or residential plan review or building inspection experience.

Tasks Required (Applicant is not required to provide both Plan review and Inspection services to be considered.)

1. ***Plan Review***: These tasks, when assigned a project, will be performed by the Contractor as determined by the City.

   A. Pick-up/deliver plans or related materials from the City on a daily basis or as required. Provide weekly updates on projects in review along with Contractor's employee contact information.

   B. Conduct comprehensive and accurate review of building designs as defined by drawings, specifications, design calculations, and reports which include site reports, soil investigation and compaction reports. Also, perform rechecks of corrected plans and plan changes until plans and related documents are substantially correct and complete. Compliance with code or discrepancies is based on the currently adopted code version with local amendments of the Building, Mechanical, Electric, Plumbing Codes, and ADA regulations mandated by the State and City ordinances (e.g. grading) and Department policies and applicable laws in effect at the time of application for construction permits.

   C. Notify the applicant of the need for corrections and provide means and point of exchange, including convenient meetings, toll free telephone exchange of communications and cost-free mail exchange for pick-up and delivery of plans, and availability of cost-free parking facilities at Contractor's place of business.

   D. Review application package for plot plan square footage, valuation, and possible zoning violations as identified in the current City codes and ordinances.

   E. Review application package and identify to the applicant, on a correction list, items such as illegal lot status, insufficient setbacks, and easements for open space, drainage, grading, trails, and roads, etc.

   F. Provide with each approved plan check, as applicable, a letter of transmittal and two (2) copies of the signed corrections lists indicating that the plans have been found to be substantially correct and complete.

   G. Regarding building plans under review receive from or provide information to the Planning Division any possible issues which may conflict with the Zoning Ordinance, Board, or Council actions or conditions.

   H. Consult with the Deputy Community Development Director or designee and/or the designer of the proposed project at their request in order to facilitate necessary corrections by the designer of the calculations, drawings, and specifications. The Contractor is to submit a copy of all such correction lists to the City.

   I. Forward approved plans, calculations, and related documents to the City. Approved plans shall be identified as being approved.

   J. Maintain records related to plans reviewed, including all turnaround times.

K. Respond to telephone inquiries about code requirements and plan check procedures relating to assigned projects. These inquiries may relate to plans in process by the Contractor or may relate to plans checks which have been completed but where construction is still in progress. These telephone inquiries may be made directly to the Contractor's place of business or to the Contractor's plan reviewer(s) on the days they are present at the City office. The Contractor shall provide a toll-free telephone number and the contact information for the person assigned for applicants.

L. When requested, provide personnel to perform plan reviews "in house" within the City's Community Development Department. In this case the City will provide a work area, phone, and computer.

2. ***Building Inspections***: These tasks, when assigned a project, will be performed by the Contractor as determined by the City.

A. Report to the City Inspection Section at the beginning of and prior to the end of each regular work day to complete required paperwork and update inspection results within the City's inspection tracking system.

B. Review assigned project plans for compliance with code requirements and discrepancies after permit issuance. Compliance with code or discrepancies is based on the currently adopted code version with local amendments of the Building, Mechanical, Electric, Plumbing Codes, and ADA regulations mandated by the State and City ordinances and Department policies and applicable laws in effect at the time of application for construction permits.

C. Contractor to notify COTR and project contractor of any discrepancies.

D. Inspect commercial, industrial, or residential buildings during various stages of construction such as foundations, concrete, steel, masonry, framing, plastering or a large variety of other complex and routine building system elements to ensure compliance with applicable City codes, amendments and ordinances.

E. Coordinate inspection activities with other City departments and divisions; confer with architects, engineers, contractors and superintendents in the field and office.

F. The Contractor shall provide the inspector(s) with a cell phone, hand tools, code books, any safety equipment required by an assigned project or any city, state or federal laws or ordinances and a vehicle insured per City requirements when performing inspection services on behalf of the City.

G. Respond to telephone inquiries about code requirements and inspection procedures relating to assigned projects. These inquiries may relate to inspections in process by the Contractor or may relate to inspections which have been completed but where construction is still in progress.

H. Contractor is to use existing City correction notices or other forms and shall follow all policies and procedures of the City's inspection section.

Time Limits for Performance

1. The maximum plan review turnaround times (working days excluding City holidays) for initial review, rechecks and completion of lists of corrections shall be as follows:

	NUMBER OF WORKING DAYS		
Type of Plan	**Initial Check**	**Recheck**	**Expedited** (Initial/Recheck)
Residential, including additions and/or accessory buildings	10	5	5/3
Single Family Dwelling	10	5	5/3
Duplex Dwelling	10	5	5/3
Multi-Family (3 Units or More)	14	5	5/3
Commercial/Industrial Buildings	14	5	5/3

2. All assigned inspections, on a project, shall be completed on the same business day assigned.

(The above times do not include the date on which the plan(s) are picked up from the City office)

Distribution of Work

The City intends to distribute work, not necessarily in the order listed below, based on the Contractor's:

1. Capability to do the work;
2. Quality of work;
3. Personnel qualifications; and
4. Cost

Among the selected Offerors, the City reserves the right to send specific types of plan check, inspection or planner work such as commercial or industrial projects to the Offeror based on the above factors which is in the best interest of the City.

Conflicts

Contractor(s) shall abide by the Conflict of Interest laws of the State, by Conflict of Interest requirements of the RFP, and by the following Conflict of Interest Code:

1. Contractor shall not knowingly recommend approval of designs or inspections of designs or methods of construction that do not meet City codes, ordinances and standards without prior approval from the City. The City may reject the recommendations.

2. Contractor shall not accept for plan check, inspection or planner services from other designers or developers where past relationships between designers or developers, either friendly or hostile, could lead to doubt of objectivity in the process.

3. Contractor shall not provide plan checks, inspections or planner services where the drawings have been prepared for a developer who is or has been a client of the contractor on other projects within the past year.

4. Within three (3) months subsequent to plan check, inspection or planner work for a developer, Contractor shall not undertake plan check, inspection or planning work for that developer.

5. Contractor shall not use its position as plan reviewer, inspector or planner to further its own interest or use knowledge gained in the process to the disadvantage of the designer of the building plans, nor use this knowledge to create an unfair advantage for the contractor over the designer of the building plans.

Contractor Location

Offerors who do not have an office within the City of Tempe must address and clearly demonstrate (within their written proposal response) alternate plan review arrangements, including, but not limited to how they propose to provide the following:

1. Cost-free mail usage for pick-up and delivery of plans to both the applicants and the City, and the convenience or ease of access between the applicant and the City.

2. Toll-free phone usage, number of toll-free line, etc. for discussion of corrections on plans or projects under construction by the applicant or by the City.

3. Qualified personnel in sufficient number and frequency for the Contractor to cover assigned project plan check, inspection or planner workloads, answer plan review or planning questions on specific projects being processed, or to answer questions relating to plans checks or planning issues which have been completed, but where construction is still in progress.

Contractor Capabilities

Offerors shall submit a description of their capabilities in the management of technical programs of the nature described within this RFP as related to the past five (5) year period. This information is to be supported by submission of resumes of managerial personnel (not considered as direct labor under the proposed contract) with a list of contracts for similar services completed, or underway, including the name(s) of the customer agency, point(s) of contact with telephone number(s), and the dollar value of each such contract, including a brief synopsis of each similar project.

Cost Proposal

Offeror shall complete the Pricing Section for plan review services in conformance with the qualifications section. There will be no additional payment of fees and compensation except those clearly identified in Offeror's proposal(s) to the City.

Structure of Proposal

Offeror's shall submit their proposal responses in the following structure.

1. Complete and signed Vendor's Offer, page 33 of the RFP.

2. *Qualifications Section* (as outlined on page 22) shall include their years of experience as a plan check and building inspection firm; identification of staff to be assigned to the City of Tempe account with an enclosed resume for each (stating education, professional certifications, and work histories) as related to the requirements of this RFP.

3. *Tasks Required Section* (as outlined on pages 23-24) Provide the proposed methodology for completing the tasks required.

4. *Time Limits for Performance* Section (as outlined on page 25) Offeror shall address their initial and recheck turnaround times for each type of plan.

5. Offeror must address their response to the *Conflicts Section* (as outlined on page 25).

6. *Contractor Location Section* (as outlined on pages 26) shall identify offeror's office location address(es) for the City of Tempe account; their primary and secondary method of contact with City staff and plan check applicants; their mailing methods and associated turnaround times and costs (if any) to the City or applicant; their method of "toll-free" contact; hours per day and days per week for telephone calls; frequency of on-site visits to the City plan check intake offices; etc.

7. *Contractor Capabilities Section* (as outlined on page 26) shall include a projects list of similar size and scope work performed within the past five (5) years, including customer contact names, telephone numbers, nature and scope of plan check and building inspection. The dollar value of each contract shall be provided within your proposal and is subject to verification.

8. Offeror must provide complete the *Pricing Section* with fee and compensation prices for their Cost Proposal. There will be no additional payment of fees and compensation except those clearly identified in Offeror's proposal(s) to the City.

Proposal Evaluation

Proposal Contents – Listed below, in descending order of importance are the primary factors which will be considered in the evaluation of the Offeror's technical proposal. While cost is an important evaluation factor, it is not the only factor for the technical proposal. In preparing proposal responses, it should be noted that the City intends to award multiple contracts for this service.

1. **Contractor Personnel & Qualifications**: Familiarity on the part of offeror's staff with the requirements related to building, structural design, electrical, plumbing, mechanical, sound, and fire resistance; access and exit facilities; building foundations in relation to soil and conditions; grading; compliance with State energy conservation and ADA requirements; and compliance with City of Tempe Zoning Ordinance. Required experience in building construction plan review, building inspection and fire regulations. Special expertise will be considered.

   Qualifications of offeror's staff specifically assigned to the City, experience of offeror's firm in performing plan checks or building inspections services of the nature described in this RFP, and past record of performance (references, etc.) shall be used to judge this evaluation criteria.

2. **Costs**: Proposed plan review and building inspection services and associated costs to the City, including price fees and compensation. There will be no additional payment of fees and compensation except those clearly identified in Offeror's proposal(s) to the City.

3. **Methodology for Performing the Tasks Required**: Proposed plan to complete work required for plan review and building inspection services to include completion timelines. Identify any work that will be subcontracted and the subcontractors to be completing the work. Provide a description of the subcontractor's qualifications to perform the work.

4. **Corporate Resources**: Capacity and resources to perform the work described in this RFP is critical. The offeror's access to both corporate and outside resources and expertise for completion of all tasks shall be used to judge this evaluation criteria.

5. **Proposal Content**: Ability of the offeror to provide all required information at time of proposal opening. Ability of offeror to comply with City's contractual terms and conditions shall be considered.

Evaluation Criteria

Proposals will be reviewed by an Evaluation Committee consisting of City staff using the criteria and process outlined below.

Evaluation Process

1. The Procurement Office will verify that all proposals meet the requirements to be considered responsive. Responses that do not comply with any mandatory requirements will be considered non-susceptible for award and not forwarded to the Evaluation Committee for scoring.
2. The Evaluation Committee will review and score all responsive proposals and rank them based on the committee's scores. Any proposals determined to score outside of the competitive range may be removed for non-susceptibility. Remaining Offerors may be invited for interviews, negotiations, site visits and best and final offers as determined at the sole discretion of the City.

It is important to note that firms may be removed for non-susceptibility anytime during the evaluation process and not just at the specific points noted above.

	Award Criteria	**Weight**	**X**	**Rating**	**=**	**Points**
1.	Contractor Personnel and Qualifications	30	X			
2.	Costs	25	X			
3.	Methodology for Performing the Tasks Required	20	X			
4.	Corporate Resources	20	X			
5.	Quality and Completion of Proposal Content and Documentation; Acceptance of City's Terms and Conditions	10	X			
				Total	**=**	

This proposal will be evaluated on a cumulative point system using the rating scale shown below (fractional points may be selected within this range).

Scoring

Outstanding	9 - 10
Good	6 - 8
Average	3 - 5
Poor	1 - 2
Not Addressed or Unacceptable	0

To evaluate the cost portion of the above criteria, the City may elect to evaluate each firm on a percentage basis of the lowest cost offer. The formula would be: (Lowest Priced Offer/Evaluated Firm's Price) x Points Possible = Evaluation Points.

Pricing Section

"Return this Section with your Response"

Plan Review Services – Pricing for plan review services shall be based upon a percentage of the City's Collected Plan Check Fee. A current table of the City's Plan Check Fees can be found at http://www.tempe.gov/city-hall/community-development/development-services/fees. The City's standard plan review fee is limited to three (3) reviews.

Structure Type	Initial Review	Second Review	Third/Additional Review
Single-family residences, duplexes, garages and related structures	%	%	%
Multiple Residences (apartments, condominiums)	%	%	%
Commercial/Industrial building and other related structures	%	%	%
High-rise mixed use residential/retail buildings	%	%	%
Indicate any fees for expedited reviews			
Indicate any fees for deferred submittals, construction change directives and revisions			

Turnaround Times for Review Services – Indicate your firm's turnaround times for each of the following:

Single-family residences, duplexes, garages and related structures	Business Days
Multiple Residences (apartments, condominiums)	Business Days
Commercial/Industrial building and other related structures	Business Days
High-rise mixed use residential/retail buildings	Business Days
Expedited Reviews	Business Days

Inspection Services – Pricing for inspection services shall be based upon an hourly rate

Job Description	Hourly Rate
Principal Engineer	$
Project Manager	$
Planning Manager	$
Project Engineer	$
Construction Manager	$
Plan Reviewer	$
Engineer	$
Senior Planner	$
Special Districts Manager	$

Pricing Section

"Return this Section with your Response"

Job Description	Hourly Rate
Senior Designer	$
Planner	$
Public Works Inspector	$
Building Inspector	$
CAD Drafter	$
Technician	$
Administrative	$
Additional Job Descriptions (not listed above)	
	$
	$
	$
	$
	$
	$
	$
Identify any additional charges not identified above	
	$
	$
	$
	$
	$
	$
	$

Pricing Section

"Return this Section with your Response"

* Applicable Tax _____ %

*** State correct jurisdiction to receive sales tax on the Vendor's Offer, included in this Request for Proposal.**

Less prompt payments discount terms of __ % __ days/ or net thirty (30) days. (To apply after receipt and acceptance of an itemized monthly statement.) For evaluation purposes, the City cannot utilize pricing discounts based upon payments being made in less than thirty (30) days from receipt of statement.

Ordering and Invoice Instructions

Invoices shall be issued directly to the ordering department. Invoices shall be accurate and complete including the information shown below. Failure to provide a properly documented invoice may cause a delay in receipt of payment. The City will not process an invoice for payment until it has been approved by the ordering department and forwarded to Accounts Payable. The City endeavors to process invoices within 30 days after receipt of an accurate and complete document.

Invoices shall include:

1. Line item listing of all ordered items to include description of items;
2. Unit cost and extended cost for each line item;
3. Applicable Tax;
4. Payment Terms;
5. Purchase Order Number;
6. Name of selling organization clearly stated on invoice along with address;
7. Phone number and or e-mail address for contact person to clarify invoicing questions;

Invoices that do not follow the above minimum invoicing requirements will not be paid. Payment must be applied to only invoices referenced on check/payment stub. The City reserves the right to process payments via check or P-Card.

Accounting Contacts:	Yesenia Loredo-Flores	Letters A – H and Numbers
	Carlene Foster	Letters I – Z
	Scott Gruber	General AP Inquiries and AP Checks

Vendor's Offer

"Return this Section with your Response"

Offeror must complete, sign and submit this form to the Procurement Office with the proposal response. An unsigned "Vendor's Offer", late proposal response, and/or a materially incomplete response will be considered nonresponsive and rejected. Offeror is to type or legibly write in ink all information required below. A scanned copy of this page is acceptable.

Company Name: _____

Company Purchase Order Mailing Address:

Street Address: _____

City, State, Zip: _____

Contact Person: _____ Phone Number: _____

E-mail Address: _____ Cell Number: _____

Remit to Information

Company Name (as it appears on invoice): _____

Company Payment Remit to Address:

Street Address: _____

City, State, Zip: _____

Company Tax Information

If a Tempe-based firm, provide Tempe Transaction Privilege (Sales) Tax No.: _____

Payment Options

Will your company accept the City's Master Card for payment?	Yes	☐	No	☐
Will your company accept Payment via ACH (Automated Clearing House) for payment?	Yes	☐	No	☐

THIS PROPOSAL IS OFFERED BY

REQUIRED SIGNATURE OF AUTHORIZED OFFEROR

By signing this Vendor's Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other Offeror or potential Offeror. Failure to sign and return this form with proposal response will be considered nonresponsive and rejected.

_____ _____

Signature of Authorized Offer | Date

_____ _____

Print or Type Name of Authorized Individual | Title of Authorized Individual

Anti-Discrimination Policy

COMPLIANCE WITH CITY'S ANTIDISCRIMINATION ORDINANCE NO. 02016.25

The Tempe City Council approved Ordinance No. 02016.25 that requires vendors who are being recommended for award to provide evidence of their compliance with the City's antidiscrimination policy as shown below:

Sec. 2-601. Policy.

It is declared to be the policy for the citizens of Tempe, Arizona, to be free from discrimination in public accommodations, employment, and housing, and contrary to public policy and unlawful to discriminate against any person on the basis of race, color, gender, gender identify, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, in places of public accommodation, employment, and housing; and contrary to the policy of the city and unlawful for vendors and contractors doing business with the city to discriminate, as set forth in this article.

Sec. 2-603. Unlawful Practices.

The following shall constitute a violation of this article:

For a city vendor or city contractor, because of race, color, gender, gender identify, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, to refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges or employment. City vendors and contractors of fifteen (15) or more employees shall provide a copy of its antidiscrimination policy to the Procurement Officer to confirm compliance with this article. Employers having fourteen (14) or less employees may attest in writing to compliance with this article.

Vendor Requirements

Vendors who have fifteen (15) or more employees shall include with their bid/proposal submittal a copy of its antidiscrimination policy that must mirror the City's policy as stated above. Suppliers who have fourteen (14) or less employees may include their antidiscrimination policy *or* complete a written affidavit of compliance per the attached.

To be completed by responding company and returned with submittal:

_____ Our company has 15 or more employees and has included its antidiscrimination policy that mirrors the City's policy;

_____ Our company has fourteen (14) or less employees and is attaching the signed AFFIDAVIT OF COMPLIANCE WITH TEMPE CITY CODE CHAPTER 2 ARTICLE VIII SECTION 2-603(5).

Please include this document along with the company's antidiscrimination policy or the completed affidavit with offer submittal

Anti-Discrimination Policy

Only complete this document if you have 14 or less employees.

AFFIDAVIT OF COMPLIANCE WITH TEMPE CITY CODE

CHAPTER 2 ARTICLE VIII SECTION 2-603(5)

Per Tempe City Code Chapter 2 Article VIII Section 2-603(5), it is unlawful for a City vendor or City contractor, because of race, color, gender, gender identity, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, to refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges of employment.

City vendors and contractors shall provide a copy of their antidiscrimination policy to City to confirm compliance with this requirement or attest in writing to compliance.

- CONTRACTOR means any person who has a contract with the City.
- VENDOR means a person or firm in the business of selling or otherwise providing products, materials, or services.

CONTRACTOR/VENDOR, select one:

_____ Current copy of antidiscrimination policy attached

OR

_____ I hereby certify _____ (contractor/vendor) to be in compliance with Tempe City Code Chapter 2 Article VIII Section 2-603(5).

_____ Date: _____
Signature

_____ _____
Print Name Title

_____
Company

Supplier Sustainability Questionnaire

The City of Tempe is strongly committed to sustainable practices and programs that help build a vibrant and resilient community. The City accomplishes this through a variety of innovative programs, including water and energy conservation, recycling, composting, alternative transportation, sustainable business practices and environmental stewardship. Tempe recently established its 2019 Climate Action Plan (CAP) that provides a guideline for how the City will take local action on global climate change by reducing its greenhouse gas (GHG) emissions and adapting to the changing climate. The Climate Action Plan serves as a guideline for the City's path toward a sustainable and resilient future that will benefit the entire City. The City has strengthened its commitment to sustainability by adopting a new carbon neutrality goal by 2050 and a strategy of sourcing 100 percent of its electricity from renewable sources by 2035. To learn more about the City's commitment to sustainability, please visit https://www.tempe.gov/government/sustainable-tempe.

To further this commitment, the City has developed a Sustainable Procurement Policy that provides specific guidelines for how these important sustainable practices and programs will be reflected in contract award decisions. By partnering with companies who share these sustainability goals, the City will be able to significantly enhance sustainable outcomes.

To support these efforts, the following Supplier Sustainability Questionnaire has been developed that will allow the City to better understand your company's efforts and commitments regarding sustainable practices and initiatives. This questionnaire has two sections – a section to understand what your company is doing regarding sustainable actions and a section to understand the specific sustainable attributes of the product or service that you are offering.

Item	Question	Response
Corporate Sustainable Actions		
1.	What sustainability guidelines or environmental statement does your company have to guide the company as a whole? Please include a link.	
2.	What is your company doing to be more energy efficient?	
3.	What is your company doing to reduce greenhouse gas emissions?	
4.	What is your company doing to reduce waste transferred to landfills?	
5.	What is your company doing to reduce water waste?	
6.	What kind of effort does your company make to reduce the use of environmentally harmful materials *(such as cleaning products, etc.)?*	
7.	Does your company take any actions to manage the sustainability of your supply chain? If yes, please explain.	
8.	Has your company received any environmental or sustainability related independent certifications or recognitions? If yes, please explain.	

Supplier Sustainability Questionnaire

Item	Question	Response
Product Sustainable Attributes		
1.	Has your company performed an environmental life cycle analysis on the product being offered the City? If yes, please provide documentation	
2.	Can the product being offered be refurbished, recycled, or composted at the end of its life? If yes, please elaborate	
3.	Does the product being offered include any recycled materials? If yes, please explain.	
4.	What measures have been taken to reduce unnecessary packaging materials associated with the product being offered?	
5.	What kind of reusable, recyclable, and/or compostable packaging materials does your company use?	
6.	Has the product being offered been rated or certified by a third-party organization such as Energy Star, Green Seal, Leadership in Energy and Environmental Design (LEED), Forest Stewardship Council, etc.? If yes, please provide certification documentation.	
7.	Please provide any additional information you would like to share regarding your product's sustainable attributes.	

Please find some helpful links below that will provide additional information, tools and resources regarding sustainable practices:

Greenhouse Gas Calculators:
https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references

Sustainable Packaging:
https://www.epa.gov/smm/sustainable-packaging
https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/containers-and-packaging-product-specific-data

Cleaning Products:
https://www.epa.gov/saferchoice

Tool to Measure and Track your Waste and Recycling:
http://www.epa.gov/smm/wastewise/measure-progress.htm

Water Conservation:
http://water.epa.gov/polwaste/nps/chap3.cfm

Checklist for Submittal

The following checklist has been provided to assist you in submission of your offer.

This list should not be considered complete, other information or documents may be necessary as part of your submission.

The items listed are the primary documents and information that must be completed and/or included with your proposal.

Please include any additional information or documents that will clarify your submittals.

This document has been issued in Word format to allow the responding firm the ability to provide requested information, answer questions and provide pricing within the actual document.

Description		Included √
1.	One signed and completed copy of the Proposal response – only sections marked **"Return this Section with your Response"** are required but you may include supplemental materials you believe necessary to clarify your submittal.	
a.	Signed and Completed Vendor's Offer Form	
2.	Due to the COVID Virus, please submit a single e-copy of the signed and completed proposal. The City's e-mail is capable of accepting up to a 10MB attachment. Please try and keep the proposal under this size limit. However, if you need to exceed 10MB, please break the proposal up into two sections and e-mail in two separate messages clearly indicating the solicitation number on the subject line and denoting Part 1 and Part 2 response. We will be unable to accept any hard copies of the proposal so please e-mail the response as noted above.	
3.	Proposal Questionnaire	
4.	Pricing Section	
5.	All items included within structure of proposal (page 27) are included	
6.	If company has 14 or less employees include a signed and completed Affidavit of Compliance with Tempe City Code Chapter 2 Article VII Section 2-603(5) (form attached)	
7.	If company has 15 or more employees include a copy of its anti-discrimination policy	
8.	Signed Addenda (if applicable)	
9.	Supplier Sustainability Questionnaire	

Alert – If you received this solicitation via a third-party plan-holder company and did not directly download it from the City of Tempe's Procurement home page you might not have received any addendums that were published during the bidding period. To ensure you are notified of addendums it is critical that you download this solicitation from the City's web site per the below link:
https://ww2.tempe.gov/bids/

Addendum to Solicitation

City Procurement Office/City of Tempe • PO Box 5002 • 20 East 6th Street • Tempe, AZ 85280 • (480) 350-8324 • www.tempe.gov/procurement

	Issue Date:	07/13/2021
This addendum will modify and/or clarify:	Solicitation No.:	22-002
and is	Addendum No.:	1
	Procurement Description:	Plan Review and Building Inspection Services

Changes to the solicitation are as follows:

1. The RFP Due Date and Time is hereby changed to ***Thursday, July 29, 2021, 3:00 P.M. Local Arizona Time*.**

2. Add the following paragraph to the Special Terms and Conditions beginning on page 16 of the Request for Proposal.

   20. **Contract Submittal:** Offeror is to furnish a copy of its proposed Contract with its proposal response. Contractual considerations are an important evaluation factor and will be considered in making an award decision. Any proposed Contract should be tailored to the specific requirements of the City's Request for Proposal and overall conformity with the City's Request for Proposal requirements. The failure of an Offeror to reach an acceptable Contract to the satisfaction of the City will result in proposal rejection.

The following questions were received and answers given in response to this RFP:

1. It is stated that an offer to contract with the City will be based on the terms and conditions contained in the Request for Proposal. However, the terms and conditions listed on pages 8-20 appear to be for a contractor and not a provider of professional services. Can you please advise if these are in fact the terms and conditions the City intends to utilize for this scope of work?

   Answer: *Please feel free to submit a copy of your firm's proposal or alternate terms and conditions with its proposal response for the City to consider during the evaluation. Additionally, the Contract Submittal paragraph is added to the RFP's Special Terms and Conditions. Please refer to Change #2 above.*

2. Typically, Inspection Services are priced as Residential or Commercial only and not by Job Description. May we simply complete the form stating "N/A" for each item and add the services we are providing at the end of the section, i.e., residential and commercial inspections?

   Answer: *The City currently operates with an hourly rate of inspections that covers all types. We have an established operation whereby the third party inspectors are combination type and are assigned work as needed. The proposed change and pay structure is not acceptable.*

3. Would you be able to inform us, on average, the amount of plans weekly or monthly that the City anticipates the 3rd party provider will have? If that information is not available, can you inform us the number of plans the City does itself.

   Answer: *The amount of third party plan review services for the past 2 years is as follows:*

   2019 – 36 reviews total (average 3 each month)
   2020 – 7 reviews total (average 1 every other month)

4. What type of plan reviews are the bulk of services? Residential or Commercial? And what type (high risers, accessory dwelling units, photovoltaic reviews, etc.?)

   Answer: *A majority of the plan reviews are commercial projects and are an even split between high rise and single story. Additional details regarding the types of the reviews are not readily available in a timely manner.*

There are no other changes at this time.

Please ensure that you sign and submit this addendum by the revised RFP due date and time identified above.

The balance of the specifications and solicitation instructions to remain the same. Offerors are to acknowledge receipt and acceptance of this addendum by returning of signed addendum with the proposal response. Failure to sign and return an addendum prior to proposal due date and time may make the /proposal response non-responsive to that portion of the solicitation as materially affected by the respective addendum.

_____	_____
Name of Company	By – Name and Title (Please Print)
_____	_____
Email Address	Telephone
_____	_____
City State Zip	Authorized Signature

City of Tempe
Financial Services/Procurement
PO Box 5002
Tempe, AZ 85280
www.tempe.gov

December 23, 2023

Shums Coda Associates, Inc.
Attn: Christine Godinez
5776 Stoneridge Mall Road, Suite 150
Pleasanton, CA 94588
Christine.godinez@shumscoda.com

Subject: *Best and Final Offer Request for RFP #24-029 Plan Review and Building Inspection Services*

Dear Christine:

In accordance with City of Tempe procurement ordinance provisions, your firm is hereby invited to submit a Best and Final Offer (BAFO) to RFP #24-029 Plan Review and Building Inspection Services. This is your opportunity to ensure that your most competitive offer has been submitted. Your BAFO response may address any part of your initial offer, however you are requested to address the following areas:

1. *Pricing – The City strongly encourages you to review your original pricing to ensure the most competitive offer is submitted as part of this best and final process.*

This is your opportunity to add any additional information that you deem appropriate to further clarify and improve your offer. Best and final offers are due in the Procurement Office by Wednesday, January 3, 2024, 12:00 P.M. (Local Arizona time). Please email your Best and Final offer to cecille_lewis@tempe.gov. If you have any questions regarding this step of the evaluation process, feel free to contact me.

Thank you for participating with us on this procurement. We look forward to reviewing your Best and Final Offer.

Sincerely,

Cecille Lewis

Cecille Lewis
Procurement Officer

Pricing Section

"Return this Section with your Response"

Please provide pricing as indicated below			
Structure Type	**Initial Review Hourly Rate**	**Second Review Hourly Rate**	**3rd/Addtl Review Hourly Rate**
Plan Review Services			
Single-family residences, duplexes, garages and related structures	$95	$95	$95
Multiple Residences (apartments, condominiums)	$110	$110	$110
Commercial/Industrial building and other related structures	$125	$125	$125
High-rise mixed use residential/retail buildings	$125	$125	$125
Civil grading and drainage reviews	$135	$135	$135
Indicate any fees for expedited reviews	1.5 times hourly rate	1.5 times hourly rate	1.5 times hourly rate
Indicate any fees for deferred submittals, construction change directives and revisions	Hourly to match discipline	Hourly to match discipline	Hourly to match discipline

Turnaround Times for Review Services – Indicate your firm's turnaround times for each of the following:	
Single-family residences, duplexes, garages and related structures	10 initial/5 recheck Business Days
Multiple Residences (apartments, condominiums)	14 initial/5 recheck Business Days
Commercial/Industrial building and other related structures	14 initial/5 recheck Business Days
High-rise mixed use residential/retail buildings	14 initial/7 recheck Business Days
Expedited Reviews	*Varies Business Days

Inspection Services – Pricing for inspection services shall be based upon an hourly rate	
Job Description	**Hourly Rate**
Planning Manager	$ 150
Plan Reviewer I	$ 95
Plan Reviewer II	$ 110
Plan Reviewer III	$ 125
Civil Engineer	$ 145
Civil Inspector	$ 85
Civil Plan Reviewer	$ 135
Senior Planner	$ 135

*Varies based on SCA staff availability and complexity of project; normally half the standard turnaround times cited above Business Days.

Job Description	Hourly Rate
Planner	$ 120
Permit Technician	$ 75
Administrative	$ 45
Building Inspector I	$ 75
Building Inspector II	$ 85
Building Inspector III	$ 95
Certified Building Official	$ 135
Additional Job Descriptions (not listed above)	
	$
	$
	$
	$
	$

* Applicable Tax 0 %

*** State correct jurisdiction to receive sales tax on the Vendor's Offer, included in this Request for Proposal.**

Less prompt payments discount terms of 0 % __ days/ or net thirty (30) days. (To apply after receipt and acceptance of an itemized monthly statement.) For evaluation purposes, the City cannot utilize pricing discounts based upon payments being made in less than thirty (30) days from receipt of statement.

Ordering and Invoice Instructions

Invoices shall be issued directly to the ordering department. Invoices shall be accurate and complete including the information shown below. Failure to provide a properly documented invoice may cause a delay in receipt of payment. The City will not process an invoice for payment until it has been approved by the ordering department and forwarded to Accounts Payable. The City endeavors to process invoices within 30 days after receipt of an accurate and complete document.

Invoices shall include:

1. Line item listing of all ordered items to include description of items;
2. Unit cost and extended cost for each line item;
3. Applicable Tax;
4. Payment Terms;
5. Purchase Order Number;
6. Name of selling organization clearly stated on invoice along with address;
7. Phone number and or e-mail address for contact person to clarify invoicing questions;

Invoices that do not follow the above minimum invoicing requirements will not be paid. Payment must be applied to only invoices referenced on check/payment stub. The City reserves the right to process payments via check or P-Card.

Accounting Contacts:	Carey Alf	Letters A – H and Numbers
	Carlene Foster	Letters I – Z
	Yesenia Loredo Flores	General AP Inquiries and AP Checks

Proposal for

Plan Review and Building Inspection Services

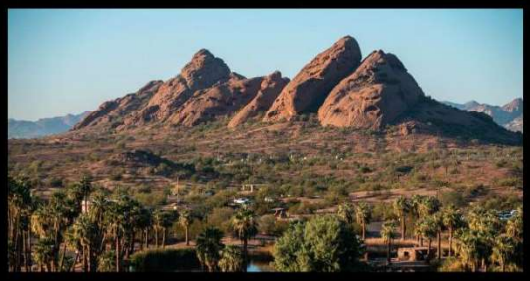




City of Tempe







Shums Coda Associates

Bulding Plan Review & Inspections | Building Department Augmentation | Professional Education | Fire Protection Engineering | Elevator Inspection | Civil Engineering

Corporate Headquarters - 5776 Stoneridge Mall Road, Suite 150, Pleasanton, CA 94588
Main Line: (925) 463-0651 - Fax Number: (925) 463-0691 - info@shumscoda.com - www.shumscoda.com

Arizona Regional Office – 1616 North Litchfield Road, Suite A-210, Goodyear, AZ 85395
Northern California (Sacramento) Regional Office – 1024 Iron Point Road, Suite 100, Folsom, CA 95630
Southern California Regional Office – 17875 Von Karman Avenue, Suite 150, Irvine, CA 92614
Nevada Regional Office – 9205 West Russell Road, Building 3, Suite 240, Las Vegas, NV, 89148
Northern Utah Regional Office – 10 West Broadway, 7th Floor, Salt Lake City, UT, 84101
Southern Utah Regional Office – 2284 East 3400 South Street, Saint George, UT 84790
Colorado Regional Office – 4610 South Ulster Street, Suite 150, Denver, CO 80237

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October 19, 2023

City of Tempe
Cecille Lewis, Procurement Officer
City of Tempe Procurement Office
20 E. 6th Street (Second Floor), PO Box 5002
Tempe, Arizona 85280]

RE: Plan Review and Building Inspection Services

Thank you for the opportunity to present this proposal to provide **Plan Review and Building Inspection Services** to the City of Tempe. We are confident that Shums Coda Associates, Inc (SCA) is the firm with the personnel, experience, and attitude that will be needed to continue to successfully provide these as-needed services to the city.

SCA is a building and life-safety consulting firm that was established in 2006 on the principle of assisting our municipal partners with staff augmentation and developmental services related to construction review, permitting, inspections and documentation procedures. Our firm continually receives exceptional reviews from our jurisdictional clients, as well as design professionals, developers, and contractors from all sizes of projects and varying complexities. Positive interactions related to our work product is centered in our desire to be more than a mere consultant firm but rather a contributing partner, functioning as an extension of the City's staff. We are committed to a vision of service excellence that we believe the City of Tempe shares.

We are constantly improving our staffing levels and efficiencies to match the complexity of each project's scope, and our additions in staffing over the past few years will be a perfect opportunity to display our strengths. Our goal is to provide a positive outcome to the City of Tempe's Building Department needs, and we believe that SCA is the firm that can continue to make development services in the City of Tempe a source of community pride. The following proposal will highlight key features and distinguishing points of the SCA team that will assist in this undertaking.

We intend to provide primary services out of our Corporate Headquarters, with additional support staff being provided from our regional offices (when needed). Correspondence or communication regarding the proposal should be directed to Christine Godinez, Chief Operating Officer, via email: christine.godinez@shumscoda.com, via phone (925) 463-0651 (main), and (925) 463-0691 (fax), or via mail: 5776 Stoneridge Mall Road, Suite 150, Pleasanton, CA 94588. Additionally, technical or proposal specific clarifications that might be needed can be answered by, David Basinger, Chief Executive Officer (925) 413-5626 (cell), or SCA's local Regional Arizona Manager, Barbara Rice (928)202-7107 (cell).

The following corporate officers are authorized to make these representations on behalf of SCA:

- David Basinger, CEO/ Principal
- Christine Godinez, COO/Corporate Secretary

If SCA is fortunate enough to be awarded this contract, we will perform the services and adhere to the requirements described in this RFP. Our team looks forward to answering any additional questions you may have about our firm after reviewing our proposal.

Sincerely,

David Basinger, Architect
CEO/ Principal
david.basinger@shumscoda.com
(925) 413-5626 (Cell)

Christine Godinez
COO/ Corporate Secretary
christine.godinez@shumscoda.com
(925) 463-0651 (Main Line)

Vendor's Offer

"Return this Section with your Response"

Offeror must complete, sign and submit this form to the Procurement Office with the proposal response. An unsigned "Vendor's Offer", late proposal response, and/or a materially incomplete response will be considered nonresponsive and rejected. Offeror is to type or legibly write in ink all information required below. A scanned copy of this page is acceptable.

Company Name: Shums Coda Associates, Inc

Company Purchase Order Mailing Address:

Street Address: 5776 Stoneridge Mall Road, Suite 150

City, State, Zip: Pleasanton, CA, 94588

Contact Person: Christine Godinez Phone Number: 925-463-0651

E-mail Address: christine.godinez@shumscoda.com Cell Number:

Remit to Information

Company Name (as it appears on invoice): Shums Coda Associates, Inc

Company Payment Remit to Address:

Street Address: 5776 Stoneridge Mall Road, Suite 150

City, State, Zip: Pleasanton, CA, 94588

Company Tax Information

If a Tempe-based firm, provide Tempe Transaction Privilege (Sales) Tax No.:

Payment Options

Will your company accept the City's Master Card for payment?	Yes ☐	No ☑
Will your company accept Payment via ACH (Automated Clearing House) for payment?	Yes ☑	No ☐

THIS PROPOSAL IS OFFERED BY

REQUIRED SIGNATURE OF AUTHORIZED OFFEROR

By signing this Vendor's Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other Offeror or potential Offeror. Failure to sign and return this form with proposal response will be considered nonresponsive and rejected.

Signature of Authorized Offer — 10/16/2023 Date

Christine Godinez — Print or Type Name of Authorized Individual

Chief Operating Officer — Title of Authorized Individual

Firm Background

SCA was established with the philosophy of providing customizable building and life-safety services through highly qualified and experienced staff. The firm was founded with licensed architects, engineers, and building professionals with extensive experience in design or construction fields, that had translated into municipal service roles (through jurisdictions or as municipal consulting services).

SCA reviews and inspects all facets of design construction related to code minimums and local amendments including architectural, structural, fire-safety, accessibility/CASp, energy, green building, mechanical, civil, zoning, electrical, and plumbing, as well as all associated reporting for permitting, inspections and code enforcement. By selecting SCA, you will have access to our entire experienced and code knowledgeable team, with a proven track record of providing outstanding service. We utilize our code expertise to create consistent on-time delivery of services and provide cost-effectiveness through the utilization of focused staffing services (as needed). SCA is committed and ready to provide you with the same care and standard of technical excellence that has been the hallmark of our work since our inception.

SCA personnel have the experience to provide complete, accurate, and on-time Plan Review and Building Inspection Services that the City of Tempe desires. We are comprised of licensed architects, civil and structural engineers, and I.C.C. Certified personnel that have a wealth of code knowledge and experience in design and/or construction related fields. SCA staff have well over a combined century of experience providing building and life-safety services to, and for, governmental agencies. Most of our staff started their careers with an extensive design or construction background, which over the years has shifted into municipal roles and experiences. From this extensive knowledge base, **SCA understands the importance of an experienced team of licensed professionals and certified employees that translate life experiences into exceptional building and life-safety or code enforcement customer service for all of our clients.**

SCA has been providing these services to City of Tempe since 2016 and provides these services to similar communities throughout the nation, from our eight offices located in five states. SCA's Corporate Headquarters are in Pleasanton, California, with Regional Offices in California (Folsom & Irvine), Arizona (Goodyear), Nevada (Las Vegas), Utah (St. George & Salt Lake City) and Colorado (Denver). Between all our locations, SCA employs approximately one hundred employees available to assist with Plan Review and Building Inspection Services (as needed). **With such a large and experienced team, that is in our seventeenth year of business in providing plan review, inspection, and other code consulting services to our municipal partners, we know the value in adapting our work product to be customized to the needs at Tempe.** Over the years the company has grown and serves more than 200 jurisdictions throughout several states. We provide plan review, inspection, staff augmentation and other services throughout Arizona, with a sufficient number of qualified staff within the state to meet the needs of our customers on a local level.

SCA expanded our staffing levels and expertise with the acquisition of the former Colorado Code Consulting (CCC) in 2020, which increased our service lines to provide technical training throughout the United States, as well as a more defined involvement with national building code development. We therefore feel we have improved with a larger staff and greater code resources. Even with SCA expanding our services over the last few years, we still remain a flat organizational structure in terms of management and foster a family-oriented business model. This structure eliminates excess management layers to improve coordination and communication allowing our team's regional managers and project leads to independently work to their strengths and provide customized services for our individual clients. SCA is excited to demonstrate how continued increases in our services will be a benefit to the City of Tempe.

SCA's continued growth is attributed to our sound client relationships and demonstrated value in providing contract services to municipalities of all sizes. We have enjoyed successful partnerships with numerous jurisdictions throughout Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico,

Tennessee, Texas, Utah, Washington, and Wyoming. **We are proud of the superior level of assistance provided to our clients, and we are confident in our overall company structure to commit to the services outlined – responsiveness, on-time delivery, local staff members, and superior code knowledge.**

Code Knowledge

SCA works throughout the United States, enforcing various versions of the model building codes, and/or local ordinances. These assignments have us enforcing and reviewing code requirements for projects that are as diverse as the jurisdictions themselves. We spend time researching and understanding the development of new code language, which often assists all of our clients in developing performance-based approaches to achieve code minimums.

Our staff is required to have current I.C.C certifications, professional licenses, and continuing education hours in order to maintain our understanding of the ever-changing code requirements and State or local amendments. SCA believes that an understanding of how buildings are designed and constructed is an important element to providing effective code comments that are based on the realities of practical construction. Depending on the code section, we have seen there can be a great deal of interpretation applied to how requirements are enforced, so SCA staff continues to find value in learning the history and intent of code language to assist with accurately applying it to our reviews and inspections (with final determinations clearly coming from the municipal client staff). Constantly improving SCA team knowledge related to code items allows us to expedite project timelines, as we are current and proficient with new or difficult to understand code sections, and their proper applications. Our belief is that code should be understood by our staff to a level where they can explain to our clients how and why it applies to their specific project. We understand that we cannot strive to be the best unless we stay current with regulations we are required to enforce.

SCA takes this commitment to code content further as we continue to expand our involvement in various code training and education offerings. SCA's Education Director Steve Thomas oversees a team of code educators providing technical classes throughout the United States. In addition, SCA educators serve as chairpersons, or board members on national code education committees such as: Southern Nevada ICC EduCode; Colorado ICC; Arizona Building Officials Education Committee, Utah Chapter of Building Officials, and Sacramento Valley Association of Building Official ICC. We utilize this code expertise to internally train our own staff and are in the process of establishing a program to educate and train the next generation of plans examiners, building and fire inspectors. Thus, our staff will be coming from a higher degree of code knowledge than provided by other similar firms in this industry.

Code expertise is the strength of our services and SCA is always willing to share this knowledge with any jurisdictional or design/construction professional. In the end, we are striving to build relationships with our clients so they can take advantage of our expertise to successfully manage every issue or project. Our success is based on putting into action services that enhance the value of and highlight the unique personality of each individual client or project.

Commitment to Quality Service

The diversity of the people that work at SCA will provide the City of Tempe with a full understanding of why they have partnered with a firm that takes a sincere interest in your community. SCA values every client and is committed to customizing our services to meet the needs that make the City of Tempe unique. We are constantly adapting and seeking ways to provide excellent service to customers in the face of increased expectations. This is why partnering with SCA is the ideal solution to these issues faced by the city. We will provide expert staff to meet the City of Tempe's desired service levels, on an as-needed basis, allowing flexibility to manage your Planning and Building Department in the most beneficial manner. We look to see that projects are successfully completed and a reflection of the city's codes, ordinances procedures, policies, and directives. A key in those efforts is the ability of having all construction reviewed in a cooperative partnership between Building and

Planning, Public Works, Environmental, Police, Fire, and other departments and divisions within the city – as well as serving the community. We will listen to the city's staff, and take our lead from their direction, and hopefully build a relationship as a valued team member. At the end of each day, it is important for us to stress that the City of Tempe is not just a client, as we must earn your trust to build a strong working relationship – and the best way to earn this is by showing the city what sets us apart from others.

Key Personnel

SCA will provide experienced and available plans examiners, plan check engineers, and inspectors through our Arizona Regional Office in Goodyear. Barbara Rice, our Arizona Regional Manager, will utilize our local staff first to service this contract but may also provide more plan review staff and inspectors through our corporate headquarters and regional office locations, as deemed necessary by the assigned workload.

We identify the following key personnel that will provide primary points of contact:

- **David Basinger, Architect and Principal/CEO –** will be the point of contact for technical code issues and provide immediate adjustments in SCA plan review staffing levels when requested by the city as well as acting as lead plans examiner for larger and more complicated projects. Mr. Basinger is an Arizona licensed architect and has served in multiple jurisdictions as Acting Building Official, Acting Deputy Building Official and/or Plan Check Manager, so he is able to supervise our staff and maintain balance with jurisdictional desires related to levels of service provided, particularly as it revolves around plan review needs. As the owner of SCA, Mr. Basinger will ensure that all services we intend to provide under this contract will be honored and supported by our entire team of professionals.
- **Barbara Rice, CBO, CFM, Arizona Regional Manager –** will be the point of contact for technical code issues and provide immediate adjustments in SCA staffing levels when requested by the city. She is experienced as a building and fire code official, inspector, and plans examiner.
- **Christine Godinez, COO –** serves as the SCA point of contact for items related to invoicing, certificates of insurance, and managing our plan review tracking software.
- **Stephanie Stuckemeyer, Operations Manager –** oversees our internal plans coordinators team to ensure that each plan received by SCA is logged into our database to allow for tracking of each review cycle and maintains turnarounds and delivery of completed reviews. Stephanie also supervises our on-boarding process with new clients to ensure that we have all processes and procedures documented and understood prior to beginning reviews for the city.

The following personnel will service this contract as outlined in the RFP:

Arizona plan review and inspection staff: Barbara Rice (Arizona Regional Manager, specializes in fire, certified building plans examiner as well as educator), Pat Headington (CBO, senior inspector/plan reviewer) Mark Masek (residential/commercial plan review and master code professional) Jon Lodge and Mandy Ayars (experienced plans examiners that specialize in fire reviews and inspections), Alec Deese, Robert Elefante (commercial/ residential inspectors), will be utilized first as they are experienced in Arizona state and local codes and amendments. SCA can provide additional local plan reviewers and inspectors as needed.

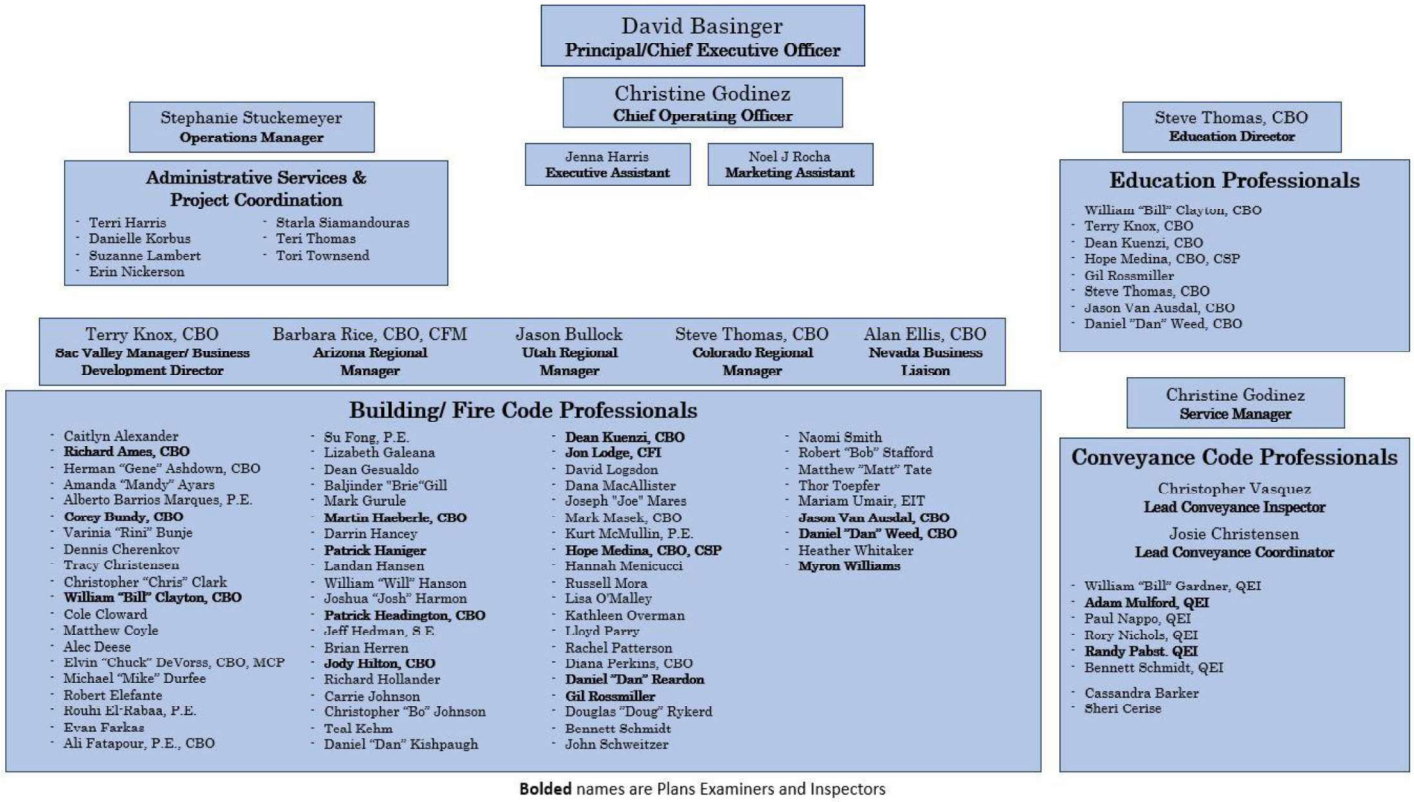
Additional plan review staff: David Basinger (architect, plans examiner), Kurt McMullin, Rouhi El-Rabaa (senior plan check engineer), Ryan Loh (structural engineer), Su Fong, Mariam Umair (experienced engineers that also review non-structural systems), David Logsdon (specializes in electrical), Dean Kuenzi (specializes in electrical, code educator), Jason Van Ausdal (specializes in mechanical & plumbing, code educator), Hope Medina and Gil Rossmiller (specializes in energy & Cal Green/sustainability reviews, and code educators), Steve Thomas (complete non-structural code reviews and code educator).

Any of our overall plan review staff are available to assist with larger volumes or more complicated review projects. We can provide multiple experts in each building system/field with our internal methods of communication between SCA offices.

Since inspection personnel must work well with city staff to be effective, SCA will provide full resumes prior to our staff providing any inspection services. Any inspector sent to the city will need to be interviewed and/or accepted by the city staff prior to their commencement of inspections on behalf of the jurisdiction, as we want our staff to be appropriately qualified for and clear of the city's expectations.

Organizational Chart

We provide our organizational chart to show the strength of our team. Our preference is to utilize local staff to provide the code services, but with the pandemic, we have expanded our electronic capacity to be able to review projects from any of our offices. Any of our overall plan review staff are available to assist with larger volumes or more complicated review projects. We can provide multiple experts in each building system/field with our internal methods of communication between SCA offices. This means that we can provide an even greater degree of expertise for unusual systems related to structural, mechanical, plumbing, electrical, fire, as well as accessibility reviews. For example, as the pandemic has shifted plan review services to be almost entirely electronic, we now can distribute plan reviews (in whole or in portions) to any of our staff and provide a final list of code comments that are cohesive and complete, from any combination of our regional office locations. This allows SCA to provide more staff to solve workflow issues within jurisdictions.



Bolded names are Plans Examiners and Inspectors

SHUMS CODA ASSOCIATES

David Basinger, Architect
CEO/ Principal

Education
Bachelor of Architecture (with an emphasis on urban redevelopment), California Polytechnic State University at San Luis Obispo

Licenses & Certifications
Registered Architect
- California, License No. C25605
- Arizona, Registration No. 57859
- Nevada, License No. 7116
- Utah, License No. 10180242-0301
- Colorado, License No. 406323
- Hawaii, License No. 17696
- Washington, License No. 12600

ICC License # 875874
- ICC Building Plans Examiner

NCARB Certified, No. 77371

Memberships
- American Institute of Architects
- American Society of Civil Engineers
- National Fire Protection Association
- Arizona Building Officials
- Central Arizona Chapter ICC
- Grand Canyon Chapter ICC
- Southern Arizona Chapter ICC
- California Building Officials
- Sacramento Valley Association of Building Officials
- East Bay Chapter ICC
- Napa-Solano Chapter ICC
- Peninsula Chapter ICC
- Oakland Buildings Alliance
- Colorado Municipal League
- Colorado Chapter ICC
- Southern Neveda ICC
- Utah Chapter ICC
- Beehive Chapter ICC
- Bonneville Chapter ICC

PROFESSIONAL SUMMARY

David Basinger is a licensed Architect in multiple States and is the original founder of Shums Coda Associates in 2006. David has over 30 years of professional experience associated with architectural design and as a building code and life-safety plans examiner.

PROFESSIONAL EXPERIENCE

CEO/ Principal ---------- 2006 - Present

Shums Coda Associates, Pleasanton, CA

Manages plan review, inspections and permitting services for numerous complex commercial, industrial, educational, medical, hazardous and a variety of multi-family residential construction projects. David has served as Acting Building Official or provided in-house plan review services for numerous jurisdictions in California, such as Mountain View, Fremont, Santa Clara, Sunnyvale, Menlo Park, Dublin, and Danville.

Arizona Regional Office Manager ---------- 2004 - 2006

Linhart Petersen Powers Associates, Phoenix, AZ

Promoted to establish and serve as Arizona Regional Manager of the three separate company offices in Arizona: Phoenix, Tucson, and Window Rock. Provided assistance with large-scale plan review and inspection services, jurisdiction counter reviews and assistance, and special projects supervisor. Influential in taking the Arizona effort from a single client to over two dozen clients in a two-year period, managing eleven employees and three business lines.

Senior Plans Examiner/Senior Associate ---------- 1991 - 2004

Linhart Petersen Powers Associates, Phoenix, AZ

Provided plan reviews, and jurisdictional in-house/counter reviews and technical assistance for projects in California, Arizona, Nevada, Washington, and Idaho. Managed several large-scale developments as a project supervisor, and often provided code consultations for complex mixed-use/redevelopment or historical submittals. Served as primary manager for the jurisdictions of Mountain View, Danville and Dublin, California. Projects reviewed include campus designs for Microsoft, Veritas, Google, Alza Pharmaceuticals and other high-tech or bio-tech related businesses, as well as several mid-rise or high-rise multi-family complexes.

Architect ---------- 1989 - 1991

Linhart Engineering, Livermore, CA

Completed architectural and structural engineering design for residential, commercial, and light industrial structures in the San Francisco Bay Area. Duties included design, drafting, structural calculations, building surveys, jobsite visits and structural reviews. Also performed field assessments of URM structures and equipment anchorage calculations for pumps, racks, and tanks.

SHUMS CODA ASSOCIATES

Barbara Rice, CBO, CFM, EFO
Arizona Regional Manager
Fire Service Line Manager

Education
M.S. in Public Administration/ Emergency Management, Columbia Southern University
B.S. in Fire Science, National Fire Academy Executive Fire Officer Program, Columbia Southern University
Fire Service Leadership, EMT, Haz Ops for First Responder, Yavapai Community College:
Fire Science Classes, Portland Community College
A.A., Skyline College, San Bruno, CA.

Licenses & Certifications
ICC # 0863852
ICC Safety Assessment Program (Disaster Mitigation)
ICC Certified Fire Marshal
ICC Building Plans Examiner
ICC /AACE Property Maintenance and Housing Inspector
ICC Fire Inspector II
ICC Permit Technician
ICC Fire Plans Examiner
ICC Certified Building Official
ICC Zoning Inspector
ICC Permit Specialist
ICC Fire Code Specialist
Arizona State Fire Training Committee
Fire Instructor I
Fire Instructor II
IFSAC
Fire Inspector I
Fire Inspector II
Plans Examiner
Fire Investigator
IAAI-CFI
Certified Fire Investigator
Safety Assessment Program, (Disaster Mitigation)
Texas Commission on Fire Protection
Fire Investigator
Inspector
State of Oregon

PROFESSIONAL SUMMARY

Barbara Rice has 24 years in municipal and local government as a building official, plans examiner, fire marshal, inspector, permit technician, code enforcement and fire investigator. Barbara can provide complete plan reviews and specializes in fire systems, as Barbara teaches courses on fire codes, as well as having extensive experience with construction and inspection of these building systems.

PROFESSIONAL EXPERIENCE

Arizona Regional Manager ---------- **January 2022 – Present**
Shums Coda Associates
Responsible for business services and client relations in Arizona. Serves as local point of contact and project manager for plan review, inspection, staff augmentation and other services provided.

Adjunct Faculty ---------- **February 2008 – Present**
Pima Community College, Tucson, AZ & Yavapai Community College, Clarkdale, AZ
- Teach fire code, investigation, prevention, and public education courses for Fire Science program.
- Develop curriculum for new courses and material.

Building Safety Manager/ Building Official/ Fire Marshal ---------- **Sept. 2020 – Jan. 2022**
Town of Sahuarita, AZ
- Conduct commercial and complicated plan review.
- Prepare division budget and determine appropriate use of funds.
- Serve as Building Official and Fire Marshal. Interpret building codes and coordinates construction projects by researching codes and related material, consulting with owners, designers, staff, and plan review consultants, and resolving issues as needed.
- Manage & monitor work performance of division staff (8) including evaluations, coordinating training establishing work objectives and performance objectives, establishing organizational goals, and assuring staffing to meet those goals.
- Implemented improvements to operations by streamlining work processes, improve revenue collection, improve customer service needs while maintaining operational and code integrity.
- Ensure building permit and inspection process is administered in accordance with local, State, and other regulations.
- Establish and maintain effective working relationships with other departments, local businesses, community groups, professional organizations, and other stakeholders.

SHUMS CODA ASSOCIATES

Barbara Rice, CBO, CFM, EFO
Arizona Regional Manager
Fire Service Line Manager

Fire and Life Safety Plans Examiner
Manufactured Parks and Camp Inspector
Manufactured Home Installer Inspector
Residential Plans Examiner
Residential Structural Inspector
Commercial Structural Inspector
State of Pennsylvania
Residential Inspector
Commercial Inspector
Fire Inspector
Plans Examiner

Memberships

International Code Council
International Association of Fire Chiefs
International Association of Arson Investigators
National Fire Protection Association
Arizona Chapter International Association of Arson Investigators, President
Arizona Fire Marshal's Association, Past President
Arizona Fire Chiefs Association
Arizona Fire and Burn Educator's Association
Fire Chief's Association of Pinal County
Kiwanis International

Professional Affiliations

Aspire Academy, Mesa Fire Department and Girl Scouts of America, 2018
IFSTA Validation Committee for Fire Investigation 3rd Edition
Adjunct Faculty, AZCFSE-Arizona State Fire School

- Interprets building codes and recommends code adoptions and amendments to Town Council.
- Serves as the lead professional in advising and administering the Board of Appeals.

Community Development Director/Fire Marshal -- Feb. 2020 – Sep. 2020
Town of Florence

- Specifically created position to allow for technically, strategically, and politically successful administration and implementation of development, building, fire, and other life safety codes in the Town of Florence.
- Oversee staff of seven including the Planning Manager, Code enforcement officer and building official as direct reports.
- Work with historic downtown property owners, businesses, and other stakeholders to bring vacated structures into compliance with life safety codes.
- Recommend codes for adoption by City Council, including sprinkler ordinances, local amendments, etc. Manage MOU with State Fire Marshal for inspections of State facilities.
- Participate on Town Executive Leadership team.
- Provide highly responsible & complex administrative support to Town Manager & Fire Chief.
- Bring code enforcement process in line with Town Code.

Plans Examiner/ Fire Marshal ---------- April 2012 – Feb. 2020
City of Casa Grande, Casa Grande

Fire Marshal ---------- May 2007 – March 2012
Camp Verde Fire District

Reserve ---------- Sep. 2006 – May 2009
Verde Valley Fire District, Cottonwood, AZ

Building Safety Manager ---------- Sep. 2006 – March 2007
City of Glendale, AZ

Fire Marshal ---------- March 2005 – Sep 2006
City of Cottonwood Fire Department

Deputy Fire Marshal ---------- July 2001 – Feb. 2003
City of Albany Fire Department, Life Safety Division

Building Inspector/ Plans Examiner/ ---------- July 1998 – Feb. 2005
Administrative Assistant
City of Albany Community Development Department

SHUMS CODA ASSOCIATES

Patrick Headington, CBO
Plans Examiner/ Senior Building Inspector

Education
University of Arizona, Eller College of Management, Southwest Leadership Program
Project Manager: The Development Group, Yuma, AZ (4 years)

Licenses & Certifications
ICC Residential Plumbing Inspector
ICC Accessibility Inspector/Plans Examiner
ICC Property Maintenance and Housing Inspector
ICC Commercial Electrical Inspector
ICC Fire Plans Examiner
ICC Commercial Plumbing Inspector
ICC Residential Electrical Inspector
ICC Certified Building Official
ICC Commercial Energy Inspector
ICC Residential Energy Inspector/Plans Examiner
ICC Residential Mechanical Inspector
ICC Fire Inspector II
ICC Building Plans Examiner
ICC Combination Inspector
ICC Fire Inspector I
ICC Building Inspector
ICC Commercial Mechanical Inspector
ICC Plumbing Inspector
ICC Electrical Inspector
ICC Mechanical Inspector
ICC Building Code Specialist
ICC Fire Code Specialist
ICC Commercial Combination Inspector
Licensed Contractor: Yuma, AZ (1989-2003)

Memberships
Arizona Building Officials

PROFESSIONAL SUMMARY

Patrick "Pat" Headington has been in the construction and building life-safety industry for forty years. He began his career as a carpenter/framer and worked into an inspection position in Southern Arizona, where he has most recently served as the long-time Building Official for Yuma County. He is now transitioned into working in a similar fashion with Shums Coda Associates.

Pat has also served on the Arizona Building Officials as a team leader who helped coordinate and deliver two educational institutes yearly for code officials/inspectors providing over 1800 students with needed technical training and needed CEU's to maintain professional certifications. Pat also served as an instructor who provides training courses for code officials in Arizona and California.

PROFESSIONAL EXPERIENCE

Plans Examiner ---------- **October 2023 – Present**
Shums Coda Associates
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Building Inspector ---------- **October 2023 – Present**
Shums Coda Associates
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Chief Building/Fire Code Official ---------- **1999 – Present**
Yuma County, Department of Development Services
- Division Management: Direct, coordinate and manage building and fire plan review, inspection, code enforcement and customer service staff and

SHUMS CODA ASSOCIATES

Patrick Headington, CBO
Plans Examiner/ Senior Building Inspector

Awards

Member of the Year/Chairman's Award, Arizona Building Officials, FY18-19, FY20/21, FY 22/23

Bob Snyder Memorial Award for Excellence in the Promotion of Education, Arizona Building Officials, FY2012/2013

Hunter Education Leadership Award, Arizona Game & Fish Department, Education Branch 2017

Buck Appleby Hunter Education Instructor of the Year, Arizona Game & Fish Department, 2015

Mentor of the Year, Yuma Valley Rod and Gun Club, 2014

operations with an average construction valuation of $500,000,000 per year within un-incorporated area.

- Software Upgrade and Implementation – Participate in process review and enter data to upgrade permitting platform while enhancing customer access and transparency; deliver reference data to create a modern interface between staff and customers; compare new software capabilities to current systems and processes, identify areas to increase internal efficiency while enhancing customer capabilities.
- Community Risk Reduction Program Team Development – Lead a team consisting of Planning & Zoning, Public Works, Sheriff's Office, Rural Metro Fire and Adult Probation to reduce health and fire risks in a low-income neighborhood. Program removed 800 cubic yards of debris during a 2-year period reducing fire risks while providing a community service opportunity.
- Housing Rehabilitation Program Efficiency Review – Develop and implement an evaluation and estimation procedure for Owner-Occupied Housing Rehabilitation Program; Reduce cost estimation time and expedited construction processes ultimately reducing administrative costs 30%
- Intergovernmental Agreement Management – Manage agreements with Arizona Department of Housing, Manufactured Housing Division, and the Town of Wellton to perform manufactured home installations. Installers receive timely inspection from local agency increasing efficiency for installers and homeowners.
- Development Industry Advisory Committee Meeting Facilitator – Coordinate/lead meetings bringing local developers, engineers, contractors, and bankers together identifying process problems while incorporating mechanisms to support business needs within adopted regulatory framework.
- Code Review - Review pending code adoptions; propose amendments to support differences in operational infrastructure; present ordinances to the Yuma County Board of Supervisors in accordance with Arizona Revised Statues; research/provide interpretations to Advisory Boards; develop operational policies while incorporating and balancing economic development opportunities and recognizing business risks.
- Community Outreach – Participant/deliver outreach events and public forums with the Yuma County Board of Supervisors; Advisory Boards, Planning Commission, contractors, real estate agents and park owners fostering cooperation and communication.
- Plan Review and inspections – Perform plan review and inspections in accordance with adopted building and related codes and current policy.

SHUMS CODA ASSOCIATES

Mark Masek
Residential/ Commercial Plan Review / Code Professional

Education
Certified Public Manager, Bob Ramsey, ASU
Southwest Leadership, Eller Business College

Licenses & Certifications
ICC Accessibility Inspector/Plans Examiner
ICC Commercial Combination Inspector
ICC Plumbing Plans Examiner
ICC Building Code Official
ICC Commercial Mechanical Inspector
ICC Residential Building Inspector
ICC Residential Plumbing Inspector
ICC Commercial Building Inspector
ICC Plumbing Code Official
ICC Residential Combination Inspector
ICC Residential Energy Inspector/Plans Examiner
ICC Commercial Electrical Inspector
ICC Residential Mechanical Inspector
ICC Combination Inspector
ICC Master Code Professional
ICC Commercial Energy Inspector
ICC Residential Plans Examiner
ICC Mechanical Plans Examiner
ICC Building Inspector
ICC Commercial Plumbing Inspector
ICC Certified Building Official
ICC Mechanical Code Official
ICC Residential Electrical Inspector
ICC Building Plans Examiner
ICC Mechanical Inspector
ICC Electrical Inspector
ICC Plumbing Inspector
ICC Building Code Specialist
ICC Plumbing Code Specialist
ICC Mechanical Code Specialist

PROFESSIONAL EXPERIENCE

Plans Examiner ---------- **September 2022 – Present**
Shums Coda Associates, AZ
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Assistant Building Official ---------- **2018 – September 2022**
Pima County Development Services

Principal Plans Examiner ----------**2013 – 2018**
Pima County Development Services

Plans Examining Supervisor ----------**2008 – 2013**
Pima County Development Services

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Lisa O'Malley

Residential/ Commercial Plan Review

Education
Architecture, UC Berkeley

Licenses & Certifications
ICC Plans Examiner

PROFESSIONAL EXPERIENCE

Plans Examiner ---------- **July 2021 – Present**
Shums Coda Associates
- Reviews complex plans for building construction.
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments
- Travel to jurisdictions on an as-needed basis to support clients.

Plans Examiner ---------- **2018 – 2021**
4 Leaf Inc.
Senior Plans Examiner performing and acting as lead for larger projects and point of contact to several jurisdictions

Plans Examiner ---------- **2011 – 2018**
WC3
Primary Senior plans examiner for several jurisdictions and provided in-house/over-the-counter plan review services as needed.

Plans Examiner ---------- **2005 – 2011**
Bureau Veritas
Reviewed a variety of residential and commercial projects from out of the ground, across multiple States and codes

Plans Examiner ---------- **1998 – 2005**
LP2A Plans Examiners
Reviewed residential additions, remodels, new SFD's and small townhome/apartment complexes for all non-structural code items.

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Jon Lodge, CFI
Fire Plans Examiner/ Inspector

Education
B.S. Fire Administration (Fire Investigations), Columbina Southern University
A.S. Fire Science, Columbia Southern University
A.S. Criminal Justice, Columbia Southern University

Licenses & Certifications
ICC Certification # 8415641
ICC Fire Inspector II
ICC Fire Inspector I
ICC Fire Plans Examiner
Fire Investigator (CFI), International Association of Arson Investigators (IAAI), Certification # 28-080351
Evidence Collection Technician, International Association of Arson Investigators (IAAI), Certification # 480
UAV Pilot (Part 107), Department of Transportations – FAA, Certification # 4084144

PROFESSIONAL EXPERIENCE

Fire Plans Examiner ---------- **October 2022 – Present**
Shums Coda Associates
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Fire Building Inspector ---------- **October 2022 – Present**
Shums Coda Associates
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Senior Fire Inspector/ Fire Investigator--**December 2021 – October 2022**
Gila River Fire Department
- Investigate fires for origin and cause.
- Lead Fire Investigator/Instructor for the Pinal County Fire Investigation Task Force.
- Assist Police and Sheriff Departments with the criminal investigation of arsons.
- Conduct complex plan examinations and inspections of new construction projects.
- Conduct complex plan examinations and provide technical fire code interpretation and direction to ensure compliance with all federal, state, and local laws, ordinances, and regulations relating to applicable fire codes and Nationally Recognized Standards.
- Inspect new construction, confer with developers on plans, and recommend modifications if needed.
- Field Training Officer for new fire investigators.

Fire Inspector/ Fire Investigator ---------- **July 2019 – December 2021**
Casa Grande Fire Department

Fire Prevention Officer/ Lead Investigator ----- **Sept. 2015 – August 2019**
South Adams County Fire Department

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Amanda "Mandy" Ayars
Fire Plans Examiner/ Inspector

Licenses & Certifications

ICC License # 8139637
- Fire Inspector I
- Fire Inspector I, Arizona State Fire Service Training
- Fire Inspector II, Arizona State Fire Service Training
- Fire & Life Safety Educator I, Arizona State Fire Service Training
- Fire & Life Safety Educator II, Arizona State Fire Service Training

PROFESSIONAL EXPERIENCE

Fire Building Inspector ---------- **October 2022 – Present**

Shums Coda Associates, AZ

- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Fire Inspector II ---------- **July 2017 – October 2022**

Tempe Fire Medical Rescue Department

- Conduct fire and life safety inspections of new and existing occupancies and special events for compliance with applicable laws, regulations, codes, and standards.
- Conduct fire and life safety inspections in buildings under construction.
- Attend pre-construction meetings as needed prior to start of construction.
- Investigate major incidents including fires, explosions, hazardous materials release, and fire protection system activation.
- Conduct training classes in fire prevention for department members, schools, civic groups, and the public.
- Detect, reduce, and eliminate potential fire hazards and associated risks.
- Review building, fire protection system, and special event plans for compliance with codes and standards.
- Facilitate and evaluate emergency evacuation drills.

Fire Inspector ---------- **April 2014 – July 2017**

Central Arizona Fire and Medical Authority

- Conduct fire and life safety inspections of new and existing occupancies for compliance with applicable laws, regulations, codes, and standards.
- Investigate fires in structures, vehicles, and wildland.
- Conduct training classes in schools and the public.
- Detect, reduce, and eliminate potential fire hazards and associated risks.
- Review fire protection system plans for compliance with codes and standards.

Administrative Assistant/Public Education Specialist Dec. 2005 – April 2014

Central Arizona Fire and Medical Authority

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Alec Deese
Commercial/ Residential Inspector

Education
IEC Apprenticeship Program, Tempe, AZ

Licenses & Certifications
ICC # 10164057
- ICC Residential Combination Inspector
- ICC Residential Building Inspector
- ICC Residential Electrical Inspector
- ICC Residential Mechanical Inspector
- ICC Residential Plumbing Inspector
- OSHA 10 Certification
- CPR/AED Certification

PROFESSIONAL EXPERIENCE

Building Inspector ---------- **August 2022 – Present**
Shums Coda Associates, AZ
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Apprentice Electrician ---------- **June 2019 – July 2022**
Tilmann Electric
- Install underground pipe sizes ranged ¾-4” PVC
- Install Overhead pipe sizes ranged ½”-4” EMT
- Install Devices, Luminaires
- Install SES, Panelboards, Transformers, Disconnects,
- Terminating SES, Panelboards, Transformers, Disconnects
- Troubleshooting Skills

Apprentice Electrician ---------- **June 2018 – June 2019**
CLS Electric, Lake Havasu City
- Install Underground Pipe sizes ranged ¾-4” PVC
- Install Overhead Pipe sizes ranged ½”-4” EMT
- Install Devices, Luminaires

SHUMS CODA ASSOCIATES

Robert Elefante
Commercial/ Residential Inspector

Licenses & Certifications

ICC # 8927867
- ICC Building Inspector
- ICC Commercial Building Inspector
- ICC Commercial Mechanical Inspector
- ICC Residential Building Inspector
- ICC Residential Plumbing Inspector
- ICC Fuel Gas Inspector
- ICC CALGreen Inspector/Plans Examiner

PROFESSIONAL EXPERIENCE

Building Inspector ---------- **January 2023 – Present**
Shums Coda Associates
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdiction's building department and the general public.

Senior Building Inspector ---------- **April 2021 – January 2023**
Willdan Engineering, Phoenix, AZ
- Lead inspections of residential, commercial, and industrial buildings at various stages of construction or alteration including a 220,000 square foot FedEx distribution facility, a 30,000 square foot Tesla showroom, and a fire station.
- Utilize experience and research to interpret and enforce building, electrical, mechanical, plumbing, green, and energy codes

Combination Building Inspector/ Public Works Inspector ---------- **December 2018 – April 2021**
City of San Luis Obispo, San Luis Obispo, CA
- Completed thorough inspections of residential, commercial, and industrial buildings for code compliance in addition to stormwater drainage systems, city sewer, curb/gutter, and ADA pathways.
- Managed inspections of a 90 unit, 5 building mixed-use apartment complex.

Superintendent ---------- **July 2017 – December 2018**
Landsea, Orange County, CA
- Managed construction of a community with 543 apartments, two community centers, two pools, and a fitness center.
- Managed a 15-man framing crew and a 10-20-man concrete crew.
- Coordinated required inspections with local jurisdictions to ensure code compliance.
- Utilized effective communication skills to work efficiently with subcontractors and homeowners while completing proper project documentation.
- Created schedules for all phases of construction for numerous homes.

Building Inspector ---------- **September 2013 – July 2017**
Alessandri Construction, Orange County, CA
- Combination building inspector/quality control.
- Conducted inspections in commercial, residential, multi-family.
- Perform administrative duties.

SHUMS CODA ASSOCIATES

Kurt McMullin, P.E.
Senior Plan Check Engineer

Education
Ph.D., Civil Engineering, University of California, Berkeley
M.S., Civil Engineering, University of California, Berkeley
B.S., Agricultural Engineering, Iowa State University

Licenses & Certifications
Professional Civil Engineer, State of California, License # C47595

Publications
Books (5)
Patents (1)
Peer-Reviewed Journals (9)
Online Webinar (1)
National/International Conference Papers (32)
External Funded Grants & Awards (11)

Awards (Partial List)
College of Engineering Researcher of the Year (2008)
National Science Foundation Research Grant - $1.3M (2006)
College of Engineering Teacher of the Year (2006)
National Science Foundation Research Grant - $8.4M (2003)
College of Engineering Award: Research on College Teaching and Learning Institute for Teaching and Learning (2000)
CUREe-Caltech Research Grant - $87K (1999)
Graduate Student Instructor Award, U.C. Berkeley (1995)

PROFFESSIONAL SUMMARY

Kurt McMullin is an experienced design engineer and college professor, that oversees our staff of plan review engineers. He has reviewed every type of structural system and building type, as it relates to the four building materials (wood, steel, concrete, and masonry). Mr. McMullin's wealth of theoretical engineering application and practical design experience allows for our structural reviews to be focused and on-point for only critical structural issues.

PROFESSIONAL EXPERIENCE

Plan Check Engineer ---------- **November 2015 – Present**
Shums Coda Associates
- Reviews complex plans for building construction.
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Professor ---------- **2008 – Present**
San Jose State University, San Jose, CA
Teaches the following courses:
Engineering Graphics, AutoCAD and Programming (Lower division required), Statics (Lower division required), Mechanics of Materials (Upper division required), Mechanics of Material Laboratory (Upper division required), Structural Analysis Laboratory (Upper division required), Design of Steel Structures (Upper division elective), Design of Timber Structure (Upper division elective), Earthquake Resistant Design (Upper division elective), Advanced Seismic Resistant Design (Graduate elective), Advanced Steel Design (Graduate elective), Structural Engineering Seminar (Graduate elective), Special Problems (Graduate elective), Master's Thesis (Graduate elective)

Consultant ---------- **1991 – Present**
- Evaluation of building designs for conformance with U.S. and California building codes.
- Evaluation of various engineering structural systems for performance goals.
- Forensic engineering for legal proceedings.
- Analytical evaluation of complex structural systems.

SHUMS CODA ASSOCIATES

Rouhi El-Rabaa, P.E.
Senior Plan Check Engineer

Education

Bachelor's in Civil Engineering, California State University, Los Angeles

Licenses & Certifications

Professional Civil Engineer, State of California, License # 92565
Certified Access Specialist (CASp), Cert # CASp-973
ICC # 8868081
ICC Building Plans Examiner

PROFESSIONAL SUMMARY

Rouhi El-Rabaa is a skilled professional with private consultant and municipality experience. He is an expert in identifying architectural, structural, accessibility, MEP, and energy compliance issues early in the plan review process. Rouhi is an experienced structural plan review engineer, but also reviews non-structural systems. Rouhi will provide all types of plan reviews for our core team but will be the primary contact point for any CASp/accessibility issue that may arise with particular plan reviews.

PROFESSIONAL EXPERIENCE

Plan Check Engineer ---------- **December 2021 – Present**
Shums Coda Associates

- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Supervising Plan Check Engineer ---------- **Dec. 2018 – Dec. 2021**
Willdan Engineering, San Bernardino, CA

- Conduct full scope plan reviews for various disciplines, including architectural, structural, fire-resistive, accessibility, energy, MEP, and green.
- Electronic review (Bluebeam, ePlansoft, Adobe) and paper plan review.
- Highly experienced reviewing the following types of buildings; single-family and multi-family residential, hotels, mixed-use, medical clinics, industrial, commercial, assembly, factory-built, and miscellaneous structures such as conveyors and platforms.
- Technical structural calculation review for regular and irregular buildings, podium structures, tilt-up construction, steel buildings, modular buildings, components, and freestanding structures.
- Train staff to recognize proper non-structural and structural design methodologies in plan review.
- Prepare correction letters issued to applicants as hardcopy or electronic.
- Design coordination meetings with design professionals and permit applicants.

Plans Examiner ---------- **December 2017 – December 2018**
City of Redlands, Redlands, CA

Graduate Structural Engineer ---------- **Feb. 2015 – Nov. 2017**
Arcadis Design & Consultancy, Doha, Qatar

Student Worker ---------- **2005 – 2011**
L.A. County DPW, Alhambra, CA

SHUMS CODA ASSOCIATES

Ryan Loh, S.E.
Plan Check Engineer

Education
M.S. in Civil Engineering, San Jose State University
B.S. in Civil Engineering, Oklahoma State University

Licenses & Certifications
Professional Structural Engineer, State of California, License # 5192
Professional Civil Engineer, State of California, License # 5491

PROFESSIONAL SUMMARY

Ryan Loh is an accomplished structural engineer that has 30 years of experience in design and plan reviews. Ryan reviews the more complicated structural systems and complex building types; however, Ryan can also review non-structural systems. .

PROFESSIONAL EXPERIENCE

Plan Check Engineer ---------- **2017 - Present**
Shums Coda Associates

- Reviews complex plans for building construction.
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

***Additional past work history can be provided if requested.**

PROJECT EXPERIENCE

Office Building Projects
Mountain View Research Center, Mountain View
San Rafael Business Park, San Rafael, CA
Novellus Tualatin, Tualatin, OR
Police City Service Center, Menlo Park, CA

Multi Units Projects
Opportunity Center of mid-peninsula, Palo Alto
Holiday Express Inn, Watsonville
Sleep Inn, San Jose, CA

Retail Projects
Mckevitt Volvo, San Leandro, CA
Mckevitt Lincoln and Volvo, Margate, FL
Mitsubishi Dealership, Victorville, CA
Fountains Building M, Roseville, CA
The Plant, Building 2, 3, 4, 6, 7, 8 9 and 10, San Jose, CA
Nut Tree Outlet, Buildings 2, 3 and 4, Vacaville, CA
Creek Bridge Village, Building R1 and R3

Church Projects
Golden State Baptist Church, Santa Clara, CA
Foothill Community Church, San Jose, CA
Twin Palms Church, San Jose, CA

SHUMS CODA ASSOCIATES

Su Fong, P.E.
Plan Check Engineer

Education
M.S. Civil Engineering, San Jose State University
B.S. Architectural Engineering, California Polytechnic State University

Licenses & Certifications
Professional Civil Engineer, State of California, License # 89055
ICC # 8391877
ICC Building Plans Examiner

Memberships
Union Local 21 South Bay Chapter —Secretary/ Treasurer of AEA Board

PROFESSIONAL SUMMARY

Su Fong has almost 10 years of design engineering experience, jurisdictional plan review experience and private consulting plan review service. Su has demonstrated the ability to review and coordinate large-scale building code plan reviews, with multiple phases and complex engineering systems. She provides excellent communication of code concerns and works with applicant/designers to facilitate quick solutions, with a goal to keep projects on schedule. Su is equally adept at non-structural reviews, as well as structural concerns.

PROFESSIONAL EXPERIENCE

Plan Check Engineer ---------- **October 2021 – Present**
Shums Coda Associates

- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Associate Engineer ---------- **June 2015 – September 2021**
City of San Jose, CA

- Examine construction documents for new mixed-use buildings, commercial tenant improvements, industrial improvements, multi-family dwellings, and single-family dwellings for compliance with local building codes and ordinances.
- Facilitate meetings and correspondence between applicants and associated Development Services departments to advance the permitting process.
- Advise owners, architects, engineers, contractors, and developers of code requirements through the design process and construction phase.
- Inform the Public of local zoning, M/P/E, energy conservation, and fire protection regulations relating to building codes in order to mitigate critical design oversights.
- Collaborate with building inspectors, M/P/E inspectors, code enforcement inspectors, planning, public works, and fire engineers to streamline the permit process and resolve field issues.
- Manage project timelines based on target dates, resource assessment, and situational diagnosis by balancing priority, organized multitasking, and anticipating conflicts.
- Ensure life safety through code enforcement while maintaining professional customer service.

Design Engineer ---------- **September 2013 – June 2015**
Applied Engineering, Milpitas, CA

SHUMS CODA ASSOCIATES

Mariam Umair
Plan Check Engineer

Education
M.S., Structural Engineering - San Jose State University Graduated: December 2014
B.S., Civil Engineering - University of Engineering & Technology, Taxila, Pakistan Graduated: August 2010

Licenses & Certifications
Licensed EIT
ICC # 10113031
ICC Building Plans Examiner

Memberships
Chi Epsilon
National Civil Engineering Society ASCE
American Society of Civil Engineers

PROFESSIONAL SUMMARY

Mariam Umair has 8 years of design and plan review experience. Mariam's expertise is in complete plan review with an emphasis on structural. Mariam can also review non-structural systems.

PROFESSIONAL EXPERIENCE

Plan Check Engineer ---------- **May 2017 - Present**
Shums Coda Associates
- Reviews complex plans for building construction.
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments
- Travel to jurisdictions on an as-needed basis to support clients.

Jr. Design Engineer ---------- **March 2011 – November 2011**
Zeeruk International, Islamabad, Pakistan
Design of mid- & low-rise concrete residential projects using ETABS. Design of EOBI (Employees Old age Benefit Institute) concrete commercial building project in the Capital of Pakistan, Islamabad using SAP & SAFE. Preparation of submission drawings along with the design documents of EOBI commercial building project.

Engineer-In-Training ---------- **September 2010 – February 2011**
National Highway Authority, Islamabad, Pakistan
Worked on the analysis of several concrete bridges on STAAD Pro. In collaboration with design consultant. Co-ordinate between the design wing of NHA and the bridge design consultant

Intern ---------- **July 2009 – September 2009**
MIHA (Muhammad Iqbal Haq Associates)
Worked I n the design office and picked up basic concepts on bridge designs. Hands on with STAAD pro software. Overviewed code for highways and bridges.

Intern ----------**April 2008 – June 2008**
Adnan Nasir Associates, pvt. ltd
Detail study of architectural and structural drawings of multi-story concrete building. Overseeing the entire construction site.

SHUMS CODA ASSOCIATES

David Logsdon
Plans Examiner

Education
Associated Builders and Contractors- Electrical 4-year Program

Licenses & Certifications
ICC # 5317382
- ICC Residential Electrical Inspector
- ICC Electrical Plans Examiner
- ICC Commercial Electrical Inspector
- ICC Electrical Inspector, Certification
- Safety and Health Practitioner, State of Nevada Division of Industrial Relations
- Master Electrician, State of Maryland, License # 2270 (Inactive)

PROFFESSIONAL SUMMARY

David Logsdon is a complete plans examiner, but he is extremely knowledgeable in electrical reviews of medium and high voltage systems. Prior to his long career with Clark County, NV, where he served as Building Plan Review Manager; David was the project manager for the expansion of terminal 3 at the Harry Reed Airport/McClaren Field.

PROFESSIONAL EXPERIENCE

Plans Examiner ---------- **April 2021 – Present**
Shums Coda Associates
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Manager Plans Examination ---------- **August 2019 – August 2020**
Department of Building & Fire Prevention, Clark County Government
Manage all aspects of the plan review process. I organize, administer, coordinate reviews, and evaluate the work of plan examination and associated staff through subordinate supervision. Coordinate and oversee projects that are reviewed by a contracted consultant, plan check employees, verify service provided and authorize request for payment. Participate in new employee interview process, attend staff meetings, and confer with and represent the department with developers, engineers, architects, contractors, and property owners to give information regarding codes, regulations, and procedures.

Assistant Manager ---------- **October 2017 – August 2019**
Department of Building & Fire Prevention, Clark County Government
Managed the Plumbing Mechanical, Electrical, and Residential Plan Examiner staff. In addition to these duties, I manage the hired consultant staff and their work assignments. These duties include:
- Assigns daily work schedules to Plans Examiners and consultant staff.
- Provide technical assistance consistent code interpretation to staff and the public.
- Assist customers with the resolution of complex or difficult situations to ensure that the plans will comply with codes and regulatory requirements.
- Attend meetings with developers, engineers, architects, contractors, and property owners to give information regarding codes, regulations, and procedures.
- Participate in the new employee recruitment process.
- Prepare and administer Employee Performance Reports.

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Dean Kuenzi, CBO
Plans Examiner/ Building Inspector/ Instructor

Education
B.S., Colorado State University – Global, Present
A.S. - Energy Systems Photovoltaics, Diablo Valley College

Licenses & Certifications
ICC # 8173711
- ICC Commercial Electrical Inspector
- ICC Combination Inspector
- ICC Commercial Energy Plans Examiner
- ICC Residential Plans Examiner
- ICC Commercial Building Inspector
- ICC Accessibility Inspector/Plans Examiner
- ICC Fire Plans Examiner
- ICC Residential Mechanical Inspector
- ICC Master Code Professional
- ICC Certified Building Official
- ICC Building Plans Examiner
- ICC Fuel Gas Inspector
- ICC Residential Electrical Inspector
- ICC Commercial Plumbing Inspector
- ICC Residential Plumbing Inspector
- ICC Residential Building Inspector
- ICC Commercial Mechanical Inspector
- ICC Plumbing Plans Examiner
- ICC Residential Energy Inspector/Plans Examiner
- ICC Building Inspector
- ICC Mechanical Inspector
- ICC Electrical Inspector
- ICC Plumbing Inspector
- ICC Building Code Specialist
- ICC Plumbing Code Specialist
- ICC Residential Combination Inspector
- ICC Commercial Combination Inspector
- NABCEP Entry Level Certification (Photovoltaic)
- Post-Disaster Safety Assessment Program (SAP)

PROFESSIONAL SUMMARY

Dean Kuenzi has been in the industry for 23 years. Dean can provide complete plan reviews and specializes in electrical systems, as he teaches courses on the electrical codes, as well as having extensive experience with construction and inspection of these building systems. Dean leads much of our large PV solar array reviews.

PROFESSIONAL EXPERIENCE

Plans Examiner ---------- **October 2020 – Present**
Shums Coda Associates
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify plan check comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Building Inspector ---------- **October 2020 – Present**
Shums Coda Associates
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permits and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Instructor ---------- **October 2020 – Present**
Shums Coda Associates

Operations Supervisor ---------- **January 2019 – Present**
Building Inspector III ---------- **February 2016 – January 2019**
El Dorado County, Placerville, CA

Building Inspector ---------- **May 2014 – February 2016**
Town of Danville, Danville, CA

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Jason Van Ausdal, CBO
Plans Examiner/ Building Inspector/ Instructor

Education
Associates in Business Administration and Management, Stevens Henegar Business College

Licenses & Certifications
Combination Inspector, State of Utah, License # 339648-5601
ICC License # 1058539
ICC Commercial Combination Inspector
ICC Building Code Specialist
ICC Combination Inspector
ICC Electrical Inspector
ICC Mechanical Inspector
ICC Building Inspector
ICC Certified Building Official
ICC Building Plans Examiner
ICC Plumbing Inspector, Certification

Memberships
Current President - Utah Association of Building Officials
Current Chair - Utah Electrical Advisory Committee
Past President - Utah Chapter ICC
Past President - Northwest Section IAEI
Past President - Utah Chapter IAEI

PROFESSIONAL SUMMARY
Jason Van Ausdal has 23 years of leadership in community development departments as a Chief Building Official. Jason also has 27+ years total in governmental service, 23 years of commercial and residential plans examination, and over 15 years in code instruction for contractors and inspectors. Jason can provide complete plan reviews and specializes in mechanical and plumbing systems, as Jason teaches multiple courses on the mechanical and plumbing codes, as well as having extensive experience with construction and inspection of these building systems.

PROFESSIONAL EXPERIENCE
Plans Examiner ---------- **January 2022 – Present**
Shums Coda Associates
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Building Inspector ---------- **January 2022 – Present**
Shums Coda Associates
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Instructor ---------- **January 2022 – Present**
Shums Coda Associates

Building Official ---------- **December 2010 – Present**
Springville City, UT

Building Official ---------- **March 2000 – November 2010**
Syracuse City, UT

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Hope Medina, CBO, CSP

Instructor/ Plans Examiner/ Building Inspector

Licenses & Certifications

- ICC Certified Sustainability Professional
- ICC Residential Energy Inspector/Plans Examiner
- ICC Green Building - Residential Examiner
- ICC IgCC Plans Examiner
- ICC IgCC Commercial Inspector
- ICC Certified Building Official
- ICC Residential Mechanical Inspector
- ICC Residential Building Inspector
- ICC Building Plans Examiner
- ICC Accessibility Inspector/Plans Examiner
- ICC Commercial Building Inspector
- ICC Residential Plumbing Inspector
- ICC Residential Plans Examiner
- ICC Permit Technician
- ICC Mechanical Plans Examiner
- ICC Building Inspector
- ICC Residential Combination Inspector
- ICC Management Module
- ICC Legal
- ICC Building Codes and Standards
- ICC Building Code Specialist
- ICC Permit Specialist
- ICC Residential Electrical Inspector
- On Site Plan Review and Inspections, Train the Trainer, DOE Building Energy Codes
- Safety Assessment Program Building Inspector, State of California

Publications

- ICC - 2021 Green Construction Code Essentials

PROFFESSIONAL SUMMARY

Hope Medina has been in the industry for 15 years. She started her career as a permit technician and worked her way up to an inspector and plans examiner. Hope can provide complete plan reviews and specializes in energy and sustainability systems, as Hope teaches extensive classes in energy and sustainability codes. Her focus has been on the energy and sustainability codes, standards, and practices and has been a part of the "Green Team" for over 10 years. This has led to her receiving the ICC designation of Certified Sustainability Professional.

COURSE INSTRUCTOR

- Department of Energy
- International Code Council - Conference Education
- American Institute of Architects- Colorado
- Colorado Chapter of ICC - Education Institute & Chapter Meeting Training
- Colorado State, Ft Collins
- Construction Specification Institute- Pikes Peak Chapter
- Colorado Jurisdictions
- Oregon Building Officials Association
- Midwest Energy Efficiency Alliance
- Southern Nevada Chapter ICC EduCode

PROFESSIONAL EXPERIENCE

Instructor ---------- **December 2020 – Present**
Shums Coda Associates

- Prepare customized slides, handouts, and supporting documents according to the topic of training.
- Answer questions from participants of the training.

Plans Examiner ---------- **December 2020 – Present**
Shums Coda Associates

- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Building Inspector ---------- **December 2020 – Present**
Shums Coda Associates

Energy/Green Code Consultant ---------- **2012 – December 2020**
Colorado Code Consulting, CO
***Acquired by Shums Coda Associates in December 2020**

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Gil Rossmiller

Plans Examiner/ Building Inspector/ Instructor

Licenses & Certifications

ICC # 871114
- ICC Building Inspector
- IgCC Plans Examiner
- ICC Mechanical Inspector
- ICC Plumbing Inspector
- IgCC Commercial Inspector, with ASHRAE 189.1
- IgCC Commercial Inspector
- IgCC Plans Examiner, with ASHRAE 189
- ICC Green Building - Residential Examiner
- ICC Building Plans Examiner

Memberships

International Code Council
- Commercial Energy Code Development Committee (2012 - present)
- Green Building Technologies Exam Development Committee (2007-2010)
- Residential Plumbing and Mechanical Code Development Committee (2008-2010)
- Green Building Code (ICC-700) Consensus Committee (2005-2006)

Colorado Chapter of ICC
- Code Change Committee
- Standardization Committee
- Program Committee
- Educational Institute Instructor
- Chapter President – 2012

PROFESSIONAL SUMMARY

Gil Rossmiller has been in the building industry for over 45 years. Gil can provide complete plan reviews and specializes in energy and sustainability systems, as Gil teaches extensive classes in energy and sustainability codes, as well as serving on the ICC Energy Code Committee.

PROFESSIONAL EXPERIENCE

Building Inspector ---------- **December 2020 – Present**
Shums Coda Associates
- Enforce codes to the extent of stopping work or occupancy of a building, when necessary, until requirements are satisfied.
- Read and interpret building codes, plans, and specifications.
- Detect hazards and violations and recommend corrective measures during field inspections.
- Follow through to ensure that final inspections for all departments are completed in a timely manner.
- Operate a computer to access and use permit and inspection records.
- Establish and maintain effective working relationships with the jurisdictions building department and the general public.

Plans Examiner ---------- **December 2020 – Present**
Shums Coda Associates
- Review plans, calculations, and specifications for compliance with the most current adopted codes and ordinances.
- Preparation of Plans Comments Letter according to industry and SCA standards.
- Meet and confer with the clients as needed to clarify comments.
- Travel to jurisdictions on an as-needed basis to support clients.

Instructor ---------- **December 2020 – Present**
Shums Coda Associates
Teaches courses on behalf of SCA at: Colorado Chapter ICC – Educational institute, Building Professional Institute, EduCode, Arizona Building Officials.

Instructor/Plans Examiner/Energy Code ---------- **2006 – Dec. 2020**
Colorado Code Consulting, CO
***Acquired by Shums Coda Associates in December 2020**

Building Official ---------- **2003 – 2006**
Town of Parker, CO

***Additional past work history can be provided if requested.**

SHUMS CODA ASSOCIATES

Stephen "Steve" Thomas

Education Director/ Colorado Regional Manager

Education

B.S. in Business Administration, University of Phoenix
Course Work in Civil Engineering Technology, University of Phoenix
Community College of Denver at Red Rocks Lakewood, CO

Licenses & Certifications

ICC # 829160
ICC Building Plans Examiner
ICC Building Code Specialist
ICC Plumbing Inspector
ICC / AACE Property Maintenance and Housing Inspector
ICC Building Inspector
ICC Building Code Official
ICC Accessibility Inspector/Plans Examiner
ICC Housing Code Official
ICC Mechanical Inspector
ICC Residential Plans Examiner
ICC Certified Building Official

Publications

Building Code Basics, 2009 IBC
Building Code Basics, 2012 IBC
Building Code Essentials, 2015 IBC
Building Code Essential, 2018 IBC
2006 IBC Transition from the 1997 UBC One- and Two-Family Dwelling Provisions
Applying the Codes to Cannabis Facilities

Memberships

International Code Council
Codes and Standards Council
Code Technology Committee
National Fire Protection Association
Colorado Chapter ICC
Code Changes Committee
Colorado Municipal League
Utah Chapter ICC
Arizona Building Officials
American Institute of Architects (AIA) Provider

PROFESSIONAL SUMMARY

Steve Thomas has over 40 years in the Building and Safety Industry. From Inspector, Plans Examiner, and a Building Official he has done it all. Through his experiences, he created Colorado Code Consulting and was the president of the company between 1999 and 2020. He joined SCA in 2020 and continues to provide building code services to our clients, including complete plan reviews, and course instructor for a variety of courses.

COURSE INSTRUCTOR

Steve is a successful course instructor for many courses including:

- International Code Council – Instructor
- Colorado Chapter ICC Educational Institute – Instructor
- Southern Nevada Chapter ICC EduCode – Instructor
- Washington Association of Building Officials – Instructor
- Arizona Building Officials – Instructor
- Oregon Building Officials Association – Instructor
- Utah Chapter ICC – Instructor
- AIA Colorado – Instructor
- Johnson County Contractor Licensing Department, Overland Park, KS – Instructor
- Community College of Denver, Lakewood Colorado – Instructor (Class: Intro. to Building Codes)

PROFESSIONAL EXPERIENCE

Education Director ---------- **December 2020 - Present**
Shums Coda Associates

Colorado Regional Manager ---------- **December 2020 - Present**
Shums Coda Associates
Responsible for business services and client relations in Colorado. Serves as local point of contact and project manager for plan review, inspection, staff augmentation and other services provided.

President and Owner ---------- **1999 – December 2020**
Colorado Code Consulting, Denver, CO
***Acquired by Shums Coda Associates in December 2020**

Building Official/ Community Development Director ----------**1981 – 1999**
City of Glendale, Glendale, CO

Building Official/ Building Inspector/ Plans Examiner ---------**1978 – 1981**
The Building Department, Inc., Denver, CO

Quality Control Testing Technician ----------**1977 – 1978**
Materials Testing, Inc., Denver, CO

Table Resume

The following represents additional SCA employees available (as needed):

Team Member/ Job Title	Certification / License / Affiliations
Richard Ames, CBO, MCP Plans Examiner Building Inspector	**Licenses & Certifications** • ICC Accessibility Inspector/Plans Examiner • ICC Building Code Official • ICC Plumbing Inspector UPC • ICC Certified Building Official • ICC Mechanical Inspector UMC • ICC Plumbing Inspector • ICC Mechanical Inspector • ICC Combination Inspector • ICC Building Inspector • ICC Combination Inspector - Legacy • ICC Building Plans Examiner • ICC Electrical Inspector • ICC Residential Plans Examiner • ICC Building Code Specialist • ICC Commercial Combination Inspector • ICC Fire Plans Examiner • ICC Commercial Energy Plans Examiner • ICC Residential Energy Inspector/Plans Examiner • ICC Master Code Professional
Craig Aznoe, F.P.E. Fire Protection Engineer	**Education** • B.S., in Electrical Engineering, Montana State University **Licenses & Certifications** • Fire Protection Engineer, State of California, License # 1832
Jason Bullock Utah Regional Manager	**Education** • B.S., in Business Administration, University of Phoenix **Licenses & Certifications** • Combination Inspector, State of Utah, License # 290441-5601 ICC License # 1028199 • ICC Building Plans Examiner • ICC Combination Inspector • ICC Electrical Inspector • ICC Building Inspector • ICC Plumbing Inspector • ICC Mechanical Inspector • ICC Commercial Combination Inspector

Team Member/ Job Title	Certification / License / Affiliations
Corey Bundy, CBO, MCP Plans Examiner Building Inspector	**Licenses & Certifications** • Combination Inspector, State of Utah, License # 311918-5601 ICC License # 888051 • ICC Building Inspector • ICC Certified Building Official • ICC Combination Inspector • ICC Mechanical Inspector UMC • ICC Fire Inspector I • ICC Accessibility Inspector/Plans Examiner • ICC Combination Inspector - Legacy • ICC Commercial Energy Inspector • ICC Residential Energy Inspector/Plans Examiner • ICC Mechanical Inspector • ICC Plumbing Inspector • ICC Electrical Inspector • ICC Fire Plans Examiner • ICC Building Plans Examiner • ICC Building Code Specialist • ICC / AACE Property Maintenance and Housing Inspector • ICC Zoning Inspector • ICC Permit Technician • ICC Permit Specialist • ICC Fire Inspector II • ICC Fire Code Specialist • ICC Master Code Professional • ICC Commercial Combination Inspector • Utah Seismic Safety Commission Safety Assessment Program Certification • State of Utah Department of Commerce Active Licensure
Varinia "Rini" Bunje, Building Inspector	**Licenses & Certifications** • ICC Building Inspector
Sheri Cerise Administrative Assistant	**Licenses & Certifications** • ICC Permit Technician

Team Member/ Job Title	Certification / License / Affiliations
Dennis Cherenkov Building Inspector	**Education** • Associates Degree, Bryan College (Formerly Northwestern College) • Accounting Technician, MTI College **Licenses & Certifications** ICC # 8950244 • ICC Residential Building Inspector • ICC Commercial Building Inspector • ICC Building Inspector • ICC Residential Mechanical Inspector • ICC Residential Plumbing Inspector • ICC Residential Electrical Inspector • ICC Residential Combination Inspector • ICC Commercial Mechanical Inspector • ICC Mechanical Inspector • ICC Commercial Plumbing Inspector • ICC Plumbing Inspector • ICC Accessibility Inspector/Plans Examiner • ICC Residential Fire Sprinkler Inspector/Plans Examiner • ICC Building Plans Examiner • ICC Mechanical Plans Examiner • ICC Plumbing Plans Examiner • ICC Commercial Electrical Inspector • ICC Electrical Inspector • ICC Combination Inspector • ICC Commercial Combination Inspector
Tracy Christensen Building Inspector	**Licenses & Certifications** • Combination Inspector, State of Utah, License # 330601-5601 • ICC Commercial Combination Inspector • ICC Residential Electrical Inspector
Christopher "Chris" Clark Fire Plans Examiner Fire Building Inspector	**Education** • Post-Masters Certification in Business Administration, Northcentral University, Prescott Valley, AZ • Masters of Human Relations, University of Oklahoma, Norman, OK • B.S., in Fire Management, Southern Illinois University, Carbondale, IL • A.S., in Fire Science and Military Instruction of History/Technology, Community College of the Air Force, Maxwell, GA **Licenses & Certifications** ICC # 8787194 • ICC Fire Plans Examiner • ICC Building Plans Examiner • ICC Fire Inspector I • ICC Fire Inspector II • Fire Inspector III, International Fire Service Accreditation Congress (IFSAC) Certified • Fire Officer III, certified IFSAC and Pro Board Certified • Fire Instructor III, certified IFSAC and Pro Board Certified

Team Member/ Job Title	Certification / License / Affiliations
William "Bill" Clayton, CBO Plans Examiner Building Inspector Instructor Code Consultant	**Licenses & Certifications** ICC # 881785 • ICC /AACE Property Maintenance and Housing Inspector • ICC Plumbing Inspector UPC • ICC Building Code Official • ICC Accessibility Inspector/Plans Examiner • ICC Housing Code Official • ICC Residential Energy Inspector/Plans Examiner • ICC Mechanical Inspector • ICC Building Code Specialist • ICC Building Plans Examiner • ICC Residential Fire Sprinkler Inspector/Plans Examiner • ICC Plumbing Inspector • ICC Certified Building Official • ICC Building Inspector • ICC Mechanical Inspector UMC
Matthew Coyle Building Inspector	**Education** • Carpenters Apprenticeship Training CTCNC **Licenses & Certifications (Partial List)** ICC # 805450 • ICC Structural Steel and Bolting Special Inspector • ICC Reinforced Concrete Special Inspector • ICC Mechanical Plans Examiner • ICC Structural Masonry Special Inspector • ICC California Commercial Building Inspector • ICC California Residential Electrical Inspector • ICC California Commercial Electrical Inspector • ICC Electrical Plans Examiner • ICC California Building Plans Examiner • ICC Prestressed Concrete Special Inspector • ICC Electrical Inspector • ICC Combination Inspector
Elvin "Chuck" DeVorss, CBO, MCP Plans Examiner	**Education** • A.S., in Construction Inspection, Pasadena City College • Certificate in Building Inspection and Plan Review, University of Nebraska **Licenses & Certifications** • ICC Reinforced Concrete Special Inspector Legacy • ICC Certified Building Official • ICC Building Plans Examiner • ICC Building Inspector • ICC Electrical Plans Examiner • ICC Mechanical Inspector UMC • ICC Commercial Electrical Inspector • ICC Plumbing Inspector • ICC Commercial Building Inspector • ICC Commercial Energy Plans Examiner • ICC Residential Electrical Inspector • ICC Combination Inspector • ICC Residential Energy Inspector/Plans Examiner • ICC Commercial Energy Inspector • ICC Mechanical Inspector • ICC Accessibility Inspector/Plans Examiner • ICC Master Code Professional • ICC Structural Masonry Special Inspector • ICC Electrical Inspector • ICC Building Code Specialist • ICC Electrical Code Specialist • ICC Commercial Combination Inspector

Team Member/ Job Title	Certification / License / Affiliations
Michael "Mike" Durfee Building Inspector	**Licenses & Certifications** • Combination Inspector, State of Utah, License # 264525-5601 • ICC Plumbing Inspector • ICC Mechanical Inspector • ICC Electrical Inspector • ICC Building Inspector • ICC Commercial Combination Inspector • ICC Combination Inspector • Medical Gas Inspector, National Inspection • Certified Firefighter I and II, Utah State Fire Training Certification Broad
Alan Ellis, CBO Nevada Client Liaison Manager	**Education** • M.B.A., University of Phoenix, Las Vegas, NV • B.A., in Social Science, Michigan State University, East Lansing, MI **Licenses & Certifications** ICC # 1086454 • ICC Certified Building Official • ICC Fire Inspector II • ICC Building Inspector • ICC Building Plans Examiner • ICC Building Code Specialist • Fire Inspector, Uniform Fire Code Association • Fire Inspector, International Fire Code Institute • Fire Inspector III - NFPA, Office of the Nevada State Fire Marshal • Plans Examiner II - NFPA, Office of the Nevada State Fire Marshal • Fire Inspector II, Office of the Nevada State Fire Marshal • Fire Inspector I Office of the Nevada State Fire Marshal • Medical Gas Inspector – National Pipefitters Council
Evan Farkas Building Inspector	**Education** • A.S., in Automotive Technology, Cuyahoga Community College, Parma Heights, OH **Licenses & Certifications** ICC # 10145285 • ICC Residential Building Inspector • ICC Residential Plumbing Inspector
Ali Fatapour, P.E., CBO Interim Building Official	**Education** • M.S., in Structural Engineering, California State University, San Jose • B.S., in Civil Engineering, California State University, San Jose **Licenses & Certifications** • Civil Engineer, State of California, License # C40671 ICC # 861331 • ICC Certified Building Official • ICC Building Plans Examiner
William "Bill" Gardner, QEI Conveyance Inspector	**Education** • B.S., in Business Administration – University of S. Dakota **Licenses & Certifications** • Type 1 Conveyance Inspector, State of Colorado - Division of Oil and Public Safety - Conveyance Section, License # CI-1-49 • Qualified Elevator Inspector (QEI), NAESA, Certification # C-2041 • ICC Commercial Electrical Inspector • ICC Electrical Plans Examiner

Team Member/ Job Title	Certification / License / Affiliations
Dean Gesualdo Building Inspector	**Licenses & Certifications** ICC # 5032110 • ICC Commercial Building Inspector • ICC Commercial Plumbing Inspector • ICC Electrical Inspector • ICC Residential Building Inspector • ICC Residential Electrical Inspector • ICC Building Inspector • ICC Plumbing Inspector • ICC Residential Plumbing Inspector
Mark Gurule Plans Examiner	**Education** • A.A., in Architectural Design, National Education Center, Glendale, AZ • Studies in Mechanical Engineering, University of Southern Colorado **Licenses & Certifications** ICC # 1027524 • ICC Building Inspector • ICC Building Plans Examiner • Class B Contractor's License, Pueblo Regional Building Department • Third Party Building Inspector Certification, Colorado Division of Fire Prevention & Control
Martin Haeberle, CBO Plans Examiner Senior Building Inspector Chief Building Official	**Education** • ADA Coordinator, University of Missouri • Commercial/Residential Heating Ventilation and Refrigeration Systems, Kansas City Technical College **Licenses & Certifications** • Limited Inspector License, State of Utah. No. 6597488-5602 ICC # 811252 • ICC Residential Electrical Inspector • ICC Building Inspector • ICC Commercial Electrical Inspector • ICC Building Plans Examiner • ICC Certified Building Official • ICC Residential Plumbing Inspector • ICC Accessibility Inspector/Plans Examiner • ICC Commercial Mechanical Inspector • ICC Commercial Plumbing Inspector • ICC Electrical Inspector • ICC Plumbing Inspector • ICC Building Code Specialist • FEMA Emergency Management Certification
Patrick Haniger Plans Examiner Building Inspector	**Education** • Building Technology Certificate, College of San Mateo • A.S., Building Technology College of San Mateo **Licenses & Certifications** • ICC Plumbing Inspector UPC • ICC Commercial Electrical Inspector • ICC Residential Building Inspector • ICC Mechanical Inspector UMC • ICC Commercial Building Inspector

Team Member/ Job Title	Certification / License / Affiliations
Landan Hansen Building Inspector	**Licenses & Certifications** • Limited Inspector, State of Utah, License # 10728255-5602 • ICC Residential Building Inspector • ICC Residential Plumbing Inspector • ICC Residential Mechanical Inspector • ICC Commercial Electrical Inspector • ICC Commercial Mechanical Inspector • ICC Mechanical Inspector • ICC Commercial Plumbing Inspector • ICC Commercial Building Inspector • ICC Plumbing Inspector • ICC Commercial Combination Inspector • ICC Building Inspector
William "Will" Hanson Building Inspector	**Education** • Associate Degree, Al Collins Graphic Design School, Tempe, Arizona **Licenses & Certifications** ICC # 5271207 • ICC Accessibility Inspector/Plans Examiner • ICC Commercial Combination Inspector • ICC Fire Inspector II • ICC Fire Inspector I • ICC Combination Inspector • ICC Plumbing Inspector • ICC Building Inspector • ICC Mechanical Inspector • ICC Electrical Inspector • ICC Commercial Mechanical Inspector • ICC Residential Mechanical Inspector • ICC Electrical Plans Examiner • ICC Residential Building Inspector • ICC Commercial Electrical Inspector • ICC Residential Electrical Inspector • ICC California Commercial Electrical Inspector • ICC California Commercial Plumbing Inspector • ICC California Commercial Building Inspector • ICC California Residential Plumbing Inspector • ICC California Residential Building Inspector • ICC California Residential Electrical Inspector • Plan Review I & II, Pro Board • Certified Home Inspector, Arizona State Board of Technical Registration • ASI Stormwater Certified Inspector
Joshua "Josh" Harmon, CBO Plans Examiner Building Inspector Instructor	**Education** • B.A., in Political Science, Minor: Urban Studies, Wittenburg University, Springfield, OH **Licenses & Certifications** ICC # 5306080 • ICC Property Maintenance and Housing Inspector • ICC Residential Building Inspector • ICC Zoning Inspector • ICC Certified Building Official • ICC Housing and Zoning Code Specialist • ICC Residential Plans Examiner • ICC CALGreen Inspector/Plans Examiner • ICC Certified Sustainability Professional • ICC Residential Energy Inspector/Plans Examiner • ICC Commercial Energy Inspector/Plans Examiner with ASHRAE 90.1 • Notary Public

Team Member/ Job Title	Certification / License / Affiliations
Jeff Hedman, S.E. Plans Check Engineer	**Education** • B.S. in Civil Engineering, University of Utah • A.A., General Studies, Dixie State University **Licenses & Certifications** • Civil Engineer, State of Arizona, License # 52174 • Civil Engineer, State of California, License # C90991 • Professional Engineer, State of Colorado, License # PE.0052265 • Professional Engineer, State of Nevada, License # 24589 • Structural Engineer, State of Utah, License # 5338635-2203 • Professional Engineer, State of Connecticut, License # 33608 • Professional Engineer, State of Florida, License # 81933 • Professional Engineer, State of Georgia, License # PE041461 • Professional Engineer, State of Idaho, License # P-19364 • Professional Engineer, State of Indiana, License # PE11800416 • Professional Engineer, State of Iowa, License # P26842 • Professional Engineer, State of Kansas, License # PE28311 • Professional Engineer, State of Kentucky, License # 35679 • Civil Engineer, State of Louisiana, License # PE.0042311 • Professional Engineer, State of Maine, License # PE16464 • Professional Engineer, State of Maryland, License # 50065 • Civil Engineer, State of Massachusetts, License # 53424 • Professional Engineer, State of Michigan, License # 6201068550 • Civil Engineer, State of Minnesota, License # 54417 • Professional Engineer, State of Mississippi, License # 28777 • Professional Engineer, State of Missouri, License # 2017011821 • Professional Civil Engineer, State of Nebraska, License # E-18591 • Professional Engineer, State of New Jersey, License # 24GE05598200 • Professional Engineer, State of New Mexico, License # 28150 • Professional Engineer, State of New York, License # 101631 • Professional Engineer, State of North Carolina, License # 46252 • Professional Engineer, State of North Dakota, License # PE-27718 • Professional Engineer, State of Ohio, License # PE.83550 • Professional Engineer, State of Oklahoma, License # 32042 • Professional Engineer, State of Oregon, License # 95003PE • Professional Engineer, State of Pennsylvania, License # PE085917 • Professional Engineer, State of South Carolina, License # 37205 • Professional Engineer, State of Tennessee, License # 119659 • Civil Engineer, State of Texas, License # 108287 • Professional Engineer, State of Virginia, License # 0402056938 • Professional Engineer, State of Washington, License # 57488 • Professional Engineer, Washington DC, License # PE909209 • Professional Engineer, State of Wisconsin, License # 54921-6
Brian Herren Electrical Building Inspector	**Education** • IEC Apprenticeship **Licenses & Certifications** • Master Electrician, State of Colorado, License # ME.0028307 ICC # 5271694 • ICC Residential Mechanical Inspector • ICC Commercial Electrical Inspector • ICC Electrical Plans Examiner

Team Member/ Job Title	Certification / License / Affiliations
Jody Hilton, CBO Plans Examiner Manager Building Inspector Chief Building Official	**Education** • ICBO Plans Building Code Classes, Salt Lake Community College • Examiner Class, Whittier, California **Licenses & Certifications** • Combination Inspector, State of Utah, License # 265582-5601 • ICC Commercial Combination Inspector • ICC Building Code Specialist • ICC Building Plans Examiner • ICC Commercial Energy Plans Examiner • ICC Combination Inspector • ICC Plumbing Inspector • ICC Mechanical Inspector • ICC Building Inspector • ICC Certified Building Official • ICC Electrical Inspector
Richard "Rick" Hollander Building Inspector	**Education** • IAEI Training Seminars **Licenses & Certifications** • ICC Electrical Inspector
Carrie Johnson Fire Plans Examiner Fire Building Inspector	**Education** • A.S., in Fire Technology, Sierra College • Fire Technology and Level 1 Fire Certifications, Sierra College and American River College **Licenses & Certifications** ICC # 8984809 • ICC Fire Inspector I • ICC Fire Inspector II • ICC Fire Plans Examiner • Youth Fire Prevention Intervention Specialist, National Fire Academy
Christopher "Bo" Johnson Building Inspector	**Education** • B.S. in Sociology, University of Utah • A.S. in Computer Science, Weber State University **Licenses & Certifications** • Limited Inspector, State of Utah, License # 12476236-5602 ICC # 10054901 • ICC Residential Building Inspector • ICC Residential Electrical Inspector • ICC Residential Mechanical Inspector • ICC Residential Plumbing Inspector • ICC Residential Combination Inspector • ICC Commercial Plumbing Inspector • ICC Plumbing Inspector • ICC Commercial Building Inspector • ICC Building Inspector • ICC Commercial Mechanical Inspector • ICC Mechanical Inspector • ICC Commercial Electrical Inspector • ICC Electrical Inspector • ICC Combination Inspector • ICC Commercial Combination Inspector

Team Member/ Job Title	Certification / License / Affiliations
Daniel "Dan" Kishpaugh Senior Plans Examiner	**Education** • Bachelor's Degree in History, University of Nevada, Reno • Plan Review Institute, Whittier, California • Building and Fire Code Plan Review, National Fire Academy • Fire Structures and Systems Course, National Fire Academy • Building Official's Institute - Portland, Oregon **Licenses & Certifications** ICC # 881836 • ICC Mechanical Inspector UMC • ICC Plumbing Inspector UPC • ICC Electrical Inspector • ICC Building Plans Examiner
Terry Knox, MBA, CBO Business Development Director Sacramento Inspections Manager	**Education** • M.B.A., Minor in Construction Management • B.S., Minor in Construction Management • A.A., in Building Inspection Technology **Awards** • Helen Putnam Award for Excellence for Government Efficiency and Responsiveness • California Building Official (CALBO) Hall of Fame
Xin Liu, F.P.E. Fire Protection Engineer	**Education** • M.S., Fire Protection Engineering, University of Maryland, College Park, MD • B.S., Fire Protection Engineering, State Key Laboratory of Fire Science, University of Science and Technology of China **Licenses & Certifications** • Fire Protection Engineer, State of California, License # 1698
Alain Nkishi Mamada, F.P.E. Fire Protection Engineer	**Education** • M.S., in Fire Protection Engineering, California Polytechnic State University • B.T Mechanical Engineering University of Johannesburg **Licenses & Certifications** • Fire Protection Engineer, State of California, License # 1935
Alberto Barrios Marquez, P.E. MEP Plans Examiner	**Education** • B.S., in Mechanical/Electrical Engineering, University of Guadalajara **Licenses & Certifications** • Professional Engineer, State of Colorado, License # PE.0041140 • Master Electrician, State of Colorado, License # ME.0026505 • ICC Building Plans Examiner • ICC Mechanical Plans Examiner • ICC Plumbing Plans Examiner • LEED AP BD+C, U.S. Green Building Council • Certified Spanish Translator/Interpreter
Joseph "Joe" Mares Building Inspector	**Licenses & Certifications** ICC # 5039918 • ICC Combination Inspector - Legacy • ICC Electrical Inspector • ICC Mechanical Inspector UMC • ICC Plumbing Inspector UPC • ICC Building Inspector
Russell Mora Plans Examiner	**Licenses & Certifications** ICC # 848152 • ICC Electrical Plans Examiner • ICC Electrical Inspector

Team Member/ Job Title	Certification / License / Affiliations
Adam Mulford, QEI Conveyance Plans Examiner/ Inspector	**Licenses & Certifications** • Type 1 Conveyance Inspector, State of Colorado - Division of Oil and Public Safety - Conveyance Section, License # CI-1-65 • Qualified Elevator Inspector (QEI), NAESA, Certification # C-5528
Paul Nappo, QEI Conveyance Inspector	**Licenses & Certifications** • Type 1 Conveyance Inspector, State of Colorado - Division of Oil and Public Safety - Conveyance Section, License # CI-1-50 • Qualified Elevator Inspector (QEI), NAESA, Certification # C-4640
Christian Ng, F.P.E. Fire Protection Engineer	**Education** • B.S, in Fire Protection Engineering University of Maryland, College Park, MD **Licenses & Certifications** • Fire Protection Engineer, State of California, License # 2132
Rory Nichols, QEI Conveyance Inspector	**Licenses & Certifications** • Qualified Elevator Inspector (QEI), NAESA, Certification # C-6745
Lisa O'Malley Plans Examiner	**Licenses & Certifications** • ICC California Building Plans Examiner
Kathleen Overman Plans Examiner	**Education** • Current - A.S., in Building Inspection Technology • Completed College Code Training Classes **Licenses & Certifications** ICC # 8253521 • ICC Permit Technician • ICC CALGreen Inspector/Plans Examiner • ICC / AACE Property Maintenance and Housing Inspector • State Fire Marshall Credited Fire Inspector 1 Series
Randy Pabst, QEI Conveyance Plans Examiner	**Education** • B.A., University of Colorado at Boulder **Licenses & Certifications** • Type 1 Conveyance Inspector, State of Colorado - Division of Oil and Public Safety - Conveyance Section, License # CI-1-45 • Conveyance Inspector, City of Denver, License # 951711 • Qualified Elevator Inspector (QEI), NAESA, Certification # C-1790
Lloyd Parry Building Inspector	**Licenses & Certifications** • Limited Inspector, State of Utah, License # 6319856-5602 ICC License # 5283484 • ICC Residential Electrical Inspector • ICC Residential Building Inspector • ICC Residential Mechanical Inspector • ICC Residential Plumbing Inspector • ICC Commercial Plumbing Inspector • ICC Residential Combination Inspector • ICC Commercial Mechanical Inspector • ICC Commercial Building Inspector
Jeffrey L. Paterson, F.P.E. Fire Protection Engineer	**Education** • M.S., in Fire Protection Engineering, California Polytechnic State University • B.S., in Civil Engineering, University of California Davis **Licenses & Certifications** • Fire Protection Engineer, State of California License # 1926

Team Member/ Job Title	Certification / License / Affiliations
Rachel Patterson Building Code Professional	**Licenses & Certifications** • Basic Certified (CACEO) • Advanced Certified (CACEO) • Incident Management and Disaster Mitigation Certificates, FEMA
Diana Perkins, CBO Senior Plans Examiner	**Education** • M.P.A., University of San Francisco • B.S., in Economics, University of San Francisco **Licenses & Certifications** • ICC Building Code Specialist • ICC Building Inspector • ICC Commercial Building Inspector • ICC Certified Building Official • ICC Building Plans Examiner • ICC Residential Building Inspector • ICC Accessibility Inspector/Plans Examiner • LEED Accredited Professional
Daniel "Dan" Reardon Plans Examiner Building Inspector	**Education** • B.S., in Mathematics / Emphasis in Secondary Education, University of Northern Colorado **Licenses & Certifications** ICC # 1136502 • ICC Plumbing Inspector • ICC Building Inspector • ICC Mechanical Inspector • ICC Building Plans Examiner • Safety Assessment Program (Disaster Mitigation)
Douglas "Doug" Rykerd Building Inspector	**Licenses & Certifications** ICC # 9985500 • ICC Commercial Building Inspector ICC # 8560486 • ICC Commercial Plumbing Inspector • ICC Commercial Mechanical Inspector • Master Plumber, State of Colorado, License # MP.00179826
Bennett Schmidt, QEI Conveyance Inspector	**Education** • B.F.A., in Liberal Arts, Studio Arts Major, Kenyon College, Gambier, OH **Licenses & Certifications** • Master Electrician, State of Colorado, License # ME.0025337 • Type 1 Conveyance Inspector, State of Colorado - Division of Oil and Public Safety - Conveyance Section, Licensee # CI-1-522 • Conveyance Inspector, City of Denver, License # CI-1-522 • Qualified Elevator Inspector (QEI), NAESA, Certification # C-6012
John Schweitzer Plans Examiner Building Inspector	**Education** • B.S, in Mechanical Engineering, University of Minnesota, Institute of Technology • Certificate of Small Business Entrepreneurship, Chancellor University, Cleveland, OH **Licenses & Certifications** ICC # 8361833 • Commercial Building Inspector • Building Plans Examiner • Certified Building Official, State of Minnesota, License #BO 650774

Team Member/ Job Title	Certification / License / Affiliations
Naomi Smith, CAPM Permit Technician	**Education** • Bachelor in Business Management with a Certificate in Accounting, William Jessup University • Associate in Business Administration, Cosumnes River College **Licenses & Certifications** ICC # 10311010 • ICC Permit Technician (expires 05/24/2026) • Certified Associate Project Manager, CAPM # 3221654
Robert "Bob" Stafford Building Inspector	**Licenses & Certifications** • ICC Mechanical Inspector UMC • ICC Combination Inspector • ICC Mechanical Inspector • ICC Plumbing Inspector UPC • ICC Plumbing Inspector • ICC Electrical Inspector • ICC Building Inspector • ICC Combination Inspector - Legacy • ICC Commercial Combination Inspector
Matthew "Matt" Tate Building Inspector	**Licenses & Certifications** • Combination Inspector, State of Utah, License # 364865-5601 • ICC Residential Mechanical Inspector • ICC Commercial Mechanical Inspector • ICC Residential Building Inspector • ICC Combination Inspector • ICC Residential Plumbing Inspector • ICC Commercial Electrical Inspector • ICC Commercial Plumbing Inspector • ICC Commercial Building Inspector • ICC Residential Electrical Inspector • ICC Building Inspector • ICC Mechanical Inspector • ICC Electrical Inspector • ICC Plumbing Inspector • ICC Residential Combination Inspector • ICC Commercial Combination Inspector
Thor Toepfer Building Inspector	**Licenses & Certifications** ICC # 5227135 • ICC Building Plans Examiner • ICC Fire Plans Examiner • ICC Residential Building Inspector • ICC Accessibility Inspector/Plans Examiner • ICC Residential Plumbing Inspector
Christopher Vasquez, QEI Lead Conveyance Inspector	**Education** • Denver Joint Electrical Apprenticeship Training Center • Completed two-year course at Electronic Technical Institute in Denver, CO • Associates Degree in Electronic Technology **Licenses & Certifications** • Type 1 Conveyance Inspector, State of Colorado - Division of Oil and Public Safety - Conveyance Section, Licensee # CI-1-516 • Conveyance Inspector, City of Denver, License #1545330 • Qualified Elevator Inspector (QEI), NAESA, Certification # C-5713

Team Member/ Job Title	Certification / License / Affiliations
Daniel "Dan" Weed, CBO Plans Examiner Building Inspector Chief Building Official	**Education** • B.A., in Liberal Arts / Public Speaking, Ambassador University, Pasadena, California **Licenses & Certifications** ICC # 866913 • ICC Plumbing Inspector UPC • ICC Electrical Plans Examiner • ICC Mechanical Inspector UMC • ICC Mechanical Inspector • ICC Building Code Official • ICC Property Maintenance and Housing Inspector • ICC Electrical Inspector • ICC Plumbing Inspector • ICC Building Inspector • ICC Combination Inspector - Legacy • ICC Combination Inspector • ICC Building Plans Examiner • ICC Certified Building Official • ICC Accessibility Inspector/Plans Examiner • ICC Building Code Specialist • ICC Electrical Code Specialist • ICC Commercial Combination Inspector
Robert J. Wheeler, F.P.E. Fire Protection Engineer	**Education** • B.S., in Fire Protection Engineering, University of Maryland **Licenses & Certifications** • Fire Protection Engineer, State of California, License # 1825 • Fire Protection Engineer, State of Arizona, License # 38935 • Professional Engineer, State of Georgia, License # PE017765
Heather Whitaker Plans Examiner	**Licenses & Certifications** ICC # 8490088 • ICC Residential Energy Inspector/Plans Examiner • ICC Commercial Energy Plans Examiner • ICC Building Plans Examiner • Resnet Certified Residential Field Inspector
Myron Williams Plans Examiner Building Inspector	**Education** • National Electrical Code • Davis Area Technology Center, Kaysville, Utah • International Building and International Residential Code • International Mechanical and International Plumbing Code • International Building Plans Examiner **Licenses & Certifications** • Combination Inspector, State of Utah, License #4958496-5601 ICC # 5044251 • ICC Mechanical Inspector • ICC Accessibility Inspector/Plans Examiner • ICC Plumbing Inspector • ICC Mechanical Plans Examiner • ICC Residential Energy Inspector/Plans Examiner • ICC Electrical Inspector • ICC Building Plans Examiner • ICC Combination Inspector • ICC Building Inspector • ICC Commercial Combination Inspector

Shums Coda Associates (SCA) offers the following building life-safety services:

- Plan Reviews & Inspections
- Permit Technicians
- Civil Engineering
- Fire Protection Engineering
- Conveyance Plan Review & Inspections
- Building Department Staff Augmentation
- Professional Education & Certification
- Energy/ Sustainability

SCA will provide Plan Review and Building Inspection Services in accordance with the Scope of Work identified in the City of Tempe's Request for Proposal (RFP) document. SCA's goal is to provide the City of Tempe with exceptional building and life-safety customer service by providing an experienced team and fostering open communication with the city and applicants in order to deliver complete, accurate, and on-time services. SCA will maintain regular communication with the City of Tempe's staff to ensure that we are meeting the city's expectations. We therefore provide multiple ways for the city (or the applicants) to contact our managers or staff (office and cell phones, texts, emails, and video conferencing), as we prefer to provide as many opportunities as possible to communicate and resolve issues quickly. Likewise, we recognize that sometimes we will need to alert the city staff to issues we have discovered in our reviews or inspections, or to obtain direction on how to proceed with unusual code concerns – so only through communicating with the city, will a clear and consistent message be delivered in a timely manner.

The following reflects our proposed process for providing the requested scope of services. We follow these processes with each project, but our philosophy is to still meet the city's needs with regards to our services. As such, we maintain the ability to adjust our process to accommodate the City of Tempe.

Plan Review Implementation

To begin a successful delivery of our services to the City of Tempe, we must have strong communication between our permit technician/administrative staff, to ensure that electronic plans are properly received and complete to allow us to begin our review. SCA staff has a system in place that verifies that all electronic files are received (correcting any corrupted files). Our team will usually reach out to the city's staff within 24 hours, with any discrepancy in submittal documents, or even transmittals related to each review.

Next, our Plan Check Manager meets with the Plans Coordinators to assess and understand each project received, as well as putting it into a larger database schedule that we maintain internally for all jurisdictional projects. It is at this point that our Manager and Coordinator will begin the process of assigning each project a unique SCA job number for tracking purposes, which the city staff or applicants can access at any time during our review cycles. Then each project will be assigned to a SCA plan review team member, based on experience, expertise, and complexity of the project along with the current availability of each team member. Our plan review staff is well versed and able to review all code requirements. Most smaller projects can be reviewed by a single plan examiner/engineer and for large projects, our plans coordinators will confer with our plan review manager to divide project portions into smaller systems reviews – which ensures that the project stays on schedule with multiple persons assigned to handle larger lifts. The plans coordination team will continue to check-in and update schedules during each cycle of review, and make sure that each plan review member remains on schedule or re-assigning (when needed) some work to ensure turnaround times are met.

When review cycles are completed, our managers will review final products to ensure that comments are formatted properly, and clear regarding code concerns. Then our Project Coordinators will register the cycle

completed and will input all reviewed and approved documents into the tracking software as directed by the City of Tempe's staff. Then as directed by the city, our Project Coordinators will send all submittal and resubmittal reports directly to the city's staff for distribution to the applicant(s). We can also directly/simultaneously provide the architect and/or the engineer with the same electronic list of items needing correction when directed to do so by the city. We will look to the City of Tempe's staff and take your lead on how to effectively streamline communication, because at the end of the day our goal is to build a relationship as a cohesive team.

Through our database and team of plans coordinators, SCA can provide clear and direct information to the city's staff (or the applicants) related to plan review status, as well as provide another layer of plan submittal completeness assessments at each review cycle. When questions arise, our project coordinators will direct all inquiries to the appropriate plan review staff to respond and resolve issues. This ensures that every item related to a plan review list can be responded to and resolved with the staff person that created the comment initially. We are committed to returning calls and emails, promptly and with a professional approach associated with these services.

Plan Reviews and Approvals

SCA performs plan reviews that cover one or more of the following disciplines:

- Building: architectural (fire/life safety), structural, mechanical, electrical, plumbing, accessibility, green building, energy conservation, and geotechnical in conformance with the currently adopted Jurisdiction Building Codes, or International Building Codes (all as modified or amended by the jurisdiction).
- Fire: fire/life safety, fire suppression, fire alarm, smoke control reports and hazardous materials to the currently adopted International Fire and Building Codes (all as modified or amended by the jurisdiction).
- Public Works/Engineering: grading, drainage, geotechnical, on-site\right-of-way improvements, construction management and inspection for public infrastructure projects, and FEMA Flood Insurance Program.

Our standard plan review reports result in lists of comments which refer to specific detail, drawing or location in the building, and reference applicable code sections for each item cited. Our comment lists should be self-explanatory, but our review team will remain available during working hours (and often off-hours) by phone and/ or video conferencing to share and discuss the code concerns with the city's staff and/ or the applicants in order to provide any additional clarification/discussion needed of the applicable building code section, ordinances, or regulation.

With each review cycle, SCA will provide a cover letter/transmittal that includes the following information:

- The address, permit number, description, use, and type of construction.
- A list of all plan/documents received for review and the associated dates they were received.

We will provide a similar list at each cycle of the review process, but typically most reviews are resolved in two cycles, with perhaps a quick third review of a remaining comment (or two). When a review remains extensive at a third (or longer) review cycle, SCA staff will reach out to the City of Tempe's staff to discuss the overall items of concern and look for direction on any alternative methods to keep the project review moving in a positive direction. With these difficult reviews, SCA is not opposed to online video conferences to share and discuss the code concerns with the city's staff and the applicant – hopefully to assist in receiving a more complete resubmittal with the next review.

Further, we can activate our team early on in the process (usually prior to construction documents being submitted to the city), to provide general code reviews with design development plans, to assist with sensitive

projects understanding larger code concerns early on in the process, and hopefully allowing corrections that will reduce plan review cycles in the future. SCA actually prefers to review larger projects in this manner, but only under the clear direction of the city, and with the understanding that we are not designing the project, but merely representing the City of Tempe's code concerns.

Once the final plan review is completed and ready for approval, SCA will stamp (physically or electronically) the plans and the supporting documents and return them to the city, along with our letter of completion. It should be noted that our approval stamp can be modified to suit the desired information needed by the City of Tempe.

SCA is proficient in many versions of electronic plan review applications, and other web-based tools. SCA staff expertise and proficiency in the latest electronic plan review is not an accident, but rather a source of pride. SCA can also review paper plans when submitted and could provide in-house staff review assistance. If the reviews can be completed over the counter, we will make every effort to complete them at that point. If we cannot do a review at the City of Tempe's offices, our plans examiner will conduct the plan review in the SCA office and provide a report as outlined above. If paper plans are submitted, we will provide couriers to pick up and deliver the documents.

Technology

With the implications of COVID, we have seen our paper plan reviews nearly disappear in favor of electronic plan reviews. Electronic plan reviews have been a strength for our team, having reviewed thousands of electronic projects. SCA can review all plans electronically and provide review letters in multiple formats. This has been a service provided to our clients prior to the COVID-19 pandemic. SCA maintains equipment for our plan review staff (i.e., dual, and larger monitors, added graphic cards and memory) to allow for plans to be properly reviewed in an efficient manner.

SCA is knowledgeable of different databases and networks and is also proficient in many versions of electronic plan review applications, and other web-based tools. We typically utilize the Bluebeam product for our reviews but can provide our review comments on any of the other comparable platforms and are able to embed the comments into the electronic plan sheets. We can also redline revisions and mark-up plans for minor items, to ensure approval of the plans instead of an additional review cycle being performed. SCA would look to the city to provide guidance on the preferred method of electronic comments to be received. SCA staff are knowledgeable and have experience working with a variety of different software for Electronic Plan Review, Permit Tracking, and Building Inspections. SCA currently uses the following software:



Building Inspections

SCA provides building, fire, and public works inspection services. These services include:

- Review of all approved plans, specifications, and documents.
- Review and respond to all inspection requests and reports.
- Perform inspections for compliance to applicable Building, Mechanical, Electrical, Plumbing, Fire codes as amended by the jurisdiction.
- Attend pre-construction meetings (as needed) and any mandatory meetings (including safety training and project management).

Our inspectors are qualified, certified, and licensed to conduct many different types of inspections. The scope of inspection services to be provided will be defined uniquely for each project or as determined mutually by SCA and the City of Tempe. Inspector(s) provided to the city will report directly to the Chief Building Official or another person designated by the city for all project-related work. Any inspector sent to the city will need to be interviewed and/or accepted by the Community Development Department staff prior to their commencement of inspections on behalf of the jurisdiction, as we want our staff to be appropriately qualified for and clear of the City of Tempe's expectations.

In order to begin a successful delivery of our services to the City of Tempe, we must have strong communication between our management/inspection staff, to ensure that we are clear on the city's expectations. We will conduct the required inspections for the project and inspect the buildings in accordance with the codes adopted and amended by the City of Tempe. We have also worked with several different Departments to concurrently administer the codes adopted by their jurisdiction. We believe it is important to work alongside all departments on projects to present a cooperative level of code administration.

An inspection report will be provided for each inspection outlining what inspection was conducted, the result and any conditions or corrections needed. SCA's inspection reports will reference code sections that are applicable for each comment. We will provide a similar list at each inspection cycle. It is standard practice for our inspectors to input results into the jurisdiction's inspection/ permitting software at the end of each inspection day and/ or leave a distribution copy at the jobsite for the contractor/applicant. SCA can certainly provide either or some hybrid version as needed for the City of Tempe. We will also provide stop work orders, when necessary, but our philosophy is always to communicate paths of resolution of code concerns, instead of stop work orders – as our role is also to keep the project on time and under budget. We believe in being service oriented and not the building police.

Our correction lists should be self-explanatory, but our inspection team will remain available during working hours (and often off-hours) to provide any additional clarification/discussion needed of the applicable building code section, ordinances, or regulations. Our inspectors provide their cell phone numbers to the contractors and homeowners if a question arises in the field, as we believe it is important that the lines of communication are maintained open. We will work with the contractors and homeowners to bring a building into compliance with the applicable code whenever we can. It is our philosophy that inspections are educational opportunities to explain the purpose of the code and why certain things are required by the code. We will spend additional time explaining the purpose of a code requirement whenever necessary as we see ourselves as code educators as much as code administrators. Our goal is to get to yes and comply with the intent of the code.

When inspections are slow or are consistently not ready, SCA staff will reach out to the city's staff to discuss the overall items of concern and look for direction on any alternative methods to keep construction on track. Our inspection staff is also able to attend any necessary meetings to assist in having consistent inspection progress with each jobsite. This will require SCA staff to be available to participate in and attend inspection staff meetings and training events sponsored by the city (as needed and directed). We want to do whatever we can to ensure safe buildings while helping to get projects completed on time and under budget. We pride ourselves on being problem solvers and not problem makers.

When the final inspection is completed, we will notify the city that a certificate of occupancy can be issued for new buildings or addition/tenant improvements and will file the electronic report with the City of Tempe, to close out the permit. SCA would look to the city to provide guidance on the preferred method of how this will be completed.

SCA agrees to the City of Tempe's maximum plan review turnaround times outline in the RFP for initial review, rechecks and completion of lists of corrections. It is important to note that SCA will work with the City of Tempe regarding the turnaround timeframes to meet the City's expectations. Turnaround timeframes are as follows:

	NUMBER OF WORKING DAYS		
Type of Plan	**Initial Check**	**Recheck**	**Expedited** (Initial/Recheck)
Residential, including additions and/or accessory buildings	10	5	*5/3
Single Family Dwelling	10	5	*5/3
Duplex Dwelling	10	5	*5/3
Multi-Family (3 Units or More)	14	5	*5/3
Commercial/Industrial Buildings	14	5	*5/3

The above working days exclude City holidays and do not include the date on which the plan(s) are picked up from the City office.

*When expedited plan reviews are requested, we will perform the plan review as quickly as SCA staff schedules will allow. An expedited review is typically completed in half of the standard turnaround time, but SCA has (at times) been able to review in shorter periods. These types of review schedules are typically determined based on the complexity of the project and the availability of SCA staff to complete the review.

As outlined in the RFP, all assigned inspections on a project shall be completed on the same business day assigned. SCA will provide qualified inspectors as needed to the city, to ensure that all types of buildings will be inspected as requested by the city.

SCA does not have any (past or ongoing) actual, apparent, direct, or indirect, or potential conflicts of interest that may exist with respect to the firm, management, or employees of the firm, which would preclude us from performing services requested. SCA was established and continues to work only for local jurisdictions in the role of code plan review or inspection services. Although many of our staff have background in design and construction, we do not provide those services to eliminate any conflict of interest.

SCA will abide by the Conflict-of-Interest laws of the State, by Conflict of Interest requirements of the RFP, and by the following Conflict of Interest Code:

1. Contractor shall not knowingly recommend approval of designs or inspections of designs or methods of construction that do not meet City codes, ordinances and standards without prior approval from the City. The City may reject the recommendations.
2. Contractor shall not accept for plan review, inspection or planner services from other designers or developers where past relationships between designers or developers, either friendly or hostile, could lead to doubt of objectivity in the process.
3. Contractor shall not provide plan review, inspections or planner services where the drawings have been prepared for a developer who is or has been a client of the contractor on other projects within the past year.
4. Within three (3) months subsequent to plan review, inspection or planner work for a developer, Contractor shall not undertake plan review, inspection or planning work for that developer.
5. Contractor shall not use its position as plan reviewer, inspector or planner to further its own interest or use knowledge gained in the process to the disadvantage of the designer of the building plans, nor use this knowledge to create an unfair advantage for the contractor over the designer of the building plans.

As part of our technical training services, we provide courses on many building services that include ethics and code of conduct training, that we also offer to our employees as often as possible. We are very clear with our staff that we need to provide the highest standards of ethics and conduct to ensure our professional reputation with our clients and for each individual team member – in this business your reputation is key to being respected by your peers, and once that is tainted it is extremely difficult to earn back that respect.

SCA intends to provide our services to the City of Tempe from our Arizona Regional Office located in Goodyear, AZ with additional support from our corporate headquarters and additional regional offices (when needed). Barbara Rice, our Arizona Regional Manager 928-202-7107 (cell), will be our primary contact and David Basinger our CEO/ Principal 925-413-5626 (cell), will be our secondary contact. As this office will be near, but outside of the Tempe City limits, we will provide the following:

1. Cost-free mail and other courier services for pick-up and delivery of plans to both applicants and the city staff, for convenience and ease of access between the applicants and the City. It is our preference, if allowed by the City of Tempe, to eliminate much (or all) of the delivery time and costs, by transmitting as much of our review services electronically via email to both applicant and City, as well as being available for virtual meetings when necessary to resolve issues, or answer questions related to our review/inspections. However, we have many staff living in the East Valley, and able to drop in quickly for any last-minute pick-ups or drop-offs.
2. Multiple ways for applicants and/or the city to contact and discuss corrections on plans or projects directly with SCA staff including office phone (toll-free line: 844-674-5179), cell phones, texts, emails, and video conferencing. We prefer to provide as many opportunities as possible to communicate and resolve issues as quickly as possible. Our team will be available during working hours (Monday – Friday from 8:00am – 5:00pm) and often off-hours (when needed).
3. Qualified staff including licensed architects, engineers, ICC certified plans examiners and inspectors that will review and perform quality control for plan review and inspection services provided to the City of Tempe. SCA has enough local personnel to cover assigned project plan check, inspection or planner workloads, answer plan review or planning questions on specific projects being processed, and answer questions relating to plans checks or planning issues which have been completed (but where construction is still in progress). This allows us the ability to provide our services directly from Tempe, with less than 24-hour (often same day) notice of requests from the city (if needed). Our intention is for servicers to be community-based and benefit the city though an understanding of local approach and methodology; however, experienced staff from our corporate headquarters and other regional officers will always be available to support these local efforts (when needed).

   Our plan review philosophy is to be a seamless extension of the City's own Building staff and provide services as needed. We believe that effectively communicating with City staff and/or applicant is the key to ensure that all parties are aware of status and/or issues. Communication also allows for expedited solutions to identified code issues, that keeps development moving forward. SCA monitors the schedule internally by keeping our own permit tracking system up-to date with status of all projects that will coincide with Tempe's schedules. SCA utilizes email, phone calls, video conferencing and/or in-person meetings directly with the city staff, project architects, engineers, designers and/or owners regarding plan check review status and comments, to ensure that code requirements are completely understood prior to re-submittal of construction documents for the second review, and hopefully shorten the entire time spent in plan review.

Jurisdictional Experience

SCA has been under contract to provide all the services outlined in the RFP during the past contract period with the City of Tempe. We have been tasked with residential, multi-family and commercial plan reviews under the previous contract, as well as providing in-house inspectors to assist with the daily workload within Tempe. Throughout our service to Tempe, we have strived to customize our product to match the standards and expectations of the city. SCA believes that we have achieved that goal based on the extensive communication we have maintained with Tempe staff, which has developed into a fantastic working relationship. SCA continues to expand our staffing in Arizona and believes that with the recent addition of Pat Headington (retiring from Yuma County to join SCA), we will have another team member that will add value to our service capabilities – which will translate into better service for the City of Tempe. Additionally, we continue to provide services related to fire review and inspections, engineering, and education, that allow SCA to be able to assist with all facets of development services arising in Tempe. We look to continue to improve upon our services and working relationship at the City of Tempe through this selection process. We believe there are many more opportunities for us to contribute to improving development services in line with the City's visions in the future, as represented by other Arizona jurisdictional work we have also performed.

As an example of the depth of our capabilities, SCA provides the following list of jurisdictions we have assisted simultaneously in Arizona, while under the previous contract with the City of Tempe:

- Apache Junction
- Buckeye
- Casa Grande
- Cave Creek
- Cochise County
- Cottonwood
- Daisy Mountain Fire District
- El Mirage
- Eloy
- Flagstaff
- Florence
- Fountain Hills
- Gilbert
- Goodyear
- Kingman
- Litchfield Park
- Maricopa
- Mohave County
- Northern Arizona University
- Payson
- Peoria
- Phoenix
- Pinal County
- Queen Creek
- Sahuarita
- Salt River Pima – Maricopa Indian Community
- Surprise
- Tucson
- Winslow
- Yavapai County
- Yuma County

To provide more insight, we provide a few contracts with similar services SCA has performed in the last five years. These should assist in showing our capabilities in the management of these types of technical services.

City of Buckeye
Mike Izzo | Chief Building Official
Direct:(623) 680-8375 | Office:(623) 349-6200
mizzo@buckeyeaz.gov
Contract Value: $100,000 Annually
2017 – Present | Building Plan Review and Inspection Services
SCA has been under contract and continues to provide plan review and inspection services to this jurisdiction located in the west side of the valley. We have augmented inspections regularly to meet construction demands. Shortly after taking on inspection and plan review services, the CDD and City Manager asked our Senior Inspector to serve in the role of Acting Building Official and manage all Building Department staff (which included some Fire review and inspections). Buckeye continues to be the second fastest growing jurisdiction in the Nation, and under our Building Official services, we provided and/or trained numerous inspectors, as well as provided an "as needed" role in Fire reviews and inspections. The type of work at Buckeye (outside of some large-scale industrial warehouse projects and three schools) mimics the typical reviews and inspections of City of Tempe; mixed-use, residential units, schools, commercial and industrial buildings. SCA continues to provide inspection and plan review services to date, as well as being influential in their efforts to establish a review and approval for all projects in only two review cycles – something that was done with virtual meetings to discuss appropriate responses by the design teams to code questions. Under this program we have held separate code review and discussion meetings for new Ross distribution center, Five Below distribution center, Buckeye Police Training Facility and Storage, three new schools and a westside APS facility in multiple buildings.

City of Goodyear
Randal Westacott | Chief Building Official
Direct:(623) 980-0682 | Office:(623) 882-7934
randal.westacott@goodyearaz.gov
Contract Value: $100,000 Annually
2014 – Present | Building Plan Review and Inspection Services
SCA has provided plan review and inspection services in residential, commercial and fire. Our inspection services are primarily staff-augmentation of residential, commercial and fire inspectors. We provide on-call plan review services. We also provide two in-house permit technicians.

Town of Sahuarita
Anna Casadei | Planning & Building Director
Direct:(520) 822-8854 | Office:(520) 822-8857
acasadei@sahuaritaaz.gov
Contract Value: $50,000 Annually
2017 – Present | Building Plan Review, Inspection, and Building Official Services
SCA has provided inspection, plan review and building official staff augmentation to the Town of Sahuarita since 2017. Our inspection services provided were on an on-call part-time basis to provide staff relief for training, attrition, and periods of increased inspection activity until the Town was able to obtain approval for additional inspection staff in 2022. We provided up to two inspectors weekly as needed. We provided an in-house building official while the Town filled a vacated position and assisted in finding a replacement and helping transition the incumbent. We have provided plan review services for commercial and residential projects.

Project Experience

To highlight the type of projects we have reviewed, inspected, and provided permitting staff for, we provide the following examples of work completed for our municipal clients under contract services. These are Capital Improvement Projects or larger commercial structures, but we are equally adept at reviewing residential and commercial tenant improvements. For example, in a six-month period (while completing larger plan review projects), we performed nearly 1,000 mostly residential plan reviews for Ventura, CA; over 300 small reviews for Centennial, CO; and over 1,000 plan review and inspections for Hurricane, UT. Our staff is large enough to accommodate whatever plan review or inspection needs that might evolve during this contract.

Municipal Projects

City Hall
Citrus Heights, CA



SCA completed the plan review for the new $22 mil City Hall located on Fountain Square Drive. The 35,000 sq. ft., single-story City Hall will provide office space for 65 employees who previously were housed in four separate buildings. The new hall will also feature about 5,000 square feet of solar panels on the roof.

North Branch Library
Santa Clara, CA

SCA completed the plan review for the newest Santa Clara Library located on Moreland Way. The 17,500 sq. ft. state-of-the-art library consists of a grand entry plaza, a reading courtyard, 2,000 sq. ft. community room, separate children's and teen's book collections and gathering areas.

Fire Station #5
Mountain View, CA



This 10,000 sq. ft. building is designed to meet Leadership in Energy and Environmental Design (LEED) certification requirements and will be the first LEED Silver-Certified Capital Improvement project to be constructed by the city. The state-of-the-art building will house several newly purchased fire engines and provide space for dorms, a living area, and office space.

Large Scale Retail Mixed-Use Projects

Park Place Phase II and III
Fountain Hills, AZ



SCA provided third party plan check services on this project consisting of a Multi Family, 3-4 story 172 unit luxury apartment complex with an underground parking garage and commercial use at ground level. We will also be responsible for inspections of the construction of this project.

Santa Clara Square I, II, and III
Santa Clara, CA



SCA completed the first of three phases in 2013. This project was the beginning of an 80-acre master plan, which will also have up to 1.7 million sq. ft. of office and a 125,000 sq. ft. Whole Foods-anchored retail center. Starting in 2015, SCA began the review of the second and third phases, for 1,800 apartment units and 40,000 square feet of retail on roughly 33 acres at 2600 Augustine Drive.

Gateway Village
Santa Clara, CA



SCA completed the plan review of this major mixed-use residential and retail development. The 476 apartment residences, set back from the retail area, are wrapped around a concealed multi-story parking garage topped by a generous amenity podium. The amenity podium features a large pool/spa area, cyber lounge, club house, Fitness Center, and bocce ball court. This project are a mix of type I-A, III-A and V-A.

The Dean
Mountain View, CA

SCA and FRA completed the plan review of this 5.75-acre development consisting of several five story, Type III-A residential buildings over a full site, Type I-A podium structure. The development is anticipated to house 600 market rate housing units in a cluster of buildings surrounding a public 'paseo'.

Indigo
Redwood City, CA



This 470-unit, 10-story, high-rise apartment building, located at 525 Middlefield Road is of type I-A construction. This project consisted of one level of underground parking and two levels of above-grade parking, most of which is wrapped by storefront office space and stoop-accessed residential units and three residential towers which rise an additional 7 stories over the 3-story base. SCA performed two rounds of plan reviews as the design underwent a complete re-design mid-review. The estimated construction valuation of the project is $ 187 million.

Industrial/ Warehouse

Lucid Motors
Casa Grande, AZ



Plan review of phase I of a new electric car manufacturing facility, and CUP, for Lucid Motors. The project was comprised of a 192,784-sq. ft. Body in White structure, and an attached 564,906-sq. ft. Paint/General Assembly structure. These two buildings were attached to one another via a raised conveyor bridge element and had a separate CUP for the site. The entire project was reviewed as "at-risk" phased submittals, and SCA Building, and Fire attended weekly meetings to discuss code concerns and proposed AMMR's, as part of the overall review schedule. The project included Group F-1, H-2, H-3, B, A-3, and A-3 occupancy uses, and was two stories with additional large mezzanines or platforms of equipment. All turnarounds were met or exceeded with this expedited review process that allowed the vehicle manufacturing to begin months ahead of original proposed day one start-up of activities.

Five Below
Buckeye, AZ



This new 858,000-sq. ft., mixed use Group S-1 and B occupancy is phase I of a new warehouse and distribution center. The project was considered a significant development for the City of Buckeye's industrial/warehouse zoned neighborhood, and was submitted in multiple phases, and on a fast-track review process. SCA provided expedited reviews for all phases and approved the entire project (including high-piled storage racks, pic-mods, and conveyor systems) within, or ahead, of all city mandated turnarounds to support city's Economic Development goals.

Large Scale Professional Campus Projects

Tesla
Fremont, CA



SCA has provided Mr. Basinger as Acting Building Official and Acting Plan Check Manager, while both positions were vacant. One of the main assigned duties was to manage all plan reviews being undertaken by Tesla within the city, as well as a weekly meeting were one-stop/over-the-counter reviews could be completed or discuss upcoming projects and coordinate city department concerns. Although the Building Official position was filled, Mr. Basinger continued to manage numerous Tesla projects and special events. Over the course of a year, projects have included the North Paint T.I., North Paint Expansion, 901 Page (Seats Manufacturing, High-pile product storage racks and offices – also site of special Model X temporary event permit), Kato/Westcore (new building/T.I.), Spinnaker (New parts building), and weekly plan review/meetings (approximately 400 permits completed – 95% approved directly at the meetings).

Box
Redwood City, CA



SCA performed the plan review of this project, both shell and tenant improvements, the largest office project planned for Redwood City's downtown area. The 300,000 sq. ft. development boasts a planned LEED Gold rating, views of the bay and peninsula hillside, parking for over 900, and 5,000 sq. ft. of retail or restaurant space.

Google/Nasa Bayview Project
Mountain View, CA



SCA has been under contract for the past five years to assist NASA with over 2,000,000-sq. ft. of office, restaurants, assembly spaces, events center, parking, and residential guest hotel project for a new Google complex located at NASA-Ames Research Facility. As a federal agency, NASA has a Building Department that does not process permits as done at a typical jurisdiction, but rather operates as construction management for improvements at the base. The Google site is a land-lease/joint-venture with Ames Research that involved a complex design on previously incorporated City of Mountain View property. The design was extremely innovative in its approach and utilized advanced engineering systems (non-dynamic linear design), as well as being in a flood plain, having underground vapor mitigation system, deep geothermal heat system, large-scale integrated photo-voltaic roof system and several alternative materials and method requests. SCA was initially brought in to review the primary building of the campus that comprise three separate structures over a common basement level, while other consulting firms were utilized to review site/civil improvements and future housing/garage structure. However, SCA was so much more successful and responsive to both the owner/design schedule and NASA's code concerns, we were quickly promoted to complete the entire project reviews, as well as continual inspections. In fact, SCA's involvement was so well received in this capacity, that we are now providing reviews for the historic hanger renovation and re-uses, as well a base infrastructure (such as roadways and bridges). These reviews are exclusively performed electronically, with document control through our administrative staff until approval and release for printing by the design team, and subsequently submitted to the base. Initially NASA had never undertaken such a large and dynamic process, and they didn't understand how to streamline and maintain design/construction schedules. However, SCA worked with their management team, as well as Google/Whiting Turner and the designers, to guide the process into a jurisdictional model that is modified to accommodate the aggressive construction schedule. We provided preliminary code review of design development plans for the project, complete plan review and oversight of structural peer reviews, as well as continuing inspection team for on-going construction.

Google Headquarters
Mountain View, CA



As Google continues to expand its workforce, so has there been the need for additional office space. To date, we have completed plan reviews on over forty existing mid-rise buildings (one to five stories), with major renovations to accommodate the new high-tech office uses associated with the Google service lines. Most of the structures have included major renovations to exiting systems, as well as installations of A-2 and A-3 assembly occupancies, and recent lab space renovations. SCA also reviewed one of the largest free-standing photovoltaic carport structures (over numerous sites). As Google has purchased many of the building sites in the North Bayshore area of Mountain View, many of these full tenant improvements have occurred in buildings that were reviewed (when new construction) by SCA staff. As Google continues to expand the boundaries of their present campus, we continue to provide additional plan review services.

Microsoft Campus
Mountain View, CA



Microsoft campus demolished four of five original two-story office buildings and cafeteria/events center and constructed a combined two-story building with extensive roof decks and landscape features. The goal of the project was to create a more integrated and green structure that would be self-supporting. This involved replacing surface parking with a parking structure, exposed CLT structural systems, recycled and black water on-site treatment facility, as well as emphasis to transition from the structure to the natural watershed/creek on the south side of the property. The final structure was type III-B construction under the mall provisions, and included Group B, A-3, A-2, S-1, and S-2 occupancies.

Google – Charleston East
Mountain View, CA



Google's first out of the ground/new building in Mountain View was the Charleston East building, located adjacent to their main campus/headquarters. This type II-B construction was a full-basement (below the flood plain), with two-stories above grade and a tubular steel suspension structure that is 165-ft. at the middle of the roof. The unique design utilized several AMMR's, most notably the ASCE 41 and LA Basin Tall Building Codes to analyze the seismic stability of the roof and column structure. The final building is nearly 1 million square feet of Group B, A-2, A-3, S-1, and S-2, with a public paseo through the center of the building. The roof structure is entirely a PV system array, on a bent-plate roofing material.

Educational Campus

Honors College and Housing
Northern Arizona University
Flagstaff, AZ



SCA completed the plan review of this project consisting of a single structure subdivided into separate buildings by firewalls and horizontal building separations. Each of the four, 4-story dormitories consist of sleeping units, gathering/study lounges, and student facilities.

Science, Engineering and Technology Building
Utah Tech University (previously Dixie State University)
Saint George, UT

SCA provided building inspection services for the Dixie State University. The 120,000 GSF Science, Engineering & Technology Building at Dixie State University will include labs and classroom spaces including Physics, Chemistry, Biology, Geo Sciences, Mechanical Engineering, Technology and Computer labs as well as faculty offices and other support spaces. This project also includes the demotion of the existing Performing Arts Building and the demolition and repaving of the existing Whitehead Education Building.



Campus Suite
Utah Tech University (previously Dixie State University)
Saint George, UT

SCA provided building inspection services for the Dixie State University. This project was for the construction of the brand-new Campus Suite II, buildings dedicated for student housing. Second phase of student housing for DSU will include dwelling suites as well as admin offices, mailroom, multipurpose room, study areas, computer room, fitness room, bike storage room, common laundry rooms and common lounge/kitchens.



Housing and Dining Commons
California State University – San Bernardino
San Bernardino, CA

This project consisted of two new 4-story student housing facilities, total 107,260 sq. ft. and one dining commons, 48,358 sq. ft. The housing facility will provide 407 new beds along with study lounges, living rooms, recreation rooms and support facilities, including community services, and central administration. The dining commons will consist of dining and serving spaces, main kitchen, and late night/retail.



Large-Scale Multi-Family Projects

Alexan at Palm Valley
Goodyear, AZ

Plan review was completed for this luxury multi-family project which consists of approximately 825,000-sq. ft. of multistory condominiums and associated site amenities, including a 6,000-sq. ft. clubhouse and leasing office. This project is an R-1 Occupancy and Type V-A Construction.



Splendido at Rancho Vistoso
Oro Valley, AZ

David Basinger and others reviewed this mixed-use occupancy project that encompassed A-1, A-2, A-3, B, R-2, R-3, S-2, and I-2 occupancy groups. The main building has a total floor area of 454,000-sq. ft., with 46 additional "villas" (R-3 duplex residential occupancies) that comprise an additional 239,700-sq. ft. of single-family/duplex construction.

45 Buckingham Apartments and Parking, South
Santa Clara, CA



SCA has provided third party plan check services since 2014 on this project consisting of 222 unit, four- story buildings that will wrap around 5.5 level parking (372 spaces, plus 116 secure bike parking spots) as well as an open courtyard. The estimated construction valuation of the project is $ 31,182,000.

Creekside Vista Condominiums
Santa Clara, CA

SCA is providing third party plan review services for this 60-unit condominium building with 13 one-bedroom units, 35 two-bedroom units, and 12 three-bedroom units. The estimated construction valuation of the project is $ 22,400,000.

The Lane on the Boulevard
Redwood City, CA



2580 El Camino Real in Redwood City developed by the Urban Housing Group and Summerhill Apartment Communities is a 114-unit market rate transit oriented residential rental project on a 2.1-acre site.

Centria East & West
Milpitas, CA



SCA completed plan review of this 481-unit Multi-Family project. This project was built in two separate phases called Centria East and Centria West. Centria East consisted of 137 condominium units in a five-story building wrapped around a seven-story parking structure with pool and community center located on the bottom floor. Centria West consisted of a five story multi-family building wrapped around an eight-story parking structure with a community center and pool located on the top floor of the parking structure.

Renewable Energy Projects

McFarland Solar
Yuma County, AZ

SCA completed the plan review of the 105-megawatt (MW) photovoltaic (PV) MacFarland Solar PV Project comprising of the solar field and solar substation totaling 640 gross acres in size. SCA is currently performing daily inspections of the project.

Red Horse 2 Solar Array Panels & Turbine Wind Farm
Cochise County, AZ



SCA completed plan review of the Red Horse 2 project, one of the first combined wind and solar projects in the U.S. The project is a wind and solar electric generating facility of approximately 71 MW made up of approximately 12 wind turbines and hundreds of thousands of acres solar panel arrays, as well as a substation.

Google Headquarters
Mountain View, CA



Google Headquarters' photovoltaic (PV) system installation in 2007 was the largest installation of solar power on a single corporate campus in the United States. The majority of the 9,212 panels were installed on the Googleplex rooftops and the remaining were placed on newly constructed carports. In addition, SCA completed plan reviews and inspections on a number Electric Vehicle (EV) Charging stations throughout the campus.

U.S. Wind Power
Altamont/Patterson Pass, CA



This project consists of design, review, and inspection of thousands of experimental wind turbines (typically in groups of two dozen or more) to determine the best efficiency in the turbine designs, as well as operating velocities. In some instances, we performed investigations of failed devices that occurred due to rotational torques on anchor bolts being exceeded during peak use. Additionally, we design step-up or step-down devices to deliver generated power to approved energy providers.

Mountain View High School
Mountain View, CA

Mountain View High School's 57,000 sq. ft. of solar photovoltaic shade canopies in the school's parking lot.

Health/ Medical Centers

Cedar Medical Phase II
City of Flagstaff, AZ



SCA completed the plan review of this new ground up Shell Medical Office Building. The project consisted of a single-story medical office building with a plan area of approximately 44,000 sq. ft. to be constructed on a 4.88-acre lot.

Dilkon Health Center
Navajo County, AZ

SCA completed plan review of a 154,000 sq. ft. Winslow Indian Health Care Center (WIHCC) on a 43-acre parcel located in the Dilkon Community of the Navajo Indian Reservation. The site is located near the intersection of Navajo Routes 15 and 60.

Castle Rock Medical Center
City of Green River, WY



SCA did the plan review of a new freestanding one-story medical clinic that is approximately 28,787 square feet in size, with associated new site improvements, and includes demolition of the existing building and site improvements. The project shall be considered Occupancy Type B and Construction Type IIB.

SCA provides the following pricing structure:

Structure Type	Initial Review Hourly Rate	Second Review Hourly Rate	3rd/Addtl Review Hourly Rate
Plan Review Services			
Single-family residences, duplexes, garages and related structures	$95	$95	$95
Multiple Residences (apartments, condominiums)	$110	$110	$110
Commercial/Industrial building and other related structures	$125	$125	$125
High-rise mixed use residential/retail buildings	$125	$125	$125
Civil grading and drainage reviews	$135	$135	$135
Indicate any fees for expedited reviews	1.5 times hourly rate	1.5 times hourly rate	1.5 times hourly rate
Indicate any fees for deferred submittals, construction change directives and revisions	Hourly to match discipline	Hourly to match discipline	Hourly to match discipline
Turnaround Times for Review Services – Indicate your firm's turnaround times for each of the following:			
Single-family residences, duplexes, garages and related structures		10 initial/5 recheck Business Days	
Multiple Residences (apartments, condominiums)		14 initial/5 recheck Business Days	
Commercial/Industrial building and other related structures		14 initial/5 recheck Business Days	
High-rise mixed use residential/retail buildings		14 initial/7 recheck Business Days	
Expedited Reviews		Varies based on SCA staff availability and complexity of project; normally half the standard turnaround times cited above Business Days.	
Inspection Services – Pricing for inspection services shall be based upon an hourly rate			
Job Description		**Hourly Rate**	
Planning Manager		$150	
Plan Reviewer I		$95	
Plan Reviewer II		$110	
Plan Reviewer III		$125	
Civil Engineer		$145	

Civil Inspector	$85
Civil Plan Reviewer	$135
Senior Planner	$135

Job Description	Hourly Rate
Planner	$120
Permit Technician	$75
Administrative	$45
Building Inspector I	$75
Building Inspector II	$85
Building Inspector III	$95
Certified Building Official	$135
Additional Job Descriptions (not listed above)	
	$

Overtime will not be charged for any plan review services, but SCA does reserve the right to negotiate additional fees for major re-designs or consistently incomplete responses to initial plan review comments (as agreed upon mutually with the jurisdiction). Inspection and other services will be charged at 150% of the standard hourly rates (as agreed upon mutually with the jurisdiction).

**** Hours for inspections in excess of 8 hours (per day) will be billed as overtime at the rate shown above. When inspection overtime is requested, on days when inspector has not already performed inspections on the site (i.e., weekends, holidays, etc.), inspection overtime services will be provided in 4-hour minimum segments.**

* Applicable Tax 0 % **No sales taxes on professional services.**
Less prompt payments discount terms of 0% net thirty (30) days. .

SCA invoices will be submitted on a monthly basis and will be issued directly to the ordering department. Invoices shall be accurate and complete, including the information shown below.

Invoices shall include:

1. Line item listing of all ordered items to include description of items;
2. Unit cost and extended cost for each line item.
3. Applicable Tax.
4. Payment Terms.
5. Purchase Order Number.
6. Name of selling organization clearly stated on invoice along with address.
7. Phone number and or e-mail address for contact person to clarify invoicing questions.

Anti-Discrimination Policy

"Return this Section with your Response"

COMPLIANCE WITH CITY'S ANTIDISCRIMINATION ORDINANCE NO. 02016.25

The Tempe City Council approved Ordinance No. 02016.25 that requires vendors who are being recommended for award to provide evidence of their compliance with the City's antidiscrimination policy as shown below:

Sec. 2-601. Policy.

It is declared to be the policy for the citizens of Tempe, Arizona, to be free from discrimination in public accommodations, employment, and housing, and contrary to public policy and unlawful to discriminate against any person on the basis of race, color, gender, gender identify, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, in places of public accommodation, employment, and housing; and contrary to the policy of the city and unlawful for vendors and contractors doing business with the city to discriminate, as set forth in this article.

Sec. 2-603. Unlawful Practices.

The following shall constitute a violation of this article:

For a city vendor or city contractor, because of race, color, gender, gender identify, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, to refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges or employment. City vendors and contractors of fifteen (15) or more employees shall provide a copy of its antidiscrimination policy to the Procurement Officer to confirm compliance with this article. Employers having fourteen (14) or less employees may attest in writing to compliance with this article.

Vendor Requirements

Vendors who have fifteen (15) or more employees shall include with their bid/proposal submittal a copy of its antidiscrimination policy that must mirror the City's policy as stated above. Suppliers who have fourteen (14) or less employees may include their antidiscrimination policy *or* complete a written affidavit of compliance per the attached.

To be completed by responding company and returned with submittal:

✓ Our company has 15 or more employees and has included its antidiscrimination policy that mirrors the City's policy;

____ Our company has fourteen (14) or less employees and is attaching the signed AFFIDAVIT OF COMPLIANCE WITH TEMPE CITY CODE CHAPTER 2 ARTICLE VIII SECTION 2-603(5).

Please include this document along with the company's antidiscrimination policy or the completed affidavit with offer submittal

Anti-Discrimination Policy

"Return this Section with your Response"

Only complete this document if you have 14 or less employees.

AFFIDAVIT OF COMPLIANCE WITH TEMPE CITY CODE

CHAPTER 2 ARTICLE VIII SECTION 2-603(5)

Per Tempe City Code Chapter 2 Article VIII Section 2-603(5), it is unlawful for a City vendor or City contractor, because of race, color, gender, gender identity, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, to refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges of employment.

City vendors and contractors shall provide a copy of their antidiscrimination policy to City to confirm compliance with this requirement or attest in writing to compliance.

- CONTRACTOR means any person who has a contract with the City.
- VENDOR means a person or firm in the business of selling or otherwise providing products, materials, or services.

CONTRACTOR/VENDOR, select one:

_____ Current copy of antidiscrimination policy attached

OR

✓ I hereby certify Shums Coda Associates, Inc (contractor/vendor) to be in compliance with Tempe City Code Chapter 2 Article VIII Section 2-603(5).

Signature _____ Date: 10/11/2023

Christine Godinez
Print Name

Chief Operating Officer
Title

Shums Coda Associates, Inc
Company

Affidavit of Compliance with House Bill 2488

"Return this Section with your Response"

AFFIDAVIT OF COMPLIANCE WITH HOUSE BILL 2488

SUPPLIER AGREES TO NOT USE THE FORCED LABOR OF ETHNIC UYGHURS IN THE PEOPLE'S REPUBLIC OF CHINA

Per House Bill 2488 approved by the Arizona Legislature, this law stipulates that a public entity may not enter into or renew a contract with a company for the acquisition or disposition of supplies, services, goods, information technology or construction unless the contract includes written certification that the company does not currently, and agrees for the duration of the contract that it will not, use:

- The forced labor of ethnic Uyghurs in the People's Republic of China;
- Any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and
- Any suppliers, contractors or sub-contractors that use the forced labor of any services or goods produce by the forced labor of ethnic Uyghurs in the People's Republic of China

Based on the above, the supplier certifies:

I hereby certify Shums Coda Associates, Inc (contractor/vendor) to be in compliance with Arizona House Bill 2488

Signature

10/11/2023
Date

Christine Godinez
Print Name

Chief Operating Officer
Title

Shums Coda Associates, Inc
Company

Supplier Sustainability Questionnaire

Item	Question	Response
Corporate Sustainable Actions		
1.	What sustainability guidelines or environmental statement does your company have to guide the company as a whole? Please include a link.	SCA has several Nationally recognized sustainability experts within our ranks, that provide technical training, expertise and develop code language related to improved sustainability and water use. With these staff members as part of our team, we are constantly discussing and modifying our policies to improve our sustainability practices, but we have not formally created company guidelines, as we have devoted more energy to assisting our governmental and private companies with strategies and training on all things related to best practices for sustainability.
2.	What is your company doing to be more energy efficient?	SCA has become more energy efficient by moving from providing plan reviews using hard copy plans to reviewing plans electronically. Currently, 95% of our reviews are done electronically. We have reduced our energy budget with cutting back air conditioning of our office spaces during peak hours and working with natural daylight instead of artificial lighting (when possible). We have also reduced the amount of paper products being utilized with our services and make efforts to recycle all materials that can be recycled (paper, copier cartridges, aluminum cans and re-useable cups, silverware, etc.).
3.	What is your company doing to reduce greenhouse gas emissions?	Additional to moving our plans review to an electronic process. We also encourage employees to go paperless when receiving paystubs, and have encouraged ridesharing, or other (more efficient) means of transportation to the workplace.

4.	What is your company doing to reduce waste transferred to landfills?	As our services have moved to an electronic process there has been a significant reduction in solid wastes from our offices. We have also accomplished a reduction in our use of paper and ink and created an active recycle program.
5.	What is your company doing to reduce water waste?	Our water waste reduction is primarily focused through our education and training with our clients. However, we have provided energy star appliances for our in-house dishwasher and refrigerator that dispenses water.
6.	What kind of effort does your company make to reduce the use of environmentally harmful materials *(such as cleaning products, etc.)?*	SCA leases office spaces that are provided with janitorial staff that unfortunately cannot control in regards to harmful materials. However, for our staff we provide "green" and environmentally safe products for cleaning by staff. Further, we have an active battery recycling program and have taken great efforts to recycle older electronic computers and equipment.
7.	Does your company take any actions to manage the sustainability of your supply chain? If yes, please explain.	Yes, SCA seeks out and utilizes materials that are typically recycled (paper, printer cartridges, and even some electronic devices). We have also encouraged and provided employees with reusable drinking cups, branded for SCA.
8.	Has your company received any environmental or sustainability related independent certifications or recognitions? If yes, please explain.	As stated in earlier section, we have staff members that are actively participating in several sustainability committees, code advisory boards and working to advance energy/sustainability and water resources across the country. In particular, Hope Medina and Gil Rossmiller currently chair ICC code advisory committees related to residential and commercial energy code development, and Hope is an award winning speaker for water resources.

Supplier Sustainability Questionnaire

Item	Question	Response
Product Sustainable Attributes		
1.	Has your company performed an environmental life cycle analysis on the product being offered the City? If yes, please provide documentation	No, but we have been involved with several jurisdictions code adoption and implementation of sustainability policies.
2.	Can the product being offered be refurbished, recycled, or composted at the end of its life? If yes, please elaborate	No, as we provide services, and no actual physical product will be produced.
3.	Does the product being offered include any recycled materials? If yes, please explain.	Yes, we can recycle any paper plan review lists we create but have preferred to provide electronic reviews instead of creating products that need to be recycled.
4.	What measures have been taken to reduce unnecessary packaging materials associated with the product being offered?	None, as we provide services and no actual product. We have, however, reduced the shipping materials needed to deliver plans and lists back to the City.
5.	What kind of reusable, recyclable, and/or compostable packaging materials does your company use?	When using packaging (and that is rare), we use paper or cardboard packaging – which is all recyclable and/or compostable packing materials.
6.	Has the product being offered been rated or certified by a third-party organization such as Energy Star, Green Seal, Leadership in Energy and Environmental Design (LEED), Forest Stewardship Council, etc.? If yes, please provide certification documentation.	No, as we provide services and no actual product.
7.	Please provide any additional information you would like to share regarding your product's sustainable attributes.	Again, SCA provides code review and inspection services to jurisdictions, so there is no actual product produced. However, we do review, educate, and help develop building codes that improve sustainability in the built environment.

Addendum to Solicitation

City Procurement Office/City of Tempe • PO Box 5002 • 20 East 6th Street • Tempe, AZ 85280 • (480) 350-8324 • www.tempe.gov/procurement

	Issue Date:	09/19/2023
This addendum will modify and/or clarify:	Solicitation No.:	24-029
and is	Addendum No.:	1
	Procurement Description:	Plan Review and Building Inspection Services

The RFP Due Date and Time remain unchanged on ***October 11, 2023, 3:00 PM*** Local Arizona Time

The following question was received, and answer given in response to this RFP.

1. In review of RFP# 24-029, what plan review certification does City of Tempe accept for Plans Examiner? ICC? Other?

   Answer: We require the International Code Council (ICC) Building Plans Examiner certification as a minimum as outlined in the City of Tempe Plan Review job descriptions.

   Please see link below:

   https://www.tempe.gov/government/human-resources/careers/job-descriptions#LtrP

There are no other changes at this time.

Please ensure that you sign and submit this addendum by due date shown above

The balance of the specifications and bid solicitation instructions to remain the same. Bidders/Proposal Offerors are to acknowledge receipt and acceptance of this addendum by returning of signed addendum with bid/proposal response. Failure to sign and return an addendum prior to bid/proposal opening time and date may make the bid/proposal response non-responsive to that portion of the solicitation as materially affected by the respective addendum.

Shums Coda Associates, Inc	Christine Godinez, COO
Name of Company	By – Name and Title (Please Print)
christine.godinez@shumscoda.com	925-463-0651
Email Address	Telephone
Pleasanton CA 94588	
City State Zip	Authorized Signature

Addendum to Solicitation

City Procurement Office/City of Tempe • PO Box 5002 • 20 East 6th Street • Tempe, AZ 85280 • (480) 350-8324 • www.tempe.gov/procurement

	Issue Date:	09/28/2023
This addendum will modify and/or clarify:	Solicitation No.:	24-029
and is	Addendum No.:	1
	Procurement Description:	Plan Review and Building Inspection

The RFP Due Date and Time remain unchanged on ***October 11, 2023, 3:00 PM*** Local Arizona Time

The following questions were received, and answers given in response to this RFP.

1. Please provide clarification of the methodology for the pricing regarding the Structure Type for Initial Review Hourly Rate, Second Review Hourly Rate, and 3rd/Additional Review Hourly Rate.

   Answer: The City does not have a methodology. It is at the discretion of the companies' policies and billing practices.

   This varies from company to company. Some companies charge based on how many times they have to review a plan while some companies just charge an hourly rate regardless of what number review it takes to complete the plan.

   Charging by a review is a previous way we used to conduct business and now, we ware wanting to utilize companies that are charging an hourly rate.

2. Would it be possible to propose our Civil Review Fee in $$/Drawing or $$/Report versus proposing hourly rates to complete the reviews?

   Answer: The City prefers an hourly rate. $$/Drawing or $$/Report would not provide the fee structure we are looking for.

There are no other changes at this time.

Please ensure that you sign and submit this addendum by due date shown above

The balance of the specifications and bid solicitation instructions to remain the same. Bidders/Proposal Offerors are to acknowledge receipt and acceptance of this addendum by returning of signed addendum with bid/proposal response. Failure to sign and return an addendum prior to bid/proposal opening time and date may make the bid/proposal response non-responsive to that portion of the solicitation as materially affected by the respective addendum.

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Name of Company	By – Name and Title (Please Print)
christine.godinez@shumscoda.com	925-463-0651
Email Address	Telephone
Pleasanton CA 94588	
City State Zip	Authorized Signature

Addendum to Solicitation

City Procurement Office/City of Tempe • PO Box 5002 • 20 East 6th Street • Tempe, AZ 85280 • (480) 350-8324 • www.tempe.gov/procurement

	Issue Date:	10/04/2023
This addendum will modify and/or clarify:	Solicitation No.:	24-029
and is	Addendum No.:	3
	Procurement Description:	Plan Review and Building Inspection

The RFP Due Date and Time is hereby changed to ***October 19, 2023, 3:00 PM*** Local Arizona Time

The following questions were received, and answers given in response to this RFP.

1. In regard to the Cost proposal section, are you anticipating receiving only hourly rates for all services or a percentage of fees collected by the city?

   Answer: The City is only interested in proposals with an hourly rate.

2. For Staffing, are we limited to including only full-time employees or can we include contract employees?

   Answer: You may include contract employees if they meet the qualifications required in the RFP.

3. How many consultants is the City expecting to select for each category (building plan check, civil plan check, building inspection, civil inspection)?

   Answer: The City is not limiting the number of consultants for each category but would hope to have 3 or 4 minimum to use as an on-call basis.

4. Who is the current incumbent providing the services of the subject RFP?

   Answer: The City are currently utilizing the following vendors for these services:
   a. *Brown and Associates*
   b. *Aoka Engineering*
   c. *Willdan Associates*
   d. *Bureau Veritas North America*
   e. *Shums Coda Associates, Inc.*

5. What is the total dollar amount of the current contract of the subject RFP?

   Answer: There is no cost to the City for these contracts. The contracts are structured to allow the vendors to be paid directly by the applicants on as needed basis.

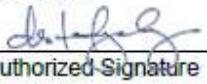
6. Does the current contract have hourly pricing or per review pricing?

   Answer: The current contracts have both hourly pricing and per review pricing however, the City is looking for an hourly pricing structure.

There are no other changes at this time.

Please ensure that you sign and submit this addendum by due date shown above

The balance of the specifications and bid solicitation instructions to remain the same. Bidders/Proposal Offerors are to acknowledge receipt and acceptance of this addendum by returning of signed addendum with bid/proposal response. Failure to sign and return an addendum prior to bid/proposal opening time and date may make the bid/proposal response non-responsive to that portion of the solicitation as materially affected by the respective addendum.

Shums Coda Associates, Inc Name of Company	Christine Godinez, COO By – Name and Title (Please Print)
christine.godinez@shumscoda.com Email Address	925-463-0651 Telephone
Pleasanton CA 94588 City State Zip	 Authorized Signature

COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-140

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 Bureau Veritas North America Inc, a Texas S Corporation ("Consultant").

RECITALS:

A. Consultant is a fully authorized vendor of **Plan Review and Building Inspection Services;**

B. The City of Tempe conducted a competitive and open procurement process through Request for Proposal **22-002** that resulted in Contract No. **T24-029-02** with Consultant ("Agency Contract");

C. The City has authority to enter into a cooperative purchase contract with Consultant utilizing the Agency Contract.

AGREEMENT:

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

1. Materials and or Services Purchased: Consultant shall provide to the City the materials and/or services, as specified in the Scope of Work attached as *Exhibit A*, and in accordance with the Agency Contract. A general description of materials and/or services being purchased is:

Plan Review and Building Inspection Services

2. Specific Requirements of City: Consultant shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Scope of Work attached as *Exhibit A*.

3. Terms and Renewal: This Cooperative Purchase Contract shall be effective as of the date signed by both parties and shall continue until January 18, 2026 with an option for three (3) one (1)-year renewal periods presuming that the underlying Agency Contract has not expired or been terminated. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

4. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as *Exhibit B*, including any amendments, shall apply to this Contract as though fully set forth herein. Consultant is responsible for promptly notifying the City in writing of any changes to the Agency Contract related to changes in price or scope which must be approved by mutual written consent of the parties through a formal amendment.

5. Compensation: There are multiple vendors who may be performing similar services and the total annual budget for this work is **two-hundred ninety thousand dollars and zero cents ($290,000.00).** It is anticipated that Consultant shall be paid some portion of this amount for satisfactory performance of the work, in an amount not to exceed **two-hundred ninety thousand dollars and zero cents ($290,000.00), annually**, including fees and taxes, in accordance with the Hourly Rates identified within the Agency Contract and any subsequent amendments.

6. 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, Consultant shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

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

To the City:
Amy Tressler – Building Official
Community Development
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Amy.Tressler@flagstaffaz.gov

To Consultant:
Craig Baptista
Bureau Veritas North America
180 Promenade Circle. Suite 150
Sacramento, CA 95834
Craig.Baptista@Bureauveritas.com

With a copy to:
Emily Markel – Purchasing Manager
Purchasing
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
EMarkel@flagstaffaz.gov

(Remainder of Page Intentionally Blank)

9. 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.

BUREAU VERITAS NORTH AMERICA INC:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

Last Updated January 6, 2025

EXHIBIT A
SCOPE OF WORK

1. Building Inspection Services

The consultant upon request of the City shall provide International Code Council certified inspectors certified within the specific areas they will be inspecting. Experienced building inspectors will conduct inspections of all phases of construction for compliance with approved plans and all applicable codes and City Ordinances including but not limited to those relating to structural integrity, life safety, electrical, plumbing, mechanical, energy, accessibility, and site work. Contract inspection services also include enforcement of compliance with conditions of approval, and the requirements set forth on the plans for which the permit was issued. Each contract inspector shall be responsible for scheduling, attaching any additional documentation and electronically resulting their inspections in the City of Flagstaffs online permitting system.

To meet the required services, the Consultant shall supply a vehicle, office supplies, code books, cell phone, and computer. The city will provide the selected consultants with access to copies of all adopted Building Code Amendments, available data, information, reports, records and maps available in City files that may be relevant to the contracted work. Research of and the familiarity with this material shall be the responsibility of the consultant. The consultant upon request of the City shall attend meetings connected with the plan review or field inspection of the projects. Except when, and if, the workload demands otherwise, all inspections shall be conducted within the normal business hours of 7:00 am to 4:00 pm, Monday through Friday.

2. Plan Review Services

The consultant shall perform high quality reviews for both residential and commercial plans, calculations, reports and specifications for compliance with the most recently enacted rules and regulations as adopted by the Federal, State and local legislative bodies, including the City of Flagstaff adopted codes and amendments. The consultant shall receive electronic plans and supporting documentation to review within the required plan review time frames. The standard turn-around time for assigned plan reviews shall be 5-10 working days for residential projects and 7-14 days for all non-residential projects. Plan review comments shall be specific, detailed, complete, and reference plan sheet numbers and code sections where applicable. The consultant is encouraged to work directly by telephone or email with the project's applicant, engineer/architect or City of Flagstaff staff when reviewing submitted plans or subsequent corrections. Reviews shall be performed by persons who hold the appropriate International Code Council certifications for that type of project.

To meet the required services, the Consultant shall provide their own office supplies, code books, cell phone, and computer. The city will provide the selected consultants with access to copies of all adopted Building Code Amendments, available data, information, reports, records and maps available in City files that may be relevant to the contracted work. Research of and the familiarity with this material shall be the responsibility of the consultant. The consultant upon request of the City shall attend meetings connected with the plan review or field inspection of the projects.

EXHIBIT B
AGENCY CONTRACT
(attached)

1. Award Notice - City of Tempe T24-029-02 (2 pages)
2. Contract – RFP # 22-002 (39 pages)

Contract Award Notice

Financial Services
Procurement Office
20 E. 6th Street
Tempe, AZ 85281

Contract Number: T24-029-02
Description: Plan Review and Building Inspection Services

Issue Date: 01/19/2024

77914
Bureau Veritas North America, Inc.
Attn: Craig Baptista
17200 N. Perimeter Drive, Suite 103
Scottsdale, AZ 85255
Phone: 916-514-4516
Cell: 916-291-9151
Email: craig.baptista@bureauveritas.com

Award Period
Beginning: 01/19/2024
Ending: 01/18/2026

Potential Renewals: 3, 1-Year Renewal Options

This Contract Award Notice is issued for the purchase of goods, materials and/or services as requested by the above noted solicitation/contract number. The contract shall remain in effect as noted in the award period block unless extended, renewed or canceled per terms and conditions of the solicitation.

It is to be noted that any contracted vendor document(s) that conflict with the language and requirements of the City's solicitation are not acceptable and will void the contract. In addition, contracted vendor is not to begin work or make delivery of awarded items until any and all required insurance and/or performance bonds are posted with the City Procurement Office.

If contracted vendor has a change of address for mailing payments and/or for mailing future bid solicitations, it is the vendor's responsibility to notify the City Procurement Officer identified with this contract and to ensure all such mailing address information is kept current.

Please note that your City of Tempe contract number should appear on all shipping documents, invoices and statements. Invoices are to be sent directly to the requesting department.

Award Information

Structure Type	Initial Review Hourly Rate	Second Review Hourly Rate	3rd/Addtl Review Hourly Rate
Plan Review Services			
Single-family residences, duplexes, garages and related structures	$130.00	$130.00	$130.00
Multiple Residences (apartments, condominiums)	$145.00	$145.00	$145.00
Commercial/Industrial building and other related structures	$145.00	$145.00	$150.00
High-rise mixed use residential/retail buildings	$150.00	$150.00	$150.00
Civil grading and drainage reviews	$175.00	$175.00	$175.00
Indicate any fees for expedited reviews	Expedited fees will be rates shown above, plus an additional 25%		
Indicate any fees for deferred submittals, construction change directives and revisions	Hourly rates referenced below would be applicable for these reviews		

Turnaround Times for Review Services – Indicate your firm's turnaround times for each of the following:	
Single-family residences, duplexes, garages and related structures	10/5 Business Days
Multiple Residences (apartments, condominiums)	14/5 Business Days
Commercial/Industrial building and other related structures	14/5 Business Days
High-rise mixed use residential/retail buildings	14/5 Business Days
Expedited Reviews	5/3 Business Days
Inspection Services – Pricing for inspection services shall be based upon an hourly rate	
Job Description	**Hourly Rate**
Planning Manager	$195.00
Plan Reviewer I	$115.00
Plan Reviewer II	$125.00
Plan Reviewer III	$130.00
Civil Engineer	$165.00
Civil Inspector	$125.00 - $150.00
Civil Plan Reviewer	$145.00
Senior Planner	$165.00
Planner	$145.00
Permit Technician	$80.00
Administrative	$75.00
Building Inspector I	$105.00
Building Inspector II	$115.00
Building Inspector III	$125.00
Certified Building Official	$155.00
Additional Job Descriptions (not listed above)	
Senior Engineer / Structural Engineer	$145.00
Project Engineer	$135.00

Cecille Lewis

Cecille Lewis (Jan 19, 2024 16:59 MST)

Cecille Lewis
Procurement Officer

Michael Greene (Jan 21, 2024 12:34 MST)

Michael Greene, C.P.M., CPPO
Procurement Administrator

All terms and conditions of this Award Document are per the City's Solicitation Document

THIS IS NOT A PURCHASE ORDER

REQUEST FOR PROPOSAL

RFP# 22-002
PLAN REVIEW AND BUILDING INSPECTION SERVICES

RFP ISSUE DATE:
JUNE 18, 2021

DEADLINE FOR INQUIRIES/QUESTIONS:
TUESDAY, JULY 6, 2021, AT 5:00 P.M. LOCAL ARIZONA TIME

RFP DUE DATE AND TIME:
THURSDAY, JULY 15, 2021, 3:00 P.M. LOCAL ARIZONA TIME

ALL INQUIRIES MUST BE DIRECTED TO:
LISA GOODMAN, NIGP-CPP, CPPO, CPPB
EMAIL: lisa_goodman@tempe.gov
PHONE: 480-350-8533

SUBMITTAL LOCATION: Due to the COVID Virus, Tempe will only accept an e-copy of the completed and signed proposal via e-mail to the following address: Bids@tempe.gov

No hard copy proposals will be accepted at this time.

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General Instructions

Failure to follow these instructions may result in rejection of proposal for non-responsiveness or cancellation of any Contract awarded.

1. **Preparation of Proposal:**

   A. Proposals shall be submitted to the City of Tempe ("City") in the sequence specified herein, on the forms attached hereto, including Vendor's Offer.

   B. All proposals shall be submitted on the forms provided in this Request for Proposal, signed by an authorized signer and returned with the proposal response to the City.

   C. Completed and signed proposal forms for offer, acceptance and any solicitation addendums shall be signed by an authorized individual. Such proposal constitutes an irrevocable Offer to sell the good and/or service specified herein. Offeror shall submit all additional data, documentation, or information as requested by the City, signifying its intent to be bound by the terms of the Request for Proposal.

   D. Negligence in preparation of a proposal confers no right of withdrawal. Offeror is solely responsible for seeking clarification of any requirement and presenting accurate information in the proposal response. The City shall not reimburse any costs for a proposal, or its submission, presentation or withdrawal, for any reason. Failure to read, examine and understand the Solicitation and any of its addenda will not excuse any failure to comply with the requirements of the Solicitation or any resulting contract, nor shall such failure be a basis for claiming additional compensation.

   E. Offeror shall identify each subcontractor to be utilized in the services and/or work set forth herein, if applicable.

2. **Definitions:** For purposes of this Request for Proposal and resultant Contract, the following definitions apply:

   A. "City" means the municipal corporation of the City of Tempe, Arizona.

   B. "Code Governance" means unless otherwise specified herein, the provisions of the Tempe City Code, Chapter 26A shall apply and govern this Request for Proposal.

   C. "Contract" means the agreement for the procurement of goods, equipment, materials, software, maintenance, contracted services, professional services, or concessions.

   D. "Contractor" means an Offeror responding to a Request for Proposal who has been awarded a Contract with the City.

   E. "Offer" means a written offer to furnish goods, equipment, materials, software, maintenance, contracted services, professional services, or concessions to the City, in conformity with the standards, specifications, delivery terms and conditions, and all other requirements established in a competitive solicitation.

   F. "Offeror" means a business, entity or person who submits an Offer in response to a competitive solicitation.

   G. "Public Record" means proposals and all other documents submitted in response to this solicitation shall become the property of the City and shall be a matter of public record available for review following the Contract award.

   H. "Purchase Order" means a document issued by the Procurement Office directing the Contractor to deliver the goods, equipment, materials, software, maintenance, contracted services, professional services or concessions. to the City.

   I. "Request for Proposal" means a competitive solicitation issued by the City for the procurement of goods, equipment, materials, software, maintenance, contracted services, professional services or concessions.

3. **Late, Unsigned and/or Incomplete Proposal:** A late, unsigned and/or materially incomplete proposal will be considered nonresponsive and rejected.

4. **Inquiries:** Questions regarding this Request for Proposal shall be directed to the Procurement Officer identified on the cover page of this document, unless another City contact is specifically named. Inquiries shall be submitted in writing (preferably via e-mail), identifying the appropriate Request for Proposal's number, page and paragraph at issue. PLEASE NOTE: Offeror must not place the Request for Proposal's number on the outside of an envelope containing questions. Oral responses provided by the City shall have no binding effect or legal effect. Inquiries should be submitted within the designated timeframe noted on the front page of the solicitation. Those questions received after the designated date may be considered at the sole discretion of the Procurement Officer. The City reserves the right to contact Offerors to obtain additional information for use in evaluating proposal and solicitation requirements.

5. **Proposal Conference:** If a proposal conference is scheduled, Offerors are strongly encouraged to attend to seek clarification on any aspects of the documents that are not clear or questions that might pertain the specifications or scope of work published. There are times when attendance at a proposal conference is mandatory and those conferences shall be specially noted when applicable.

6. **Withdrawal of Proposal:** At any time before the specified proposal due date and time, an Offeror may withdraw its proposal by way of written correspondence from the Offeror or its authorized representative.

7. **Proposal Addenda:** Receipt and acceptance of a Request for Proposal addendum shall be acknowledged by signing and returning the document either with the vendor's proposal response or by separate envelope prior to proposal due date/time. Failure to sign and return an addendum prior to the proposal due date/time may result in the proposal being considered nonresponsive to that portion of the Request for Proposal and may result in rejection. For all addenda published, the City will send electronic notification to those companies who have downloaded the solicitation from the City's web site. If a company receives the solicitation via a third- party plan holder organization, it will be the responsibility of the company to download the solicitation from the City's web site to ensure that their company is included on any forthcoming addenda notification.

8. **Compliance with City Solicitation Requirements:** Unless stated otherwise in this Request for Proposal, the City reserves the right to award by individual line item, by group of items, or as a total at the City's discretion. The City expressly reserves the right to waive any immaterial defect or informality, or reject any or all proposals, or portions thereof, or reissue this Request for Proposal.

9. **Compliance of Proposal Offeror/Contractor Forms:** Any documents or forms (including separate Contract, maintenance agreement or training agreement) intended by the Offeror to be utilized in any resulting Contract, must be submitted with proposal. Any documents inconsistent with or taking exception to the terms, conditions, specifications and/or other requirements stated within this Request for Proposal may cause the proposal to be considered as nonresponsive and rejected. No documents will be considered unless submitted with vendor's proposal Offer and approved by the Procurement Office.

10. **Responsiveness to Specifications:** Performance or feature requirements which are designated as mandatory or minimums are needed in order to satisfy an identified task or performance need. A description is given for each designated feature. This description shall be used to determine if the Offeror's proposed product(s) and/or service(s) is/are capable of performing the function(s) specified in the Request for Proposal.

    It is recognized that more than one method may be used to accomplish the sought-after task functionality. If Offeror has an alternate method of performing functional tasks, then Offeror shall list such method as an "alternate" and described in full detail within the proposal. The City shall be the sole judge as to whether any alternate methodology will be accepted.

    "Must", "shall", "will", "minimum", "required" and/or "mandatory" performance/feature statements must be met or exceeded by the Offeror. Should no Offeror be found responsive to all designated Request for Proposal requirements, the City at its option, may either award the Contract to the most responsive Offeror or cancel the Request for Proposal and issue another Request for Proposal for the need under revised specifications.

11. **Questionnaire:** Offeror must complete the Questionnaire portion of this Request for Proposal and provide any documentation required to support the answers. Questionnaire items, which are designated as mandatory, are needed to satisfy a required task or performance criteria. Items, which may be listed as desirable, are not required to be responsive to the Request for Proposal and will be relatively evaluated against other proposals in making a final award decision.

    If supporting documentation is required, Offeror shall provide the documentation in the sequence set forth in the Request for Proposal and ensure all technical literature and/or narrative explanations fully address the specifics of the question. Vague or disorganized responses that do not allow sufficient information for evaluation purposes may result in rejection of a proposal.

12. **Clarifications and Negotiations with Offerors and Revisions to Proposal:** Clarifications may be made with any submitting firm at any time during the evaluation phase of this procurement. Clarifications are not negotiations and may be utilized by the City to ensure thorough and complete understanding of, and responsiveness to, the solicitation requirements. Negotiations may be conducted with responsible Offerors who submit proposals determined to be reasonably susceptible of being selected for award. The purpose of negotiations is to allow the City and the Offeror(s) to revise initial Offers through an exchange or series of exchanges. Should the City elect to call for best and final offers, Offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiations and revision of proposals, and such revisions may be permitted after submissions and prior to award. In conducting clarifications and negotiations there shall be no disclosure of any information derived from proposals submitted by competing Offerors. The purposes of such negotiations shall include but not be limited to:

    A. Determine in greater detail such Offeror's qualifications;

    B. Explore with the Offeror the scope and nature of the project, the Offeror's proposed method of performance, and the relative utility of alternate methods of approach;

    C. Determine that the Offeror will make available the necessary personnel and facilities to perform within the required time; and

    D. Agree upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

13. **Proposal Opening:** Proposals shall be opened at the time and place designated on the cover page of this Request for Proposals. The name of each Offeror and the identity of the Request for Proposal for which the proposal was submitted shall be publicly read and recorded in the presence of witnesses. Proposals, modifications and all other information received in response to this Request for Proposal shall be shown only to City personnel having a legitimate interest in its evaluation. Prices shall not be read. After Contract award, the proposals and the evaluation documentation shall be open for public inspection, except where the City has determined that specific portions of the proposal are confidential.

14. **Technical Proposal Opening:** Technical proposals (as received in step one of a two-step bidding process) shall be opened at the time and place designated on the cover page of this document. The name of each Offeror and the identity of the Request for Proposal for which the proposal was submitted shall be publicly read and recorded in the presence of witnesses. Proposals, modifications and all other information received in response to this Request for Proposal shall be shown only to City personnel having a legitimate interest in the evaluation. Evaluation documentation to substantiate technical proposal selection(s) shall be open for public inspection.

15. **Proposal Evaluation and Award:** The City shall determine whether a proposal meets the specifications and requirements of this Request for Proposal, at its sole discretion, and reject any proposals not meeting the intent or requirements set forth herein. Award(s) shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration the evaluation factors set forth in the Request for Proposal. The City shall be the sole judge as to the acceptability of the products and/or services offered. The City reserves the right to reject any and all proposals.

16. **Award of Contract:** A proposal shall constitute a binding Offer to Contract with the City based on the terms, conditions and specifications contained in this Request for Proposal. An Offeror shall become a Contractor only upon execution of a formal Contract from the Procurement Office. Unless this Request for Proposal includes separate Contract document(s) or requires the Offeror to submit a Contract for review, a Contract shall be formed when the Procurement Office provides a written notice of award or a purchase order to the successful Offeror. All terms and conditions of the Contract are contained herein, unless modified by an amendment approved by the City. Proposals that take exception to the terms, conditions, specifications and/or other requirements stated within this Request for Proposal may cause the vendor's Offer to be considered non-responsive and rejected. Exceptions will be evaluated on an individual basis to determine compliance with the purpose and intent of the terms and conditions stated within this solicitation. The City shall be the sole judge as to whether an exception complies with the general purpose and intent of any term, condition and/or specification set forth herein.

17. **Proposal Results:** Offerors may attend the scheduled proposal opening at which the name of each Offeror will be publicly read. All other information contained in the proposals shall be kept confidential until the Contract is awarded. After award of Contract, an appointment may be made with the Procurement Officer to review proposal documents. Formal Contract award results shall be placed on the Procurement Office web page (www.tempe.gov/procurement) and posted at the front counter of the Procurement Office at the time the Contract award is approved by the City Council. Award recommendations may also be viewed via the City Clerk's web site normally up to five (5) days prior to the scheduled City Council meeting by visiting (http://documents.tempe.gov/sirepub/?sort=meet_date .

18. **Protests:** Any actual or prospective Offeror who is aggrieved in conjunction with this Request for Proposal or award may protest the award to the Procurement Office. A protest based upon alleged improprieties in this Request for Proposal that are apparent before the proposal opening shall be filed prior to the proposal due date/time. A protest concerning an award recommendation must be filed within ten (10) business days after the date of award. Up to five (5) days before award of a contract, the Procurement Office will post award recommendations on the City Clerks website at (http://documents.tempe.gov/sirepub/?sort=meet_date) and at the Procurement Office front counter and web site for public review (www.tempe.gov/procurement). A protest shall be in writing and include the protester's name, address and phone number, identification of the solicitation or Contract being protested, a detailed statement of the legal and factual grounds of the protest, including copies of all relevant documents and the form of relief requested. A protest is to be on the protester's company letterhead and signed by the protestor or its authorized representative.

19. **Delivery:** All materials, equipment and/or products shall be delivered F.O.B. Destination to the City of Tempe Per the location identified in the solicitation.

20. **Tax:** Unless specified herein, sales, use or federal excise tax shall not be included in proposal pricing. The City is exempt from payment of federal excise tax. For proposal evaluation, transaction (sales) privilege tax paid to the City of Tempe (1.8%) is considered a pass-through cost, calculated as zero ($0) expense when comparing pricing among competing companies that are not located in Tempe. For information on privilege (sales) tax, please contact the City's Tax and License Office at (480) 350-2955 or visit their web site at **salestax@tempe.gov**

21. **Payment:** For a single requirement purchase, the City will endeavor to remit payment within thirty (30) calendar days from receipt and approval of acceptable products, materials and/or services and approval of correct invoice. For ongoing term Contract purchases, the City will endeavor to remit payment within thirty (30) calendar days from approval of invoice.

22. **Discounts:** Payment discounts periods shall be computed from the date of receipt of acceptable products, materials and/or services or correct invoice, whichever is later to the date payment is mailed. Discounts shall be taken on the full amount of the invoice, unless otherwise indicated. The City shall be entitled to receive any discounts offered by Offeror, if payment is made within the discount period.

23. **Payment by City Procurement Card:** The Procurement Office may elect to remit payment through the use of a City procurement card. Each Offeror may indicate on the Vendor's Offer Page in this Request for Proposal its ability to accept City procurement card payments. The inability to accept payment by City procurement card will not disqualify a proposal.

24. **Code Governance:** Unless otherwise specified herein, the provisions of the Tempe City Code, Chapter 26A shall apply and govern this Request for Proposal.

25. **Public Record:** Proposals and all other documents submitted in response to this solicitation shall become the property of the City and shall be a matter of Public Record available for review following the Contract award. Material portions of the recommended Offer(s) as determined by the City may be posted to the City's web site up to five (5) days prior to the City Council meeting.

26. **Late Responses:** The Offeror assumes responsibility for having the Proposal submitted on time via e-mail to the address shown on the front page of this RFP. Any Offers received after the Solicitation Due Date and Time shall not be considered and will be returned to the Offeror. The Offeror assumes the risk of any delay in the electronic processing of the supplier's e-mail through both parties (Supplier and City) networks. Offerors must allow adequate time to ensure that the e-mail is timely received by the City at the designated e-mail address. All times referenced are Tempe, Arizona local times. Respondents agree to accept the time and date that is recorded on the received e-mail as the official time. Any e-mail submissions that are timed at 3:01 or later on the schedule due date will be considered late and not considered.

27. **Copying Responses:** The Offeror hereby grants the City permission to copy all parts of its Offer including, without limitation, any documents and/or materials copyrighted by the Offeror. The City's right to copy shall be for internal use in the evaluating the Offers.

28. **Confidential Information and Public Record:** After award of a Contract, proposals shall be available for public inspection, except to the extent that the withholding of information is required or permitted by law. Pursuant to A.R.S. § 35-214, and 41-1330 *et seq*., all records relating to the Request for Proposal and Contract shall be subject to inspection at all reasonable times by the City for five (5) years after completion of the Contract. Such records shall be produced by Bidder or Contractor at the time and place designated by the City.

    A. If a person believes that an offer or specification contains information that should be withheld as confidential, a statement advising the procurement officer of this fact shall accompany the submission and the information shall be so identified wherever it appears. A general statement of confidentiality that is not appropriately referenced to a specific section of the RFP will not be sufficient to warrant protection by the City. The confidential portion of the submission must be clearly noted with accompanying justification for treating the section confidential. Failure of the vendor to appropriately designate confidential information in this manner will relieve the City of any obligation to protect this information as confidential.

    B. The information identified by the person as confidential shall not be disclosed until the Procurement Office makes a written determination pursuant to A.R.S. § 121, *et seq*.

    C. If the City determines to disclose the information, the Offeror shall be informed in writing of such determination. Notwithstanding the foregoing, following an award of Contract, all proposal response information shall be available for public inspection.

Standard Terms and Conditions

Please note that these Standard Terms & Conditions shall be fully complied with by Offeror. Failure to comply with these requirements may result in rejection of a proposal for non-responsiveness, or cancellation or termination of any awarded Contract.

1. **Applicable Law:** This Contract shall be governed by, and the City and Contractor shall have all remedies afforded each by the Uniform Commercial Code as adopted in the State of Arizona, except as otherwise provided in this Request for Proposal and resultant Contract, and all statutes, or ordinances pertaining specifically to the City. This Contract shall be governed by State of Arizona law and suits pertaining to this Contract may only be brought in courts located in Maricopa County, Arizona.

2. **Arizona Climate Action Compliance:** Offeror shall comply with all applicable standards, laws, rules, orders and regulations issued pursuant to A.R.S. §49-101, *et seq*., including but not limited to, Arizona Executive Orders Nos. 2006-13, 2005-02, and 2010-14 with regard to reducing GHG emissions, increasing energy efficiency, conserving natural resources and developing renewable energy sources.

3. **Availability of Funds for the Next Fiscal Year:** The City's obligation for performance of the Contract is contingent upon the availability of City, state and federal funds that are allocated or appropriated for payment obligations of the Contract. If funds are not allocated by the City or available for the continued use or purchase of services, work and/or materials set forth herein, the City may terminate the Contract. The City will use reasonable efforts to notify Contractor of such non-allocation affecting the obligations of the Contractor and/or City. The City shall not be penalized or adversely affected for exercise of its termination rights. Further, the City shall in no way be obligated or liable for additional payments or other damages as a result of such termination. No legal liability on the part of the City for any payment may arise for performance under this Contract.

4. **Certification:** By signing the "Vendor's Offer", the Offeror certifies:

   A. The submission of the vendor's proposal Offer response did not involve collusion or other anti-competitive practices.

   B. Offeror agrees that it will comply with section 2-603(5) of the Tempe City Code ("TCC"), and will not refuse to hire or employ or bar or discharge from employment any person or discriminate against such person in compensation, conditions, or privileges of employment because of race, color, gender, gender identity, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status. Offeror further agrees to provide a copy of its antidiscrimination policy to the Procurement Officer to demonstrate compliance with TCC section 2-603(5) or attest in writing to its compliance in accordance with the attached Affidavit of Compliance.

   C. 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, or service to a public servant in connection with the submitted Offer. Failure to sign the "Vendor's Offer" or signing it with a false statement shall void the submitted proposal and any resulting Contract. In addition, the Offeror may be barred from future proposal and bidding participation with the City and may be subject to such further actions as permitted by law.

   D. The Offeror agrees to promote and offer to the City only those materials and/or services as stated and allowed by this Request for Proposal and resultant Contract award. Violation of this condition shall be grounds for Contract termination by the City.

   E. The Offeror expressly warrants that it has and will continue to comply in all respects with Arizona law concerning employment practices and working conditions, pursuant to A.R.S. § 23-211, *et seq*., and all laws, regulations, requirements and duties relating thereto. Offeror further warrants that to the extent permitted by law, it will fully indemnify the City for any and all losses arising from or relating to any violation thereof.

F. Contractor agrees and covenants that it will comply with any and all applicable governmental restrictions, regulations and rules of duly constituted authorities having jurisdiction insofar as the performance of the work and services pursuant to the Contract, and all applicable safety and employment laws, rules and regulations, including but not limited to, the Fair Labor Standards Act, the Walsh-Healey Act, and the Legal Arizona Workers Act (LAWA), and all amendments thereto, along with all attendant laws, rules and regulations. Contractor acknowledges that a breach of this warranty is a material breach of this Contract and Contractor is subject to penalties for violation(s) of this provision, including termination of this Contract. City retains the right to inspect the documents of any and all contractors, subcontractors and sub-subcontractors performing work and/or services relating to the Contract to ensure compliance with this warranty. Any and all costs associated with City inspection are the sole responsibility of Contractor. Contractor hereby agrees to indemnify, defend and hold City harmless for, from and against all losses and liabilities arising from any and all violations thereof.

G. If Contractor engages in for-profit activity and has 10 or more employees, and if this Agreement has a value of $100,000 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Agreement to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842. Unless and until the U.S. District Court, District of Arizona's injunction is lifted, A.R.S. § 35-393.01 is unenforceable.

5. **Commencement of Work:** Contractor is cautioned not to commence any work or provide any materials or services under the Contract until and unless Contractor receives a purchase order, Notice to Proceed, or is otherwise directed in writing to do so, by the City.

6. **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. Contractor also agrees that any 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.

7. **Termination for Conflict of Interest:** This Contract is subject to the cancellation provisions of A.R.S. § 38-511. The City may cancel this Contract within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, securing, drafting, or creating the Contract for the City becomes an employee or agent of the Contractor.

8. **Contract Formation:** This Contract shall consist of this Request for Proposal and the vendor's proposal Offer submitted, as may be found responsive and approved by the City. In the event of a conflict in language between the documents, the provisions of the City's Request for Proposal shall govern. The City's Request for Proposal shall govern in all other matters not otherwise specified by the Contract between the parties. All previous contracts between the Offeror and the City are not applicable to this Contract or other resultant contracts. Any contracted vendor documents that conflict with the language and requirements of the City's solicitation are not acceptable and void the Contract.

9. **Contract Modifications:** This Request for Proposal and resultant Contact may only be modified by a written Contract modification issued by the Procurement Office and counter-signed by the Contractor. Contractors are not authorized to modify any portion of this solicitation or resulting Contract without the written approval of the Procurement Office and issuance of an official modification notice.

10. **Contract Administration:** Contractor must notify the designated Procurement Officer from the Procurement Office for guidance or direction on matters of Contract interpretation or problems regarding the terms, conditions or scope of this Contract. The Contract shall contain the entire agreement between the City and the Contractor and the Contract shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders or master agreements in any form.

11. **Cooperative Use of Contract:** Any Contract resulting from this solicitation shall be for the use of the City of Tempe. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tempe's Department of Procurement are eligible to participate in any subsequent Contract. Additionally, this Contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See http://www.mesaaz.gov/business/purchasing/save for a listing of participating agencies. The parties agree that these lists are subject to change. Any such usage by other municipalities and government agencies must be in accord with the ordinance, charter and/or rules and regulations of the respective political entity.

    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 City shall not be responsible for any disputes arising out of transactions made by others. Contractor shall be responsible for correctly administering this Contract in accordance with all terms, conditions, requirements, and approved pricing to any eligible procurement unit.

12. **Dispute Resolution:** This Contract is subject to arbitration to the extent required by law. If arbitration is not required by law, the City and the Contractor agree to negotiate with each other in good faith to resolve any disputes arising out of the Contract. In the event of any legal action or proceeding arising out of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred with said fees and costs to be included in any judgment rendered.

13. **Billing:** All invoices submitted by Contractor for the City's review and approval shall be in itemized form to identify the specific item(s) being billed. Items must be identified by the name, model number, and/or serial number most applicable along with the correct unit cost. Any purchase/delivery order issued by the City shall refer to the Contract number resulting from this Request for Proposal. Separate invoices are required on individual contracts or purchase orders. Only invoices with items resulting from this Request for Proposal will be accepted for review and approval by the City.

14. **Estimated Quantities:** This Request for Proposal references quantities as a general indication of the City's needs. The City anticipates considerable activity resulting from Contracts that will be awarded as a result of this Request for Proposal; however, the quantities shown are estimates only and the City reserves the right to increase or decrease any quantities actually acquired, in its sole discretion. No commitment of any kind is made concerning quantities and Offeror hereby acknowledges and accepts same.

15. **Events of Default and Termination:**

    A. In the event a party is in default then the other party may, at its option and at any time, provide written notice to the defaulting party of the default. The defaulting party will have thirty (30) days from the receipt of the written notice to cure the default; the thirty (30) day cure period may be extended by mutual agreement of the parties, but no cure period may exceed ninety (90) days. A default notice will be deemed to be sufficient if it is reasonably calculated to provide notice of the nature and extent of such default. Failure of the non-defaulting party to provide written notice of the default does not waive any rights under the Agreement. The occurrence of any one or more of the following events shall constitute a material breach of and default under the Contract.

        i) Any failure by Contractor to pay funds or furnish materials, services and/or goods that fail to conform to any requirement of this Contract or provide personnel that do not meet Contract requirements;

        ii) Any party's failure to observe, perform or undertake any provision, covenant or condition of this Contract to be observed or performed by Contractor or City herein, including but not limited to failing to submit any report required herein;

        iii) Any failure to make progress in the performance required pursuant to the Contract and/or gives either party reason to believe that the other party cannot or will not perform to the requirements of the Contract; or,

iv) Any failure of Contractor to commence construction, work or services within the time specified herein, and to diligently undertake Contractor's work to completion.

B. In the event the default has not been corrected to the non-defaulting party's satisfaction within the cure time specified, the non-defaulting party, at its option and in addition to any other remedies available by law or in equity, without further notice or demand of any kind to Contractor, may do the following:

i) Terminate the Contract;

ii) Pursue and/or reserve any and all rights for claims to damages for breach or default of the Contract; and/or,

iii) Recover any and all monies due from Contractor, including but not limited to, the detriment proximately caused by Contractor's failure to perform its obligations under the Contract, or which in the ordinary course would likely result therefrom, including, any and all costs and expenses incurred by the City in: (a) maintaining, repairing, altering and/or preserving the premises (if any) of the project; (b) costs incurred in selecting and retaining a substitute Contractor for the purchase of services, materials and/or work; and/or (c) attorneys' fees and costs in pursuing any remedies under the Contract and/or arising therefrom.

C. The exercise of any one of the City's remedies as set forth herein shall not preclude subsequent or concurrent exercise of further or additional remedies. In addition, the City shall be entitled to terminate this Contract at any time, in its discretion. The City may terminate this Contract for default, non-performance, breach or convenience, or pursuant to A.R.S. § 38-511, or abandon any portion of the project for which services have not been fully and/or properly performed by the Contractor.

D. Termination shall be commenced by delivery of written notice to Contractor by the City personally or by certified mail, return receipt requested. Upon notice of termination, Contractor shall immediately stop all work, services and/or shipment of goods hereunder and cause its suppliers and/or subcontractors to cease work pursuant to the Contract. Contractor shall not be paid for work or services performed or costs incurred after receipt of notice of termination, nor for any costs incurred that Contractor could reasonably have avoided.

E. The City, in its sole discretion, may terminate or reduce the scope of this Contract if available funding is reduced for any reason.

F. Whenever the City in good faith has reason to question Contractor's intent or ability to perform, the City may demand that Contractor give a written assurance of its intent and ability to perform. In the event that the demand is made, and no written assurance is given within the time period required, the City may treat this failure as an anticipatory repudiation of the Agreement.

16. **Termination for Convenience:** The City at its sole discretion may terminate this Contract for convenience with thirty (30) days advance notice to Contractor. Contractor shall be reimbursed for all appropriate costs as provided for within the Contract up to the termination date specified.

17. **Force Majeure:**

A. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under the Contract only in the event that and to the extent that such party's performance of the Contract is prevented by reason of force majeure. Force majeure means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, mobilization, labor disputes, civil disorders, fire, floods, lockouts, injunctions, failures or refusal to act by government authority, and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

B. Force majeure shall not include the following occurrences:

i) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences.

ii) Late performance by a subcontractor.

C. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours of the commencement thereof and shall specify the causes of such delay in the notice. Such notice shall be hand delivered or sent via certified mail and shall make a specific reference to this clause, 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 by hand delivery or certified mail 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 the results or effects of such delay prevent the delayed party from performing in accordance with the Contract.

18. **Gratuities:** The City may elect to terminate any resultant Contract, if it is found that gratuities in any form were offered or given by the Contractor or agent thereof, to any employee of the City or member of a City evaluation committee with a view toward securing an order, securing favorable treatment with respect to awarding, amending or making of any determinations with respect to performing such order.

19. **Indemnification:** To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the City, its agents, officer, officials, and employees from and against all claims, damages, losses and expenses (including but not limited to attorney's fees, court costs, and the costs of appellate proceedings), arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work, services, or professional services of the Contractor, its agents, employees, or any other person (not the City) for whose acts, errors, mistakes, omissions, work, services, or professional services the Contractor may be legally liable in the performance of this Contract. Contractor's duty to hold harmless and indemnify the City, its agents, officers, officials and employees shall arise in connection with any claim for damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of any person or property, including loss of use resulting from, or caused by any acts, errors, mistakes, omissions, work, services, or professional services in the performance of this Contract by Contractor or any employee of the Contractor or any other person (not the City) for whose acts, errors, mistakes, omissions, work, or services the Contractor may be legally liable. The amount and type of insurance coverage requirement set forth herein will in no way be construed as limiting the scope of indemnity in this paragraph. This provision shall survive the term of this Contract.

21. **Interpretation of Parole Evidence:** This Contract is intended as a final expression of the agreement between the parties and as a complete and exclusive statement of the Contract, unless the signing of a subsequent Contract is specifically called for in this Request for Proposal. 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 acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of the Contract, even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

22. **Key Personnel:** Contractor shall provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract during the Contract term and any renewal periods. The Contractor must agree to assign specific individuals to the key positions.

A. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without prior written notice to the City.

B. If key personnel are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the City, and shall replace each person with personnel of substantially equal ability and qualifications upon prior City approval.

23. **Licenses and Permits:** Contractor shall maintain in current status and at its sole expense, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor and the provision of the services to be provided under the Contract.

24. **No Assignment:** No right or interest in this Contract shall be assigned by Contractor and no delegation of any duty of Contractor shall be made without prior written permission of the City, which consent may be granted or withheld in City's unfettered discretion.

25. **Notices:** All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provision collectively called "Notices"), shall be in writing and shall be hand delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

City of Tempe Procurement Office
Attn: Procurement Officer
20 E. 6th Street (Second Floor)
PO Box 5002
Tempe, Arizona 85280

[Contractor's Name]
[Attn of Offeror Named in Contract]
[Address]

Or to such other address as either party may from time to time furnish in writing to the other by notice hereunder.

26. **No Waiver:** No breach of default hereunder shall be deemed to have been waived by the City, except by written instrument to that effect signed by an authorized agent of the City. No waiver of any such breach or default shall operate as a waiver of any other succeeding or preceding breach or default or as a waiver of that breach or default after demand by the City for strict performance of this Contract. Acceptance of partial or delinquent payments or performance shall not constitute the waiver of any right of the City. Acceptance by the City for any materials shall not bind the City to accept remaining materials, future shipments or deprive the City of the right to return materials already accepted. Acceptance by the City of delinquent or late delivery shall not constitute a waiver of a later claim for damages and/or bind the City for future or subsequent deliveries.

27. **Overcharges by Antitrust Violations:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the City. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the goods and/or services used to fulfill the Contract.

28. **Preparation of Specifications by Persons Other Than City Personnel:** No person preparing specifications for this Request for Proposal shall receive any direct or indirect benefit from the use of these specifications.

29. **Provisions by Law:** Each and every provision of law and any clause required by law to be in this Contract will 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 will forthwith be physically amended to make such insertion or correction.

30. **Public Record:** After award of Contract, proposal responses shall be considered Public Record and open for public inspection except to the extent the withholding of information is permitted or required by law. If an Offeror believes a specific section of its proposal response is confidential, the Offeror shall mark the page(s) confidential and isolate the pages marked confidential in a specific and clearly labeled section of its proposal response. The Offeror shall include a written statement as to the basis for considering the marked pages confidential and the Procurement Office will review the material and make a determination, pursuant to A.R.S. §§ 39-121, *et seq.*, and 41-151, *et seq.* A general statement of confidentiality (boiler plate statement) that is not appropriately referenced to a specific section of the RFP will not be sufficient to warrant protection by the City. The confidential portion of the submission must be clearly noted with accompanying justification for treating the section confidential. Failure of the vendor to appropriately designate confidential information in this manner will relieve the City of any obligation to protect this information as confidential.

31. **Records:** Pursuant to provisions of Title 35, Chapter 1, Article 6 Arizona Revised Statutes §§ 35-214 and 36-215, Contractor shall retain, and shall contractually require each subcontractor to retain, all books, accounts, reports, files and other records relating to the acquisition and performance of the Contract for a period of five (5) years after the completion of the Contract. All such documents shall be subject to inspection and audit at reasonable times. Upon request, a legible copy of any or all such documents shall be produced at the offices of the City Attorney or Procurement Office.

32. **Relationship of Parties:** It is clearly understood that each party to this Contract will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other party. The Contractor is an independent Contractor and shall be solely responsible for any unemployment or disability insurance payments, or any social security, income tax or other withholdings, deductions or payments that may be required by federal, state or local law with respect to any compensation paid to the Offeror. An employee or agent of one party shall not be an employee or agent of the other party for any purpose whatsoever.

33. **Rights and Remedies:** No provisions of this Request for Proposal or in the proposal shall be construed, expressly or by implication, as a waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of Contract. The failure of the City to insist upon strict performance of any term or condition of the Contract or to exercise or delay the exercise of any right or remedy provided in the Contract, or by law, shall not release the Contractor from any responsibilities or obligations imposed by the Contract or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of the Contract.

34. **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 invalid provision or application.

35. **Specially Designated Nationals and Blocked Persons List:** Contractor represents and warrants to the City that neither Contractor nor any affiliate or representative of Contractor:

    A. Is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury (OFAC) pursuant to Executive Order no. 13224, 66 Fed. Reg. 49079 (“Order”);

    B. Is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirements contained in any enabling legislation or other related Order(s);

    C. Is engaged in activities prohibited in the Order; or,

    D. Has been convicted, pleaded *nolo contendre,* indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

36. **Unauthorized Firearms & Explosives:** No person conducting business on City property is to carry a firearm or explosive of any type. All Offerors, Contractors and subcontractors shall honor this requirement at all times and failure to honor this requirement shall result in Contract termination and additional penalties. This requirement also applies to any and all persons, including those who maintain a concealed weapons permit. In addition to Contract termination, anyone carrying a firearm or explosive device will be subject to further legal action.

37. **Warranties:** Contractor expressly warrants that all materials and/or goods delivered under the Contract shall conform to the specifications of this Contract and be merchantable and free from defects in material and workmanship, and of the quality, size and dimensions specified herein. This express warranty shall not be waived by way of acceptance or payment by the City, or otherwise. Contractor expressly warrants the following:

    A. All workmanship shall be finest and first-class;

    B. All materials and goods utilized shall be new and of the highest suitable grade for its purpose; and

C. All services will be performed in a good and workmanlike manner. Contractor's warranties shall survive inspection, acceptance and/or payment by the City, and shall apply to the City, its successors, agents and assigns.

The Contractor agrees to make good by replacement and/or repair, at its sole expense and at no cost to the City, any defects in materials or workmanship which may appear during the period ending on a date twelve (12) months after acceptance by the City, unless otherwise specified herein. Should Contractor fail to perform said replacement and/or repair to City's satisfaction within a reasonable period of time, City may correct or replace said defective or nonconforming materials and recover the costs thereof from Contractor. This warranty shall not operate to reduce the statute of limitations period for breach of contract actions or otherwise, or reduce or eliminate any legal or equitable remedies.

38. **Work for Hire and Ownership of Deliverables:** Contractor hereby agrees and covenants that all the results and proceeds of Contractor's work and/or services for the Project specified herein, for Contractor and all of its agents, employees, officers and subcontractors, shall be owned by the City, including the copyright thereto, as work for hire. In the event, for any reason such results and proceeds are not deemed work for hire, Contractor agrees and covenants that it shall be deemed to have assigned to the City all of its right, title and interests in such results, proceeds and content to the City, without limitation. Contractor agrees to indemnify and hold the City harmless from and against all claims, liability, losses, damages and expenses, including without limitation, legal fees and costs, arising from or due to any actual or claimed trademark, patent or copyright infringement and any litigation based thereon, with respect to any work, services and/or materials contemplated in this Contract. Contractor agrees to pay to defend any and all such actions brought against the City. Contractor's obligations hereunder shall survive acceptance by the City of all covenants herein as well as the term of the Contract itself.

39. **Non-exclusive Contract:** Any Contract resulting from this Request for Proposal shall be awarded with the understanding and agreement that it is non-exclusive and entered into for the sole convenience of the City. The City reserves the right to obtain like goods or services from another source.

40. **Ordering Process:** Upon award of a Contract by the Procurement Office, the City may procure the specific material and/or service awarded by the issuance of a purchase order to the appropriate Contractor. Each purchase order must cite the correct Contract number. Such purchase order is required for the City to order and the Contractor to deliver the material and/or service.

41. **Shipping Terms:** Prices shall be F.O.B. Destination to the delivery location(s) designated herein. 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. The City will notify the Contractor promptly of any damaged materials and shall assist the Contractor in arranging for inspection. Shipments under reservation are prohibited. No tender of a bill of lading shall operate as a tender of the materials.

42. **Delegated Awards:** In the event this Contract is administratively awarded via delegated authority as provided for in Section 26A-5 of the Procurement Ordinance, the Contractor acknowledges that a final Contract with the City of Tempe requires City Council approval and possibly the signature of the Mayor. Should this Contract be rejected by the City Council, Contractor agrees that it is immediately void and unenforceable against any party. The awarded firm(s) will be compensated only for any and all costs incurred up to the date of notification of such termination.

Special Terms & Conditions and Instructions

Proposals taking exception to Special Terms & Conditions and Instructions stated within this Request for Proposal may cause the Proposal to be considered nonresponsive and rejected.

1. **City Procurement Document:** This Request for Proposal is issued by the City. No alteration of any portion of this Request for Proposal by an Offeror is permitted and any attempt to do so shall result in vendor's proposal Offer being considered nonresponsive and rejected. No alteration of any portion of a resultant Contract is permitted without the written approval of the Procurement Office and any attempt to do so shall be considered a breach of the Contract. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, Contract termination and/or suspension of the Contractor.

2. **Offer Acceptance Period:** To allow for an adequate evaluation, the City requires the vendor's proposal Offer in response to this Request for Proposal to be valid and irrevocable for ninety (90) days after the proposal due time and date.

3. **Contract Type:** Term with justifiable price adjustments allowed, indefinite quantity.

4. **Term of Contract:** The term of the Contract shall commence on the date of award and shall continue for a period of two (2) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

5. **Contract Renewal:** The City reserves the right to unilaterally extend the period of any resultant Contract for ninety (90) days beyond the stated term. In addition, the City at its option may renew for supplemental terms of up to a maximum of three (3) additional years. The period for any single renewal increment shall be determined by the Procurement Office. Such increment shall not be for more than a period of one (1) year each unless the City is eligible to obtain a significant cost and/or supply advantage by a longer Contract renewal period.

6. **Multiple Awards:** The City has a large number and variety of potential customer departments. In order to ensure that any ensuing Contracts will allow the City to fulfill current and future requirements, the City reserves the right to award Contracts to multiple companies. The actual utilization of any Contract will be at the sole discretion of the City. The fact that the City may make multiple awards should be taken into consideration by each Offeror.

7. **Pricing:**

   A. Pricing accuracy and completeness are critical to the determination of an award. Offeror shall identify and price all items being proposed.

   B. In the case of system proposals, Offeror shall identify all items which are required to make the system function in accordance with the specifications stated in the Request for Proposal.

   C. If provided pricing pages do not cover all such items, the Offeror shall include an itemized listing of all required products and services in the Proposal required for all system equipment to be fully functional and in conformity with specifications stated in the Request for Proposal.

8. **Price Adjustment:**

   A. The Procurement Office will review fully documented requests for price increases after the Contract has been in effect for twelve (12) months. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the Proposal and can be shown to directly affect the price of the item concerned. The Procurement Office will determine whether the requested price increase, or an alternative option, is in the best interest of the City. Advanced thirty (30) day written notification by Contractor is required for any price changes. All price adjustments will be effective on the first day of the month following approval or acceptance by the Procurement Office. After the City approves a price increase the Contractor shall not be eligible to receive an additional increase until twelve (12) months from the date of the last approved price increase.

   B. Price increase requests must be acknowledged in writing by the Procurement Office before becoming effective. If not acknowledged within thirty (30) days, Contractor shall contact the Procurement Office to ensure the price increase request was received.

C. The Contractor shall offer any published price reduction or if applicable to the Contract, profit sharing price advantage to the City concurrent with its announcement to other customers. A price reduction or profit-sharing price advantage may be offered at any time during the term of an awarded Contract and shall become effective upon notice and acceptance. The City shall likewise be given any special sales discounts offered to the general public, which exceed contracted price discounts extended to the City by the Contractor.

9. **Insurance:**

A. Insurance Required: Prior to commencing services under this Contract, Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries (including death) to persons and damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees, subcontractors, or sub-subcontractors. For Offerors with self-insurance, proof of self-insurance with minimum limits expressed below must be submitted on proper forms for evaluation prior to award of Contract.

A Contract Award Notice or Purchase Order will not be issued to the Contractor until receipt of all required insurance documents by the Procurement Office with such documents meeting all requirements herein. In addition, before any Contract renewal, all required insurance must be on file with the Procurement Office. Contractor must submit required insurance within ten (10) calendar days after request by the Procurement Office or the award may be rescinded and another Offeror selected for award.

B. Minimum Limits of Coverage: Without limiting any obligations or liabilities, the Contractor, at its sole expense, shall purchase and maintain the minimum insurance specified below with companies duly licensed or otherwise approved by the State of Arizona, Department of Insurance and with forms satisfactory to the City. Each insurer shall have a current A.M. Best Company, Inc., rating of not less than A-VII. Use of alternative insurers requires prior approval from the City.

i. Minimum Limits of Insurance. Contractor shall maintain the following minimum limits:

a. *Commercial General Liability*

Commercial general liability insurance limit of not less than $1,000,000 for each occurrence, with a $2,000,000 general aggregate limit. The general aggregate limit shall apply separately to the services under this Contract or the general aggregate shall be twice the required per occurrence limit. The policy shall be primary and include coverage for bodily injury, property damage, personal injury, products, completed operations, and blanket contractual coverage, including but not limited to the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office policy form CG0001 or its equivalent.

In the event the general liability policy is written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of the services as evidenced by annual certificates of insurance. In addition, the retro date shall be no later than the start date of the contract. The retro date shall be disclosed on the certificate of insurance.

Such policy shall contain a "severability of interests" provision.

b. *Worker's Compensation*

The Contractor shall carry worker's compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of 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 cases when services are subcontracted, the Contractor will require the subcontractor to provide worker's compensation and employer's liability to at least the same extent as provided by Contractor.

c. *Automobile Liability*

Commercial business automobile liability insurance with a combined single life or bodily injury and property damages of not less than $1,000,000 per accident regarding any owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor services. Coverage will be at least as broad as coverage Code 1 "any auto". Insurance Service Office policy form CA0001 Y87 or any replacements thereof. Such coverage shall include coverage for loading and unloading hazards.

C. Additional Insured: The insurance coverage, except for workers compensation and professional liability coverage, required by this Contract, shall name the City, its agents, representatives, directors, officials, employees, and officers, as additional insureds, and shall specify that insurance afforded the Contractor shall be primary insurance. The additional insured wording on the commercial general liability policy will be at least as broad as Insurance Services Office policy forms CG2010 04/13 edition and CG2037 04/13 edition or their equivalent. The additional insured wording on the automobile liability policy will be at least as broad as Insurance Services Office policy form CA 20 48 or its equivalent. This provision and the naming of the city as an additional insured shall in no way be construed as giving rise to responsibility or liability of the City for applicable deductible amounts under such policy(s).

D. Coverage Term: All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted by the City. Failure to do so shall constitute a material breach of this Contract.

E. Primary Coverage: Contractor's insurance shall be primary insurance to the City, and any insurance or self-insurance maintained by the City shall not contribute to it.

F. Claim Reporting: Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect the City.

G. Waiver: The policies, including workers' compensation, shall contain a waiver of transfer rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of the Contractor.

H. Deductible/Retention: The policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be disclosed by the contractor and shall not be applicable with respect to the coverage provided to the City under such policies. Contractor shall be solely responsible for deductible and/or self-insurance retention and the City, at its option, may require Contractor to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

I. 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 the Contractor's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number or name and shall provide for not less than thirty (30) days advance notice of cancellation, termination, or material alteration. Such certificates shall be sent directly to: Contract Administrator, City of Tempe, P. O. Box 5002, Tempe, AZ 85280.

J. Copies of Policies: The City reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the above 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.

10. **Professional Liability:** The Contractor shall maintain professional liability insurance covering errors and omissions arising out of the services performed by the Contractor and/or any person(s) employed by it, with an unimpaired limit of not less than $1,000,000 each claim and $1,000,000 all claims. In the event the insurance policy is written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of services as evidenced by annual certificates of insurance provided by Contractor to the City. In addition, Contractor shall maintain property coverage on an all-risk, replacement cost basis in an amount established by the City with valuable papers insurance sufficient to assure the restoration of any documents, memoranda, reports, or other similar data relating to the services of the Contractor used in the completion of this Contract.

11. **Payments - After Monthly Statement:** Payment in full shall be made to the Contractor within thirty (30) days after receipt and approval of monthly itemized statement, unless terms other than net thirty (30) days are offered as a discount, at the City's sole discretion.

12. **Conduct and Dress Code:** The Contractor's employees shall maintain proper conduct at all times while on City property. Employees shall maintain a professional demeanor and show respect to other personnel at the work site. Employees will be dressed appropriately for the work with badges or uniforms that identify them as employees of the Contractor.

13. **Safety, Health and Sanitation:** The Contractor shall provide and maintain in a neat, sanitary condition such facility accommodations for the use by their employees as may be necessary to comply with the requirements and regulations of the Arizona State Department of Health or as specified by the Maricopa County Health Department, Sanitary Code. The Contractor shall be fully responsible for the safety of their employees, the public and property in connection with the performance of the work covered by this Contract. The Contractor shall provide all safeguards, safety devices and protective equipment and be responsible for taking any needed actions to protect the life and health of their employees and the public during work activity. The Contractor shall also take any necessary actions as directed by the City Project Manager to reasonably protect the life and health of employees on this job and others coming into contact with the job site. Precaution shall be exercised by the Contractor at all times for the protection of persons (including employees) and property. The Contractor shall comply with the provisions of all applicable laws, pertaining to such protection including all Federal and State Occupational Safety and Health Acts, and Standards and Regulations promulgated there under.

14. **Protection and Restoration of Property and Landscape:** The Contractor shall be responsible for all damage or injury to public or private property of any character, during the prosecution of the work resulting from any act, omission, neglect, or misconduct in its manner or method of executing the work or at any time due to defective work or materials. The Contractor's responsibility will not be released until the project has been completed and accepted.

    If damage is caused by the Contractor, the Contractor shall restore at no cost to the City, such property to a condition similar or equal to that existing before such damage or injury was done, by repairing, rebuilding or otherwise restoring as may be directed, or they shall make good such damage or injury in an acceptable manner. Further payments will be withheld until the City has inspected the corrected damage or injury and has signed-off the completion and acceptance. Contractor shall not dump spoils or waste material on private or public property without first obtaining from the owner written permission for such dumping.

15. **Responsibility for Work:** The Contractor shall properly guard, protect, and take every reasonable precaution necessary against damage or injury to all finished or partially finished work due to weathering action by the elements or from any other cause, until the entire portion of their respective Contract obligation is completed and accepted by the City. The Contractor shall rebuild, repair, restore, and make good all injuries or damages to any portion of the work before final acceptance at no cost to the City. Partial payment for any completed portion of work shall not release the Contractor from such responsibility.

16. **Employees of the Contractor:** No one except authorized employees of the Contractor is allowed on the premises of the City. Contractor employees are NOT to be accompanied in their work area by acquaintances, family members, assistants, or any other person unless said person is an authorized employee of the Contractor. Failure of Contractor to meet this requirement will result in permanent removal of employee performing work at the City sites.

17. **Sub-Contractor(s):** The City reserves the right to approve all sub-contractors. Contractor is responsible for all actions of sub-contractors. Contractor shall name sub-contractors as additionally insured, in addition to the City on all required insurance documents.

18. **Materials and/or Equipment:** Materials and/or equipment, furnished by the City will be delivered or made available to the Contractor when necessary. The Contractor will be held responsible for all materials and/or equipment accepted by them and will make good any shortages, deficiencies or damages that may occur after such acceptance.

19. **Project Data and Documents:** The Contractor shall be entitled to rely upon the accuracy of all data furnished by the City, which is or may be used by the Contractor in the provision of services under this Contract. The Contractor has the right to retain and use all data furnished, and all plans, designs, specifications and other work product created by the Contractor during its provision of service under this Contract.

Scope of Work

Introduction

The City of Tempe (City) is seeking proposals for plan review and/or building inspection services. The contract(s) shall be for an initial term of two (2) years with renewal options as stated in the Special Terms and Conditions section of this Request for Proposal (RFP).

The awarded Contractor(s) will perform applicable functions as an extension of the City staff and will follow all City procedures and directives related to the services provided.

Definitions

The phrase *City of Tempe Representative (COTR)* means the Deputy Community Development Director or the assigned representative.

The phrase *perform all work to the complete satisfaction of the COTR* means that there will be no major omissions or deficiencies in plan review and building inspection reviews of type of construction, allowable area, height, occupancy/area separation, exterior wall and opening protection, exit requirements, life safety and engineering requirements, handicap regulations, electrical, plumbing, fire, and mechanical requirements, current adopted General Plan, Zoning and Development Code and all other items required by applicable codes, ordinances, regulations or other applicable regulations of the State. The COTR may perform random sample checks to verify this. The COTR will keep actual records on plan review on plan review turnaround times and inspections performed.

Services

The awarded Contractor(s) shall agree to perform all work to the complete satisfaction of the COTR assigned to oversee such plan review and building inspection services within the time specified within this RFP. The evaluation of the work performed by the Contractor will be conducted by the COTR or designated City staff. If the quality of work is deemed not satisfactory or untimely, the COTR has the right to:

1. Meet with the Contractor to review the quality of work and resolve matters of concern.

2. Require the Contractor to repeat unsatisfactory work at no additional cost until it is completed to the satisfaction of the City as determined by the COTR or designated City staff.

3. Suspend the Contractor from further work for an indefinite period of time as determined by the City and obtain the services of another firm during the time of suspension.

4. Direct the City Procurement Office to terminate the City's contract with the Contractor, as allowed under the Special Terms and Conditions of this RFP.

Qualifications

Contractor may submit qualifications to perform any combination of items 1 and 2 below.

1. Contractor must be qualified to perform plan review work necessary to establish compliance with code requirements based on the currently adopted Building, Mechanical, Electric, Plumbing Codes, including other applicable codes, policies and ordinances as adopted by the City, as well as ADA requirements, and other applicable regulations of the State.

2. Contractor must be qualified to inspect an assigned project for compliance with code requirements based on the Building, Mechanical, Electric, Plumbing Codes, and other applicable codes, policies and ordinances as adopted by the City, as well as ADA requirements, and other applicable regulations of the State.

3. Contractor must provide experience associated with alternative delivery models such as BIM/IPD, Permits by Inspection, Adaptive Reuse, Annual Facilities Permits and Collaborative Plan Reviews.

4. Time is of the essence. Direct communication with the designer, contractor, customer and the City is required to provide efficient customer service. Contractor must provide examples of how their business model reduced review times for a major project and how they would utilize their model in serving the City's and customer's needs.

Individuals within the Contractor's firm who perform commercial, industrial, or residential plan review or building inspection functions shall hold a current certification from a nationally recognized code development organization. The respective plan reviewer(s) or inspector(s) must have a minimum of five (5) years of commercial, industrial, or residential plan review or building inspection experience.

Tasks Required (Applicant is not required to provide both Plan review and Inspection services to be considered.)

1. ***Plan Review***: These tasks, when assigned a project, will be performed by the Contractor as determined by the City.

   A. Pick-up/deliver plans or related materials from the City on a daily basis or as required. Provide weekly updates on projects in review along with Contractor's employee contact information.

   B. Conduct comprehensive and accurate review of building designs as defined by drawings, specifications, design calculations, and reports which include site reports, soil investigation and compaction reports. Also, perform rechecks of corrected plans and plan changes until plans and related documents are substantially correct and complete. Compliance with code or discrepancies is based on the currently adopted code version with local amendments of the Building, Mechanical, Electric, Plumbing Codes, and ADA regulations mandated by the State and City ordinances (e.g. grading) and Department policies and applicable laws in effect at the time of application for construction permits.

   C. Notify the applicant of the need for corrections and provide means and point of exchange, including convenient meetings, toll free telephone exchange of communications and cost-free mail exchange for pick-up and delivery of plans, and availability of cost-free parking facilities at Contractor's place of business.

   D. Review application package for plot plan square footage, valuation, and possible zoning violations as identified in the current City codes and ordinances.

   E. Review application package and identify to the applicant, on a correction list, items such as illegal lot status, insufficient setbacks, and easements for open space, drainage, grading, trails, and roads, etc.

   F. Provide with each approved plan check, as applicable, a letter of transmittal and two (2) copies of the signed corrections lists indicating that the plans have been found to be substantially correct and complete.

   G. Regarding building plans under review receive from or provide information to the Planning Division any possible issues which may conflict with the Zoning Ordinance, Board, or Council actions or conditions.

   H. Consult with the Deputy Community Development Director or designee and/or the designer of the proposed project at their request in order to facilitate necessary corrections by the designer of the calculations, drawings, and specifications. The Contractor is to submit a copy of all such correction lists to the City.

   I. Forward approved plans, calculations, and related documents to the City. Approved plans shall be identified as being approved.

   J. Maintain records related to plans reviewed, including all turnaround times.

K. Respond to telephone inquiries about code requirements and plan check procedures relating to assigned projects. These inquiries may relate to plans in process by the Contractor or may relate to plans checks which have been completed but where construction is still in progress. These telephone inquiries may be made directly to the Contractor's place of business or to the Contractor's plan reviewer(s) on the days they are present at the City office. The Contractor shall provide a toll-free telephone number and the contact information for the person assigned for applicants.

L. When requested, provide personnel to perform plan reviews "in house" within the City's Community Development Department. In this case the City will provide a work area, phone, and computer.

2. ***Building Inspections***: These tasks, when assigned a project, will be performed by the Contractor as determined by the City.

A. Report to the City Inspection Section at the beginning of and prior to the end of each regular work day to complete required paperwork and update inspection results within the City's inspection tracking system.

B. Review assigned project plans for compliance with code requirements and discrepancies after permit issuance. Compliance with code or discrepancies is based on the currently adopted code version with local amendments of the Building, Mechanical, Electric, Plumbing Codes, and ADA regulations mandated by the State and City ordinances and Department policies and applicable laws in effect at the time of application for construction permits.

C. Contractor to notify COTR and project contractor of any discrepancies.

D. Inspect commercial, industrial, or residential buildings during various stages of construction such as foundations, concrete, steel, masonry, framing, plastering or a large variety of other complex and routine building system elements to ensure compliance with applicable City codes, amendments and ordinances.

E. Coordinate inspection activities with other City departments and divisions; confer with architects, engineers, contractors and superintendents in the field and office.

F. The Contractor shall provide the inspector(s) with a cell phone, hand tools, code books, any safety equipment required by an assigned project or any city, state or federal laws or ordinances and a vehicle insured per City requirements when performing inspection services on behalf of the City.

G. Respond to telephone inquiries about code requirements and inspection procedures relating to assigned projects. These inquiries may relate to inspections in process by the Contractor or may relate to inspections which have been completed but where construction is still in progress.

H. Contractor is to use existing City correction notices or other forms and shall follow all policies and procedures of the City's inspection section.

Time Limits for Performance

1. The maximum plan review turnaround times (working days excluding City holidays) for initial review, rechecks and completion of lists of corrections shall be as follows:

	NUMBER OF WORKING DAYS		
Type of Plan	**Initial Check**	**Recheck**	**Expedited** (Initial/Recheck)
Residential, including additions and/or accessory buildings	10	5	5/3
Single Family Dwelling	10	5	5/3
Duplex Dwelling	10	5	5/3
Multi-Family (3 Units or More)	14	5	5/3
Commercial/Industrial Buildings	14	5	5/3

2. All assigned inspections, on a project, shall be completed on the same business day assigned.

(The above times do not include the date on which the plan(s) are picked up from the City office)

Distribution of Work

The City intends to distribute work, not necessarily in the order listed below, based on the Contractor's:

1. Capability to do the work;
2. Quality of work;
3. Personnel qualifications; and
4. Cost

Among the selected Offerors, the City reserves the right to send specific types of plan check, inspection or planner work such as commercial or industrial projects to the Offeror based on the above factors which is in the best interest of the City.

Conflicts

Contractor(s) shall abide by the Conflict of Interest laws of the State, by Conflict of Interest requirements of the RFP, and by the following Conflict of Interest Code:

1. Contractor shall not knowingly recommend approval of designs or inspections of designs or methods of construction that do not meet City codes, ordinances and standards without prior approval from the City. The City may reject the recommendations.

2. Contractor shall not accept for plan check, inspection or planner services from other designers or developers where past relationships between designers or developers, either friendly or hostile, could lead to doubt of objectivity in the process.

3. Contractor shall not provide plan checks, inspections or planner services where the drawings have been prepared for a developer who is or has been a client of the contractor on other projects within the past year.

4. Within three (3) months subsequent to plan check, inspection or planner work for a developer, Contractor shall not undertake plan check, inspection or planning work for that developer.

5. Contractor shall not use its position as plan reviewer, inspector or planner to further its own interest or use knowledge gained in the process to the disadvantage of the designer of the building plans, nor use this knowledge to create an unfair advantage for the contractor over the designer of the building plans.

Contractor Location

Offerors who do not have an office within the City of Tempe must address and clearly demonstrate (within their written proposal response) alternate plan review arrangements, including, but not limited to how they propose to provide the following:

1. Cost-free mail usage for pick-up and delivery of plans to both the applicants and the City, and the convenience or ease of access between the applicant and the City.

2. Toll-free phone usage, number of toll-free line, etc. for discussion of corrections on plans or projects under construction by the applicant or by the City.

3. Qualified personnel in sufficient number and frequency for the Contractor to cover assigned project plan check, inspection or planner workloads, answer plan review or planning questions on specific projects being processed, or to answer questions relating to plans checks or planning issues which have been completed, but where construction is still in progress.

Contractor Capabilities

Offerors shall submit a description of their capabilities in the management of technical programs of the nature described within this RFP as related to the past five (5) year period. This information is to be supported by submission of resumes of managerial personnel (not considered as direct labor under the proposed contract) with a list of contracts for similar services completed, or underway, including the name(s) of the customer agency, point(s) of contact with telephone number(s), and the dollar value of each such contract, including a brief synopsis of each similar project.

Cost Proposal

Offeror shall complete the Pricing Section for plan review services in conformance with the qualifications section. There will be no additional payment of fees and compensation except those clearly identified in Offeror's proposal(s) to the City.

Structure of Proposal

Offeror's shall submit their proposal responses in the following structure.

1. Complete and signed Vendor's Offer, page 33 of the RFP.

2. *Qualifications Section* (as outlined on page 22) shall include their years of experience as a plan check and building inspection firm; identification of staff to be assigned to the City of Tempe account with an enclosed resume for each (stating education, professional certifications, and work histories) as related to the requirements of this RFP.

3. *Tasks Required Section* (as outlined on pages 23-24) Provide the proposed methodology for completing the tasks required.

4. *Time Limits for Performance* Section (as outlined on page 25) Offeror shall address their initial and recheck turnaround times for each type of plan.

5. Offeror must address their response to the *Conflicts Section* (as outlined on page 25).

6. *Contractor Location Section* (as outlined on pages 26) shall identify offeror's office location address(es) for the City of Tempe account; their primary and secondary method of contact with City staff and plan check applicants; their mailing methods and associated turnaround times and costs (if any) to the City or applicant; their method of "toll-free" contact; hours per day and days per week for telephone calls; frequency of on-site visits to the City plan check intake offices; etc.

7. *Contractor Capabilities Section* (as outlined on page 26) shall include a projects list of similar size and scope work performed within the past five (5) years, including customer contact names, telephone numbers, nature and scope of plan check and building inspection. The dollar value of each contract shall be provided within your proposal and is subject to verification.

8. Offeror must provide complete the *Pricing Section* with fee and compensation prices for their Cost Proposal. There will be no additional payment of fees and compensation except those clearly identified in Offeror's proposal(s) to the City.

Proposal Evaluation

Proposal Contents – Listed below, in descending order of importance are the primary factors which will be considered in the evaluation of the Offeror's technical proposal. While cost is an important evaluation factor, it is not the only factor for the technical proposal. In preparing proposal responses, it should be noted that the City intends to award multiple contracts for this service.

1. **Contractor Personnel & Qualifications**: Familiarity on the part of offeror's staff with the requirements related to building, structural design, electrical, plumbing, mechanical, sound, and fire resistance; access and exit facilities; building foundations in relation to soil and conditions; grading; compliance with State energy conservation and ADA requirements; and compliance with City of Tempe Zoning Ordinance. Required experience in building construction plan review, building inspection and fire regulations. Special expertise will be considered.

   Qualifications of offeror's staff specifically assigned to the City, experience of offeror's firm in performing plan checks or building inspections services of the nature described in this RFP, and past record of performance (references, etc.) shall be used to judge this evaluation criteria.

2. **Costs**: Proposed plan review and building inspection services and associated costs to the City, including price fees and compensation. There will be no additional payment of fees and compensation except those clearly identified in Offeror's proposal(s) to the City.

3. **Methodology for Performing the Tasks Required**: Proposed plan to complete work required for plan review and building inspection services to include completion timelines. Identify any work that will be subcontracted and the subcontractors to be completing the work. Provide a description of the subcontractor's qualifications to perform the work.

4. **Corporate Resources**: Capacity and resources to perform the work described in this RFP is critical. The offeror's access to both corporate and outside resources and expertise for completion of all tasks shall be used to judge this evaluation criteria.

5. **Proposal Content**: Ability of the offeror to provide all required information at time of proposal opening. Ability of offeror to comply with City's contractual terms and conditions shall be considered.

Evaluation Criteria

Proposals will be reviewed by an Evaluation Committee consisting of City staff using the criteria and process outlined below.

Evaluation Process

1. The Procurement Office will verify that all proposals meet the requirements to be considered responsive. Responses that do not comply with any mandatory requirements will be considered non-susceptible for award and not forwarded to the Evaluation Committee for scoring.
2. The Evaluation Committee will review and score all responsive proposals and rank them based on the committee's scores. Any proposals determined to score outside of the competitive range may be removed for non-susceptibility. Remaining Offerors may be invited for interviews, negotiations, site visits and best and final offers as determined at the sole discretion of the City.

It is important to note that firms may be removed for non-susceptibility anytime during the evaluation process and not just at the specific points noted above.

	Award Criteria	**Weight**	**X**	**Rating**	**=**	**Points**
1.	Contractor Personnel and Qualifications	30	X			
2.	Costs	25	X			
3.	Methodology for Performing the Tasks Required	20	X			
4.	Corporate Resources	20	X			
5.	Quality and Completion of Proposal Content and Documentation; Acceptance of City's Terms and Conditions	10	X			
				Total	**=**	

This proposal will be evaluated on a cumulative point system using the rating scale shown below (fractional points may be selected within this range).

Scoring

Outstanding	9 - 10
Good	6 - 8
Average	3 - 5
Poor	1 - 2
Not Addressed or Unacceptable	0

To evaluate the cost portion of the above criteria, the City may elect to evaluate each firm on a percentage basis of the lowest cost offer. The formula would be: (Lowest Priced Offer/Evaluated Firm's Price) x Points Possible = Evaluation Points.

Pricing Section

"Return this Section with your Response"

Plan Review Services – Pricing for plan review services shall be based upon a percentage of the City's Collected Plan Check Fee. A current table of the City's Plan Check Fees can be found at http://www.tempe.gov/city-hall/community-development/development-services/fees. The City's standard plan review fee is limited to three (3) reviews.

Structure Type	Initial Review	Second Review	Third/Additional Review
Single-family residences, duplexes, garages and related structures	%	%	%
Multiple Residences (apartments, condominiums)	%	%	%
Commercial/Industrial building and other related structures	%	%	%
High-rise mixed use residential/retail buildings	%	%	%
Indicate any fees for expedited reviews			
Indicate any fees for deferred submittals, construction change directives and revisions			

Turnaround Times for Review Services – Indicate your firm's turnaround times for each of the following:

Single-family residences, duplexes, garages and related structures	Business Days
Multiple Residences (apartments, condominiums)	Business Days
Commercial/Industrial building and other related structures	Business Days
High-rise mixed use residential/retail buildings	Business Days
Expedited Reviews	Business Days

Inspection Services – Pricing for inspection services shall be based upon an hourly rate

Job Description	Hourly Rate
Principal Engineer	$
Project Manager	$
Planning Manager	$
Project Engineer	$
Construction Manager	$
Plan Reviewer	$
Engineer	$
Senior Planner	$
Special Districts Manager	$

Pricing Section

"Return this Section with your Response"

Job Description	Hourly Rate
Senior Designer	$
Planner	$
Public Works Inspector	$
Building Inspector	$
CAD Drafter	$
Technician	$
Administrative	$
Additional Job Descriptions (not listed above)	
	$
	$
	$
	$
	$
	$
	$
Identify any additional charges not identified above	
	$
	$
	$
	$
	$
	$
	$

Pricing Section

"Return this Section with your Response"

* Applicable Tax _____ %

*** State correct jurisdiction to receive sales tax on the Vendor's Offer, included in this Request for Proposal.**

Less prompt payments discount terms of __ % __ days/ or net thirty (30) days. (To apply after receipt and acceptance of an itemized monthly statement.) For evaluation purposes, the City cannot utilize pricing discounts based upon payments being made in less than thirty (30) days from receipt of statement.

Ordering and Invoice Instructions

Invoices shall be issued directly to the ordering department. Invoices shall be accurate and complete including the information shown below. Failure to provide a properly documented invoice may cause a delay in receipt of payment. The City will not process an invoice for payment until it has been approved by the ordering department and forwarded to Accounts Payable. The City endeavors to process invoices within 30 days after receipt of an accurate and complete document.

Invoices shall include:

1. Line item listing of all ordered items to include description of items;
2. Unit cost and extended cost for each line item;
3. Applicable Tax;
4. Payment Terms;
5. Purchase Order Number;
6. Name of selling organization clearly stated on invoice along with address;
7. Phone number and or e-mail address for contact person to clarify invoicing questions;

Invoices that do not follow the above minimum invoicing requirements will not be paid. Payment must be applied to only invoices referenced on check/payment stub. The City reserves the right to process payments via check or P-Card.

Accounting Contacts:	Yesenia Loredo-Flores	Letters A – H and Numbers
	Carlene Foster	Letters I – Z
	Scott Gruber	General AP Inquiries and AP Checks

Vendor's Offer

"Return this Section with your Response"

Offeror must complete, sign and submit this form to the Procurement Office with the proposal response. An unsigned "Vendor's Offer", late proposal response, and/or a materially incomplete response will be considered nonresponsive and rejected. Offeror is to type or legibly write in ink all information required below. A scanned copy of this page is acceptable.

Company Name: _____

Company Purchase Order Mailing Address:

Street Address: _____

City, State, Zip: _____

Contact Person: _____ Phone Number: _____

E-mail Address: _____ Cell Number: _____

Remit to Information

Company Name (as it appears on invoice): _____

Company Payment Remit to Address:

Street Address: _____

City, State, Zip: _____

Company Tax Information

If a Tempe-based firm, provide Tempe Transaction Privilege (Sales) Tax No.: _____

Payment Options

Will your company accept the City's Master Card for payment?	Yes	☐	No	☐
Will your company accept Payment via ACH (Automated Clearing House) for payment?	Yes	☐	No	☐

THIS PROPOSAL IS OFFERED BY

REQUIRED SIGNATURE OF AUTHORIZED OFFEROR

By signing this Vendor's Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other Offeror or potential Offeror. Failure to sign and return this form with proposal response will be considered nonresponsive and rejected.

_____ _____

Signature of Authorized Offer | Date

_____ _____

Print or Type Name of Authorized Individual | Title of Authorized Individual

Anti-Discrimination Policy

COMPLIANCE WITH CITY'S ANTIDISCRIMINATION ORDINANCE NO. 02016.25

The Tempe City Council approved Ordinance No. 02016.25 that requires vendors who are being recommended for award to provide evidence of their compliance with the City's antidiscrimination policy as shown below:

Sec. 2-601. Policy.

It is declared to be the policy for the citizens of Tempe, Arizona, to be free from discrimination in public accommodations, employment, and housing, and contrary to public policy and unlawful to discriminate against any person on the basis of race, color, gender, gender identify, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, in places of public accommodation, employment, and housing; and contrary to the policy of the city and unlawful for vendors and contractors doing business with the city to discriminate, as set forth in this article.

Sec. 2-603. Unlawful Practices.

The following shall constitute a violation of this article:

For a city vendor or city contractor, because of race, color, gender, gender identify, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, to refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges or employment. City vendors and contractors of fifteen (15) or more employees shall provide a copy of its antidiscrimination policy to the Procurement Officer to confirm compliance with this article. Employers having fourteen (14) or less employees may attest in writing to compliance with this article.

Vendor Requirements

Vendors who have fifteen (15) or more employees shall include with their bid/proposal submittal a copy of its antidiscrimination policy that must mirror the City's policy as stated above. Suppliers who have fourteen (14) or less employees may include their antidiscrimination policy *or* complete a written affidavit of compliance per the attached.

To be completed by responding company and returned with submittal:

_____ Our company has 15 or more employees and has included its antidiscrimination policy that mirrors the City's policy;

_____ Our company has fourteen (14) or less employees and is attaching the signed AFFIDAVIT OF COMPLIANCE WITH TEMPE CITY CODE CHAPTER 2 ARTICLE VIII SECTION 2-603(5).

Please include this document along with the company's antidiscrimination policy or the completed affidavit with offer submittal

Anti-Discrimination Policy

Only complete this document if you have 14 or less employees.

AFFIDAVIT OF COMPLIANCE WITH TEMPE CITY CODE

CHAPTER 2 ARTICLE VIII SECTION 2-603(5)

Per Tempe City Code Chapter 2 Article VIII Section 2-603(5), it is unlawful for a City vendor or City contractor, because of race, color, gender, gender identity, sexual orientation, religion, national origin, familial status, age, disability, or United States military veteran status, to refuse to hire or employ or bar or discharge from employment any person, or to discriminate against such person in compensation, conditions, or privileges of employment.

City vendors and contractors shall provide a copy of their antidiscrimination policy to City to confirm compliance with this requirement or attest in writing to compliance.

- CONTRACTOR means any person who has a contract with the City.
- VENDOR means a person or firm in the business of selling or otherwise providing products, materials, or services.

CONTRACTOR/VENDOR, select one:

_____ Current copy of antidiscrimination policy attached

OR

_____ I hereby certify _____ (contractor/vendor) to be in compliance with Tempe City Code Chapter 2 Article VIII Section 2-603(5).

_____ Date: _____
Signature

_____ _____
Print Name Title

_____
Company

Supplier Sustainability Questionnaire

The City of Tempe is strongly committed to sustainable practices and programs that help build a vibrant and resilient community. The City accomplishes this through a variety of innovative programs, including water and energy conservation, recycling, composting, alternative transportation, sustainable business practices and environmental stewardship. Tempe recently established its 2019 Climate Action Plan (CAP) that provides a guideline for how the City will take local action on global climate change by reducing its greenhouse gas (GHG) emissions and adapting to the changing climate. The Climate Action Plan serves as a guideline for the City's path toward a sustainable and resilient future that will benefit the entire City. The City has strengthened its commitment to sustainability by adopting a new carbon neutrality goal by 2050 and a strategy of sourcing 100 percent of its electricity from renewable sources by 2035. To learn more about the City's commitment to sustainability, please visit https://www.tempe.gov/government/sustainable-tempe.

To further this commitment, the City has developed a Sustainable Procurement Policy that provides specific guidelines for how these important sustainable practices and programs will be reflected in contract award decisions. By partnering with companies who share these sustainability goals, the City will be able to significantly enhance sustainable outcomes.

To support these efforts, the following Supplier Sustainability Questionnaire has been developed that will allow the City to better understand your company's efforts and commitments regarding sustainable practices and initiatives. This questionnaire has two sections – a section to understand what your company is doing regarding sustainable actions and a section to understand the specific sustainable attributes of the product or service that you are offering.

Item	Question	Response
Corporate Sustainable Actions		
1.	What sustainability guidelines or environmental statement does your company have to guide the company as a whole? Please include a link.	
2.	What is your company doing to be more energy efficient?	
3.	What is your company doing to reduce greenhouse gas emissions?	
4.	What is your company doing to reduce waste transferred to landfills?	
5.	What is your company doing to reduce water waste?	
6.	What kind of effort does your company make to reduce the use of environmentally harmful materials *(such as cleaning products, etc.)?*	
7.	Does your company take any actions to manage the sustainability of your supply chain? If yes, please explain.	
8.	Has your company received any environmental or sustainability related independent certifications or recognitions? If yes, please explain.	

Supplier Sustainability Questionnaire

Item	Question	Response
Product Sustainable Attributes		
1.	Has your company performed an environmental life cycle analysis on the product being offered the City? If yes, please provide documentation	
2.	Can the product being offered be refurbished, recycled, or composted at the end of its life? If yes, please elaborate	
3.	Does the product being offered include any recycled materials? If yes, please explain.	
4.	What measures have been taken to reduce unnecessary packaging materials associated with the product being offered?	
5.	What kind of reusable, recyclable, and/or compostable packaging materials does your company use?	
6.	Has the product being offered been rated or certified by a third-party organization such as Energy Star, Green Seal, Leadership in Energy and Environmental Design (LEED), Forest Stewardship Council, etc.? If yes, please provide certification documentation.	
7.	Please provide any additional information you would like to share regarding your product's sustainable attributes.	

Please find some helpful links below that will provide additional information, tools and resources regarding sustainable practices:

Greenhouse Gas Calculators:
https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references

Sustainable Packaging:
https://www.epa.gov/smm/sustainable-packaging
https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/containers-and-packaging-product-specific-data

Cleaning Products:
https://www.epa.gov/saferchoice

Tool to Measure and Track your Waste and Recycling:
http://www.epa.gov/smm/wastewise/measure-progress.htm

Water Conservation:
http://water.epa.gov/polwaste/nps/chap3.cfm

Checklist for Submittal

The following checklist has been provided to assist you in submission of your offer.

This list should not be considered complete, other information or documents may be necessary as part of your submission.

The items listed are the primary documents and information that must be completed and/or included with your proposal.

Please include any additional information or documents that will clarify your submittals.

This document has been issued in Word format to allow the responding firm the ability to provide requested information, answer questions and provide pricing within the actual document.

Description		Included √
1.	One signed and completed copy of the Proposal response – only sections marked **"Return this Section with your Response"** are required but you may include supplemental materials you believe necessary to clarify your submittal.	
a.	Signed and Completed Vendor's Offer Form	
2.	Due to the COVID Virus, please submit a single e-copy of the signed and completed proposal. The City's e-mail is capable of accepting up to a 10MB attachment. Please try and keep the proposal under this size limit. However, if you need to exceed 10MB, please break the proposal up into two sections and e-mail in two separate messages clearly indicating the solicitation number on the subject line and denoting Part 1 and Part 2 response. We will be unable to accept any hard copies of the proposal so please e-mail the response as noted above.	
3.	Proposal Questionnaire	
4.	Pricing Section	
5.	All items included within structure of proposal (page 27) are included	
6.	If company has 14 or less employees include a signed and completed Affidavit of Compliance with Tempe City Code Chapter 2 Article VII Section 2-603(5) (form attached)	
7.	If company has 15 or more employees include a copy of its anti-discrimination policy	
8.	Signed Addenda (if applicable)	
9.	Supplier Sustainability Questionnaire	

Alert – If you received this solicitation via a third-party plan-holder company and did not directly download it from the City of Tempe's Procurement home page you might not have received any addendums that were published during the bidding period. To ensure you are notified of addendums it is critical that you download this solicitation from the City's web site per the below link:
https://ww2.tempe.gov/bids/

Addendum to Solicitation

City Procurement Office/City of Tempe • PO Box 5002 • 20 East 6th Street • Tempe, AZ 85280 • (480) 350-8324 • www.tempe.gov/procurement

	Issue Date:	07/13/2021
This addendum will modify and/or clarify:	Solicitation No.:	22-002
and is	Addendum No.:	1
	Procurement Description:	Plan Review and Building Inspection Services

Changes to the solicitation are as follows:

1. The RFP Due Date and Time is hereby changed to ***Thursday, July 29, 2021, 3:00 P.M. Local Arizona Time*.**

2. Add the following paragraph to the Special Terms and Conditions beginning on page 16 of the Request for Proposal.

   20. **Contract Submittal:** Offeror is to furnish a copy of its proposed Contract with its proposal response. Contractual considerations are an important evaluation factor and will be considered in making an award decision. Any proposed Contract should be tailored to the specific requirements of the City's Request for Proposal and overall conformity with the City's Request for Proposal requirements. The failure of an Offeror to reach an acceptable Contract to the satisfaction of the City will result in proposal rejection.

The following questions were received and answers given in response to this RFP:

1. It is stated that an offer to contract with the City will be based on the terms and conditions contained in the Request for Proposal. However, the terms and conditions listed on pages 8-20 appear to be for a contractor and not a provider of professional services. Can you please advise if these are in fact the terms and conditions the City intends to utilize for this scope of work?

   Answer: *Please feel free to submit a copy of your firm's proposal or alternate terms and conditions with its proposal response for the City to consider during the evaluation. Additionally, the Contract Submittal paragraph is added to the RFP's Special Terms and Conditions. Please refer to Change #2 above.*

2. Typically, Inspection Services are priced as Residential or Commercial only and not by Job Description. May we simply complete the form stating "N/A" for each item and add the services we are providing at the end of the section, i.e., residential and commercial inspections?

   Answer: *The City currently operates with an hourly rate of inspections that covers all types. We have an established operation whereby the third party inspectors are combination type and are assigned work as needed. The proposed change and pay structure is not acceptable.*

3. Would you be able to inform us, on average, the amount of plans weekly or monthly that the City anticipates the 3rd party provider will have? If that information is not available, can you inform us the number of plans the City does itself.

   Answer: *The amount of third party plan review services for the past 2 years is as follows:*

   2019 – 36 reviews total (average 3 each month)
   2020 – 7 reviews total (average 1 every other month)

4. What type of plan reviews are the bulk of services? Residential or Commercial? And what type (high risers, accessory dwelling units, photovoltaic reviews, etc.?)

   Answer: *A majority of the plan reviews are commercial projects and are an even split between high rise and single story. Additional details regarding the types of the reviews are not readily available in a timely manner.*

There are no other changes at this time.

Please ensure that you sign and submit this addendum by the revised RFP due date and time identified above.

The balance of the specifications and solicitation instructions to remain the same. Offerors are to acknowledge receipt and acceptance of this addendum by returning of signed addendum with the proposal response. Failure to sign and return an addendum prior to proposal due date and time may make the /proposal response non-responsive to that portion of the solicitation as materially affected by the respective addendum.

_____	_____
Name of Company	By – Name and Title (Please Print)
_____	_____
Email Address	Telephone
_____	_____
City State Zip	Authorized Signature

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Emily Markel, Purchasing Manager

Co-Submitter: Ivey Coss

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: Cooperative Contract for On-Call City Wide Public Relations/Involvement Services with Beta Public Relations, LLC in an amount not to exceed $300,000.00 per contract year for public outreach services.

STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract with Beta Public Relations, LLC for City-Wide On-Call Public Relations/Involvement Services in an amount not to exceed $300,000.00 per contract year and a contract duration of four years; and
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Staff recommends the approval and award of the Cooperative Purchase Contract (Contract) with Beta Public Relations, LLC (Beta PR) in an amount not to exceed $300,000.00 per contract year, which will authorize public outreach services for various City projects. Beta PR's contract was procured through the use of a cooperative purchase contract under City of Prescott's on-call contract with Beta PR. Beta PR's public outreach services will help to inform residents adjacent to projects and the surrounding neighborhoods on construction activities, road closures, and schedules during the construction of projects, as they have successfully done on many City projects since 2019. Beta PR's experience with many City of Flagstaff projects makes it a specialized provider of expertise in all City of Flagstaff project outreach needs. Some examples of the work performed includes producing materials in multiple languages, monitoring social media, facilitating community meetings, notifying residents through mailers, door hangers, and eNewsletters, establishing and maintaining project websites, and creating and monitoring project hotlines. This is a key service the City's project managers utilize in an on-call form to keep projects moving forward with successful outreach to those affected by nuances of projects.

Financial Impact:

Project Name: On-Call City Wide -- Public Relations/Involvement Services with Beta Public Relations, LLC
Cost: annual cost will be dependent on need and usage
Account Number Budgeted: various, depending on which Divisions utilize services
FY Budgeted Amount: $300,000 across all City Divisions
Funding Source: Any and all City Divisions on an as needed basis.

Policy Impact:

No impact.

Previous Council Decision or Community Discussion:

None.

Options and Alternatives to Recommended Action:
1. Approve the award as recommended; or
2. Reject approval of the award as recommended.

Background and History:
Purchasing staff reviewed the cooperative purchase contract and amendment between Beta PR and the City of Prescott to confirm the validity of the terms and conditions. This cooperative purchase contract conforms with City procurement rules. The City of Prescott conducted a competitive and open procurement process through Request for Proposal 2024-003 that resulted in an On-Call Professional Services Agreement Contract No 2024-003 with Contractor. Purchasing staff worked with contractor to develop the attached Contract.

For past projects, Beta PR presented the following services:
Inform, Involve, Empower:
-In November 2014, voters approved a dedicated sales tax increase to fund road repairs and street safety improvements throughout the City of Flagstaff.
-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 at: www.flagstaff.az.gov/roadsafety.
-Updates to the Road Repair and Street Safety Program, which include the proposed Project, have been presented by the Capital Improvements Engineer at multiple Transportation Commission Meetings, Council Meetings, and Budget Meetings.
-In October 2020, Beta PR, on behalf of the City, sent an Upcoming Project Notice that included information on how to view a virtual project presentation located on the Project Website at www.coconinoestates.com, a project hotline number, and how to sign up to receive regular project updates by email.
-Beta PR established and will maintain the project hotline for interested parties to use as a resource for Project information, answers Project specific questions, and for contacting the Project Team throughout the duration of the Project.
-Beta PR gathered contact information to create a database to electronically distribute eNews articles to interested parties with Project updates and information throughout the duration of the Project.
-Weekly updates consisting of schedule, sequence, and impacts will be provided through construction to residences that sign up to receive them.
-Staff met with several individual property owners during design and will continue to do so throughout construction.
-Construction Notices will be sent to the residents adjacent to and in the area surrounding the Project prior to the start of construction.
-The Project Website will be updated to keep the public informed during construction.

Connection to PBB Priorities and Objectives:
N/A

Connection to Regional Plan:
N/A

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments: Contract

COOPERATIVE PURCHASE CONTRACT
Contract No. 2025-211

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 **Beta Public Relations LLC**, an Arizona limited liability company ("Contractor").

RECITALS:

A. Contractor is a fully authorized vendor of **Professional Public Relations Services;**

B. The **City of Prescott** conducted a competitive and open procurement process through Request for Proposal **2024-003** that resulted in an On-Call Professional Services Agreement Contract No **2024-003** with Contractor ("Agency Contract");

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 and or Services Purchased: Contractor shall provide to the City the materials and/or services set forth in any assigned Task Orders in accordance with the terms and conditions of the Agency Contract and this Contract. A general description of materials and/or services being purchased is:

City Wide – Public Relations/Involvement Services

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in any assigned Task Order.

3. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents attached as *Exhibit A*, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract, including, specifically changes in price for materials and/or services. If any term or condition of the Agency Contract conflicts with a term or condition of this Contract, term or condition of this Contract will control.

4. Payment:

   4.1 Payment to Contractor for the materials and/or services shall not to exceed **three hundred thousand dollars and zero cents ($300,000.00) per fiscal year (July 1-June 30)**; made in accordance with the terms set forth in the Agency Contract.

   4.2 Each Task Order will have a maximum amount per project that will be based on the negotiated rates and actual cost reimbursement schedule as defined by each Task Order that has been fully executed.

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 and Renewal: This Cooperative Purchase Contract shall commence upon execution by the Parties and shall continue until June 30, 2029.

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

To the City:
City Contact Identified in Task Order

To Contractor:
Connor Cassens
Beta Public Relations
495 South River Run Road, STE 104
Flagstaff, Az 86001
ccassens@betapublicrelations.com

With a copy to:
Emily Markel
Purchasing Manager
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
EMarkel@flagstaffaz.gov

(Remainder of Page Intentionally Blank)

9. 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.

BETA PUBLIC RELATIONS, LLC:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

Notice to Proceed issued:_____, 20___

Last Updated January 6, 2025

EXHIBIT A
SCOPE OF WORK
AGENCY CONTRACT

(attached)

CITY OF PRESCOTT
Everybody's Hometown

Professional Services Agreement
On-Call Professional Services Agreement
Contract No. 2024-003

WHEREAS the City of Prescott (hereinafter referred to as "City") is in need of certain professional services; and

WHEREAS the City completed the procurement process for professional services in accordance with the City's Procurement Code and Arizona law; and

WHEREAS Beta Public Relations, LLC. (hereinafter referred to as "Professional"), has expertise in providing Public Relation services and is willing and able to provide professional services to the City.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS HEREIN CONTAINED, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

I. PROJECT STANDARDS: The City has adopted standards which apply to all design and engineering for construction-related projects contracts that are entered into by the City. These standards assist in the orderly development of property to protect the public's health, safety, and welfare, in addition to improving the long-term value of the City's infrastructure assets. The following standards shall govern all public and private improvements related to the Project, including the professional services provided pursuant to this Agreement: Prescott City Code, City of Prescott General Engineering Standards, City of Prescott and Quad City Standard Details, Maricopa Association of Governments Uniform Standard Specifications and Details for Public Works Construction ("MAG"), City of Prescott Supplement to MAG, and other supporting documents and publications as noted within each standard (hereinafter collectively referred to as "Standards").

II. SCOPE OF SERVICES: Professional shall provide the "Services" set forth on any assigned Task Orders in accordance with the terms and conditions of the signed Agreement. Services provided by the Professional shall include any and all services reasonably contemplated, normally included, and necessary to complete the Scope of Services in a professional manner with due diligence and in a timely manner. The Professional shall perform the Services required by, and as outlined in the scope provided per fully executed task order to the satisfaction of the City Public Works Director / Deputy Director (hereinafter referred to as "Director"), exercising the same degree of care, skill, diligence and judgment that a professional experienced in the performance of such Services for design, construction, and/or facilities of a similar scope, function, size, quality, complexity and detail to other municipal projects within the State of Arizona, would ordinarily possess and exercise at such time, under similar conditions.

A. The Professional is responsible to the extent necessary to perform the Services and at no additional charge to the City, to be fully familiarized with the special, unique qualities and requirements of the Services, the Project, the Project site, and the City. However, the Professional may be required to undertake or perform a geotechnical investigation,

materials sampling or testing, construction cost estimating, or other special investigation of existing conditions if the same is included in the Scope of Services.

B. The Professional shall, at all times, perform the required services per assigned Task Order consistent with the Standards and generally accepted engineering principles, design practices and any other requirements per the scope given prior to work being assigned via a fully executed Task Order. In addition, the Professional shall:

1. Prepare the detailed Scope of Services for the Project as more specifically described in each task order assigned.
2. If requested by the City, attend Project meetings, Project workshops, construction document reviews, public meetings and partnering sessions. The Professional's attendance at design or other meetings in which the Professional is provided the opportunity to but does not actively participate and/or is not properly prepared, is not acceptable. Repeated instances of non-participation and/or lack of preparedness shall be grounds for termination of this Agreement for default. The Professional, when requested by the City, shall attend, make presentations, and participate as may be appropriate in public agency and or community meetings relevant to the Project. The Professional shall provide drawings, schedule diagrams, budget charts and other materials describing the Project, when their use is required or appropriate in any such public agency meetings.
3. Schedule and conduct a field review of the proposed improvements, as necessary, with the City Engineer, or their designee.
4. If requested by the City, prepare, and submit a detailed estimate of probable cost for the Project through completion in such detail and format as required by the City.
5. If requested by the City, provide post-design services and/or contract administration during construction of the Project. Services may include inspections, meeting attendance, response to requests for information, review of submittals, generation of punch lists, and clarification of drawings, designs, and/or specifications as may be necessary to complete the Project, and/or as may be reasonably requested by the City. All post-design Services provided by the Professional shall comply with and be consistent with the Standards.
6. If requested by the City, provide the City with "Record" Drawings (i.e., As-Built Drawings) within ninety (90) calendar days of the completion of the Project, unless otherwise approved by the Director, in such detail and format as required by the City.
7. Perform all subordinate tasks not specifically referenced but necessary to the full and effective performance of the tasks specifically referenced.
8. Promptly provide, at no additional cost to the City, any and all corrections, modifications, additional documents, or other items that may be necessary to correct any errors and/or omissions in the documents, designs, specifications, and/or drawings, provided by the Professional.

III. COORDINATION OF SERVICES: The Professional shall be responsible for coordinating the Services, and all designs, drawings, and/or specifications developed in relation thereto, with the City Public Works Department and other departments within the City, other design professionals, and other contractors involved in the Project, as well as the other designs, drawings, and/or specifications for the Project. The Professional shall also cooperate with the City in communicating with, obtaining necessary approvals or permits from, and responding

to, any applicable government entity, regulatory agency, or private utility company, including participation in any hearings or meetings.

IV. KEY PERSONNEL: The Professional shall provide sufficient qualified personnel to perform the Services, including but not limited to inspections and preparation of reports, as reasonably requested by the City. The Professional shall utilize the key personnel listed in the Professional's statement of qualifications to the City. The Professional shall not change key personnel or substitute key personnel without the prior written approval of the Director. Any substituted personnel shall have the same or higher qualifications as the personnel being replaced.

V. SUBCONTRACTORS: During performance of this Agreement, the Professional may engage such additional subcontractors or sub-consultants (hereinafter collectively referred to as "Subcontractors") as may be required for the timely completion of the Services. The addition of any Subcontractors shall be subject to prior written approval by the City. In the event of sub-contracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with the Professional.

VI. CONTRACT DOCUMENTS: The Request for Statement of Qualifications, per Task Order assigned including but not limited to the Professional's Proposal, Detailed Scope of Work, Task and Fee Estimate, and Project Schedule as accepted by the Mayor and Council per the Council Minutes of April 25, 2023, Certificates of Insurance and required Endorsements, Additional Exhibits, Contract Modifications including but not limited to Task Orders, Allowance Authorizations, Task Reallocations, and Contract Amendments, are by this reference made a part of this Agreement to the same extent as if set forth herein in full.

For On-Call Professional Service Contracts, the Professional shall provide a project-specific Scope of Work, Task and Fee Estimate, Project Schedule, availability of staff and an updated Certificate of Insurance with Endorsements per Section XVII, for each Task Order issued, and these documents are also incorporated by reference into this Agreement.

VII. TIME OF COMPLETION; TERM: The Project/Task Order assigned involves the health, safety, and welfare of the general public; therefore, delivery time is of the essence. All Services shall be completed to the satisfaction of the City and shall be performed in compliance with the Professional's approved project schedule identified in each Task Order. Any request by the Professional for an extension in time shall be in writing and include a revised project schedule, which will be considered for approval by the City. Neither Party shall be bound by any change in project schedule unless mutually agreed upon in writing and mutually signed by the authorized representatives of the Parties.

A. The Term of the On-Call Professional Services contract shall be for the term of one (1) year, with the consideration of four (4) one-year extensions based on successful completion of work and mutual agreement.

B. The Professional shall promptly respond (and in no event more than ten (10) calendar days after receiving a request for proposal for a Task Order) and to any requests for approvals, information, or clarification within sufficient time to allow the City to timely respond to contractors or other parties involved in the Project, as to not delay the Project.

C. Whenever one party to this contract in good faith has reason to question 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 an anticipatory repudiation of this Agreement.

D. The Professional has fifteen (15) calendar days from final approval of all Services or submittals to submit the Professional's final invoice to the City for payment.

VIII. CONTRACT AMOUNT: The maximum contract amount to be paid by the City to the Professional shall not exceed seventy-five thousand dollars and no cents ($75,000.00) per fiscal year (July 1 – June 30).

Each Task Order will have a maximum amount per project that will be based on the negotiated rates and actual cost reimbursement schedule as defined by each Task Order that has been fully executed.

A. PAYMENTS: The Professional shall be paid in installments based upon monthly progress reports and detailed invoices submitted by the Professional in such form as approved by the City, and subject to the following limitations:

1. Monthly progress reports shall include a summary of costs billed by labor category per the fully executed Task Order and shall be formatted to permit comparison of actual-to-proposed costs and a breakdown of costs incurred by each Subcontractor.

2. Prior to the approval of preliminary documents (i.e., 30% plans), the billed amount shall not exceed 40% of the total Contract Amount.

3. Prior to approval of the final design documents deliverable under the Services, the billed amount shall not exceed 90% of the total Contract Amount.

4. If the Services include the preparation of studies, design concepts, or other investigations, progress payments shall not exceed 90% of the total Contract Amount prior to submittal of the final report deliverables including final as-builts.

B. ADDITIONAL SERVICES: Additional services as approved, shall be paid for based on the actual completed services. Payment for additional services shall be made only if such additional services are expressly approved, in writing, by the City prior to the additional services being performed. The City shall issue a written Task Order Amendment for any approved additional services and the City will not pay for any costs not expressly designated as reimbursable in this Agreement or the written approval for the additional services.

C. SUBCONTRACTORS: The Contract Amount includes payment for any and all Services to be rendered by the Professional or Subcontractors which the Professional may employ for each fully executed Task Order. It is expressly agreed by and between the parties that the Professional is solely responsible for any and all payment to such any other professionals or Subcontractors retained by the Professional.

D. REIMBURSEABLE EXPENSES: No reimbursable expenses or costs of any kind (such as travel expenses) shall be paid by the City unless expressly approved by the City in writing as part of the accepted rates and reimbursement schedule. Any approved reimbursable expenses will be paid at the actual cost without any markup applied by the Professional and will be paid only after they are incurred.

IX. PAYMENT: The Professional shall bill the City monthly for the fees and reimbursable costs due to the Professional. Subject to the limitations set forth in Section VIII(A) above, the City shall make payments within thirty (30) days of the City's approval of the Professional's invoice.

A. As a necessary precondition to any payment under this Agreement, the City may require the Professional to provide such certifications; lien waivers (in statutory form); and proofs of performance, costs, and/or percentage of completion, as may be reasonably

required by the City, to ensure that payment is then due and owing pursuant to the payment terms set forth in this Agreement.

B. If a dispute over payment arises, and during all claims resolution proceedings, including mediation and arbitration, the Professional shall continue to render the Services in a timely manner.

C. Payment by the City does not constitute acceptance by the City of the Services or the Professional's performance, nor does payment constitute a waiver of any rights or claims by the City.

D. Payment of the total amount provided for under each fully executed Task Order shall not relieve the Professional of its obligation to complete the performance of all Services requested by the fully executed Task Order.

E. Should the City request in writing Additional Services beyond those specified in the fully executed Task Order, then charges and payments will be made in accordance with Section XI.

F. The Professional shall be solely responsible for any and all tax obligations which may result out of the Professional's performance of this Agreement or fully executed Task Orders. The City shall have no obligation to pay any amounts for taxes, of any type, incurred by the Professional.

G. In the event of Agreement termination, the City shall pay to the Professional only such compensation, including reimbursable expenses, due for Services properly performed on the Project prior to the termination date, minus any offsets due the City for any reason. Upon any termination, no payments shall be due from the City to the Professional unless the Professional has delivered to the City full sized and usable copies (including any and all CAD, BIM, and/or computer files) of all documents, designs, drawings, and specifications generated by the Professional in relation to the Project.

X. NON-AVAILABILITY OF FUNDS: Fulfillment of the payment obligation of the City under this Agreement is conditioned upon the availability of funds appropriated or allocated for the performance of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which the funds are available. No liability 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 as a result of termination under this section.

XI. CHANGES IN WORK: The City may order extra work, or make changes by altering, or deleting any portion of the work as specified herein, as deemed necessary or desirable by the Director. All such work changes shall be executed under the conditions of the original Agreement except that any request by the Professional for extension of time and additional cost caused thereby shall be made at the time of ordering such change or extra work.

A. Extra work shall be that work not indicated or detailed on the Professional's Scope of Work and/or not specified herein the fully executed Task Order. Such work shall be governed by all applicable provisions of the Contract Documents.

B. In giving instructions, the Director shall have authority to make minor changes in the work, not involving extra cost, and not inconsistent with the purposes of the work. No extra work or change shall be made unless in pursuance of a written order by the Director and no claim for an addition to the total Contract Amount shall be valid unless so ordered by the Director.

C. Payment for any change ordered by the Director which involves work essential to complete the Agreement / Task Order, but for which no basis of payment is provided for herein, shall be subject to agreement prior to said work being performed.

D. Adjustments to the Contract Amount and/or Contract Term which are agreed upon shall be incorporated in the written change order issued by the Director, which shall indicate acceptance on the part of the Professional as evidenced by its signature. In the event prices cannot be agreed upon, the City reserves the right to terminate the Agreement as it applies to the items in question and make such arrangements as it may deem necessary to complete the work, or it may direct the Professional to proceed with the items in question to be reimbursed pursuant to the unit prices in the Professional's fee proposal.

E. If the Professional claims that any instructions involve extra cost, it shall give the Director written notice thereof within forty-eight (48) hours after the receipt of such instructions, and in any event before proceeding to execute the work. No such claim shall be valid unless so made. The Professional shall do such extra work upon receipt of an accepted Contract Amendment or other written order of the Director. In the absence of such Contract Amendment or other written order of the Director, the Professional shall not be entitled to payment for such extra work. In no case shall work be undertaken without written notice from the Director to proceed with the work. All Contract Amendments shall be approved by the Director, but Contract Amendments over $50,000 to the approved amount per fiscal year must also be approved by City Council.

XII. INFORMATION PROVIDED BY THE CITY: The City shall provide to the Professional information regarding requirements for the Project including relevant budget information, overall Project schedules, identities of other Project participants, and related designs, drawings, and specifications. The Professional shall be entitled to rely on such information furnished by the City, provided that the Professional shall promptly notify the City, in writing, of any information that the Professional believes is missing, unclear or insufficient for the successful completion of the Project and the Services.

XIII. INTELLECTUAL PROPERTY: All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how, and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "Intellectual Property Rights") in and to all documents, work product and other materials that are delivered to City under this Agreement or prepared by or on behalf of Professional in the course of performing the Services (collectively, the "Deliverables") shall be owned exclusively by City. Professional agrees and will cause its personnel to agree, that with respect to any Deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. §101, such Deliverables are hereby deemed a "work made for hire" for City. To the extent that any of the Deliverables do not constitute a "work made for hire," Professional hereby irrevocably assigns and shall cause its personnel to irrevocably assign to City all Intellectual Property Rights worldwide in the Deliverables. The Professional shall cause its personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Deliverables.

A. All Intellectual Property Rights in all documents, data, know-how, methodologies, software, and other materials provided by or used by Professional in performing the Services and developed or acquired by the Professional prior to or independently of this Agreement (collectively, "Pre-Existing Materials") shall be owned exclusively by

Professional and its licensors. Professional hereby grants City an irrevocable, perpetual, fully paid-up, royalty-free, worldwide, non-exclusive license to use, display, reproduce, distribute, transmit, modify (including to create derivative works), import, make, have made, sell, offer to sell and otherwise exploit any Pre-Existing Materials to the extent incorporated in or otherwise necessary for the use of the Deliverables. All other rights in and to the Pre-Existing Materials are expressly reserved by Professional. The Professional understands that the Intellectual Property and Pre-Existing Materials may be used by the City for the purposes of construction and completing the Project, including for the use, sales, marketing, repair, maintenance, modification, expansion, remodeling and/or further development of the Project or any portion thereof, or for construction of the same type of project at other locations, by the City and others retained by the City for such purposes. The Professional may re-use any standard specifications and details included in the Intellectual Property that were not developed by the Professional specifically for the Project.

B. This license shall extend to those parties retained by the City for Project purposes, including other professionals.

C. The license granted hereunder shall include all things included in the definition of "Architectural Works" as used in the U.S. Architectural Works Copyright Protection Act, as amended from time to time. The Professional shall obtain, in writing, similar non-exclusive licenses from its design professionals, and Subcontractors. The license granted hereunder shall survive any termination of the Agreement and the completion of the Project.

D. Upon completion of the Project and/or termination of the Agreement for any reason, the Professional shall deliver to the City full sized and usable copies (including any and all CAD, BIM, and/or computer files) of all data documents, designs, drawings and specifications generated by the Professional, including those generated by any suppliers, or Subcontractors.

E. The City shall retain all rights and ownership of all documents, designs, drawings, maps, studies, specifications, other information and/or styles, including copies thereof, provided to the Professional by the City in relation to this Agreement and the Project. The Professional shall not utilize any such material in relation to any other work or project and such materials are to be returned to the City on request or at the completion of the Services.

XIV. INDEPENDENT CONTRACTOR: Professional is an independent contractor of the City, and, as such, the Professional is not a City employee, and is not entitled to payment or compensation from the City, or to any fringe benefits to which City employees are entitled. As an independent contractor, the Professional further acknowledges that it is solely responsible for payment of any and all income taxes, FICA, withholding, unemployment insurance, or other taxes due and owing any governmental entity whatsoever as a result of this Agreement. As an independent contractor, the Professional further agrees that it will conduct itself in a manner consistent with such status, and that it will neither hold itself out nor claim to be an officer or employee of the City, and that it will not make any claim, demand or application to or for any right or privilege applicable to any officer or employee of the City, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment, or fiduciary relationship between the Professional and the City.

XV. COMPLIANCE WITH FEDERAL AND STATE LAWS: All Services performed by Professional shall be performed in compliance with all applicable federal, state, county, or city laws, rules, regulations, and ordinances, including, without limitations, those set forth on the attached Unique Compliance with Specific Government Provisions, if applicable. Professional, at Professional's expense, shall be responsible for obtaining all necessary licenses, permits and governmental authorizations required to perform the Services. Professional understands and acknowledges the applicability to it of the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

A. NONDISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY: The Professional and any Subcontractors are required to comply with all applicable provisions of Title VII of the Civil Rights Act, Sections 501 and 505 of the Rehabilitation Act, Section 109 of the Housing and Community Development Act, the Age Discrimination Act, the Americans With Disabilities Act, the Equal Pay Act, the Genetic Information Non-Discrimination Act, the Vietnam Era Veterans Readjustment Act, and all applicable federal regulations or executive orders related to these laws. Additionally, the Professional and any Subcontractors are required to comply with Arizona law on nondiscrimination and equal employment opportunity, including the Arizona Civil Rights Act and Arizona Governor Executive Orders 99-4, 2000-4 and 2009-09, as amended. The Professional agrees not to discriminate on the grounds of age, race, color, national origin, religion, sex, disability, pregnancy, veteran, familial status, or any other protected status in the selection and retention of employees and subcontractors, including procurement of materials and leases of equipment.

B. EMPLOYEES ON PUBLIC WORKS CONSTRUCTION PROJECTS; E-VERIFY REQUIREMENT:

1. The Professional shall comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, "Residence Requirements for Employees", as amended.

2. Under the provisions of A.R.S. § 41-4401, the Professional hereby warrants to the City that the Professional and each of its Subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter referred to as "Professional Immigration Warranty"). The Professional further understands and acknowledges that:

   a. A breach of the Professional Immigration Warranty shall constitute a material breach of this Agreement and shall subject the Professional to penalties up to and including termination of this Agreement at the sole discretion of the City.

   b. The City retains the legal right to inspect the papers of any Professional or Subcontractors' employee to ensure that the Professional or Subcontractor is complying with the Professional Immigration Warranty. Professional agrees to assist the City in regard to any such inspections.

   c. The City may, at its sole discretion, conduct random verification of the employment records of the Professional and any of Subcontractors to ensure compliance with the Professional Immigration Warranty. Professional agrees to assist the City in regard to any random verification performed.

   d. Neither the Professional nor any Subcontractor shall be deemed to have materially breached the Professional Immigration Warranty if the Professional or Subcontractor establishes that it has complied with 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).

e. The provisions of this Article shall be included in any contract the Professional enters into with any and all of its Subcontractors who provide Services under this Agreement. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a professional or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement of real property.

C. ISRAEL: Professional certifies that it is not currently engaged in and agrees for the duration of this Agreement that it will not engage in a "boycott", as that term is defined in A.R.S. § 35-393, of Israel.

D. FORCE LABOR OF ETHNIC UYGHURS CERTIFICATION: Pursuant to A.R.S. § 35-394, Firm certifies that the firm does not currently, and agrees for the duration of the contract that it will not, use:

1. The forced labor of ethnic Uyghurs in the People' s Republic of China
2. Any goods or services produced by the forced labor of ethnic Uyghurs in the People' s Republic of China; and
3. Any firms, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People' s Republic of China.

If the Firm becomes aware during the term of the Contract that the company is not in compliance with the written certification, the Firm shall notify the City of Prescott within five business days after becoming aware of the noncompliance. If the Firm does not provide City of Prescott with a written certification that the Company has remedied the noncompliance within 180 days after notifying the City of Prescott of the noncompliance, this Contract terminates, except that if the Contract termination date occurs before the end of the remedy period, the Contract terminates on the Contract termination date.

E. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS:

1. The Contractor will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.
2. Affirmative steps shall include:
   a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
   b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
   c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises.
   d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises.
   e. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

XVI. NOTIFICATIONS: Notice shall be deemed effective five (5) business days after deposit for delivery or at time of receipt, whichever is earlier. Any notices to be given by either party to the other shall be in writing, and personally delivered or mailed by prepaid postage, at the following addresses:

CITY: City of Prescott
Public Works Director
433 N. Virginia Street
Prescott, Arizona 86301

PROFESSIONAL: Beta Public Relations, LLC
495 S River Run Rd, Suite 104
Flagstaff, Arizona 86001
bsnyder@betapublicrelations.com

XVII. INSURANCE: The Professional shall provide and maintain insurance coverage at its sole cost and expense as set forth in the attached professional services insurance requirements.

XVIII. GENERAL PROVISIONS

A. INTEGRATION AND AMENDMENT: This Agreement represents the entire and integrated Agreement between the City and the Professional regarding the subject matter hereof and supersedes all prior negotiations, representations, or agreements, either written or oral. Any prior understandings, commitments, or representations, expressed or implied, written or verbal, between the Parties shall not be construed to alter or waive any part of this Agreement. This Agreement may be amended only by written instrument signed by both the City and the Professional. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision herein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary. In the event a conflict exists between this Agreement and any other Contract Documents or Exhibits, the order of precedence, listed in descending order shall be as follows: 1) change orders or amendments, 2) this Agreement, and 3) any Exhibits.

B. INTERPRETATION: Although it has been drafted by the Prescott City Attorney's Office, this Agreement is the result of negotiations by and between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

C. NO THIRD-PARTY BENEFICIARIES: Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and Professional.

D. SEVERABILITY: In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. However, performance under this Agreement or applicable Scope of Work is not divisible for the purposes of enforcement under the remainder of the Agreement with respect to the subject matter of the Agreement or applicable Scope of Work.

E. FORCE MAJEURE: Failure by either party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, epidemic, pandemic, computer virus, power outage, riots, fire, explosion, legislation, and governmental regulation. The party whose performance is so affected will within five (5) calendar days of the unforeseeable circumstance notify the other party of all pertinent facts and identify the force majeure

event. The party whose performance is so affected must also take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so, or to minimize or eliminate the effect thereof. The delivery or performance date will be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay, provided however, under no circumstances will delays caused by a force majeure extend beyond one hundred-twenty (120) calendar days from the scheduled delivery or completion date of a task unless agreed upon by the parties.

F. WAIVER: No oral order, objection, claim or notice by any party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver or modification shall be introduced in any proceeding. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party

G. COOPERATIVE USE: This contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of the contracted vendor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency.

H. ASSIGNMENT: The Professional shall not assign or subcontract this Agreement nor any performance hereunder, in whole or in part, nor delegate any monies which shall become due to Professional under this Agreement, without the prior written consent of the City. Any assignment or delegation by Professional without City's prior written consent shall be void and not merely voidable.

XIX. TERMINATION: This Agreement may be terminated by either party upon ten (10) days written notice, with or without cause, or upon completion of services. If this Agreement is terminated, the Professional shall be paid for authorized services satisfactorily performed to the date of the Professional's receipt of such termination notice.

A. Pursuant to A.R.S. § 38-511, the City may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the foregoing event, the City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the City from any other party to the Agreement arising as a result of this Agreement.

B. Either party may terminate this Agreement, effective upon written notice to the other party (the "Defaulting Party"), if the Defaulting Party (a) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within 30 days after receipt of written notice of such breach; (b) becomes insolvent; (c) admits its inability to pay its debts generally as they become due; (d) becomes subject to any bankruptcy proceeding which is not dismissed or vacated within 30 days after filing; (e) is dissolved

or liquidated; (f) makes a general assignment for the benefit of creditors; or (g) has a receiver, trustee, custodian, or similar agent appointed by court order to take charge of or sell any material portion of its property or business. In case of default by the Professional, the City may, by written notice, cancel this Agreement and repurchase from another source and may recover the excess costs by deduction from an unpaid balance due to Professional, or may use any other remedies as provided by law.

C. Upon receipt of a written notice of termination, the Professional shall stop all work as directed in the notice, notify all Subcontractors of the effective date of the termination, and minimize all further costs to the City. The Professional shall also promptly deliver to City all preliminary materials, draft work products, or deliverables which have been completed as of the termination date or are in progress as of the termination date.

D. All representations and warranties of Professional made herein shall survive the termination of this Agreement.

XX. DISPUTE RESOLUTION: The parties agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury and agrees to submit to a trial before the Court. The parties agree that venue shall be in Yavapai County Superior Court or the federal court for the District of Arizona, if jurisdiction is proper there. This Agreement shall be construed under the laws of the State of Arizona, without reference to its choice of law provisions. The Professional further agrees that this provision shall be contained in all subcontracts related to the Project which is the subject of this Agreement.

XXI. RECOVERY OF ATTORNEY FEES: The parties agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney fees, either pursuant to the Agreement, pursuant to A.R.S. § 12-341.01(A) and (B), or pursuant to any other state or federal statute, court rule, case law or common law. The Professional further agrees that this provision shall be contained in all subcontracts related to the Project which is the subject of this Agreement.

XXII. INDEMNIFICATION: Subject to the limitations of A.R.S. § 34-226, the Professional hereby agrees to indemnify, defend, and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, damages, losses, costs, fines, judgements, expenses or lawsuits, including reasonable attorneys' fees and court costs, arising out of or resulting from the Professional's negligent, reckless, or intentional acts, errors, or omissions, pursuant to this Agreement. The Professional further releases and discharges the City, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the City, from any and all claims which the Professional has or may have against the City, its agents or employees, arising out of or in any way connected with the Professional's activities under this Agreement, other than those acts which occur due to the negligence of the City or its employees.

XXIII. REPRESENTATIONS AND WARRANTIES: Professional represents and warrants to City that: (a) it shall perform the Services in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and in compliance with all applicable laws, and shall devote adequate resources to meet its obligations under this Agreement; (b) the Services and Deliverables shall conform in all respects with the specifications and will be performed to City's satisfaction; and (c) the Services and Deliverables, and City's use thereof, do not and will not infringe any intellectual property right of any third party.

Dated this 25th day of May, 2023.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their duly authorized representatives and bind their respective entities as of the Contract Execution date above.

CITY OF PRESCOTT, a municipal corporation:

Philip R. Goode, Mayor

Beta Public Relations, LLC

(*Authorize Signature*)

By: Bryce Snyder
(Printed Name)

Title: Principal

Email: bsnyder@betapublicrelations.com

ATTEST:

Sarah M. Siep, City Clerk

APPROVED AS TO FORM:

Joseph D. Young, City Attorney

CITY OF PRESCOTT
Everybody's Hometown

Professional Services Insurance Requirements

The Professional shall obtain and maintain in effect during the term of, and until final acceptance of all work under this Agreement, a policy, or policies of liability insurance with the following coverage:

1. Commercial General Liability – Occurrence Form
   Policy shall include bodily injury, property damage, personal injury, broad form contractual liability, and XCU coverage.

General Aggregate	$ 2,000,000	
Products – Completed Operations Aggregate	$ 2,000,000	(if applicable)
Personal and Advertising Injury	$ 1,000,000	(if applicable)
Each Occurrence	$ 1,000,000	
Fire Legal Liability (Damage to Rented Premises)	$ 100,000	(if applicable)

   The policy shall be endorsed to include the following additional insured language:
   "The City of Prescott shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Professional."

2. Professional Liability (Errors and Omissions Liability)

Each Claim	$ 1,000,000
Annual Aggregate	$ 2,000,000

   In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Professional warrants that any retroactive date under the policy shall precede the effective date of this Contract and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years at the time work under this contract is completed.

   The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

3. Business Automobile Liability (if applicable) Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	$ 1,000,000

Prior to commencing work under this Agreement, the Professional shall provide City with evidence that it is either a "self-insured employer" or a "carrier insured employer" for Workers' Compensation as required by A.R.S. § 23-901 et seq., or that it employs no persons subject to the requirement for such coverage.

Additional Insurance Requirements: The policies shall include, or be endorsed to include the following provisions:

1. On insurance policies where the City of Prescott is named as an additional insured, the City of Prescott shall be an additional insured 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.

Additional Insured:
City of Prescott
201 N. Montezuma Street
Prescott AZ 86301

2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

All certificates required by this Contract shall be emailed directly to coi@prescott-az.gov **AND** fandboperations@prescott-az.gov. The City contract number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
Any Renewal of insurance certificates with endorsements will need to be emailed to the above emails at least two weeks prior to expiration.

City and Professional waive all rights against each other and their directors, officers, partners, commissioners, officials, agents, sub-contractors, and employees for damages covered by property insurance during and after completion of the Services.

All insurance required pursuant to this Agreement must be written by an insurance company authorized to do business in the State of Arizona, to be evidenced by a Certificate of Authority as defined in A.R.S. § 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

Notice of Cancellation: With the exception of a ten (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require a thirty (30) day written notice.

Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the City of Prescott Risk Management Division. All insurance is to be placed with an insurer admitted in the state in which operations are taking place.

Verification of Coverage: Professional shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Please note the contract number on the Certificate.

CITY OF PRESCOTT
Everybody's Hometown

Professional Services Agreement
Unique Compliance with Specific Government Provisions

If the City must comply with specific government provisions (e.g., Federal or State terms or provisions) that must be included in subcontracts.

CITY OF PRESCOTT
Everybody's Hometown

Federal Grant Provisions

The Contractor and its Subcontractor shall comply with the following grant provisions, if applicable.

Applicable Laws

Compliance 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 grant including but not limited to the following:

Federal Legislation

a. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
b. Hatch Act 5 U.S.C. 1501, et seq.
c. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42
d. U.S.C. 4601, et seq.
e. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
f. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.
g. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
h. Clean Air Act, P.L. 90-148, as amended.
i. Coastal Zone Management Act, P.L. 93-205, as amended.
j. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.
k. Title 49, U.S.C., Section 303, (formerly known as Section 4(f)).
l. Rehabilitation Act of 1973 - 29 U.S.C. 794.
m. Title VI of 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).
n. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq. 3-04-0015-045-2020
p. American Indian Religious Freedom Act, P.L. 95-341, as amended.
q. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.
r. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.
s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
t. Copeland Anti-kickback Act - 18 U.S.C. 874.1.
u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.
x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.
y. 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
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
f. Executive Order 12898 - Environmental Justice
g. Executive Order 13788 - Buy American and Hire American
h. Executive Order 13858 - Strengthening Buy-American Preferences for Infrastructure Projects

Federal Regulations

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement).
b. 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
c. 2 CFR Part 1200 – Non-procurement Suspension and Debarment.
d. 28 CFR Part 35 - Discrimination on the Basis of Disability in State and Local Government Services.
e. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
f. 29 CFR Part 1 - Procedures for predetermination of wage rates.
g. 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.
h. 3-04-0015-045-2020
i. 29 CFR Part 5 - Labor standards provision applicable to contracts covering Federally financed and assisted construction (also labor standards provision applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).
j. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally assisted contracting requirements).
k. 49 CFR Part 20 - New restrictions on lobbying.
l. 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.
m. 49 CFR Part 26 - Participation by Disadvantaged Business Enterprises in Department of Transportation Program .49 CFR Part 27 Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.
n. 49 CFR Part 28 - Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
o. 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.
p. 49 CFR Part 32 - Government-wide Requirements for Drug-Free Workplace (Financial Assistance).
q. 49 CFR Part 37 - Transportation Services for Individuals with Disabilities (ADA).
r. 49 CFR Part 41 - Seismic safety of Federal and Federally assisted or regulated new building construction.

Debarment and Suspension

Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR

180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Buy American

Unless otherwise approved in advance by the Federal Government (FAA, FEMA, or any other agency), 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 expense which funds are provided under this Grant.

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:
   i) 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 this Grant or subgrant.
   ii) Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
      (1) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
      (2) 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.

Foreign Market Restrictions

Funds provided under this Grant to be used to fund any activity that 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.

Non-Discrimination

The City, 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 for 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.

Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

a) The Contractor will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

b) Affirmative steps shall include:
   i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists
   ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
   iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises
   iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises
   v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

Equal Employment Opportunity

Compliance with Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

Clean Air Act

Compliance with the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Byrd Anti-Lobbying Amendment

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Conflicts of Interest

The City (grantee) and Contractor (subgrantees) will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in

selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer, or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Grantees and subgrantees may set minimum rules where the financial interest is not substantial, or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Copyrights

Reports, maps, or other documents produced in whole or in part are works for hire and shall not be the subject of any application for copyright by or on behalf of the Contractor or its Subcontractor. The Contractor shall advise the City or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

Rights to Inventions

Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

Responsible Contractors

The City will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Access and Retention of Records

Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

October 27, 2022

beta | Pr

Statement of Qualifications

for

FY24-29 Public Works On-Call Professional Services



495 S River Run Road, Ste 104
Flagstaff, Arizona 86001

(928) 440-5080
betapublicrelations.com

October 27, 2022

City of Prescott Public Works Department
433 North Virginia Street
Prescott, AZ 86301

Re: Request for Statement of Qualifications for FY24-29 Public Works On-Call Professional Services

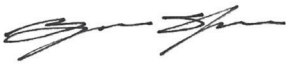
To the Public Works Staff,

Beta Public Relations (BetaPr) is pleased to submit a response to the City of Prescott's Request for Statement of Qualifications (RSOQ) for FY24-29 Public Works On-Call Professional Services. With over 10 years of business, BetaPr has extensive experience performing the professional services outlined in the public relations category identified in the RSOQ.

BetaPr has worked hand in hand with the City of Prescott Public Works Department (Public Works) on over 100 public relations campaigns. Whether a project is in the design or construction phase, BetaPr has a proven track record of success that we wish to continue building upon. Our understanding of Prescott, paired with our strong relationships with Public Works staff and the Prescott community allows us to provide a best-value solution for public relations.

BetaPr is confident that our team possesses the necessary skills and knowledge needed to provide the public relations services listed in the RSOQ. We invite you to review our firm's qualifications and we thank you for your consideration.

Sincerely,



Bryce Snyder
Principal and Public Relations Manager
bsnyder@betapublicrelations.com

Statement of Qualifications

Beta Public Relations, LLC (BetaPr) is excited to submit our Statement of Qualifications for the City of Prescott's (City) RSOQ for FY24-29 Public Works On-Call Professional Services (RSOQ) to assist the Public Works Department (Public Works) in performing the public relations tasks spelled out in the RSOQ. Operating out of Flagstaff, Arizona, BetaPr has a proven track record in assisting Public Works in achieving their public relations and involvement goals and looks forward to continuing our relationship through the FY24-29 Public Works On-Call. This track record can be demonstrated by over 100 successful projects performed with the City, including 16 utilizing the FY19-23 Public Works On-Call. We are confident BetaPr represents a best value solution for the City as Public Works looks to effectively connect, involve and engage with the communities they serve.

Our team remains on the forefront of the public relations field. We analyze trends and management details, operating our team in the most successful, efficient and cost-effective manner possible. We offer a diverse set of services to our clients, allowing us to produce high-quality, release-ready materials on time, on budget and with a high degree of accountability. Most importantly, we understand Prescott and how to communicate with its community. We recognize that each project, as well as each area of the City, requires targeted public outreach tactics and strategies, and we have developed a thorough knowledge of the strategies that work best for Prescott.

As part of this knowledge, BetaPr would like to highlight the following values that set us apart from the rest:

Strong Relationships with City Staff

Working relationships are the foundation of BetaPr's success and drive our business. We have worked hard to cultivate strong connections with Public Works staff who trust us to deliver on any task assigned to us.

Excellent Project Management

Project management requires communication with various Public Works staff, sub-consultants, general contractors, stakeholders and the public. Principal, Bryce Snyder, and Vice President/Senior Project Manager, Conner Cassens, will work in tandem to manage all resources with a focus on consistent communication, transparency and timely coordination with involved and interested parties.

Diverse Service Offerings

BetaPr offers our clients a diverse suite of public relations services, including but not limited to: brochures, media coordination, public outreach, social media applications, event hosting, mailings, graphic design, website design, dedicated project hotlines and project emails, just to name a few. BetaPr has performed public relations services for projects in various regions and stages, and we leverage this experience to provide our clients the best opportunity for success on their communication initiatives.

We firmly believe that we offer the best value solutions for the City to fulfill their public relations goals, and that these values ensure that each and every project we take on is a resounding success.

Firm and Key Personnel

With over 100 successful City projects completed to date, BetaPr are experts in providing public relations services for the City and its community. To fulfill the services outlined in the RSOQ, BetaPr has assembled a team of professionals in the various disciplines needed to support these services. The personnel selected are located in our office in Flagstaff, Arizona and are readily available to provide any public relations services required. A complete list of resumes can be found following this Statement of Qualifications (SOQ).

Bryce Snyder | **Principal and Public Relations Manager** | 19 years of experience

Mr. Snyder serves as our Firm Principal and Public Relations Manager. He will oversee completion of all task assignments and is responsible for all deliverables.

Conner Cassens | **Vice President and Senior Project Manager** | 10 years of experience

As Vice President and Sr. Project Manager for the BetaPr team, Mr. Cassens works in tandem with Mr. Snyder to oversee the completion of all task assignments and deliverables. Additionally, he is in charge of creating scopes of work and cost quotes, and delegating tasks to staff and managing subconsultants.

Savannah Searles | **Accounts Receivable Administrator** | 10 years of experience

Acting as Accounts Receivable Administrator, Ms. Searles handles the firm's billing, finances and payroll.

Katie Gould | **Graphic Designer** | 4 years of experience

Ms. Gould is our Graphic Designer and creative extraordinaire. She works on all the graphic needs a project could require, from creating notification fliers, to eNewsletters, websites, public meeting materials and more.

Makena Rettke | **Community Relations Specialist** | 2 years of experience

Serving as the Community Relations Specialist at BetaPr, Ms. Rettke focuses on media coordination, event planning, community outreach efforts and the development of marketing and advertising materials. She is often answering a project hotline, meeting with clients face-to-face or performing door-to-door operations.

Carly Banks | **Videographer** | 8 years of experience

Carly Banks, of Carly Banks Photography & Videography, has partnered with BetaPr as a subconsultant to perform photography and videography services for our creative projects.

McKenzie McLoughlin | **Translation Specialist** | 5 years of experience

Fluent in both English and Spanish, Ms. McLoughlin utilizes her linguistic skills and Bachelor's degree in Spanish to provide translation services for the BetaPr team as a subconsultant. She translates documents from English to Spanish and vice versa.

BetaPr has no professional licenses to highlight in relation to this RSOQ.

BetaPr is proud to share the following City of Prescott Public Works projects that demonstrate comprehensive public relations programs:

ROCKY DELLS WATER MAIN REPLACEMENT PROJECT – CONSTRUCTION PHASE

Contact: Bob Hoyt (928) 237-6549 | Asphalt Paving & Supply, Inc.

Having been involved since the design phase, BetaPr is now working alongside the City and their contractor, Asphalt Paving and Supply, to implement public relations services for construction of the Rocky Dells Water Main Replacement Project. The project consists of replacing aged water utilities in the Country Club Park Subdivision that has experienced water main failures. The project includes replacing approximately 3,000 linear feet of new water mains, new water services, fire hydrants and other water system appurtenances. A chip seal application was applied to affected streets following utility installation. Public relations is a critical component of this project given the narrow roadways and impacts to residents along the project corridor. Public relations efforts commenced with a Project Notification Flier that was designed and distributed to each resident along the project corridor to open lines of communication with residents prior to the start of construction. This Project Notification Flier served as a general project information piece and provided information on how to stay informed throughout the project. Following the initial Project Notification Flier, BetaPr developed a Press Release and Newspaper Advertisement for publication in the *Prescott Daily Courier* that mirrored the Project Notification Flier. As this project progresses, BetaPr continues public outreach efforts by disseminating project information through their weekly eNewsletter (eNews), updating the project-dedicated web page on the City's Website and maintaining a 24-hour project hotline, referring inquiries to the project team for resolution, if necessary.

FY22 PAVEMENT PRESERVATION PROJECT

Contact: Jeff Abram (602) 377-5651 | Cactus Asphalt

Continuing our long-standing history of providing public relations services for the City's annual paving projects, BetaPr was brought onboard for the FY22 Pavement Preservation Project. Prior to construction activities beginning, BetaPr designed a Project Notification Flier to provide general project information, a map of the paving extents and information on how to stay informed throughout the project. The notice was bulk mailed to approximately 5,000 stakeholders either directly affected by the planned paving operations or indirectly affected by paving activities along their ingress and egress. To ensure all parties were reached, BetaPr designed a newspaper advertisement that was published in the *Daily Courier* and produced a Press Release that was sent to BetaPr's media contacts. Prior to paving commencing on a given street, BetaPr coordinated with the contractor to design a paving notification that detailed the planned paving operations for the street. Information on the notification included work hours, streets affected and the traffic impacts associated with the work. These notifications were hand-delivered two days prior to the scheduled paving to give stakeholders time to plan for the impacts. Additionally, BetaPr maintained a project hotline to provide stakeholders a contact should any issues or questions arise. All caller concerns were documented in a Public Comments Log and were delivered to the project team on a weekly basis for rectification. An eNews was released on a weekly basis, providing up-to-date project information and the current paving schedule. Furthermore, BetaPr ensured that the City of Prescott Public Works Department webpage was updated with pertinent information on a weekly basis.

SUNDOG SEWER TRUNK MAIN PROJECT: PHASE C2

Contact: Jason Fann (928) 778-0170 | Fann Contracting, Inc.

In conjunction with the City and their contractor, Fann Contracting, BetaPR implemented a public outreach campaign for the Sundog Sewer Trunk Main Project: Phase C2. The project included the installation of new sewer and water mains in the vicinity of Miller Valley Road, with portions of sewer main installed through Miller Creek. Additional work included the installation of new asphalt pavement, curb, driveway entrances, sidewalks and erosion control improvements. Public outreach efforts began with an initial Press Release and Newspaper Advertisement in the *Daily Courier* announcing the start of the project, as well as a Project Notification Flier that was mailed and hand-delivered to each business and resident along the project corridor. This stakeholder outreach was performed to open lines of communication with the community to help them understand and plan for construction activities. An eNews and project hotline were utilized throughout construction to ensure that stakeholders were kept up to speed on the project schedule and had an avenue to have questions and concerns addressed. BetaPr staff assisted the contractor and City's Water Operations Department to distribute a multitude of service interruption notifications to ensure residents and businesses had prior warning to planned utility outages. Throughout construction, BetaPr and City staff received numerous concerns about the revegetation plans for the affected area of Miller Creek. These concerns drove the City and BetaPr to plan and facilitate a community meeting for residents in the area to hear their concerns and present the tentative plan for revegetation. To invite stakeholders to attend this meeting, a second Project Notification Flier was designed, produced and disseminated to select individuals identified by the City. BetaPr acquired the community meeting venue, produced meeting materials such as a sign-in sheet and comment form, and organized the meeting space. Prescott City staff and Prescott Creeks representatives were in attendance to answer any questions stakeholders had and address the current status of the project and future plans for Miller Creek. With a 70% attendance rate, the meeting was attended by a majority of the invited community members. After the meeting concluded, a community meeting summary was provided to the team compiling all comments and input received.

PROJECT UNDERSTANDING AND APPROACH

We pride ourselves on being ever-ready to both clients and stakeholders, 24/7. Our staff understands that we must be available at a moments notice in order to provide premium public relations services. Whether it's answering the hotline after hours, meeting in the field with the project team or one-on-one with a concerned community member, our staff has proven time and time again that we are accessible to anyone, client or stakeholder, anytime.

BetaPr recognizes that each project is dynamic and unique. Because no two projects are the same, we treat each project as a new challenge and opportunity for success. Prior to each project, we carefully analyze what the plan entails and what tasks will be required to ensure stakeholders are notified and engaged from beginning to end. As task assignments are established by BetaPr, we will work in tandem with City staff to develop a scope of work that is on-budget and fulfills the needs of the given project. Once a task order is assigned, Mr. Snyder and Mr. Cassens will lead the team to provide whatever suite of services is required to get the job done.

As our industry continues to evolve, so too does BetaPr. We are always in search of the latest and greatest approach to public involvement. Our creative outreach methods have led us to develop new ways that we connect with stakeholders. Whether it be our cutting-edge graphic design capabilities, virtual meeting rooms, creative websites or interactive eNews releases, we continue to adapt as our industry does. Having designed numerous amounts of notifications and graphics for the City, BetaPr has developed a consistent graphic aesthetic that has become the visual identity of Public Works projects. Additionally, our Project Hotline phone number has been in operation for over 10 years, along with our well-known City of Prescott websites, *www.prescottroadconstruction.com* and *www.prescottutilityimprovements.com.*

We've fostered strong working relationships with local media representatives that allows for timely dissemination of information to the public. Additionally, we are active community members and stay up-to-date on City happenings. Because of this, we are able to easily connect with the stakeholders we communicate with in a credible and relatable way. This experience makes BetaPr the most qualified to develop and perform public relations services for the City.

At a minimum, BetaPr can provide the following public relations services as they are needed as part of this on-call contract:

- Media Coordination
- Social Media Applications
- Mailings and Brochures
- Graphic Design Services
- Public Meeting/Event Hosting
- Virtual Meeting Rooms
- Project Hotline
- Project-Dedicated Emails
- Website Design and Maintenance

In addition to the previously identified City of Prescott Public Works projects, BetaPr is pleased to share the following projects in which BetaPr is currently contracted with other government agencies that demonstrate comprehensive public relations programs:

City of Flagstaff

- **Coconino Estates Improvements Phase I Project**
  CMAR *Road and utility improvements project within a historic Flagstaff neighborhood.*
- **Coconino Estates Improvements Phase II Project**
  Road and utility improvements project within a historic Flagstaff neighborhood.
- **Rio De Flag Flood Control Project – Public Outreach Campaign**
  Public outreach campaign for a Citywide flood control project.
- **Museum Fire Flood Communications Campaign**
  Communications campaign project regarding the Museum Fire Flooding.
- **Pipeline Fire Flood Communications Campaign**
  Communications campaign project regarding the Pipeline Fire Flooding.
- **JW Powell Extension Project – Design Phase**
  Providing public involvement services to the City of Flagstaff and their design engineer regarding a project to extend JW Powell from the existing termination point to South Fourth Street.

City of Sedona

- **Chapel Road Shared-Use Path Improvements Project**
  Shared-use path installation project along Chapel Road.
- **Dry Creek Road Shared-Use Path Project**
  Shared-use path installation project along Dry Creek Road.
- **Forest Road Connection Project**
  Roadway extension project that will extend Forest Road from its existing terminus to a new intersection along State Route 89A.
- **Brewer/Ranger Intersection Improvements Project: Design Phase**
  Providing public involvement services to the City of Sedona and their design engineer for a major intersection improvement and road extension project.
- **Public Relations Services for the City of Sedona City Manager's Office**
  Providing public relations services to the City of Sedona City Manager's Office to release monthly newsletters, create videos, promote meetings and provide general graphic design services.

This SOQ is an honest representation of our ability to provide continued support to Public Works for public relations services. We are confident that our team of qualified professionals is the best value solution for this RSOQ. The City will grow in population, diversity and economy, and the BetaPr team is excited to have the opportunity to enhance this growth in ways that are smart and sustainable, and continue to make the City Everybody's Hometown.

BRYCE SNYDER

beta|Pr

TITLE

Principal
BetaPr, Flagstaff, Arizona

EDUCATION

B.S. Landscape Architecture
Arizona State University

PROFESSIONAL EXPERIENCE

2015-Present | *Principal*
BetaPr, Flagstaff, Arizona

2002-2012 | *Public Relations Division Manager*
EnviroSystems Management, Inc.,
Flagstaff, Arizona

CERTIFICATIONS

QUALIFICATIONS

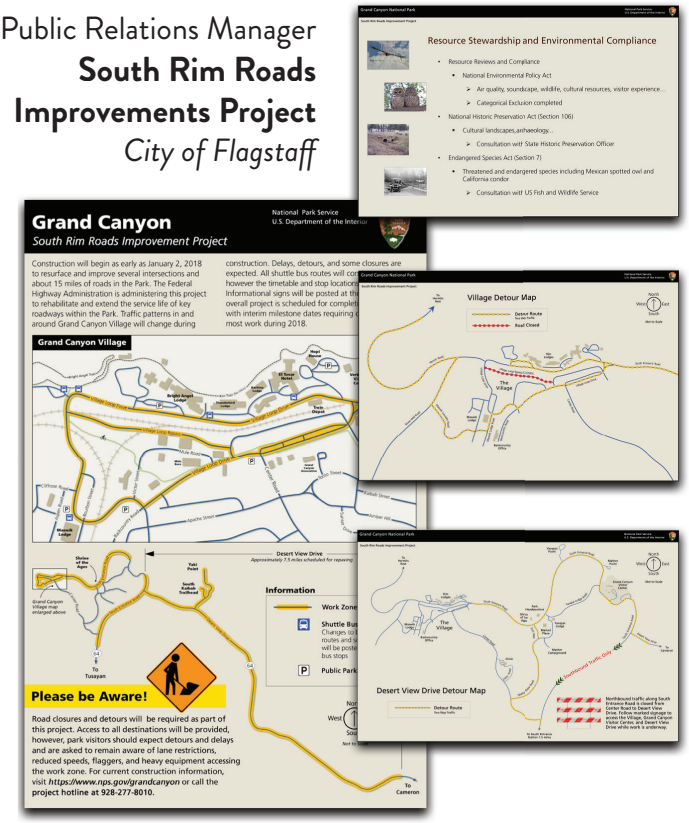
Mr. Snyder has extensive experience managing projects with public involvement and community relations needs throughout the State of Arizona and greater Southwest. His innovative thinking has proven to his clients time and again that he can effectively develop and implement community relations and public involvement programs specific to the needs of any project in the planning, design or construction phase.

Trained as a Landscape Architect, Mr. Snyder has managed numerous public sector projects, acting as a liaison between project engineers and public/ private stakeholders. This experience has allowed him to become familiar with planning, design and construction practices. He has also fostered great working relationships with central and northern Arizona media outlets to effectively communicate to targeted public audiences.

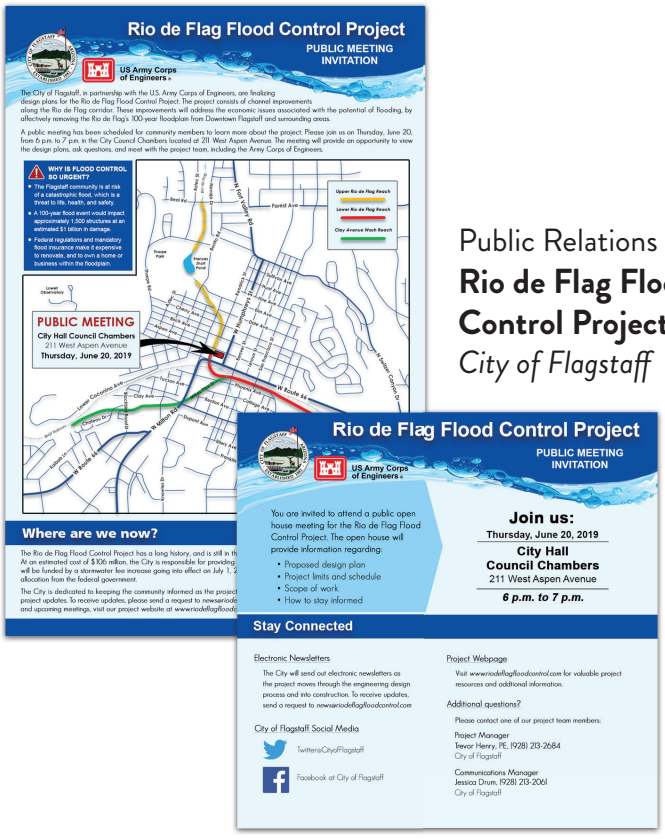
Mr. Snyder's diverse background includes the development of integrated public involvement plans, graphic design, project-specific website design and maintenance, print and radio advertising and the strategic distribution of public announcements. A long-time resident of Arizona, Mr. Snyder continues to work extensively with Northern Arizona municipalities on a wide variety of successful projects.

RECENT PROJECTS

Public Relations Manager
South Rim Roads Improvements Project
City of Flagstaff



Public Relations Manager
Rio de Flag Flood Control Project
City of Flagstaff



CONNER CASSENS

betaPr

TITLE

Vice President (VP) and Senior Project Manager
BetaPr, Flagstaff, Arizona

EDUCATION

B.S. Communication Studies
Minor in Business
Northern Arizona University

PROFESSIONAL EXPERIENCE

2015-Present | *VP and Senior Project Manager*
BetaPr, Flagstaff, Arizona

2012-2015 | *Program Development Coordinator*
NAU Outdoor Adventures, Flagstaff, Arizona

2010-2012 | *Customer Relations Specialist*
NIKE Running, Los Angeles, California

CERTIFICATIONS

Flagstaff Leadership Program

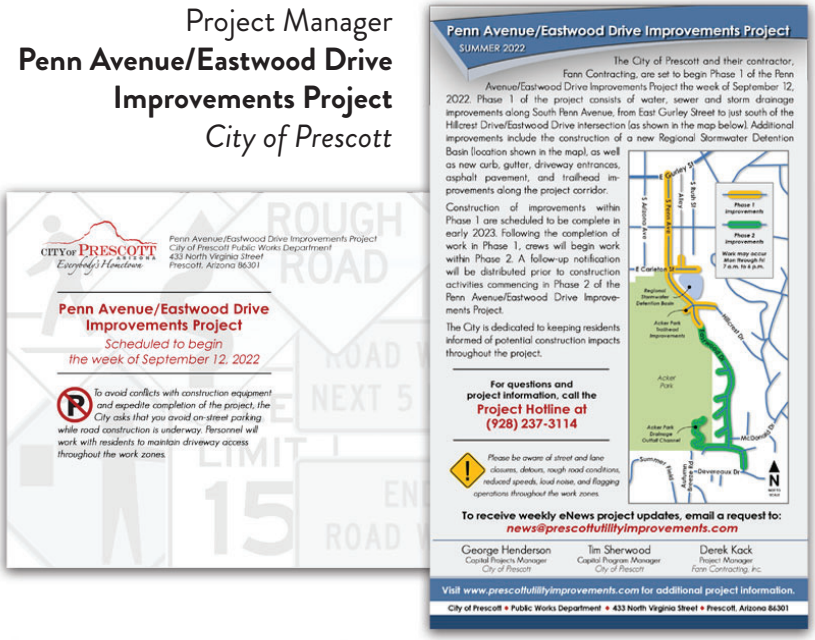
QUALIFICATIONS

As VP and Sr. Project Manager for the BetaPr team, Mr. Cassens has lead successful public relations campaigns across Arizona. From the initial outreach process until final completion, he serves as the point-of-contact for both our clients and stakeholders. Knowing that each project is unique in its own way, Mr. Cassens has developed the skills and know-how to ensure that each project ends with a successful conclusion. He is recognized as a strong communicator with exceptional interpersonal, organizational and time management skills. He supports the hands-on aspect of community involvement, often serving as the public contact in door-to-door campaigns or fielding public concern on project hotlines. Being able to connect with a variety of public interests allows him to build credibility and support for your project through personal interaction.

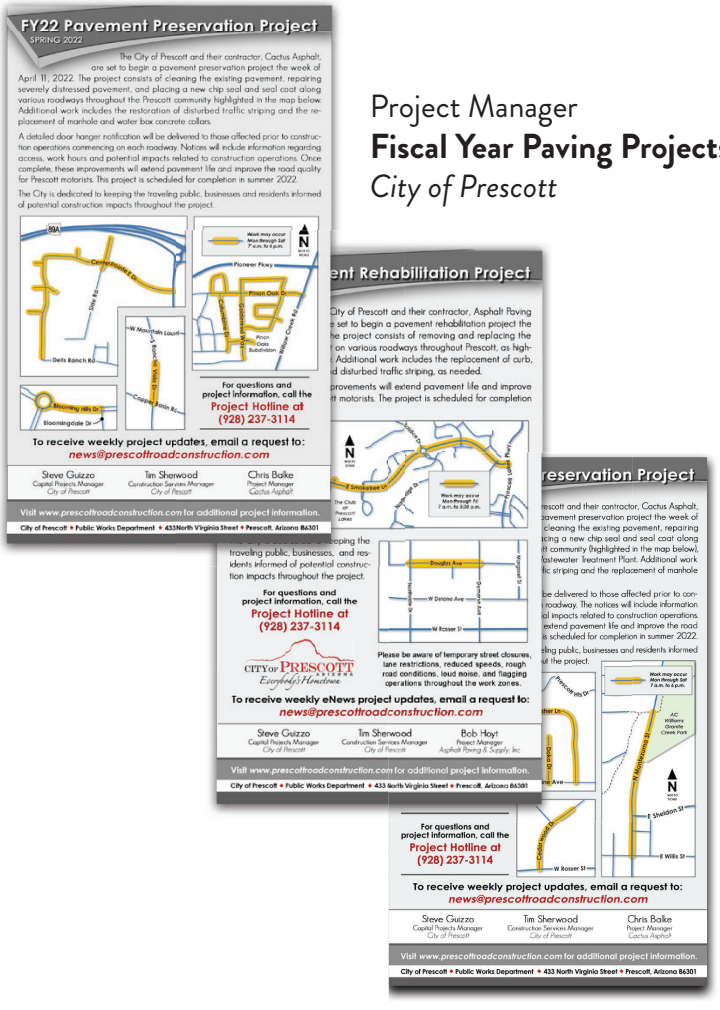
Mr. Cassens has been an integral BetaPr team member on several infrastructure improvement projects requiring stakeholder notification during design and construction proving him to be a valuable resource to clients who have a wide variety of communication or public relations needs.

RECENT PROJECTS

Project Manager
Penn Avenue/Eastwood Drive Improvements Project
City of Prescott



Project Manager
Fiscal Year Paving Projects
City of Prescott



KATIE GOULD

betaPr

TITLE

Graphic Designer
BetaPr, Flagstaff, Arizona

EDUCATION

B.S. Strategic Communication
Emphasis in Advertising
Northern Arizona University
Deans List 2017-2021

PROFESSIONAL EXPERIENCE

2022-Present | Graphic Designer
BetaPr, Flagstaff, Arizona

2021 | Partnerships Intern
Darling Media, Los Angeles, California

2018-2019 | Design Assistant
NAU Center for Science Teaching and Learning, Flagstaff, Arizona

PROFICIENCIES

Adobe Creative Suite
Website Design
Brand Design
Client Relationship Management

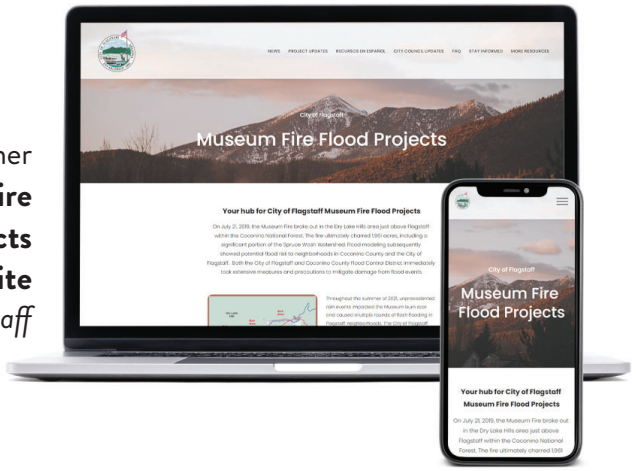
QUALIFICATIONS

Ms. Gould is a designer and marketing professional specializing in branding and graphic identity serving the global design market. Currently in the role of Graphic Designer at BetaPr, Ms. Gould focuses on taking a client's needs and transforming them into creative design that aligns with their brand.

Her background includes extensive experience in digital marketing, and graphic and web design. Having worked with multiple clients over the years developing branding and websites, Ms. Gould prides herself in creating a cohesive, personable brand identity that brings every project to life. A specialist in digital implementation, she innovates ways to make your brand accessible and appealing to audiences you want.

RECENT PROJECTS

Graphic Designer
Museum Fire Flood Projects Website
City of Flagstaff

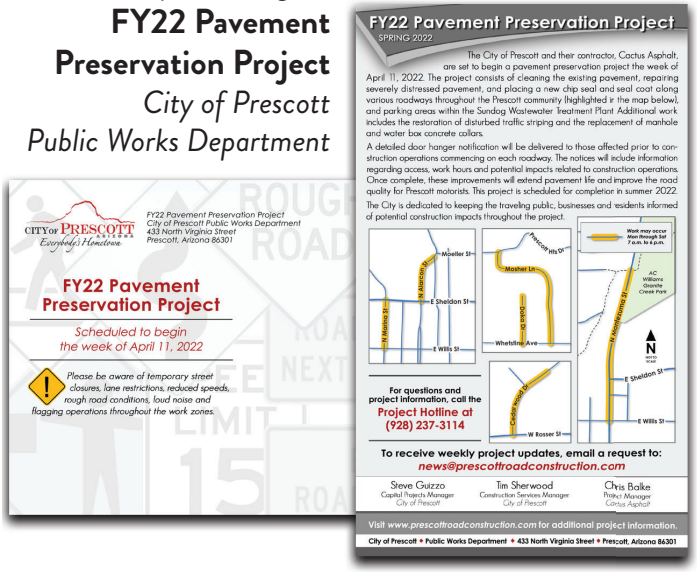


Graphic Designer
Sedona Marketing and Branding Design
City of Sedona
Public Works Department

SEDONA STATE OF THE CITY

STRAIGHT TALK with Karen

Graphic Designer
FY22 Pavement Preservation Project
City of Prescott
Public Works Department



MAKENA RETTKE

TITLE

Community Relations Specialist
BetaPr, Flagstaff, Arizona

EDUCATION

B.S. Strategic Communications:
Emphasis in Public Relations
Minor in Women and Gender Studies
Northern Arizona University
Dean's List Recipient 2019-2022

PROFESSIONAL EXPERIENCE

2022-Present | *Community Relations Specialist*
BetaPr, Flagstaff, Arizona

2019-2022 | *Student Adviser*
NAU Office of Scholarships and Financial Aid, Flagstaff, Arizona

2020-2021 | *Marketing Ambassador*
Newbridge Marketing Group, Portland, Oregon

AFFILIATIONS/AWARDS

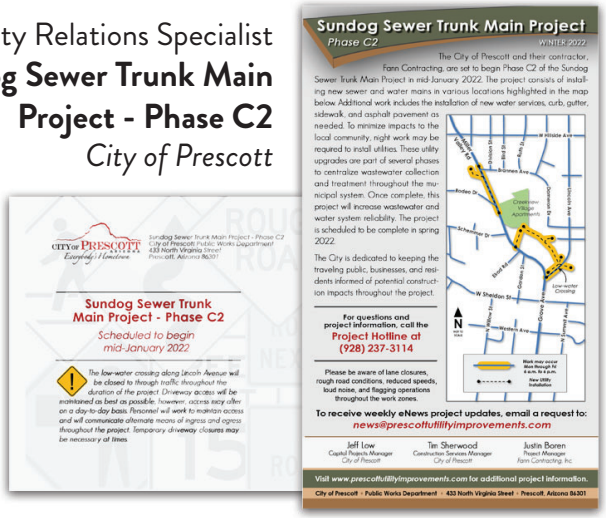
Former President of the Public Relations Student Society of America
National Collegiate Excellence Award

QUALIFICATIONS

Ms. Rettke brings a unique perspective to public involvement based on her expertise in marketing, advising and customer service. Ms. Rettke honed her social media and oral communication skills in her previous experience as a Marketing Ambassador, allowing her to easily connect with the public to field comments and keep them informed. As the Community Relations Specialist at BetaPr, she focuses on media coordination, community outreach efforts and the development of marketing and advertising materials. Her experience in everything from crafting marketing campaigns to creating strong relationships with varying specialists allows her to be a versatile asset to any project. Often answering a project hotline or meeting with clients face-to-face, Ms. Rettke makes lasting connections with each stakeholder she meets. Ms. Rettke's organizational, oral and interpersonal communication skills are essential to ensuring your project, brand or company has a voice.

RECENT PROJECTS

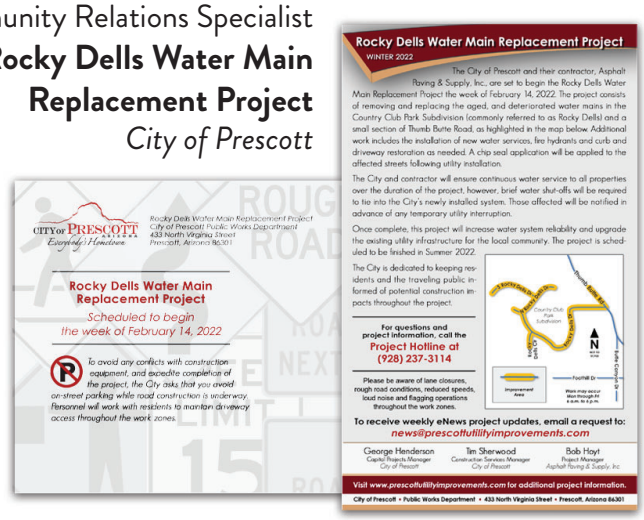
Community Relations Specialist
Sundog Sewer Trunk Main Project - Phase C2
City of Prescott



Community Relations Specialist
Coconino Estates Improvements Phase II Project
City of Flagstaff



Community Relations Specialist
Rocky Dells Water Main Replacement Project
City of Prescott



CARLY BANKS

beta|Pr

TITLE

Owner, Carly Banks Photography & Videography
Flagstaff, Arizona

EDUCATION

B.S. Public Relations
Minor in Electronic Media and Film
Northern Arizona University
Summa Cum Laude

PROFESSIONAL EXPERIENCE

2016-Present | *Communications Manager*
NAU Communications, Flagstaff, Arizona

2014-Present | *Owner*
Carly Banks Photography & Videography, Flagstaff, Arizona

2009-2016 | *Videographer, Editor and Producer*
NAU-TV, Flagstaff, Arizona

AFFILIATIONS/AWARDS

Thankie Award Nomination, 2021: Thankview
Emmy Nomination, 2016: Rocky Mountain Emmys
Audience Choice Award 2010: Phoenix Film Festival

QUALIFICATIONS

Carly Banks has long had a passion for video production and film. From running the college TV station at Northern Arizona University to starting her own videography business, her love of storytelling has earned her an Emmy Nomination and taken her around the world.

Over the past 12 years, she has been contracted through aviation companies, universities, political campaign, realty agencies, nonprofits, small businesses, national organizations, city governments and large recruiting firms, creating a breadth of high-quality professional videos. From fast-paced, eye-catching imagery to emotional stories that pull at the heart strings, she prides herself on creating a unique, custom story that not only builds brand awareness, but also leaves a lasting impression. With a history of partnering with BetaPr and their clients, Ms. Banks looks forward to providing her stunning photography and videography to your project.

RECENT PROJECTS



Photographer and Videographer
Rio de Flag Flood Control Project
City of Flagstaff

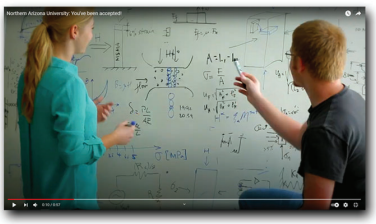






Photographer and Videographer
You've Been Accepted! Campaign
Northern Arizona University











CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Allison Hughes, Support Services Manager

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: 2025 Renewal of the Master Agreement for Software Maintenance with Hexagon for software utilized by the City of Flagstaff Police Department in the amount of $315,822.54, plus applicable taxes.

STAFF RECOMMENDED ACTION:

1. Approve the 2025 Renewal of the Master Agreement for Software Maintenance with Hexagon in the amount of $315,822.54 plus applicable taxes; and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

Hexagon software manages all the Computer Aided Dispatch (CAD) and Records Management System (RMS) for public safety. Staff is requesting approval of the 2025 Renewal of the Master Agreement for Software Maintenance ("Software Agreement") with Hexagon. The Software Agreement is for the Flagstaff Police Department Records Management Software. This agreement allows the Hexagon company to provide ongoing software licensing support and maintenance as necessary. The attached quote outlines the anticipated expenditures for the fiscal year 2025-2026. The renewal of the annual software maintenance provides the means to continue to conduct day-to-day activities of the Police Department without delay. The Software Agreement may be subject to any applicable sales tax(es) to be added at a later time.

Financial Impact:

Project Name: Hexagon Software Yearly Maintenance
Cost: $315,822.54 plus applicable tax
Account Number Budgeted: 001-04-061-0221-2-4231, 001-04-061-0223-2-4231, 001-04-061-0224-4231
FY26 Budgeted Amount: $320,000
Grant Funded:
Funding Source: General Fund; Costs for the software are shared with Coconino County Sheriff's Office and Northern Arizona University Police Department per Intergovernmental Agreements IGA-2023-123-AG2 and IGA-2023-126-AG2.

Policy Impact:

None.

Previous Council Decision or Community Discussion:

This is an annual software contract that has been before Council every year since 2013.

Options and Alternatives to Recommended Action:

1. Approve the 2025 Renewal of the Software Agreement with Hexagon for the Police Department software; or
2. The Flagstaff Police Department can coordinate with the Coconino County Sheriff's Office and Northern

Arizona University Police Department on alternative options moving forward.

Background and History:
The Flagstaff Police Department, Coconino County Sheriff and Northern Arizona University have used Hexagon, formally Intergraph, since before 2013, and is part of intergovernmental agreements IGA-2023-123-AG2 and IGA-2023-126-AG2 between the Flagstaff Police Department, Coconino County Sheriff's Office, and Northern Arizona University Police Department. Hexagon requires a renewal of the Software Agreement on an annual basis.

Connection to PBB Priorities and Objectives:
High Performing Governance: Encourage public trust through transparency, accessibility and use of the City's public participation policy.
High Performing Governance: Become an employer of choice and provide employees with the necessary tools, training and support.
Safe and Healthy Community: Provide public safety with the resources, staff and training to respond to community needs.
Team Flagstaff Strategic Plan: Provide exceptional service.

Connection to Regional Plan:
n/a

Connection to Carbon Neutrality Plan:
n/a

Connection to 10-Year Housing Plan:
n/a

Attachments:
2025 Renewal
Dispatch IGA
Records IGA
Cost Share Breakdown

2025 Renewal

Hexagon Master Terms and Conditions

TER-2018-005-AG4

This 2025 Renewal to the fully executed Hexagon Master Terms and Conditions, Contract No. TER-2018-005-AG4, dated September 6, 2022 ("2022 Software Agreement") generally related to proprietary software and software maintenance services, is made and entered into this ____ day of _____, 2025, by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and Hexagon ("Company").

1. The 2022 Software Agreement is hereby renewed to offer an extension of the Coverage Period.

2. The Quote Number 2025-77801, attached here as ***Exhibit A***, will be adhered to for the remainder of the extension.

All other provisions, terms and conditions of the 2022 Software Agreement shall remain unchanged and in full effect.

IN WITNESS WHEREOF, the parties have caused this 2025 Renewal to be executed by their duly authorized representatives as of the date first written above. This 2025 Renewal will be in full force and effect only when it has been approved and executed by the duly authorized City officials.

City of Flagstaff

By:_____
Greg Clifton, City Manager

Dated:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney

Hexagon

By:_____

Title:_____

Dated:_____

Customer:	Flagstaff Coconino AZ
Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

This quotation has been prepared for:

Flagstaff Coconino AZ
Allison Hughes
Support Services Manager
911 E. Sawmill
Flagstaff AZ 86001
United States

Ship To:

Flagstaff Coconino AZ
Allison Hughes
Support Services Manager
911 E. Sawmill
Flagstaff Arizona 86001
United States

Bill To:

Flagstaff Coconino AZ
Allison Hughes
Support Services Manager
211 W. Aspen Ave
Flagstaff Arizona 86001
United States

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

RenewalQuotation

Renewal Configuration Listing

USD

Line	Base Part	Description	Begin	End	Service Level	Months	Qty	Monthly Price	Extended Net Price
1	IPS0042IBCK	I/NetViewer - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
2	RMS0018	Intergraph WebJMS User License	07/01/2025	06/30/2026	PRM	12	20	$19.69	$4,725.60
3	IPS0048TST	I/FRMS-CADlink NL - Test License	07/01/2025	06/30/2026	PRM	12	2	$0.00	$0.00
4	RMSCUSTOM15	TraCS Interface	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
5	IPS0002	I/Dispatcher CC	07/01/2025	06/30/2026	PRM	12	14	$509.09	$85,527.12
6	RMS0017TST	HxGN OnCall Records - Concurrent User License - Test License	07/01/2025	06/30/2026	PRM	12	60	$0.00	$0.00
7	IPS0042I	I/NetViewer CC	07/01/2025	06/30/2026	PRM	12	15	$51.25	$9,225.00
8	IPS0004	I/Informer CC	07/01/2025	06/30/2026	PRM	12	2	$680.82	$16,339.68
9	IPS0082TST	Map Administration Utility CC - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
10	RMS0016TST	HxGN OnCall Records - Server CC License - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
11	PSA2100	HxGN OnCall Records - NIBRS - Federal	07/01/2025	06/30/2026	PRM	12	1	$249.43	$2,993.16
12	IPS0082	Map Administration Utility CC	07/01/2025	06/30/2026	PRM	12	1	$279.62	$3,355.44
13	IPS0002TST	I/Dispatcher - Test License	07/01/2025	06/30/2026	PRM	12	15	$0.00	$0.00
14	IPS2043TST	HxGN OnCall Records - Xalt Interface - TST	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
15	IPS0004TST	I/Informer - Test License	07/01/2025	06/30/2026	PRM	12	3	$0.00	$0.00
16	IPS0015	I/Tracker - I/CAD NL	07/01/2025	06/30/2026	PRM	12	1	$768.95	$9,227.40
17	IPS0004BCK	I/Informer - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
18	IPS3042	EdgeFrontier Runtime Engine	07/01/2025	06/30/2026	PRM	12	1	$525.09	$6,301.08

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

19	IPS0012TST	I/Page - Test License	07/01/2025	06/30/2026	PRM	12	2	$0.00	$0.00
20	IPS2043	Intergraph WebRMS Connect for EdgeFrontier	07/01/2025	06/30/2026	PRM	12	1	$914.99	$10,979.88
21	IPS0015BCK	I/Tracker - I/CAD - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
22	PSA2100TST	HxGN OnCall Records - NIBRS - Federal - Test	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
23	IPS0009BCK	I/Mobile Data Terminal NL - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
24	RMS0018TST	HxGN OnCall Records - Jail CC - Test	07/01/2025	06/30/2026	PRM	12	20	$0.00	$0.00
25	IPS0009	I/Mobile Data Terminal NL	07/01/2025	06/30/2026	PRM	12	1	$1,360.10	$16,321.20
26	IPS0042ITST	I/NetViewer - Test License	07/01/2025	06/30/2026	PRM	12	16	$0.00	$0.00
27	IPS2304C	HxGN OnCall Analytics - Records Essentials NL 4 Core Comp	07/01/2025	06/30/2026	PRM	12	1	$347.01	$4,164.12
28	IPS2304TSTC	HxGN OnCall Analytics - Records Essentials NL 4 CoreTSTComp	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
29	GSPX5007	GeoMedia Professional CC	07/01/2025	06/30/2026	SND	12	1	$335.83	$4,029.96
30	IPS0002BCK	I/Dispatcher - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
31	IPS0009TST	I/Mobile Data Terminal NL - Test License	07/01/2025	06/30/2026	PRM	12	2	$0.00	$0.00
32	IPS0012	I/Page NL	07/01/2025	06/30/2026	PRM	12	1	$616.99	$7,403.88
33	IPS0012BCK	I/Page - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
34	IPS0015TST	I/Tracker - I/CAD - Test License	07/01/2025	06/30/2026	PRM	12	2	$0.00	$0.00
35	IPS0048	I/FRMS-CADlink CC	07/01/2025	06/30/2026	PRM	12	1	$310.02	$3,720.24
36	IPS0048BCK	I/FRMS-CADlink NL - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
37	RMS0017C	Exchange I/LEADS RMS Client for WebRMS Concurrent User	07/01/2025	06/30/2026	PRM	12	60	$44.55	$32,076.00
38	RMS0016C	Exchange I/LEADS Server for WebRMS Server	07/01/2025	06/30/2026	PRM	12	1	$2,412.90	$28,954.80
39	IPS3042-TST	Xalt - Integration Runtime Engine NL - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
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Tel: (256) 730-2000

HEXAGON

Customer:	Flagstaff Coconino AZ
Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

40	ESCROW	Annual Software Escrow Fee	07/01/2025	06/30/2026	PRM	12	1	$53.58	$642.96
41	IPS0028A	RapidSOS for I/CAD - Essentials	07/01/2025	06/30/2026	PRM	12	1	$128.77	$1,545.24
42	IPS0028ABCK	RapidSOS for I/CAD - Essentials - Backup	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
43	IPS0028ATST	RapidSOS for I/CAD - Essentials - Test	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
44	IPSCUSTOM10	OnCall Records Livescan Interface	07/01/2025	06/30/2026	PRM	12	1	$135.25	$1,623.00
45	IPS0080BCK	Mobile for Public Safety CC - Backup License	07/01/2025	06/30/2026	PRM	12	32	$0.00	$0.00
46	IPS0080TST	Mobile for Public Safety CC - Test License	07/01/2025	06/30/2026	PRM	12	32	$0.00	$0.00
47	IPS1184	I/Map Editor for ArcGIS CC	07/01/2025	06/30/2026	PRM	12	1	$122.52	$1,470.24
48	IPS1184BCK	I/Map Editor for ArcGIS CC - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
49	IPS1184TST	I/Map Editor for ArcGIS CC - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
50	IPS0001HABCK	I/Executive for High Availability - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
51	IPS0001HAC	I/Executive for High Availability - Component	07/01/2025	06/30/2026	PRM	12	1	$2,087.10	$25,045.20
52	IPS0001HATST	I/Executive for High Availability - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
53	IPS0002BCK	I/Dispatcher - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
54	IPS0002TST	I/Dispatcher - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
55	IPS0004BCK	I/Informer - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
56	IPS0004TST	I/Informer - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
57	IPS0035	I/Backup NL	07/01/2025	06/30/2026	PRM	12	1	$691.38	$8,296.56
58	IPS0042IBCK	I/NetViewer - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
59	IPS0042ITST	I/NetViewer - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
60	IPS0009BCK	I/Mobile Data Terminal NL - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00

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HEXAGON

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Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

61	IPS0009TST	I/Mobile Data Terminal NL - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
62	IPS0015BCK	I/Tracker - I/CAD - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
63	IPS0015TST	I/Tracker - I/CAD - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
64	IPS0080C	Mobile for Public Safety CC - Comp	07/01/2025	06/30/2026	PRM	12	32	$46.29	$17,775.36
65	IPS1183	Intergraph Remote Content Management CC	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
66	IPS1183BCK	Intergraph Remote Content Management CC - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
67	IPS1183TST	Intergraph Remote Content Management CC - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
68	IPS0012BCK	I/Page - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
69	IPS0012TST	I/Page - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
70	IPS0048BCK	I/FRMS-CADlink NL - Backup License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
71	IPS0048TST	I/FRMS-CADlink NL - Test License	07/01/2025	06/30/2026	PRM	12	1	$0.00	$0.00
72	EFCUSTOM16	Keefe to Hexagon Interface	07/01/2025	06/30/2026	PRM	12	1	$318.81	$3,825.72
73	IPS0080	Mobile for Public Safety CC	07/01/2025	06/30/2026	PRM	12	15	$38.59	$6,946.20
74	IPS0080BCK	Mobile for Public Safety CC - Backup License	07/01/2025	06/30/2026	PRM	12	15	$0.00	$0.00
75	IPS0080TST	Mobile for Public Safety CC - Test License	07/01/2025	06/30/2026	PRM	12	15	$0.00	$0.00
76	IPS0080	Mobile for Public Safety CC	01/01/2026	06/30/2026	PRM	6	15	$36.75	$3,307.50
77	IPS0080BCK	Mobile for Public Safety CC - Backup License	01/01/2026	06/30/2026	PRM	6	15	$0.00	$0.00
78	IPS0080TST	Mobile for Public Safety CC - Test License	01/01/2026	06/30/2026	PRM	6	15	$0.00	$0.00
									$315,822.54

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

Customer:	Flagstaff Coconino AZ
Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

Summary

	USD
Maintenance Total	$315,822.54
Total Price*:	**$315,822.54**

*Excluding taxes. Final tax billed will reflect the applicable tax rates at time of sale as required by law.

Notes:

This Quote is an Order made pursuant to that certain Master Agreement dated September 6, 2022 by and between the City of Flagstaff, AZ ("Customer") and Intergraph Corporation, through its Hexagon Safety, Infrastructure & Geospatial division ("Hexagon").

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

Customer:	Flagstaff Coconino AZ
Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

This quote is provided pursuant to separately agreed upon Terms and Conditions which are expressly identified in this Quote; but in absence of such express identification, this Quote is governed by https://legaldocs.hexagon.com/sig/Sales/US-MT06-2021b.pdf.

If maintenance is not purchased at the same time as you purchase products listed in this quotation, you may purchase the maintenance for the products at a later date; however reinstatement or upgrade fees shall apply.

Any commercial Off-the-shelf product information Hexagon has shared with its audience during the proposal / contract activities to date, were to provide an understanding of Hexagon's current expected direction, roadmap or vision and is subject to change at any time at Hexagon's sole discretion. Hexagon does not commit to develop the future features, functions and products discussed in this material beyond that which is specifically committed to be provided by Hexagon as part of the intended contract. The audience of this material should not factor any future features, functions or products into its current buying decision since there is no assurance that such future features, functions or products will be developed. When and if these future features, functions or products are developed, they will generally be available for licensing by Hexagon.

To place an order against this quotation, prior to the expiration date, please either fill in the required information below and have an authorized representative of your company sign this quotation, have your company issue a purchase order with the required information below and reference this quotation number, or have your company remit payment via one of the methods described in the billing and payment instructions that follow, making sure to include a reference to this quotation number. Please submit the signed quotation, your purchase order, or payment to your Account Manager. This agreement shall only become binding and effective upon the written acceptance by Hexagon or the first delivery of the products/services within this quotation. The terms and conditions of this quotation cannot be superseded, altered, modified, or amended by subsequent Purchase Order or writing received from customer without the express written consent of Hexagon.

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

Customer:	Flagstaff Coconino AZ
Quote Number:	2025-77801
Quote Date:	03/24/2025
Expiration Date:	07/01/2025

Signature & Reference

Flagstaff Coconino AZ

Signature: _____

Printed Name: _____

Phone: _____

Date: _____

PO reference(if required for invoicing): _____

Tax Exemption ID (if applicable) _____

This Quotation is issued by:

Intergraph Corporation
305 Intergraph Way
Madison, Alabama 35758 USA
Tel: (256) 730-2000

Billing & Payment Information

Please check to indicate payment and billing instructions:

☐ My PURCHASE ORDER (PO) is attached. (Your order will be processed upon written acceptance by Hexagon. Terms and conditions printed on a customer PO shall not supersede the applicable terms and conditions attached to this quotation.)

PO Number: _____ PO Amount: _____

☐ I wish to pay by CREDIT CARD. Hexagon will email you a secure credit card link for you to process payment. Please provide the name and email address of the credit card holder below. (Your order will be processed upon written acceptance by Hexagon and upon authorization/approval of your credit card.)

Name as it appears on Credit Card: _____

Email address of Cardholder: _____

Signature of Cardholder: _____

☐ INVOICE ME based on my returning this signed acceptance sheet. No PO will be Issued. (Your order will be processed upon written acceptance by Hexagon and upon credit approval.)

☐ My CHECK payable to ***Intergraph Corporation*** has been sent to the following address

Intergraph Corporation
7104 Solution Center
Chicago, IL 60677-7001

(Your order will be processed upon written acceptance by Hexagon and after your check clears - approximately 5 days after receipt by our lockbox.)

Check Number: _____ Check Amount _____

☐ My DOMESTIC WIRE PAYMENT has been wired to :

ABA Number: 021000018
Bank Name: Bank of New York Mellon, New York
Favor of: Bank: SEB(Skandinaviska Enskilda Banken)
Account Number: 890 043 9688
For further credit to Beneficiary: Intergraph Corporation, Account #00007583

☐ My ACH PAYMENT has been sent to:

Account Number: 1030429611
Company Name: Intergraph Corporation SGI
Routing Number: 043000096
Beneficiary Bank Name: PNC Bank N.A.
Address: Pittsburgh, PA 15222
Phone# 1-877-824-5001, Opt 1 and Opt 3
Contact: Lockbox Group, Product Client Services

(Your order will be processed upon written acceptance by Hexagon.)

INTERGOVERNMENTAL AGREEMENT FOR DISPATCH SERVICES

THIS INTERGOVERNMENTAL AGREEMENT FOR DISPATCH SERVICES ("Agreement") is entered into this ___ day of _____, 2023, between the City of Flagstaff ("City"), an Arizona municipal corporation, on behalf of the Flagstaff Police Department ("FPD") and Coconino County ("County"), a political subdivision of the State of Arizona, on behalf of the Coconino County Sheriff's Office ("CCSO").

RECITALS

A. The City and the County entered into an Intergovernmental Agreement ("IGA") dated July 1, 2000, for the establishment of the City/County Law Enforcement Administrative Facility at Sawmill Road, within the City of Flagstaff, Coconino County, Arizona, ("Law Enforcement Facility") for the FPD and the CCSO.

B. The City, through the FPD, operates, manages and maintains a dispatching facility, emergency communications system, automated computer-aided dispatching system, telephones and recording equipment and dispatch personnel for the operation of a dispatch center located at the Law Enforcement Facility; and the FPD is the primary Public Safety Answer Point (PSAP) for all 9-1-1 calls within its area of responsibility. The FPD provides emergency dispatching for police, fire, and medical agencies within the City of Flagstaff and contracts to provide dispatch services to other agencies.

C. The County, through the CCSO, desires the City, through the FPD, to provide law enforcement dispatch within the jurisdiction of the CCSO's responsibilities, and the City desires to provide such services to the County, in accordance with the terms of this Agreement.

D. In furtherance of the overall purposes of the IGA, the City and the County desire to establish a formal agreement between them for the provision by the FPD of dispatch services to the CCSO.

NOW, THEREFORE, pursuant to Arizona Revised Statutes Section 11-952, authorizing agreements for services among two or more public agencies, and in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

AGREEMENT

SECTION 1: TERM

This Agreement commences on date of signature and runs for an initial period through June 30, 2023. Thereafter, unless terminated under the terms hereof, this Agreement is automatically renewed each year for an additional one-year period commencing on the first day of July after the expiration of the initial period or a period subsequent thereto, for five years. Effective as of the date hereof, this Agreement shall replace the Initial Agreement,

as amended, in its entirety, and the Initial Agreement shall terminate immediately without further action.

SECTION 2: SCOPE OF CITY'S SERVICES

The City, through the FPD, agrees to provide dispatch services to the County, through the CCSO, twenty-four (24) hours a day, seven (7) days a week during the term and any extended term of this Agreement as follows:

2.1. FPD dispatch personnel will receive, and process calls for service in a courteous, efficient and customer service-oriented manner. The FPD will provide automated dispatching utilizing computer-aided dispatching. The capabilities the FPD will make available to the CCSO include: Location of events utilizing cross streets, addresses and varied map coordinates as may be available, maintenance of status time, including time received, time dispatched, time first unit on scene and time last unit cleared scene. Routine radio contact between the FPD and the CCSO will include tracking status and location of all designated units operated by the CCSO.

2.2. If requested by the CCSO, the FPD will provide summary listings to the CCSO of call data by month, quarter or year as generated by the CAD system.

2.3. The FPD will record all CCSO radio transmissions from the CCSO primary dispatch channel as received at the dispatch center, and all telephone transmissions on emergency lines present in the FPD dispatch center. The FPD will maintain all recordings for a period not to exceed three hundred sixty-five days (365) calendar days, after which such records shall be destroyed. The FPD will provide recordings of incidents to CCSO when requested in a timely manner on standard compact disk media.

2.4. The City maintains two redundant on-line servers for the CAD operation and will regularly backup these servers. Every effort will be made to maintain a 100% up- time and will schedule required downtime maintenance with users whenever possible. The City cannot be responsible for unexpected downtime and maintains a manual backup for such eventuality.

2.5. All supervision, hiring and discipline of communications personnel will remain the sole responsibility and under the authority of the FPD.

SECTION 3: COUNTY'S OBLIGATIONS

3.1. The County, through the CCSO, agrees to supply and maintain all equipment required to provide voice radio dispatching up to a demarcation point established as the connection to the FPD dispatch center console interface patch panel. Additionally, the County, through the CCSO, agrees to pay for the installation and cost of any radio equipment or telecommunications circuits beyond the demarcation point, which are added to the FPD dispatch console equipment in order to provide basic dispatch service. The FPD agrees to maintain all equipment beyond the demarcation point following installation and any warranty period expiration.

3.2. The CCSO agrees to work within any existing procedures used by the FPD for dispatching. However, procedures for specific requirements of law enforcement dispatching for the CCSO, if agreed upon by both parties, shall be documented in the Flagstaff Police Department Communications Manual and thereafter shall be utilized for dispatching the CCSO.

3.3 The City will provide Dispatch services to the County. The County and City will pay the pro-rata shares of the cost of the Dispatch services.

3.4 The staff of the City and County will meet and provide budget estimates for Dispatch services for the following budget cycle, no later than the end of December or when each agency deadline occurs.

3.5 The methodology for charging Dispatch services splits costs based on the number of calls an agency receives to Dispatch.

3.5 The City will issue invoices to the County for their pro-rata shares of the cost of Dispatch services on a bi-annual basis.

3.6 In the event that the cost of providing Dispatch services exceeds the amount budgeted, the City and County will each pay their respective pro-rata share of any such overrun within ninety (90) days after the end of the Period in which the overrun occurs.

3.7 In the event that the cost of providing Dispatch services is under the amount budgeted, the City and County will each receive a credit for their respective pro-rata share of any such credit within ninety (90) days after the end of the Period in which the overrun occurs.

3.8 A call for service shall mean: any call where a field unit is sent to a location of an incident or to assist a citizen or any time a field unit initiates activity that would, otherwise, have resulted in the dispatch of a field unit.

The City will provide fee schedules in July, beginning with July 2022, as Schedule "A" to this Agreement, for the following year once the City fiscal budget has been approved by the City Council. Schedule "A" will include the total budgetary cost of operating the dispatch center, the previous year's total calls for service and an estimate of the total calls for service for the following year. The parties may modify this Agreement during the initial term set forth in Section 1 through administrative review and approval by the City Manager and County Manager as needed to accommodate operational efficiency between the City and the County.

SECTION 4: AUTHORIZED REPRESENTATIVES

The City and County mutually agree that a process to solve problems and manage change as the Communications Center continues to evolve and grow in sophistication is essential to the proper administration of this Agreement. The City, through the FPD, the County, through the CCSO, hereby designate the following representatives who shall have authority to represent the City and the County, respectively, in carrying out the terms of this Agreement:

Police Department Authorized Representative: Chief
Sheriff's Office Authorized Representative: Sheriff

If a party changes its representative, such party shall provide notice to the other party of the name of the new representative in accordance with Section 8.

SECTION 5: TERMINATION

5.1. Either party may terminate this Agreement by providing written notice thereof to the other no less than ninety (90) days prior to the anniversary date of this Agreement.

5.2. In the event of termination of this Agreement by the County, or by the City pursuant to Section 5.3 below, the CCSO shall be responsible for all costs associated with the disconnecting and removal of all radio and telecommunications circuits which were installed in accordance with Section 3.1, and which are exclusive to the CCSO.

5.3. The City shall also have the right to terminate this Agreement upon written notice thereof to the County in the event the County fails to make any payment due the City under this Agreement within sixty (60) calendar days of the due date thereof.

SECTION 6: LIABILITY AND INDEMNIFICATION

6.1. The City, the FPD and their officials, employees and agents, shall not be liable for damages to the County, CCSO or third parties as a result of any failure by the FPD to perform any of the FPD's obligations set forth in Section 2 of this Agreement if such failure arises out of or results from the failure of CCSO to submit correct and complete data to the FPD or the failure of the CCSO to provide or maintain equipment as set forth in Section 3.1 above.

6.2. No party to this Agreement, their agents, officials and employees, shall be liable to any other party for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, other than those imposed by that party, strike, fire, flood, windstorm, breakdown or other damage to equipment, power failure or any other cause beyond the reasonable control of that party.

6.3. The County covenants and agrees to indemnify, save, hold harmless and defend the City, the FPD and their agents, officials and employees, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses, of whatever kind and nature whatsoever, that may arise out of or result from any act, action or omission of the County, the CCSO, their employees, agents or contractors under this Agreement, including, but not limited to, the CCSO's failure to submit correct and complete data to the FPD or the failure of the CCSO to provide and maintain equipment as set forth in Section 3.1 above. The County's covenants and obligations under this indemnity provision shall survive any termination of this Agreement.

6.4. Except as otherwise provided in this Section 6, the City covenants and agrees to indemnify, save, hold harmless and defend the County, the CCSO and their agents, officials and employees, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses, of whatever kind and nature whatsoever, that may arise out of or result from any act, action or omission of the City, the FPD, their employees, agents or contractors under this Agreement, or as a result of any failure of any equipment which the City is required to maintain under the terms of this Agreement. The City's covenants and obligations under this indemnity provision shall survive any termination of this Agreement.

SECTION 7: DISPUTE RESOLUTION

7.1. Mediation

If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to arbitration. Mediation will be self-administered and conducted 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, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. 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.

7.2. Arbitration

If mediation is unsuccessful to resolve any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties agree to resort to arbitration as provided in Sections 12-1518 and 12-133, Arizona Revised Statutes.

SECTION 8: NOTICES

Any notice or communication required under this Agreement shall be in writing and shall be effective when personally delivered or when addressed:

If to Coconino County:	Coconino County Attention: County Manager 219 E. Cherry Avenue Flagstaff, Arizona 86001
With a copy to:	Coconino County Sheriff's Office Attention: Sheriff 911 E. Sawmill Road Flagstaff, Arizona 86001

If to the City:	City of Flagstaff Attention: Deputy City Manager 211 W. Aspen Avenue Flagstaff, Arizona 86001
With a copy to:	City of Flagstaff Police Department Attention: Chief of Police 911 E. Sawmill Road Flagstaff, Arizona 86001

and deposited, postage prepaid, and certified with return receipt requested, in the United States mail.

SECTION 9: GENERAL PROVISIONS

9.1. Maintenance of the FPD dispatch center and all on-premise PSAP and radio equipment shall be the sole responsibility of the FPD, with respect to which the CCSO shall share costs of maintenance and operation as provided in the 2022 Information Technology Intergovernmental Agreement, among the City of Flagstaff, Coconino County and the Coconino County Jail District concerning those parties' obligations relating to the Intergraph Public Safety, Inc. software system.

9.2. Employees of the respective parties shall not be considered employees or agents of the other, and the City and the County agree that they shall retain sole responsibility and authority over their respective employees.

9.3. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations under this Agreement and has taken all required acts or actions necessary to authorize the same.

9.4. Each party acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except as expressed in this Agreement, and that this Agreement constitutes the parties' entire agreement with respect to the matters addressed in this document. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are superseded and merged in this Agreement. Except as to modifications to Schedule A to this Agreement as set forth in Section 3.3 above, which may be modified with the approval of the Sheriff and Chief of Police, this Agreement may be modified or amended only by written agreement signed by or for both parties and filed with the Coconino County Recorder, and any modification or amendment will become effective on the date so specified, but no earlier than the date of the filing with the County Recorder.

9.5. This agreement may be cancelled pursuant to A.R.S. § 38-511.

9.6. No failure to enforce any condition or covenant of this Agreement will imply or constitute a waiver of the right of a party to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor will any waiver by either party of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

9.7. No party shall be liable to any other for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, strike or labor difficulty, fire, flood, windstorm, breakdown or other damage to equipment, or any other cause beyond the reasonable control of the party at fault.

9.8. This Agreement will be governed, interpreted and enforced in accordance with the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF FLAGSTAFF

_____
Becky Daggett, Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

COCONINO COUNTY

_____
Patrice Horstman,
Chairman of the Board of Supervisors

Attest:

_____
Clerk of the Board

Approved as to Form:

_____
Deputy County Attorney

SCHEDULE A

City of Flagstaff
Dispatch Shared Costs - Program 0224
Fiscal Year 2022

	Budget	Actual
Direct Costs - Police Dispatch O&M 0224	$ 2,979,171	$ 3,041,253
NAU/Pinewood Reimbursement for CAD	(21,687)	(28,514)
(1) Indirect Costs - Police Admin O&M 0220	439,107	303,342
(2) Capital	275,000	-
Subtotal	3,671,591	3,316,081
Cost Allocation 3.97%	145,762	131,648
Total Dispatch Cost	$ 3,817,353	$ 3,447,729
(3) Fire Specialist - Highlands	641	379
Fire Specialist - Blue Ridge	165	128
Fire Specialist - Pinewood	403	255
Fire Specialist - Forest Lakes	287	148
Fire Specialist - Summit Fire	1,007	778
Total Dispatch and Fire Specialist	3,819,856	3,449,417
(4) City (Police and Fire)	72.28%	72.71%
Highlands	1.05%	0.95%
Blue Ridge	0.27%	0.32%
Pinewood	0.66%	0.64%
Forest Lakes	0.47%	0.37%
Summit Fire	1.65%	1.95%
County	23.31%	22.86%

City (Police and Fire)	**2,759,183**	**2,506,844**
Highlands	**40,723**	**33,132**
Blue Ridge	**10,472**	**11,161**
Pinewood	**25,598**	**22,320**
Forest Lakes	**18,229**	**12,905**
Summit Fire	**63,993**	**68,009**
County	**889,825**	**788,151**
TOTAL	**3,808,023**	**3,442,522**
Cost per Call	47.73	46.33

(1) Indirect Calculation		
Section 061 O&M	18,621,425	18,354,105
Less: Admin O&M 0220	2,214,356	1,664,883
Section 061 Operations	16,407,069	16,689,222
Dispatch O&M 0224	3,254,171	3,041,253
Dispatch as % of Section 061 Operations	19.83%	18.22%
Section 061 Admin O&M Allocation to 0224	439,107	303,342

(2) Capital Calculation	Annual	Annual
Server Replacements	275,000	-
Total Annual Capital Allocation	275,000	-

(3) Fire Specialist Special Projects	61,000	39,897
Total Annual Fire Specialist	61,000	39,897

(4) Dispatch Allocation	FY 2022 Actual # Calls/Service	% Calls/Service	% Calls/Service
City - Police	39,002	52.26%	52.40%
City - Fire	15,111	20.02%	20.31%
USFS	119	0.24%	0.16%
USNPS	31	0.07%	0.04%
Highlands Fire	709	1.05%	0.95%
Pinewood	474	0.66%	0.64%
Summit Fire	1,449	1.65%	1.95%
Blue Ridge Fire	241	0.27%	0.32%
Forest Lakes Fire	273	0.47%	0.37%
County	17,009	23.31%	22.86%
Total	74,418	100.00%	100.00%

RECORDS MANAGEMENT, FILING AND REPORTING SERVICES INTERGOVERNMENTAL AGREEMENT

THIS RECORDS MANAGEMENT, FILING AND REPORTING SERVICES INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this ___ day of _____, 2023, among the City of Flagstaff ("City"), an Arizona municipal corporation, on behalf of the Flagstaff Police Department ("Police Department"), Coconino County ("County"), a political subdivision of the State of Arizona, on behalf of the Coconino County Sheriff's Office ("Sheriff's Office"), and the Coconino County Jail District, a political subdivision of the State of Arizona ("Jail District").

RECITALS

A. The City, County and Jail District entered into an Intergovernmental Agreement ("IGA") dated July 1, 2000, for the establishment of the City/County Law Enforcement Administrative Facility at Sawmill Road, within the City of Flagstaff, Coconino County, Arizona, for the Police Department and the Sheriff's Office.

B. The Flagstaff Police Department Records Section ("Records Section") provides support for law enforcement personnel, manages law enforcement records, files and reports and provides limited public access to law enforcement records.

C. In furtherance of the overall purposes of the IGA, the City, County and Jail District desire to establish a formal agreement for the provision by the Police Department Records Section of services to the Sheriff's Office and Jail District consisting of the storage, retrieval and disposition of certain of the records under the management of the Sheriff's Office and Jail District.

NOW, THEREFORE, pursuant to Arizona Revised Statutes Section 11-952, authorizing agreements for services among two or more public agencies, and in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

AGREEMENT

ARTICLE I

TERM

A. This Agreement shall commences on date of signature and runs for an initial period through June 30, 2023. Thereafter, unless terminated under the terms hereof, this Agreement is automatically renewed each year for an additional one-year period

commencing on the first day of July after the expiration of the initial period or a period subsequent thereto, for five years. Effective as of the date hereof, this Agreement shall replace the Initial Agreement, as amended, in its entirety, and the Initial Agreement shall terminate immediately without further action.

This Agreement may be terminated at the end of a period by any party hereto upon written notice of termination delivered to the other parties hereto prior to the first day of April in that period.

ARTICLE II

SCOPE OF CITY'S SERVICES

A. GENERAL SCOPE. The City, through the Records Section of the Police Department, agrees to accept documents from the Sheriff's Office and Jail District ("Records") for filing, storage, retrieval, management and control as set forth in more detail below. The Records to be provided by the Sheriff's Office and Jail District to the Records Section will include, but not be limited to, the following classes of documents, copies of which are attached to this Agreement and designated as the respective exhibits appearing after each document listed:

1. Jail Booking Records
2. Traffic Citation
3. Department Report
4. Vehicle Accident Report
5. Private Property Accident

Sheriff's Office and Jail District personnel will regularly provide Records to the Records Section. Unless otherwise specified below, Records Section personnel will file the Records according to the following timeline, provided that each Record contains all of the information necessary for filing. The Records Section shall process all Records through the following steps within twelve (12) hours of receipt by the Records Section:

1) Department Reports placed in numerical order; Criminal History Files placed in order by booking number.

2) Copied and routed as required.

3) Sheriff's Office Department Reports shall be date stamped received by the Records Section.

The City, County and Jail District acknowledge that the Records listed above are not intended to be a comprehensive list of all Records but are listed as the classes of documents that will be provided by the Sheriff's Office and Jail District to the Records Section and are an indication of the volume and complexity of the information flow from the Sheriff's

Office and Jail District to the Records Section. The City, County and Jail District further agree that the priority in proceeding with the Records work shall be at the discretion of the Records Section Supervisor, subject to the time restrictions set out above.

The Records Section will store Sheriff's Office Department Reports for no more than three (3) years plus the current year. Within forty-five (45) days of the start of each year, the Records Section will box hard copy Records three (3) years or older (not to include the current year) and deliver to the Sheriff's Office. The Records Section will box and deliver Criminal History Files on subjects that have no activity and/or have not been booked for three (3) years plus the current year to the Jail District within forty-five (45) days of the start of each year. The Records Section will not accept any permanent Sheriff's Office or Jail District Records, as defined by the Arizona State Department of Library and Archives, at any time.

The Records Section shall submit all Sheriff's Office and Jail District records to any and all local, national, and international law enforcement networks as requested by the Sheriff's Office and Jail District, as applicable.

B. PERSONNEL. The Police Department shall hire Records Section personnel through City of Flagstaff personnel policies and procedures and in such a manner as to protect the integrity and confidentiality of the Records.

C. EQUIPMENT. The Police Department shall provide emergency repairs, temporary personnel and any other means and methods necessary to protect the Records, files and reports from any failure of the records and reports equipment and systems.

D. RECORDS RETENTION AND STORAGE. The Records Section shall be responsible for the storage, retrieval, and disposition of all Records under its management in accordance with the records retention and storage requirements of the State of Arizona, as provided in Arizona Revised Statutes Section 41-1346, et seq.

E. SECURITY OF COMPUTER DATA BASE. The Police Department shall provide security against unauthorized access to the Sheriff's Office's and Jail District's computer records databases and hard copy files under the Record Section's control. This security shall include methods of detecting unauthorized access. The Police Department shall make security checks on a frequent but irregular basis on all telecommunications and/or data lines serving the computers.

F. SECURITY OF RECORDS. The Records Section shall provide security for all law enforcement records and files in its possession, including reasonable physical security with locks and alarms, and the secured storage areas shall be in compliance with Building Codes and Fire Codes.

Original Records may not be removed from the Records Section other than for viewing or copying, except upon presentation of a written authorization signed by an Authorized Representative of a party specifically describing the document to be removed and the

reason for its removal. Duplicate copies of original documents may be removed from a file in accordance with the terms and conditions of this Agreement.

G. PUBLIC INFORMATION COUNTER WINDOW SERVICE. The Records Section personnel shall provide courteous, efficient and effective service to those citizens utilizing the Records service and shall assist citizens in the completion of various forms as may be required to use the Records service. Records personnel will assist visitors in locating Sheriff staff in the facility when necessary. The Records Section personnel shall follow all Police Department policies and procedures.

Records Section personnel shall verify that the citizen has properly completed the proper records request form. Records Section personnel may release the Records listed below without the review of the Sheriff's Office's Records Custodian.

Record List:

1) Arizona State Motor Vehicle Accident Report Forms and supplements for accidents on cases other than fatality accidents;
2) Department Reports and any attached list of damaged or stolen property for any property crime with no suspect information may be released to the victim or the victim's representative.
3) Other records as mutually agreed in writing by the Sheriff's Office, Jail District and the Police Department.

The Records Section shall be equipped with a Telecommunications Device for the Deaf. Appropriate personnel shall be trained in the use of the device.

H. REPORTING INFORMATION. The Records Section shall make Department Reports and files available for daily, weekly, monthly or other timely retrieval as reasonably required by the Sheriff's Office and Jail District. In the event of a scheduling conflict at or during the time that a report is ordered or printed, Sheriff's Office and Jail District requests shall have equal priority with requests made by the Police Department. The Sheriff's Office and Jail District recognize that timely and accurate records, files, and reports are dependent upon prompt delivery of information to the Records Section.

I. PERSON/PROPERTY INQUIRIES. The Records Section shall provide timely response to requests for property hit confirmation in accordance with Arizona Criminal Justice Information Systems requirements. Further, the records clerk completing the transaction shall complete a Recovered Property Checklist. The Records Section shall forward copies of the Checklist and NCIC clearance slips to the Sheriff's Office for follow-up, and the Records Section will retain the originals thereof.

J. MISCELLANEOUS SERVICES. The Records Section shall provide to the Sheriff's Office the following additional services:

1) Photocopying of Sheriff's Office crime reports for prosecution purposes and civil litigation, including delivery of this material to the appropriate agency.
2) Delivery and records transmittal to and from the City and County Courts, Juvenile Detention Center, City Attorney's Office and County Prosecutor's Office as requested.

K. PERFORMANCE. If the Police Department fails to perform the Records, Filing, Reporting, or other essential services provided by its Records Section personnel as required herein, the Sheriff's Office or Jail District may specify such failure and provide notice thereof in writing in accordance with Article X of this Agreement.

ARTICLE III

COUNTY'S OBLIGATIONS

A. ANNUAL SERVICE FEE. The County agrees to pay the City fees for services under this Agreement in quarterly payments within thirty (30) days following invoicing by the City at the end of each calendar quarter. Fees and costs associated with the City's provision of Records services to the Sheriff's Office will be based upon the number of Sheriff's Office Department Records Management System records and Jail Booking Files received by the Records Section as a percentage of the total Department Records and Jail Booking Files received by the Records Section from the Sheriff's Office and the Jail District, plus Department Records generated by the Police Department. The County, City and Jail District will pay the their pro rata shares of the cost of the Records Section's services described in this Agreement for the initial term and any extended term of this Agreement, less a 25% discount for records not disseminated, and less their pro-rated revenue from records fees. (See Exhibit A.)

Every 3 years, Parties will meet and review actual number of records distributed and may adjust the credit percentage to reflect more accurate costs.

Fees will be based on the annual operating budget for the Records Section, as outlined in Exhibit B. Exhibit B will be updated annually for budgeted amounts and then adjusted for actual cost differences from the prior year should there be a difference from budget. The adjustment shall be applied prospectively to the costs per record. Upon the concurrence of the affected parties through the concurrence of the Sheriff, the Police Chief and/or the chief administrator of the Jail District, as the case may be, credits may be issued for unprogrammed work performed or reimbursements received by any party.

B. INFORMATION AND COORDINATION. The County recognizes its obligation to keep the Records Section fully informed of anticipated changes that may affect the Records Section's operations and fully involved in the design of data entry report forms and report format and agrees that the Sheriff's Office's Authorized Representative will coordinate all elements of report formats with the Police Department's Authorized Representative. In

order to support the accuracy of the Record Section's window service communications, the Sheriff's Office shall regularly provide a current list of Sheriff's Office employees by name, division and telephone number to the Records Section Supervisor. The Sheriff's Office shall give current information to the Records Supervisor on any special investigative communication requirements and/or special staffing projects in a timely manner.

ARTICLE IV

JAIL DISTRICT'S OBLIGATIONS

A. ANNUAL SERVICE FEE. The Jail District agrees to pay the City fees for services under this Agreement in quarterly payments within thirty (30) days following invoicing by the City at the end of each calendar quarter. Fees and costs associated with the City's provision of Records services to the Jail District will be based upon the number of Jail District's Department Reports and Criminal History Files received by the Records Section as a percentage of the total Department Reports and Criminal History Files received by the Records Section from the Jail District and the Sheriff's Office, plus Department Reports generated by the Police Department. The County, City and Jail District will pay the following pro rata shares of the cost of the Record Section's services described in this Agreement for the initial term and any extended term of this Agreement:

a. The County – nine percent (9%)
b. The Jail District – twenty-five percent (25%)
c. The City – sixty-six percent (66%)

Fees will be based on the annual operating budget for the Records Section, as outlined in Schedule A. Schedule A will be updated annually for budgeted amounts and then adjusted for actual cost differences from the prior year should there be a difference from budget. The adjustment shall be applied prospectively to the costs per record. Upon the concurrence of the affected parties through the concurrence of the Sheriff, the Police Chief and/or the chief administrator of the Jail District, as the case may be, credits may be issued for unprogrammed work performed or reimbursements received by any party.

B. INFORMATION AND COORDINATION. The Jail District recognizes its obligation to keep the Records Section fully informed of anticipated changes that may affect the Record Section's operations and fully involved in the design of data entry report forms and report format and agrees that the Jail District's Authorized Representative will coordinate all elements of report formats with the Police Department's Authorized Representative.

ARTICLE V

AUDIT AND INSPECTION

The City, County and Jail District each agrees that each shall have the right at reasonable times and places to inspect, copy and audit any books, accounts, time cards, correspondence or any other records or documents which are used to determine the performance or cost of the services to be performed under this Agreement. Audit and inspection costs shall be borne by the party requesting the audit or inspection.

Reasonable times and places means between 8 a.m. and 5 p.m. Monday through Friday in the Administrative Offices of the party whose documents are being audited or inspected. Any party shall have access to and the right to examine any directly pertinent books, documents, papers and records of the others related to this Agreement for a period of two (2) years after final payment under this Agreement.

ARTICLE VI

AUTHORIZED REPRESENTATIVES

The City, County and Jail District mutually agree that a process to solve problems and manage change as the Records system continue to evolve and grow in sophistication is essential to the proper administration of this Agreement.

The City, through the Police Department, the County, through the Sheriff's Office, and the Jail District hereby designate the following representatives who shall have authority to represent the City, County and Jail District, respectively, in carrying out the terms of this Agreement:

a. City - Deputy Chief of Support Services, Flagstaff Police Dept
b. County - Chief Deputy - Coconino County Sheriff's Office
c. District - Chief Deputy

If a party changes its representative, such part shall provide notice to the other parties of the name of the new representative in accordance with Article X.

ARTICLE VII

RIGHTS OF ACCESS AND USE

The Sheriff's Office and Jail District shall have access to and use of the Records Section for any and all law enforcement activities related to the provisions of this Agreement, including records, reports, and files that are available in or supplied by the Records Section. The Records Section shall provide the Sheriff's Office and Jail District each with a full and complete Standard Operating Procedure Manual and any manual revisions.

ARTICLE VIII

TERMINATION

This Agreement may be terminated by any party upon at least ninety (90) days' prior written notice for breach of any material term or condition of this Agreement, failure to meet standards of acceptance and performance, and/or loss of an essential service.

ARTICLE IX

INDEMNITIES

A. INDEMNIFICATION OF THE CITY BY THE COUNTY. The County covenants and agrees to indemnify, hold harmless and defend the City from and against any and all claims, demands, costs, actions, suits, liabilities, losses, and expenses, of whatever kind and nature whatsoever, that may arise or result from any act, action, or omission of the County under this Agreement or that may arise or result from the release by the Records Section of any records listed in Section II(A) above in accordance with the terms of this Agreement. The County's covenant and obligations under this provision shall survive any termination of this Agreement.

B. INDEMNIFICATION OF THE CITY BY THE JAIL DISTRICT. The Jail District covenants and agrees to indemnify, hold harmless and defend the City from and against any and all claims, demands, costs, actions, suits, liabilities, losses, and expenses, of whatever kind and nature whatsoever, that may arise or result from any act, action, or omission of the Jail District under this Agreement or that may arise or result from the release by the Records Section of any records listed in Section II(A) above in accordance with the terms of this Agreement. The Jail District's covenant and obligations under this provision shall survive any termination of this Agreement.

C. INDEMNIFICATION OF THE COUNTY AND THE JAIL DISTRICT. The City covenants and agrees to indemnify, hold harmless and defend the County and the Jail District, and each of them, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses of whatever kind and nature whatsoever that may arise or result from any act, action or omission of the City under this Agreement. The City's covenant and obligations under this Agreement shall survive any termination of this Agreement.

ARTICLE X

NOTICES

Any notice or communication required under this Agreement shall be in writing and shall be effective when personally delivered or when addressed:

If to Coconino County: Coconino County

	Attention: Deputy County Manager 219 E. Cherry Avenue Flagstaff, Arizona 86001
With a copy to:	Coconino County Sheriff's Office Attention: Sheriff 911 E. Sawmill Road Flagstaff, Arizona 86001
If to the Jail District:	Coconino County Jail District Attention: Deputy Chief 951 E. Sawmill Road Flagstaff, Arizona 86001
With a copy to:	Coconino County Attention: Deputy County Manager 219 E. Cherry Avenue Flagstaff, Arizona 86001
If to the City:	City of Flagstaff Attention: Deputy City Manager 211 W. Aspen Avenue Flagstaff, Arizona 86001
With a copy to:	City of Flagstaff Police Department Attention: Chief of Police 911 E. Sawmill Road Flagstaff, Arizona 86001

and deposited, postage prepaid, and certified with return receipt requested, in the United States mail.

ARTICLE XI

GENERAL MATTERS

A. AUTHORITY TO CONTRACT. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations under this Agreement and has taken all required acts or actions necessary to authorize the same.

B. DISPUTE RESOLUTION.

1. Mediation.

If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to arbitration. Mediation will be self-administered and conducted 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, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. 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.

2. Arbitration.
If mediation is unsuccessful to resolve any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement, the parties agree to resort to arbitration as provided in Sections 12-1518 and 12-133, Arizona Revised Statutes.

C. INTEGRATION; MODIFICATION. Each party acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except as expressed in this Agreement, and that this Agreement constitutes the parties' entire agreement with respect to the matters addressed in this document. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are superseded and merged in this Agreement. This Agreement may be modified or amended only by written agreement signed by or for all parties.

D. FORCE MAJEURE. No party shall be liable to any other for failure to comply with any of the terms and conditions of this Agreement where any failure to comply is caused by an act of God, court order, government regulation or requirement, strike or labor difficulty, fire, flood, windstorm, breakdown or other damage to equipment, or any other cause beyond the reasonable control of the party at fault.

E. WAIVER. No failure to enforce any condition or covenant of this Agreement will imply or constitute a waiver of the right of a party to insist upon performance of the condition or covenant, or of any other provision of this Agreement, nor will any waiver by any party of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach under this Agreement.

F. HEADINGS. The headings used in this Agreement are for convenience only and are not intended to alter or affect the meaning of any provision of this Agreement.

G. GOVERNING LAW. This Agreement will be governed, interpreted and enforced in accordance with the laws of the State of Arizona.

H. CANCELLATION. This agreement may be cancelled due to conflicts of interest pursuant to A.R.S. § 38-511.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF FLAGSTAFF

_____
Becky Daggett, Mayor

Attest:

_____
City Clerk

Approved as to Form:

_____
City Attorney

COCONINO COUNTY

_____
Patrice Horstman,
Chairwoman of the Board of Supervisors

Attest:

_____
Clerk of the Board

Approved as to Form:

_____
Deputy County Attorney

COCONINO COUNTY JAIL DISTRICT

_____
Patrice Horstman,
Chairwoman of the Board of Directors

Attest:

_____
Clerk of the Board

Approved as to Form:

_____
Deputy County Attorney

EXHIBIT A
EXAMPLE IGA % CALCULATIONS

TOTAL FACILITIES

	Basis	Total	FPD		Sheriff		Sheriff Page		SAR		County		Jail		Page Jail		
Operations	Square Footage	205,661	29,900	14.5%	18,736	9.1%	3,265	1.6%	9,500	4.6%	2,888	1.4%	130,062	63.2%	11,310	5.5%	
Snow Plow	Parking Spaces	436	219	50.2%	115	26.4%			0	0.0%	20	4.6%	82	18.8%			
Landscape	Parking Spaces	436	219	50.2%	115	26.4%			0	0.0%	20	4.6%	82	18.8%			
Utilities	Square Footage	125,242	0	0.0%	0	0.0%			0	0.0%	2,888	2.3%	122,354	97.7%			(Jail Only)
Natural Gas	Square Footage	181,586	29,900	16.5%	18,736	10.3%			0	0.0%	2,888	1.6%	130,062	71.6%			(Flag Campus)

MAINTENANCE

	Basis	Total	FPD		Sheriff		Sheriff Page		County		Jail		Page Jail		
Operations	Square Footage	196,161	29,900	15.2%	18,736	9.6%	3,265	1.7%	2,888	1.5%	130,062	66.3%	11,310	5.8%	
Snow Plow	Parking Spaces	436	219	50.2%	115	26.4%			20	4.6%	82	18.8%			
Landscape	Parking Spaces	436	219	50.2%	115	26.4%			20	4.6%	82	18.8%			
Utilities	Square Footage	125,242	0	0.0%	0	0.0%			2,888	2.3%	122,354	97.7%			(Jail Only)
Natural Gas	Square Footage	181,586	29,900	16.5%	18,736	10.3%			2,888	1.6%	130,062	71.6%			(Flag Campus)

CUSTODIAL

	Basis	Total	FPD		Sheriff		County		Jail		
Operations	Square Footage	59,232	29,900	50.5%	18,736	31.6%	2,888	4.9%	7,708	13.0%	
Utilities	Square Footage	56,344	29,900	53.1%	18,736	33.3%	0	0.0%	7,708	13.7%	(LEAF Bldg Only)
Reclaimed Water	Parking Spaces	436	219	50.2%	115	26.4%	20	4.6%	82	18.8%	

*note - Parks & Rec pays for the meter at Sawmill Park. When the meter is on, they pay their portion of the reclaimed water billing based on the meter reading

WARRANTS

	Basis	Total	City Court		Sheriff	
Operations	Number of Warrants	5,876	3,400	57.9%	2,476	42.1%

RECORDS

	Basis	Total	FPD		Sheriff		Jail	
RMS Records (Incidents / Bookings)		27,945	17335	62.0%	3,848	13.8%	6,762	24.2%
Less Discount for Records not Disseminated 25%								

EXHIBIT B
SAMPLE BILLING

City of Flagstaff
Records Shared Costs - Program 0223
Fiscal Year 2022

	Budget	Actual
Direct Costs - Police Records O&M 0223	$ 957,742	$ 957,742
NAU/Pinewood Reimbursements for RMS	(17,793)	(17,793)
(1) Indirect Costs - Police Admin O&M 0220	129,318	129,318
(2) Capital	-	-
Subtotal	1,069,267	1,069,267
Cost Allocation 3.97%	42,450	42,450
Total Records Cost	$ 1,111,717	$ 1,111,717
(3) Sheriff	15.77%	15.77%
Jail	17.63%	17.63%
Sheriff Portion of Police Records	**175,318**	**175,318**
Less: 25% Not disseminated	**(43,830)**	**(43,830)**
Less: Revenue Offset	**(3,000)**	**(3,000)**
Sheriff Portion of Police Records	**128,488**	**128,488**
Jail Portion of Police Records	**195,996**	**195,996**
Less: 25% Not disseminated	**(48,999)**	**(48,999)**
Less: Revenue Offset	**(3,000)**	**(3,000)**
Jail Portion of Police Records	**143,997**	**143,997**
Total Sheriff and Jail	**272,485**	**272,485**

(1) Indirect Calculation		
Section 061 O&M	18,621,425	18,621,425
Less: Admin O&M 0220	2,214,356	2,214,356
Section 061 Operations	16,407,069	16,407,069
Records O&M 0223	957,742	957,742
Records as % of Section 061 Operations	5.84%	5.84%
Section 061 Admin O&M Allocation to 0223	129,318	129,318

(2) Capital Calculation	Cost	Cost
	-	-
Total Capital Allocation	-	-

(3) RMS Percentage of Records Calculation	FY 2022 Actual # Documents	% Documents	% Documents
Police Dept Records	17,538	66.60%	66.60%
Jail Records	4,644	17.63%	17.63%
Sheriff Records	4,154	15.77%	15.77%
Total	26,336	100.00%	100.00%

	FPD		NAU PD		CCSO/CCDF		Total	
	45.31%	291.32	7.77%	49.96	46.92%	301.68	100.00%	642.96
		291.32		49.96		301.68		642.96
	77.00%	77,511.29	23.00%	8,015.83	0.00%	-	100.00%	85,527.12
	77.00%	6,388.35	23.00%	1,908.21	0.00%	-	100.00%	8,296.56
	77.00%	19,284.80	23.00%	5,760.40	0.00%	-	100.00%	25,045.20
	77.00%	5,700.99	23.00%	1,702.89	0.00%	-	100.00%	7,403.88
	77.00%	7,103.25	23.00%	2,121.75	0.00%	-	100.00%	9,225.00
	77.00%	1,189.83	23.00%	355.41	0.00%	-	100.00%	1,545.24
	100.00%	3,720.24	0.00%	-	0.00%	-	100.00%	3,720.24
CAD		120,898.75		19,864.49		-		140,763.24
	44.96%	7,346.33	17.83%	2,913.36	37.21%	6,079.99	100.00%	16,339.68
	44.96%	1,811.87	17.83%	718.54	37.21%	1,499.55	100.00%	4,029.96
	44.96%	4,148.63	17.83%	1,645.25	37.21%	3,433.52	100.00%	9,227.40
	44.96%	661.02	17.83%	262.14	37.21%	547.08	100.00%	1,470.24
	44.96%	1,508.61	17.83%	598.27	37.21%	1,248.56	100.00%	3,355.44
	44.96%	1,911.33	17.83%	682.13	32.21%	1,232.26	100.00%	3,825.72
CAD Interface		17,387.79		6,819.69		14,040.96		38,248.44
	60.81%	17,607.42	10.99%	3,182.13	28.20%	8,165.25	100.00%	28,954.80
	60.81%	19,505.42	10.99%	3,525.15	28.20%	9,045.43	100.00%	32,076.00
	60.81%	1,820.14	10.99%	328.95	28.20%	844.07	100.00%	2,993.16
WEBRmS		38,932.98		7,036.23		18,054.75		64,023.96
	45.31%	2,231.15	7.77%	277.20	46.92%	2,217.25	100.00%	4,725.60
JMS		2,231.15		277.20		2,217.25		4,725.60
	44.96%	7,991.80	17.83%	3,169.35	37.21%	6,614.21	100.00%	17,775.36
	44.96%	7,338.01	17.83%	2,910.07	37.21%	6,073.12	100.00%	16,321.20
	44.96%	1,487.05	17.83%	589.73	37.21%	1,230.72	100.00%	2,756.25
MDC		16,816.86		6,669.15		13,918.05		36,852.81
	0.00%	-	0.00%	-	100.00%	1,623.00	100.00%	1,623.00
JMS		-		-		1,623.00		1,623.00
	45.31%	4,974.98	7.77%	853.14	46.92%	5,151.76	100.00%	10,979.88
	45.31%	1,886.76	7.77%	323.55	46.92%	1,953.81	100.00%	4,164.12
	45.31%	2,855.02	7.77%	489.59	46.92%	2,956.47	100.00%	6,301.08
WEBRmS		9,716.76		1,666.28		10,062.04		21,445.08
		206,275.61		42,383.00		58,594.73		308,325.09

Escrow Fee	291.32	49.96	301.68	642.96
CAD	155,103.40	33,353.33	27,959.01	215,864.49
WebRMS	48,649.74	8,702.51	29,739.79	87,092.04
JMS	2,231.15	277.20	2,217.25	4,725.60
Subtotal	206,275.61	42,383.00	60,217.73	308,325.09
taxes	18,938.16	3,891.18	5,528.60	28,307.33
	225,213.77	46,274.18	65,746.33	336,632.42

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jenny Niemann, Climate Section Director

Co-Submitter: Danae Presler

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Ordinance No. 2025-10: An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 7 Health and Sanitation, Chapter 4 Municipal Solid Waste Collection Service, Section 07-04-001-0010 Fees, to add a new fee for public use of city-owned electric vehicle charging stations; providing for penalties, repeal of conflicting ordinances, severability, providing for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2025-10 by title only for the final time
2. City Clerk reads Ordinance No. 2025-10 by title only (if approved above)
3. Adopt Ordinance No. 2025-10

Executive Summary:

At the second read of the ordinance, staff will be proposing an amendment to include only two idling fee rates at City EV charging stations - one for Downtown and one for all other locations. There would be no separate idling fee rate for the Airport (updated slide attached).

The City of Flagstaff currently provides free electric vehicle charging to the public at 18 charging stations across four City facilities: City Hall, the Visitor's Center, the Aquaplex, and the Flagstaff Pulliam Airport. As demand has grown and electricity rates have increased, the costs to the City for providing this service have risen to approximately $62,000 annually. Furthermore, vehicles are often "idling" at the City's charging stations -- meaning they remain plugged in after the vehicle's battery is fully charged, preventing other vehicles from charging. On average, 25% of the time that a vehicle is plugged in at a City-owned station, it is fully charged and blocking the space.

Following direction from the City Council, staff developed the proposed Electric Vehicle Charging Fees to recover costs of providing public electric vehicle charging and encourage vehicles to be moved once fully charged, or in the case of the Airport, once the three-hour time limit has been reached. Notice of the proposed fees has been posted on the City website pursuant to A.R.S. Section 9-499.15.

Staff is requesting that a two-part fee structure be adopted for public use of City-owned electric vehicle charging stations.

1. While a vehicle is charging, the recommended fee is equal to the cost of energy consumed per kilowatt hour (kWh) plus 10%--this is equal to $0.39 per kWh at today's energy rates. This fee ensures that the cost of providing electricity is fully recovered, which is the City's largest expense in providing this service to the public. It also accounts for the 10% fee assessed to the City by the vendor for using the billing software.
2. Staff also recommends implementing an idling fee of $0.07 cents per minute for Downtown locations (e.g., City Hall and Visitor's Center), $0.07 cents per minute for the Airport (up to $100.00), and $0.04 cents per minute at other City locations (e.g., the Aquaplex). The idling fee is intended to motivate proper

charging etiquette and support cost recovery for maintenance, software, and indirect costs.

Financial Impact:
The proposed fees will recover costs of providing electric vehicle charging to the public at City facilities.

Policy Impact:
None

Previous Council Decision or Community Discussion:
Yes. At the December 19, 2023, City Council Meeting, the City Council advised staff to develop a proposed fee to recover the costs of providing electric vehicle charging to the public. An update was provided to the City Council at the February 2025 budget retreat, where Council confirmed this direction.

Options and Alternatives to Recommended Action:
â€¢ Adopt the Ordinance as recommended by staff.
â€¢ Amend the Ordinance for a different fee .
â€¢ Do not adopt the Ordinance and continue to provide electric vehicle charging to the public as a free service.

Connection to PBB Priorities and Objectives:
This action aligns with the following PBB Priorities and Objectives:

- High Performing Governance - maintain the organization's fiscal stability through strong financial policies and best practices.
- Sustainable and Innovative Infrastructure: Deliver outstanding services to residents through a healthy, well-maintained infrastructure system.

Connection to Regional Plan:
Policy T.3.2. Promote transportation systems that reduce the use of fossil fuels and eventually replace with carbon neutral alternatives.
Policy E&C.2.2. Promote investments that create a more connected and efficient community, decrease emissions from transportation and building energy, and strengthen climate resiliency.

Connection to Carbon Neutrality Plan:
EM-3: Support residents, businesses, and institutions in the transition to electric vehicles.

Connection to 10-Year Housing Plan:
N/A

Attachments: Proposed Amendment for Final Read
Ord. 2025-10
EV Charging Fee Report
Notice of Proposed EV Charging Rates and Fees_February 2025
Presentation

Electric Vehicle Charging Fees

Cost Recovery Fee Structure – UPDATE REQUEST

J. ELECTRIC VEHICLE CHARGING FEES:

1. ANY PERSON USING A CITY-OWNED ELECTRIC VEHICLE (EV) CHARGING STATION (AND ASSOCIATED PARKING SPACE) FOR ACTIVELY CHARGING AND/OR IDLING, SHALL PAY THE FOLLOWING FEES AS A CONDITION OF SUCH USE:

FEE WHILE CHARGING	COST OF ENERGY PER KILOWATT HOUR (KWH) + 10%
FEE WHILE IDLING	
DOWNTOWN LOCATIONS	$0.07 CENTS PER MINUTE ($4.20 PER HOUR)
~~AIRPORT LOCATIONS~~	~~$0.07 CENTS PER MINUTE ($4.20 PER HOUR) AFTER 3-HOUR LIMIT (UP TO $100.00)~~
ALL OTHER CITY LOCATIONS	$0.04 CENTS PER MINUTE ($2.40 PER HOUR)

ORDINANCE NO. 2025-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 7 HEALTH AND SANITATION, CHAPTER 4 MUNICIPAL SOLID WASTE COLLECTION SERVICE, SECTION 07-04-001-0010 FEES TO ADD A NEW FEE FOR PUBLIC USE OF CITY-OWNED ELECTRIC VEHICLE CHARGING STATIONS; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, PROVIDING FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City, as a customer of Arizona Public Service Company offers electric vehicle charging stations on City property for public use; and

WHEREAS, the City may enter into contracts for use of its property, pursuant to the Flagstaff City Charter Article I Section 3, may regulate parking pursuant to A.R.S. § 28-627(A), and is subject to Federal Aviation Administration grant assurance no. 24 requiring the City to charge fees for use of Airport property and facilities in a manner so as to make the Airport as self-sustaining as possible;

WHEREAS, the City desires to recover its costs in allowing public use of its electric vehicle charging stations (and associated parking spaces);

WHEREAS, the City has published and distributed notices of the proposed electric vehicle charging rates or fees pursuant to A.R.S. § 9-499.15.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Code, Title 7 Health and Sanitation, Chapter 4 Municipal Solid Waste Collection Service, Section 07-04-001-0010 Fees is hereby amended by adding a new subsection J to read as follows (deleted text is shown as stricken, and new text is shown as red capitalized text):

07-04-001-0010 FEES

The rates and charges for ~~solid waste and recycling collection~~ services outlined below are based on the cost of the services provided. The Director or designee may establish special rates or charges when required by unusual, unique or special needs, or to provide discounts for high-volume customers when collection efficiencies are realized.

* * *

J. ELECTRIC VEHICLE CHARGING FEES:

1. ANY PERSON USING A CITY-OWNED ELECTRIC VEHICLE (EV) CHARGING STATION (AND ASSOCIATED PARKING SPACE) FOR ACTIVELY CHARGING AND/OR IDLING, SHALL PAY THE FOLLOWING FEES AS A CONDITION OF SUCH USE:

FEE WHILE CHARGING		COST OF ENERGY PER KILOWATT HOUR (KWH) + 10%
FEE WHILE IDLING		
	DOWNTOWN LOCATIONS	$0.07 CENTS PER MINUTE ($4.20 PER HOUR)
	AIRPORT LOCATIONS	$0.07 CENTS PER MINUTE ($4.20 PER HOUR) AFTER 3-HOUR LIMIT (UP TO $100.00)
	ALL OTHER CITY LOCATIONS	$0.04 CENTS PER MINUTE ($2.40 PER HOUR)

2. FOR PURPOSES OF THIS SUBSECTION J, THE FOLLOWING TERMS ARE DEFINED AS FOLLOWS:
   a. "DOWNTOWN LOCATIONS" MEANS THE CITY HALL PARKING LOT, THE PUBLIC LIBRARY PARKING LOT ON W. ASPEN AVENUE, THE WHEELER PARK PARKING LOT, THE CITY VISITOR CENTER PARKING LOT ON ROUTE 66, AND ANY OTHER CITY EV CHARGING STATION LOCATION WITHIN THE FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT (A SPECIAL TAXING DISTRICT).
   b. "IDLING" MEANS THAT A VEHICLE CONTINUES TO USE THE ELECTRIC VEHICLE CHARGING PARKING SPACE AFTER THE VEHICLE'S BATTERY IS FULLY CHARGED OR AFTER THE POSTED TIME LIMIT.
   c. "THE COST OF ENERGY PER KILOWATT HOUR (KWH)" MEANS THE COST ARIZONA PUBLIC SERVICE COMPANY CHARGES TO THE CITY FOR ELECTRICITY PER KWH, INCLUDING BUT NOT LIMITED TO ALL SERVICE CHARGES, ADJUSTORS, AND TAXES AND FEES BILLED BY APS. SUCH COST SHALL BE CALCULATED ON A PERIODIC BASIS BY THE DIRECTOR OR DESIGNEE AS THE TOTAL APS BILL FOR PUBLIC ELECTRIC VEHICLE CHARGING STATION ACCOUNTS DIVIDED BY THE TOTAL ENERGY (KWH) CONSUMED.

* * * *

SECTION 2. Penalties

Any person found in violation of this ordinance shall be guilty of a civil infraction and shall be fined a sum not to exceed five hundred dollars ($500.00). Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

SECTION 3. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 4. 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 5. 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 6. Effective Date

This Ordinance shall be effective July 1, 2025 following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of May, 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

CITY OF FLAGSTAFF

Electric Vehicle Charging Fees Analysis – 2025

Executive Summary

The City Management Services Division and Sustainability Division have prepared a fee analysis for providing electric vehicle charging to the public. The proposed fee structure is intended to recover the cost of providing electric vehicle charging at City-owned stations and encourage vehicles to be moved once charged.

Staff plans to propose the Electric Vehicle Charging Fees to the City Council at the May 6, 2025, and May 20, 2025, Council meetings. It is anticipated that an Ordinance will be adopted with the new fee at the May 20, 2025, Council meeting with an effective date of July 1, 2025.

Electric Vehicle Charging Fees Proposal

Staff Proposal

The City of Flagstaff currently provides free electric vehicle charging to the public at 18 City-owned charging stations. As demand has grown and electricity rates have increased, the costs of providing this service have increased. Furthermore, vehicles are often "idling" at the City's charging stations – meaning they remain plugged in after the vehicle battery is fully charged, preventing other vehicles from charging. On average, 25% of the time a vehicle is at a City-owned station, the vehicle is fully charged and blocking the space. There is a higher prevalence of idling at the Flagstaff Pulliam Airport, despite having implemented a 3-hour limit at the site.

Following direction from the City Council, staff developed Electric Vehicle Charging Fees to address the cost considerations of managing the public electric vehicle charging service and encourage vehicles to be moved once charged. To develop the proposed fees, staff evaluated the operational expenses and indirect cost allocation for the service.

Cost of Service	Annual Costs
Electricity	$50,000
Software Expenses	$4,000
Maintenance Expenses	$2,500
Indirect Costs	$5,500
Total Cost of Service	**$62,000**

A two-part fee structure is recommended to achieve cost recovery and encourage vehicles to be moved once fully charged or, in the case of the Airport, once the time limit has been reached.

Fee While Charging		Cost of energy per kilowatt hour (kWh) + 10%* *(Current rate: $0.39 per kWh)*
Fee While Idling *(After fully charged or over the time limit)*		
	Downtown	$1.00 per 15-min
	Airport	$1.00 per 15-min after 3-hour limit (up to $100.00)
	Other	$2.00 per hour

*The cost of energy shall be calculated as the total APS bill for public electric vehicle charging station accounts divided by the total energy (kWh) consumed for the most recent year or most recent quarter following an APS rate increase. The additional 10% is the fee assessed to the City by the vendor for using the billing software.

This fee structure ensures the full cost of energy consumed by the service is recovered, which is the City's largest expense in providing electric vehicle charging to the public. The use of an idling fee is intended to motivate good charging etiquette. The City anticipates that these fees will reduce idling but not eliminate it. The revenue from the idling fee will be used to recover expenses for maintenance, software, and indirect costs of providing electric vehicle charging to the public. If revenue exceeds the costs of providing the service, the monies will be used to support the installation of additional public charging stations.

Lastly, staff evaluated market rates and found that the proposed Electric Vehicle Charging Fees are in line with market rates for this type of public electric vehicle charging in the region and across Arizona.

The City Council may approve, disapprove, or modify the proposed fees during its adoption.

NOTICE OF PROPOSED NEW RATES OR FEES

RELATED TO ELECTIC VEHICLE CHARGING RATES AND FEES

Pursuant to A.R.S. § 9-499.15, the City of Flagstaff hereby gives notice it proposes to amend the City Code to adopt new rates or fees related to Electric Vehicle Charging Rates and Fees.

The City Council will consider whether to amend the City Code to adopt new rates or fees at a public meeting, to be held:

Tuesday, May 6, 2025 at 3:00 p.m.
City of Flagstaff Council Chambers
211 W. Aspen Avenue
Flagstaff, Arizona 86001

A first reading of an ordinance to approve the changes may occur on this date. A second reading of an ordinance to approve the changes may occur at the next public meeting of the City Council on Tuesday, May 20, 2025 at 3:00 p.m. in City Council Chambers.

The City Council may approve, disapprove, or modify the proposed rates or fees at that time.

A written report that supports the rates or fees is provided below.

Please contact Danae Presler, Climate Program Manager, (928) 213-2141 if you have any questions.

Submitted by: Rick Tadder, Management Services Director

This notice is posted on the homepage of the City Website on this 27th day of February 2025.

Posted by: Sarah Langly, Public Affairs Director

Link: Electric Vehicle Charging Rates and Fees Report

Electric Vehicle Charging Fees

May 6, 2025

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Background

- The City has provided free electric vehicle (EV) charging to the public at 18 stations, since 2020.
- The 18 EV charging stations were mostly paid for through an APS grant program.
- The program now costs the City $60,000+ annually
- In 2024, the City Council advised implementing a fee for public to recover costs, while encouraging behavior change
- February 2025, staff presented rate proposals during the Council retreat

Cost Recovery Fee Structure

While Charging	Cost of the energy consumed per kilowatt hour (kWh) + 10%* *Current rate: $0.39 / kWh at today's energy rate.*
Idling Fee (after fully charged)	$1.05 per 15-min for Downtown stations ($0.07 per minute) $1.05 per 15-min for Airport after 3-hour limit ($0.07 per minute) *Up to $100 maximum charge* $2.40 per hour for Aquaplex ($0.04 per minute)

*The cost of providing energy is calculated as the total APS bill for public electric vehicle charger accounts divided by the total energy (kWh) consumed. Cost shall be calculated on a periodic basis by the Director or designee.

Example of Charging Fees in Action

Estimated costs for FY25-26:

- **$68,000**

Estimated revenue:

- **$47,000 to $85,000**
- **Depends on idling behaviors**

What this means to the customer

Charging for 4 hours	$ 10.14
Idling for 1 hour Downtown	$ 4.20
	$ 14.34

For ~100 miles of charge

Comparable to gas at $2.75 a gallon

Staff Recommendation: Adopt ordinance 2025-10 to enact EV Charging Fees.

- If adopted, fees would be charged beginning July 1, 2025.
- Staff will conduct engagement to ensure all station users are aware of this change.

Thank you!

Danae Presler
Climate Manager
Danae.Presler@FlagstaffAZ.gov

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Bryce Doty, Real Estate Manager

Co-Submitter: Carmen Pryer

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Ordinance No. 2025-09: An ordinance of the City Council of the City of Flagstaff, authorizing the acquisition of real property interests for the Arroyo Seco to Dortha Channel as part of the Spruce Wash Channel Improvements Project; providing for delegation of authority, repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2025-09 by title only for the final time
2. City Clerk reads Ordinance No. 2025-09 by title only (if approved above)
3. Adopt Ordinance No.2025-09

Executive Summary:

The Arroyo Seco to Dortha Project, a project within the larger suite of Spruce Wash Channel Improvement Projects, will construct a channel above an existing storm drain between the houses on the West side of Rose St and the East side of Main St. Most of the construction activities will occur within existing platted easements for drainage; however, there are a few areas where the permanent drainage structure will require additional drainage easements. Additionally, there are some areas where temporary entry permits and temporary construction easements are necessary in order to grade the adjacent land into the slope of the channel. Importantly, the majority of the construction work will occur on the channel side of existing backyard fences. There may be some fences which need to be temporarily moved in order to construct, but temporary fencing will be installed and the existing fence will be salvaged or replaced in kind for those impacted property owners.

This ordinance authorizes staff to acquire those outstanding easements needed in order to construct the project. City staff will be offering to pay just compensation to the property owner for purchase of the real property, based on an appraised value or a market analysis. If the City is unable to reach an agreement with the property owner despite good faith negotiations, City Council will have the opportunity at a future public meeting to decide whether to adopt a resolution authorizing condemnation of the interests needed for the project.

Financial Impact:

Project Name: Arroyo Seco to Dortha Channel
Total Project Cost: $3,939,393.75
Account Number Budgeted: 410-08-385-3523-3
Acquisition Cost Estimate: $75,000:
Funding Source: Prop 441 funds

Policy Impact:

No

Previous Council Decision or Community Discussion:
This is the first time acquisitions for these property interests has been brought to council for consideration.

Options and Alternatives to Recommended Action:
If these property acquisitions are not authorized, the project could face construction delays.

Connection to PBB Priorities and Objectives:

- High Performing Governance - Enhance the organization's fiscal stability & increase efficiency & effectiveness
- Environmental Stewardship - Promote, protect & enhance a healthy sustainable environment & its natural resources

Connection to Regional Plan:

- Manage watersheds and stormwater to address flooding concerns, water quality, environmental protections, and rainwater harvesting.
- Increase the region's preparedness for extreme climate events.
- Incorporate pedestrian access, trails, and watchable wildlife opportunities into natural watercourses when practical.
- Improve mobility and access throughout the region.
- Increase the availability and use of pedestrian infrastructure, including FUTS, as a critical element of a safe and livable community.

Connection to Carbon Neutrality Plan:
N/A

Connection to 10-Year Housing Plan:
N/A

Connection to Division Specific Plan:
N/A

Attachments: Ord. 2025-09
Exhibit A: Chart of Properties
Map of Area

ORDINANCE NO. 2025-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE ACQUISITION OF REAL PROPERTY INTERESTS FOR THE ARROYO SECO TO DORTHA CHANNEL AS PART OF THE SPRUCE WASH CHANNEL IMPROVEMENTS PROJECT; PROVIDING FOR DELEGATION OF AUTHORITY, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City has authority to acquire real property, pursuant to the Article I, Section 3 of the Flagstaff City Charter; and

WHEREAS, acquisition of real property is to be approved by ordinance, pursuant to Article VII, Section 5 of the Flagstaff City Charter; and

WHEREAS, the City desires to acquire real property for the Arroyo Seco to Dortha Channel as part of the Spruce Wash Channel Improvements Project, a project that will help mitigate post-fire flooding risks in east Flagstaff, and to add open space to Ponderosa Park, each a public use.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the acquisition of all, or part of the real property identified in the attached Exhibit A. The real property interests may be acquired through purchase, exchange, gift, donation, dedication, or condemnation necessary for a public use; provided, however, prior to commencement of any condemnation proceeding the City Council shall adopt a separate resolution finding that the taking of the real property interest(s) is necessary for a public use and authorizing condemnation.

SECTION 2. Delegation of Authority

The Mayor, City Manager, Community Development Director, Real Estate Manager, City Attorney or their delegates or agents, are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this ordinance.

SECTION 3. Repeal of Conflicting Ordinances.

Any ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed.

SECTION 4. Severability

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the City 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 5. 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 6. 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 20th day of May 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Exhibit A – Chart of Properties
Map of Area

APN	Type of Easement	Owner
109-09-002A	Temporary Construction Easement	Flagstaff Unified School District 1
109-09-002A	Temporary Construction Easement	Flagstaff Unified School District 1
109-19-030A	Temporary Construction Easement	Arroyo Seco Townhouses Homeowners Association Sterling Real Estate Managerment Peaks HOA Management 323 S River Run Road 86001
109-08-023	Temporary Construction Easement Drainage Easement	Arredondo Jacob D
109-08-024	Temporary Construction Easement Drainage Easement	Ortiz Oscar P & Maria D
109-08-026	Temporary Construction Easement Drainage Easement	Canyon Meadows LLC
109-08-027	Temporary Construction Easement Drainage Easement	Dixon Bradley
109-08-008	Temporary Construction Easement Drainage Easement	Otero Toni Marie 2804 N 1st Street Flagstaff 86004
109-08-029	Temporary Construction Easement Drainage Easement	Galaviz Gabriel A 2807 N Rose Street
109-08-009	Drainage Easement Temporary Construction Easement	Otero Edward M Sr Living Trust DTD 06-28-24 Edward M Otero, Sterling Trust 2804 N First St 86004
109-08-010	Temporary Construction Easement Drainage Easement	Villanueva Emily Jazmin 2808 N First St 86004
109-08-030	Temporary Construction Easement	Romero Ursula Marcella Living trust DTD 12-01-21 2813 N Rose St 86004
109-08-031	Drainage Easement Temporary Construction Easement	Archuleta Ana M 2817 N Rose St 86004
109-08-011	Temporary Construction Easement Drainage Easement	Garvin Benny S & Rose M 2812 N First St 86004
109-08-012	Drainage Easement Temporary Construction Easement	Herzberg Family Trust DTD 03-21-05 2816 N First St 86004
109-08-032	Temporary Construction Easement Drainage Easement	Cretti David Jeffrey 2821 N Rose St 86004
109-08-033A	Temporary Construction Easement Drainage Easement	Reilly Garrett B 2113 E Dortha Ave 86004
109-08-013	Temporary Construction Easement Drainage Easement	Garcia Ramon & Veronica 2820 N First St 86004

PLOTTED: Apr 11, 2025-9:38am

APN: 109-09-055C
SANTANA ARTURO

APN: 109-09-055B
YOUNG INGA D.

APN: 109-09-057
JARAMILLO MARGARET R.

APN: 109-08-002A
DAILEY JOHN M.

APN: 109-08-003A
GONZALES YVETTE M.

APN: 109-08-004
GONZALES YVETTE M.

APN: 109-08-005
SANDAKER LORI J.
TRUST

MATCHLINE STA 16+40.08 - REFER TO KILLIP INLET CONSTRUCTION PLANS FOR CONTINUATION OF DESIGN

N 1533389.90
E 789617.27

EX. DRAINAGE EASEMENT

PROPOSED T.C.E.

GRADING LIMITS

PROPOSED T.C.E.

N 1533587.73
E 789537.61

N 1533625.46
E 789519.47

PROPOSED T.C.E.

FENCE REMOVAL AND SALVAGE

FENCE REMOVAL AND SALVAGE

N 1533644.96
E 789509.02

FENCE REMOVAL AND SALVAGE

N 1533610.91
E 789561.16

MATCHLINE SEE BELOW

FENCE REMOVAL AND SALVAGE

N 1533432.32
E 789633.65

N 1533370.41
E 789664.39

N 1533585.56
E 789574.73

APN: 109-09-076
LINDQUIST DEBORAH
REVOCABLE FAMILY
TRUST

GRADING LIMITS

PROPOSED T.C.E.

PROPOSED T.C.E.

APN: 109-09-075
LAUC LETICIA
REVOCABLE TRUST

APN: 109-09-077C
LINDQUIST DEBORAH
REVOCABLE FAMILY
TRUST

APN: 109-08-021C
LINDQUIST DEBORAH
REVOCABLE FAMILY
TRUST

APN: 109-08-022
DAIZ ISABEL D.

APN: 109-08-023
ARREDONDO JACOB D.

APN: 109-08-024
ORTIZ OSCAR P. &
MARIA D.

APN: 109-08-025
AGUILAR CATALINA

APN: 109-08-006
NIETO EDWARD J. &
JOYCE I REVOCABLE
LIVING TRUST

APN: 109-08-007
NIETO EDWARD J. &
JOYCE I REVOCABLE
LIVING TRUST

APN: 109-08-008
OTERO TONI MARIE

APN: 109-08-009
OTERO EDWARD M.
SR. & TONI MARIE
GLORIA

APN: 109-08-010
VILLANUEVA EMILY
JAZMIN

APN: 109-08-011
GARVIN BENNY S. &
ROSE M.

APN: 109-08-012
HERZBERG FAMILY
TRUST

APN: 109-08-013
GARCIA RAMON &
VERONICA

APN: 109-08-014A
BROWN KURT B.

PROPOSED DRAINAGE EASEMENT

PROPOSED T.C.E.

PROPOSED DRAINAGE EASEMENT

PROPOSED T.C.E.

PROPOSED T.C.E.

GRADING LIMITS

PROPOSED T.C.E.

N 1533782.99
E 789446.15

N 1533792.93
E 789441.07

N 1533997.24
E 789330.08

N 1534102.96
E 789292.13

FENCE REMOVAL AND SALVAGE

FENCE REMOVAL AND SALVAGE

FENCE REMOVAL AND SALVAGE

REMOVE AND SALVAGE FENCE AND GATE AROUND EX. BUBBLER STRUCTURE

MATCHLINE SEE ABOVE

N 1533988.26
E 789362.76

N 1534099.58
E 789326.23

GRADING LIMITS

PROPOSED DRAINAGE EASEMENT

PROPOSED DRAINAGE EASEMENT

PROPOSED T.C.E.

PROPOSED T.C.E.

PROPOSED DRAINAGE EASEMENT

PROPOSED T.C.E.

PROPOSED DRAINAGE EASEMENT

PROPOSED T.C.E.

EX. DRAINAGE EASEMENT

DORTHA AVENUE

APN: 109-08-026
CANYON MEADOW
LLC

APN: 109-08-027
KWON KWON

APN: 109-08-028
SNOW REUBEN A.

APN: 109-08-029
GALAVIZ GABRIEL A.

APN: 109-08-030
ROMERA URSULA
MARCELLA LIVING
TRUST

APN: 109-08-031
ARCHULETA ANA M.

APN: 109-08-032
CRETTI DAVID JEFFEREY

APN: 109-08-033A
REILLY GARRETT B.

SCALE 1" : 20'
0 10 20

90% DESIGN
PRELIMINARY

NOT FOR CONSTRUCTION,
BIDDING OR RECORDING

C.O.F. #PZ-21-00236

FILE: P:\2023\223126\DRAWINGS\EXHIBITS\223126 - FENCE REMOVAL EXHIBIT.DWG SSALLY

FLAGSTAFF
ARIZONA

SPRUCE WASH – ARROYO TO DORTHA CHNL

DEMOLITION PLAN

JOB NO:	223126
DATE:	JAN 2025
SCALE:	AS SHOWN
DRAWN:	SPS
DESIGN:	KMF/SPS
CHECKED:	KMF/RLS

124 N. Elden Street
Flagstaff, AZ 86001
928.774.4636

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Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)

DRAWING NO.
DM01

SHT NO. 5 OF 12

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Stacy Saltzburg, City Clerk

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Ordinance No. 2025-08: An ordinance of the City Council of the City of Flagstaff, establishing the number of signatures required for City of Flagstaff candidate nomination petitions, providing for severability, authority for clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Read Ordinance No. 2025-08 by title only for the final time
2. City Clerk reads Ordinance No. 2025-08 by title only (if approved above)
3. Adopt Ordinance No. 2025-08

Executive Summary:

In November 2023, City of Flagstaff voters approved an amendment to the City Charter to add the ability for City Council to adjust the number of signatures required for candidate nomination petitions. Prior to this amendment, the City calculated the signatures based on a formula within state statute which required city candidate nomination petitions to contain at least five (5) percent and not more than ten (10) percent of the votes cast for Mayor.

Arizona Revised Statutes § 39-322 (A)(8) provides that a city holding nonpartisan elections may by ordinance establish the minimum number of signatures to be one thousand signatures or five percent of the vote in the city, whichever is less, but not more than ten percent of the vote in the city. Flagstaff was not able to utilize this provision because the City Charter did not previously allow for it.

With the recent Charter amendment, Council now has the opportunity to reduce the number of signatures to one thousand if they so choose. As we are moving toward election season for 2026, staff would like direction on whether Council would like to utilize this signature-reduction provision.

Financial Impact:

None

Policy Impact:

None

Previous Council Decision or Community Discussion:

Council authorized the Charter amendment to be presented to voters at the November 2023 election.

Options and Alternatives to Recommended Action:

The Council may decide not to implement the reduction.

Connection to PBB Priorities and Objectives:

High Performing Governance

Inclusive & Engaged Community

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Ord. 2025-08

ORDINANCE NO. 2025-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ESTABLISHING THE NUMBER OF SIGNATURES REQUIRED FOR CITY OF FLAGSTAFF CANDIDATE NOMINATION PETITIONS, PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Arizona Revised Statutes § 39-322 (A)(8) establishes the minimum number of signatures required on an at large city candidate's nomination petitions to be at least five (5) percent and not more than ten (10) percent of the vote in the city; and

WHEREAS, Arizona Revised Statutes § 39-322 (A)(8) also provides that a city holding nonpartisan elections may by ordinance establish the minimum number of signatures to be one thousand signatures or five percent of the vote in the city, whichever is less, but not more than ten percent of the vote in the city;" and

WHEREAS, it has been determined that it is appropriate to establish the number of signatures required for Flagstaff mayoral and council candidate nomination petitions.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The minimum number of nomination petition signatures required for a candidate for the office of mayor or council to have their name included on the Flagstaff municipal election ballot shall be one thousand signatures or five percent of the vote for Mayor in the last preceding Mayoral election, whichever is less, but not more than ten percent of the vote for Mayor in the last preceding election.

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 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 20th day of May, 2025.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Trevor Henry, Capital Improvements Engineer

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: Sixth Amendment to the Construction Manager at Risk Construction Phase Services Agreement with Eagle Mountain Construction, Inc. for the Spruce Wash Flood Mitigation Suite of Projects to add Guaranteed Maximum Price 6 for the Spruce Wash Watershed Improvements.

STAFF RECOMMENDED ACTION:

1. Approve the Sixth Amendment to the Construction Manager at Risk (CMAR) Construction Phase Services Agreement with Eagle Mountain Construction, Inc. (EMC) for the Spruce Wash Mitigation Suite of Projects to include Guaranteed Maximum Price (GMP) 6 for the Spruce Wash Watershed Improvements in the amount of $5,380,490.00 and adding 0 days to the contract duration; and
2. Approve an Owner's Contingency of $87,500, which is approximately 1.6% of GMP 6; and
3. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Staff recommends approval of the Sixth Amendment to the CMAR Construction Phase Services Agreement No. 2023-60 (Agreement), with EMC for the Spruce Wash Flood Mitigation Suite of Projects (the Suite). The Sixth Amendment would increase the contract amount by $5,380,490.00, including an owner's contingency of $87,500. Approval of the Sixth Amendment will authorize construction of the following projects within the Spruce Wash suite of projects to mitigate post-wildfire flooding:

- Dortha to Arroyo Seco Channel
- Arroyo Seco Inlet
- Killip Inlet
- Structure demolition and cleanup of City-acquired property

Please refer to the attached context and vicinity maps.
Construction of the Suite of Projects began in September of 2023. Target completion date is prior to monsoon season of 2026. Previous amendments and City Council actions are presented in detail in the Background and History section of this staff summary.

Financial Impact:

Amendment Six will be funded by the following account numbers for a total project budget:

Project	FY25 Estimate	FY26 Budget Proposed	Account
Dortha to Arroyo Seco Channel	$383,000	$2,770,770	410-08-385-3523-3

Arroyo Seco Inlet	$180,000	$154,159	410-08-385-3522-3
Killip Inlet	$109,131	$1,655,309	410-08-385-3534-3
Structure demolition and cleanup of City-acquired property	$2,040,001	$150,000	410-08-385-3587-3

A Federal Emergency Management (FEMA) grant #LPDM-PJ-09-AZ-2023 through the Department of Emergency Management (DEMA) for the acquisition of two parcels immediately north of Ponderosa Park, including demolition, removal, and cleanup, with a 75% Federal / 25% City share in the amount of $1,690,000.60.

A U.S. Army Corps of Engineers Environmental Infrastructure (EI) Assistance with a 75% Federal / 25% City share grant for the construction of the Killip Inlet in the amount of $2,000,000.00.

Policy Impact:
No Impact.

Previous Council Decision or Community Discussion:
Construction of the Suite of Projects began in September of 2023 with GMP 1 for the underground utilities portion of the Grandview Project and Wedge Clearing. Amendment One, GMP 2 began in March of 2024 and includes the utility relocations for the Linda Vista to Cedar Channel, Grandview Street Improvements, the Linda Vista Crossing and the Wedge Utilities. Amendment One extended construction to 1,025 days to cover construction of the entire Suite spanning over four construction seasons with a target completion prior to monsoon season of 2026. Amendment Two, GMP 3 authorized construction of the Linda Vista to Cedar Channel. Amendment Three authorized a change order to GMP 2 for the replacement of aging water and sewer infrastructure. Amendment Four, GMP 4, authorized construction of the Cedar Avenue box culvert crossing. Amendment Five, GMP 5, authorized construction of the Wedge Detention Basin.

- Council previously approved the ballot language for the November 2022 voter approved Proposition 441 Wildfire, Flood, and Wastewater Infrastructure Bond, which dedicated $26 million towards flood mitigation projects.
- Council previously approved this Agreement with EMC for the Suite of Projects for GMP#1 on July 3, 2023.
- Council previously approved Amendment One with EMC for the Suite of Projects for GMP#2 on March 5, 2024.
- Council previously approved Amendment Two with EMC for the Suite of Projects for GMP#3 on July 3, 2024.
- Council previously approved Amendment Three with EMC for Change Order No. 1 to GMP#2 on August 26, 2024.
- Council previously approved Amendment Four with EMC for GMP#4 on October 1, 2024.
- Council previously approved Amendment Five with EMC for GMP#5 on December 3, 2024.
- Council previously approved Change Order #1 for the Wedge Phase 3 (GMP#5) on May 6, 2025.

Options and Alternatives to Recommended Action:

1. Approve the Sixth Amendment as recommended. Approval will allow work to move forward; or,
2. Reject approval of the award as recommended. This action would delay the Project.
    a. If rejection occurs, possible options include:
        1. Ask staff to re-evaluate the recommendation; or

2. Suspend or cancel the project completely.

Background and History:
On July 21, 2019, the Museum Fire broke out in the Dry Lake Hills area just above Flagstaff within the Coconino National Forest. The fire charred 1,961 acres, including a significant portion of the Spruce Wash Watershed. Throughout the summer of 2021, monsoon rain events on the Museum burn scar caused multiple flood events in Flagstaff neighborhoods.

In November 2022, voters approved Proposition 441 with support from 76% of Flagstaff voters. The Proposition invests $57 million in City of Flagstaff wildfire suppression, stormwater flood mitigation and wastewater treatment infrastructure. Specifically, $26 million of this funding will be used to fund stormwater infrastructure improvements in the Spruce Wash area to lessen the impacts of flooding in affected neighborhoods.

Engineering design commenced in 2022 for a suite of drainage improvements in the Museum flood areas of the Paradise, Grandview and Sunnyside neighborhoods. The suite of 10 projects is shown on the Key Flood Projects.

In April 2023, the City awarded Eagle Mountain Construction the CMAR design and construction phase services contract for the suite of projects, except the Park Way Basins which was delivered by Coconino County Flood Control District. There have been multiple GMPs since construction commenced which has allowed construction to continue while design is completed, grant opportunities are explored and property is acquired.

The Suite of Projects consist of the following 10 projects (this list corresponds to the Key Flood Projects exhibit):

1. Grandview Drive Reconstruction -- a reconstructed inverted crown street with a modified rolled curb instead of a typical rolled curb to increase stormwater capacity of the roadway on Grandview from Linda Vista to Cedar including the side-streets, and replacing and lowering the existing aging water and sewer infrastructure to ensure proper cover with the lowered roadway. This project is substantially complete.
2. The Wedge Detention Basin -- a detention basin to receive diverted flows from Spruce Wash. The stormdrain portion of this project is substantially complete. Excavation of the basin is underway.
3. Linda Vista Drive Crossing -- a new box culvert to increase the inlet and downstream channel capacity and reduce the potential for overtopping of Linda Vista Drive. This project is substantially complete.
4. Cedar Avenue to Linda Vista Drive Channel: a re-graded and hardened channel to improve capacity for stormwater runoff conveyance. This project is under construction.
5. Cedar Avenue Crossing: a new box culvert to increase the inlet and downstream channel capacity. This project is under construction.
6. Arroyo Seco Drive to Dortha Avenue Channel: a re-graded and hardened channel to improve capacity for stormwater runoff conveyance. This GMP.
7. Arroyo Seco Drive Inlet: a reconstructed inlet structure for the purpose of increasing the inlet capacity to capture more stormwater into the downstream existing 60-inch storm drain. This GMP.
8. Killip Basins Outlet: a new outlet structure from the Killip Regional Detention Basins to an existing storm drain in Main Street to serve as a secondary outlet for larger storm events, reducing the impact of water overtopping the basins. Future GMP.
9. Killip Basins Inlet: a channel and improvements to convey flood flows through Ponderosa Park and into the Killip Regional Detention Basins. This GMP.
10. Park Way Basins: basins constructed by Coconino County Flood Control District on a City of Flagstaff parcel. The basins are intended to capture sediment and debris in Spruce Wash prior to entering the City's stormwater infrastructure. This project is complete.
10. Martinez Property: The City acquired private property immediately north of Ponderosa Park. A portion of this property is needed to convey flood water. The property will also serve as an access for construction and maintenance of the drainage infrastructure. Drainage improvements and access needs require demolition of the house and disposal of items left on the property. This GMP.

Expanded Financial Considerations:
The Spruce Wash Flood Mitigation Suite of Projects is funded by the November 2022 voter approved Proposition 441 Wildfire, Flood, and Wastewater Infrastructure Bond, which dedicated $26 million towards flood mitigation projects.

GMP#1 is $2,906,383.00 plus an Owners Contingency of $50,000.00 for a Total Contract Price of $2,956,383.00. GMP#1 is for the construction of the utilities portion of the Grandview Project and the clearing portion of the Wedge Project.

GMP#2 is $7,429,149.06 plus an Owners Contingency of $185,000.00. GMP#2 is for the utility relocation in the Linda Vista to Cedar Channel and construction of the Wedge Utilities, Grandview Street Improvements and Linda Vista Crossing.

GMP#3 is $2,907,375.00 plus an Owners Contingency of $50,000.00.

Change Order #1 to GMP#2 is $310,116.40 for water and sewer replacements in Linda Vista.

GMP #4 is $1,874,943.54 plus an Owners Contingency of $75,000 for a total of $1,949,943.54.

GMP #5 is $7,922,249.71 plus an Owners Contingency of $75,000 for a total of $7,997,249.71.

Change Order #1 to GMP#5 is $95,338.00.
Change Order #2 to GMP#5 is $439,009.00.

The Total Contract Amount including previously approved Amendments is **$24,420,045.18.**

The contract duration is 1,025 days with an anticipated completion date of June 26, 2026.

Action	Date Approved	Description	Amount
Agreement	7/3/2023	GMP#1: Grandview Utilities & Wedge Clearing	$2,956,383.00
Amendment One	3/5/2024	GMP#2: Grandview Roadway, Linda Vista Crossing, Linda Vista to Cedar Channel Ph 1, Wedge Utilities	$7,647,983.63
Amendment Two	7/3/2024	GMP#3: Linda Vista to Cedar Channel Ph 2	$2,957,375.00
Amendment Three	8/26/2024	Wedge Water & Sewer Utilities	$310,116.40
Amendment Four	10/1/2024	GMP#4: Cedar Avenue Crossing	$1,949,943.54
Amendment Five	11/12/2024	GMP#5: Wedge Basin	$8,159,234.61
Change Order	5/6/2025	CO#1 to GMP#5	$439,009.00
APPROVED TO DATE			**$24,420,045.18**
Amendment Six	GMP#6		$5,380,490.00
TOTAL CONTRACT AMOUNT			**$29,800,535.18**

Community Benefits and Considerations:

- Mitigating post-wildfire flooding in the Spruce Wash and surrounding neighborhoods, businesses, parks, and schools.
- Replacing and or abandoning aged and undersized existing water and sewer infrastructure, ranging from 51-63 years old, to meet current standards.
- Reducing required utilities maintenance with the construction of the new infrastructure.
- Coordinating construction of multiple projects and utilizing project areas for temporary construction yards

in the immediate vicinity to minimize inconveniences to the public and reduce costs.

Community Involvement:
Inform, Involve, Empower:

- Starting from roughly August of 2021 there have been over 20 Museum Flood and Post Wildfire Flooding Council Updates which will continue through completion of the Suite of Projects.
- In January 2022, Beta PR, on behalf of the City of Flagstaff, created the Museum Fire Flood Projects Website museumfloodprojects.com. Between September 9, 2024 and April 9, 2025, 1,318 unique individuals have visited site with over 1,479 total visits. A grand total of 9,314 people have visited the website since creation. The site also includes a subpage where people can sign up to receive E-Newsletters sent out via email on a weekly basis to provide updates and information on the Museum Fire Flood Mitigation Projects.
- In February 2022, Beta PR, on behalf of the City of Flagstaff, began sending out the ENewsletters and will continue to do so through and after the completion of the Suite of Projects. As of April 9, 2025, there are currently 544 ENewsletter subscribers.
- Beta PR created and maintains a Museum Fire Flood Projects email address (info@museumfloodprojects.com) and a project hotline. To date, 167 stakeholders have utilized the hotline or email to get their questions and concerns answered.
- In February 2022, Beta PR, on behalf of the City of Flagstaff, sent out an introduction mailer for Museum Fire Flood Mitigation Projects that was mailed to 950 properties in Spruce Wash area that included a Spanish translated side. Since February 2022, BetaPr, on behalf of the City, has mailed 11 notification fliers, disseminated 5 press releases and placed 26 door hangers to spread project information. BetaPr has conducted door-to-door visits over 35 times.
- In November 2022, voters approved Proposition 441 with support from 76% of Flagstaff voters.
- In December 2022, the Proposition 441 subpage of the Museum Fire Flood Projects Website was created which includes more information regarding the Suite of Projects.
- On February 2, 2023, the City hosted a Spruce Wash Community Meeting to provide information on the history of the Museum Fire, update on the progress of Spruce Wash Watershed restoration, November Prop 441 passage, and Prop 441 preliminary projects.
- On May 15, 2023, the City hosted the second Spruce Wash Community Meeting to provide information on the 2023 monsoon forecast, a Suite of Projects update, Coconino County Flood Control District Update, and preparing for the 2023 monsoon season.
- On November 2, 2023, the City hosted the third Spruce Wash Community Meetings to provide an update on the Suite of Projects, the flood modeling, and the flood risk assessment maps showing the positive impacts of the Suite of Projects.
- On April 1, 2024, the City hosted a fourth Spruce Wash Community Meeting to provide the community an opportunity to review the final plans, show the final flood modeling and the flood risk assessment maps and the positive impacts, and to go over the schedule and construction sequencing of the Suite of Projects.
- To date, during the design and current construction of the Suite of Projects, Beta PR, on behalf of the City of Flagstaff, has performed door-to-door operations over 25 times to deliver project notices and door hangers for various project items and information to the community adjacent to the Suite of Projects.
- Eagle Mountain Construction, Beta PR, and City staff will be intimately involved with the coordination of construction activities and keeping the stakeholders informed on schedule, sequence, and impacts through construction.

Connection to PBB Priorities and Objectives:
Safe & Healthy Community: Ensure the built environment is safe through the use of consistent standards, rules & regulations, & land use practices.
Sustainable, Innovative Infrastructure: Deliver outstanding services to residents through a healthy, well maintained infrastructure system.

Connection to Regional Plan:
Goal WR.5: Manage watersheds and stormwater to address flooding concerns, water quality, environmental protections, and rainwater harvesting.

Goal T.21: Improve transportation safety and efficiency for all modes.

Connection to Carbon Neutrality Plan:
IR-2: Ensure equity, accessibility, and inclusion across all City of Flagstaff Parks and Recreation facilities, helping all members of the Flagstaff community to meet their health and wellness needs.
WS-1: Improve water infrastructure and expand water reuse.

Connection to 10-Year Housing Plan:
None

Connection to Division Specific Plan:
None

Attachments:
Amended Agreement
Vicinity Map
Context Map
CMAR and Owner Contingency Justification Form
Presentation

SIXTH AMENDMENT

Spruce Wash Drainage Improvements Projects
Construction Manager at Risk

Construction Phase Services Agreement
Spruce Wash Watershed Improvements - GMP 6

Project No. #03-23014
Agreement No. 2023-60

This Sixth Amendment ("Sixth Amendment") to the fully executed Construction Phase Services Phase - Agreement No. 2023-60 dated July 14, 2023 (the "Agreement") for the City of Flagstaff Spruce Wash Drainage Improvement Projects (the "Projects") is made and entered into this ____ day of _____, 2025, by and between the City of Flagstaff, an Arizona municipal corporation ("City"), and Eagle Mountain Construction, Inc., an Arizona corporation ("Construction Manager at Risk" or "CMAR").

The Parties to the Agreement and other subsequent amendments, hereby agree to the following Sixth Amendment:

A. Pursuant to Article 5 – Contract Price, Section 5.2, Exhibit B – is amended to include the Spruce Wash Watershed Improvements – GMP 6 – dated May 5, 2025 (6 pages), attached hereto as Attachment A.

B. CMAR's Spruce Wash Watershed Improvements – GMP 6 is for the portions of the Projects related to the Arroyo-Dortha Channel, Killip Inlet, Arroyo-Seco Inlet, and demolition and clean-up of the Martinez Property, and shall total **five million three hundred eighty thousand four hundred ninety thousand dollars and zero cents ($5,380,490.00).**

C. Certain portions of the Projects have been funded in part with additional grants and shall abide by the grant provisions identified below:

1. Grant Agreement No.: Arizona Department of Emergency Management and Military Affairs, FY 2023 Community Project Funding/FY2023 Pre-Disaster Mitigation (L-PDM), #LPDM-PJ-09-AZ-2023-001/EMF-2023-PD-0002(0) (relating to Site Demo, Remove and Clear), attached hereto as Attachment B.

2. Grant Agreement No.: U.S. Department of the Army, Flagstaff PPA-595 (relating to the Killip Basins Inlet), attached hereto as Attachment C.

D. The total Contract Price for the complete performance of work under the Agreement and other subsequent amendments, as amended by this Sixth Amendment, shall be **($29,800,534.00).**

E. All other provisions of the Agreement and other subsequent amendments shall remain unchanged in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Sixth Amendment to be executed by their duly authorized representatives as of the date first written above. This Sixth Amendment will be in full force and effect only when it has been approved and executed by the duly authorized City officials.

City of Flagstaff

By:_____
Greg Clifton, City Manager

Dated:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney

Eagle Mountain Construction, Inc.

By:_____

Title:_____

Dated:_____

May 5, 2025

Trevor Henry
Capital Improvements Engineer
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86004

Re: Spruce Wash Watershed Improvements ("Project")
City of Flagstaff Project # 03-23014
Construction Manager at Risk – Guaranteed Maximum Price ("GMP") 6

Dear Mr. Henry,

Eagle Mountain Construction ("EMC") is submitting GMP 6 for the above referenced Project.

The Spruce Wash Watershed Improvements is a "suite" of 9 individual projects along the Spruce Wash drainage corridor, with several of the scopes having multiple phases. This GMP 6 is for the Arroyo-Dortha Channel, Killip Inlet, Arroyo-Seco Inlet, and the demolition and clean-up of the Martinez Parcel. All projects are identified and understood to be in the 90% design phase, with final design and any resulting budget adjustments to be addressed as needed.

This GMP 6 scope is tentatively scheduled to begin in May of 2025. The current overall project completion date is June 26, 2026, and these scopes are scheduled to complete within that time frame. If the final design elements and possibly an active 2025 monsoon or 2025-26 winter presents schedule challenges, EMC respectively reserves our rights to submit for any equitable adjustments.

Lastly, it requires noting that due to recent events related to the federal government's tariff policies, there is significant volatility in the supply and pricing of most commodities and materials in our industry. As always, EMC strives to mitigate those impacts with our subs & vendors in various ways, however, should there be supply or cost effects beyond our control, EMC reserves the right to submit for equitable adjustments as needed.

We continue to be honored to be apart this Team and appreciate the opportunity to work with so many of the Project stakeholders, the team of engineers, and the City of Flagstaff staff in the execution of the ever changing and challenging Project.

Sincerely,

Eagle Mountain Construction

Marco Spagnuolo
CEO

City of Flagstaff, AZ
211 W Aspen Ave.
Flagstaff, AZ 86001

Eagle Mountain Construction
3100 N Caden Ct.
Flagstaff, AZ 86004

CONTRACT SUMMARY

Project: SPRUCE WASH WATERSHED IMPROVEMENTS
Project #: COF# 03-23014
Dwgs:
Submitted: 5/5/2025

PROJECT DESCRIPTION	COST OF WORK	GC's	CMAR FEE	BOND, INS, AZTPT	CMAR CONT	OWNER CONT	TOTAL
GRANDVIEW PH 1 - UTILITIES	$ 1,808,284	$ 472,480	$ 239,480	$ 201,391	$ 50,000	$ 50,000	$ 2,821,635
THE WEDGE PH 1 - CLEARING	$ 70,750	$ 42,170	$ 11,857	$ 9,971	$ -	$ -	$ 134,747
GMP 1	**$ 1,879,034**	**$ 514,650**	**$ 251,337**	**$ 211,362**	**$ 50,000**	**$ 50,000**	**$ 2,956,383**
GRANDVIEW ROADWAY IMPROVEMENTS	$ 2,048,205	$ 198,360	$ 235,889	$ 198,371	$ 50,000	$ 50,000	$ 2,780,825
LINDA VISTA CROSSING	$ 886,110	$ 84,500	$ 101,914	$ 85,705	$ 25,000	$ 25,000	$ 1,208,229
CO#1 - Gas Line Revision	$ 28,356	$ -	$ 2,977	$ 2,501	$ -	$ -	$ 33,835
LINDA VISTA-CEDAR CHANNEL - PH 1	$ 391,330	$ 33,500	$ 44,607	$ 37,512	$ 10,000	$ 10,000	$ 526,950
THE WEDGE PH 2 - UTILITIES	$ 2,190,781	$ 196,000	$ 250,612	$ 210,752	$ 150,000	$ 100,000	$ 3,098,145
CO#1 - Final 2 Changes	$ 259,881	$ -	$ 27,288	$ 22,947	$ -	$ -	$ 310,116
GMP 2	**$ 5,804,663**	**$ 512,360**	**$ 663,287**	**$ 557,789**	**$ 235,000**	**$ 185,000**	**$ 7,958,100**
LINDA VISTA-CEDAR CHANNEL - PH 2	$ 2,170,565	$ 203,000	$ 249,224	$ 209,586	$ 75,000	$ 50,000	$ 2,957,375
GMP 3	**$ 2,170,565**	**$ 203,000**	**$ 249,224**	**$ 209,586**	**$ 75,000**	**$ 50,000**	**$ 2,957,375**
CEDAR CROSSING	$ 1,359,075	$ 149,300	$ 158,379	$ 133,189	$ 75,000	$ 75,000	$ 1,949,944
GMP 4	**$ 1,359,075**	**$ 149,300**	**$ 158,379**	**$ 133,189**	**$ 75,000**	**$ 75,000**	**$ 1,949,944**
THE WEDGE PH 3 - BASIN CONSTRUCTION	$ 5,899,341	$ 565,000	$ 678,756	$ 570,800	$ 275,000	$ 75,000	$ 8,063,897
CO#1 - Add R&R AC on LV Slip Lane	$ 367,921	$ -	$ 38,632	$ 32,456	$ -	$ -	$ 439,009
CO#2 - Grant Provision Increase	$ 79,900	$ -	$ 8,390	$ 7,049	$ -	$ -	$ 95,338
GMP 5	**$ 6,347,162**	**$ 565,000**	**$ 725,777**	**$ 610,305**	**$ 275,000**	**$ 75,000**	**$ 8,598,244**
ARROYO-DORTHA CHANNEL	$ 2,220,670	$ 225,500	$ 256,848	$ 215,982	$ 100,000	$ 50,000	$ 3,069,000.00
KILLIP INLET	$ 1,444,999	$ 148,000	$ 167,265	$ 140,666	$ 30,000	$ 30,000	$ 1,960,930.00
ARROYO-SECO INLET	$ 172,814	$ 18,500	$ 20,088	$ 16,898	$ 2,500	$ 2,500	$ 233,300.00
MARTINEZ PROPERTY DEMO	$ 78,700	$ 4,900	$ 8,778	$ 7,382	$ 12,500	$ 5,000	$ 117,260.00
GMP 6	**$ 3,917,183**	**$ 396,900**	**$ 452,979**	**$ 380,928**	**$ 145,000**	**$ 87,500**	**$ 5,380,490.00**
KILLIP SECONDARY OUTLET							
GMP 7 - TBD							
SPRUCE WASH DRAINAGE IMPROVEMENTS TOTAL	**$ 21,477,682**	**$ 2,341,210**	**$ 2,500,983**	**$ 2,103,159**	**$ 855,000**	**$ 522,500**	**$ 29,800,534**

ARROYO - DORTHA CHANNEL - 90% PLANS GMP

Keynote	DESCRIPTION	QTY	Unit	Unit Cost	Total
REMOVALS					
100	SITE GRADING. CLEAR AND GRUB SITE	1.0	LS	$ 39,000.00	$ 39,000.00
104	REMOVE AND DISPOSE OF EXISTING SIDEWALK	270	SF	$ 10.00	$ 2,700.00
105	REMOVE AND DISPOSE EXISTING CONCRETE	152	SF	$ 5.00	$ 760.00
106	REMOVE AND REPLACE EXISTING TRASHRACK	2	EA	$ 1,850.00	$ 3,700.00
107	REMOVE & DISPOSE EXISTING BUBBLER STRUCTURE	1	EA	$ 12,000.00	$ 12,000.00
108	REMOVE & DISPOSE EXISTING STORM DRAIN	81	LF	$ 35.00	$ 2,835.00
109	PROTECT EXISTING 60" STORM DRAIN IN PLACE	737	LF	$ 65.00	$ 47,905.00
112	REMOVE & REPLACE SURVEY MONUMENT	4	EA	$ 1,250.00	$ 5,000.00
137	REMOVE AND DISPOSE OF EXISTING RIPRAP	697	SF	$ 5.00	$ 3,485.00
150	REMOVE AND DISPOSE OF EXISTING TREE AND ROOTBALL	1	EA	$ 2,850.00	$ 2,850.00
156	REMOVE AND DISPOSE OF EXISTING CATCH BASIN	1	EA	$ 950.00	$ 950.00
IMPROVEMENTS					
	VINYL COATED CHAIN LINK FENCE	1,660	LF	$ 33.00	$ 54,780.00
213	INSTALL SALVAGED GATE	1	EA	$ 2,250.00	$ 2,250.00
227	CONSTRUCT 6' CHAIN LINK FENCE	34	LF	$ 55.00	$ 1,870.00
230	CONSTRUCT 5' SIDEWALK	270	SF	$ 33.00	$ 8,910.00
271	INSTALL BOLTED LID-ADJ TO FG	3	EA	$ 3,750.00	$ 11,250.00
290	FUTS 6' MODIFIED FENCE	27	LF	$ 275.00	$ 7,425.00
500,04,10	CONSTRUCT 18' WIDE CONCRETE CHANNEL	837	LF	$ 2,010.00	$ 1,682,370.00
510	ADJUST EXISTING BUBBLER	1	S	$ 19,600.00	$ 19,600.00
UTILITY RELOCATIONS					
	UTILITY RELOCATIONS - BY FRANCHISE UTILITIES	0	EA	$ -	$ -
EARTHWORK CONSTRUCTION					
	EARTHWORK (CUT & FILL)	1,280	CY	$ 70.00	$ 89,600.00
MISCELLANEOUS					
	MOBILIZATION & DEMOBILIZATION	1	LS	$ 56,300.00	$ 56,300.00
	SURVEY & STAKING	1	LS	$ 24,000.00	$ 24,000.00
	TRAFFIC CONTROL & MAINTENANCE	1	LS	$ 23,500.00	$ 23,500.00
	AS-BUILTS\RECORD DRAWINGS	1	LS	$ 13,300.00	$ 13,300.00
	SWPPP INSTALLATION & MAINTENANCE	1	LS	$ 11,750.00	$ 11,750.00
CONTRACT ALLOWANCES					
148	REMOVE, SALVAGE, AND REPLACE EXISTING PRIVATE FENCE	742	LF	$ 25.00	$ 18,550.00
149	REMOVE, SALVAGE, AND REPLACE EXISTING PRIVATE WALL	134	LF	$ 35.00	$ 4,690.00
211	INSTALL SALVAGED PRIVATE FENCE - MATCH EXISTING	570	LF	$ 65.00	$ 37,050.00
212	INSTALL SALVAGED PRIVATE WALL - MATCH EXISTING	113	LF	$ 230.00	$ 25,990.00
	BREAK AWAY FENCE ALLOWANCE (NO SUB QUOTES YET)	18	LF	$ 350.00	$ 6,300.00
SUMMARY					
COST OF WORK					**$ 2,220,670.00**
GENERAL CONDITIONS (GC'S) (Percent of Cost of the Work)		10.15%			$ 225,500.00
SUBTOTAL #1 - Cost of the Work + GC's					**$ 2,446,170.00**
CONSTRUCTION FEE (Fee) (Percentage of Subtotal #1)		10.50%			$ 256,847.85
SUBTOTAL #2 - Cost of the Work + GC's + Fee					**$ 2,703,017.85**
PERFORMANCE & PAYMENT BOND (Percentage of Subtotal #2)		0.90%			$ 24,327.16
SUBTOTAL #3 - Cost of the Work + GC's + Fee + Bonds					**$ 2,727,345.01**
INSURANCE (Percentage of Subtotal #3)		1.00%			$ 27,273.45
SUBTOTAL #4 - Cost of the Work + GC's + Fee + Bonds + Insurance					**$ 2,754,618.46**
SALES TAX (Percentage of GMP)		5.97%			$ 164,381.54
CMAR CONTINGENCY & PRICE ESCALATION FUNDING		5%			$ 100,000.00
GMP					**$ 3,019,000.00**
OWNERS CONTINGENCY (Percentage of Cost of the Work)		2%			$ 50,000.00
CONTRACT PRICE					**$ 3,069,000.00**

KILLIP INLET - FINAL 1

Keynote	DESCRIPTION	QTY	Unit	Unit Cost	Total
REMOVALS					
100	SITE GRADING. CLEAR AND GRUB SITE	1.00	LS	$ 71,400.00	$ 71,400.00
102	SAWCUT EXISTING CONCRETE	26	LF	$ 20.00	$ 520.00
104	REMOVE AND DISPOSE OF EXISTING CONCRETE SIDEWALK	2,857	SF	$ 12.00	$ 34,284.00
105	REMOVE AND DISPOSE OF EXISTING CONCRETE	3,670	SF	$ 12.00	$ 44,040.00
109	PROTECT EXISTING 60" STORM DRAIN	272	LF	$ 5.00	$ 1,360.00
112	REMOVE AND REPLACE DISTURBED SURVEY MONUMENT	5	EA	$ 1,750.00	$ 8,750.00
131	REMOVE AND DISPOSE EXISTING CENTER-GAZEBO	1	EA	$ 12,000.00	$ 12,000.00
149	REMOVE AND DISPOSE EXISTING PRIVATE FENCE/WALL	525	LF	$ 25.00	$ 13,125.00
150	REMOVE AND DISPOSE OF EXISTING TREE AND ROOTBALL	26	EA	$ 1,350.00	$ 35,100.00
154	REMOVE AND REINSTALL EXISTING LIGHT POLE	2	EA	$ 7,500.00	$ 15,000.00
171	REMOVE AND SALVAGE EXISTING PICNIC BENCH	3	EA	$ 75.00	$ 225.00
173	REMOVE AND DISPOSE EXISTING SAND VOLLEYBALL COURT AS NEEDED	1	EA	$ 5,000.00	$ 5,000.00
174	REMOVE AND SALVAGE EXISTING CONCRETE JERSEY BARRIERS	646	LF	$ 15.00	$ 9,690.00
IMPROVEMENTS					
213	VINYL COATED CHAIN LINK FENCE	685	LF	$ 35.00	$ 23,975.00
240	12' WIDE AC MILLINGS ROAD-DELETED PER JULIE 4-11-25	0	SF	$ -	$ -
241	INSTALL SOD REPLACEMENT - *(Fertilizer & Mulch not included)*	4,635	SY	$ 35.00	$ 162,225.00
241A	HYDROSEED - PER JULIE 4-11-25	3,320	SY	$ 15.00	$ 49,800.00
264	CONSTRUCT 20' WIDE BERM 4:1 SLOPE	1	LS	$ 16,100.00	$ 16,100.00
264.1	CONSTRUCT 10' WIDE BERM 4:1 SLOPE	1	LS	$ 8,970.00	$ 8,970.00
265	CONSTRUCT INTEGRATED SIDEWALK/WALL	590	LF	$ 695.00	$ 410,050.00
267	CONSTRUCT SWALE PER DTL 3 DT01, DTL C S2	100	LF	$ 48.00	$ 4,800.00
295	INSTALL "WARNING FLASH FLOOD AREA" SIGN	6	EA	$ 550.00	$ 3,300.00
502	CONSTRUCT CONCRETE WINGWALLS	56	LF	$ 495.00	$ 27,720.00
503	INSTALL GABION MATTRESS	1,066	SF	$ 49.00	$ 52,234.00
552	5' WIDE CONC FORD WALL CROSSING PER MAG 552 - *(Depth Guage not included)*	602	SF	$ 95.00	$ 57,190.00
582	INSTALL D50=6" RIPRAP	914	SF	$ 85.00	$ 77,690.00
EARTHWORK CONSTRUCTION					
	EARTHWORK	1,815	CY	$ 55.00	$ 99,825.00
MISCELLANEOUS					
	MOBILIZATION & DEMOBILIZATION	1	LS	$ 38,900.00	$ 38,900.00
	SURVEY & STAKING	1	LS	$ 34,426.00	$ 34,426.00
	TRAFFIC CONTROL & MAINTENANCE	1	LS	$ 28,600.00	$ 28,600.00
	AS-BUILTS\RECORD DRAWINGS	1	LS	$ 17,000.00	$ 17,000.00
	SWPPP INSTALLATION & MAINTENANCE	1	LS	$ 28,700.00	$ 28,700.00
CONTRACT ALLOWANCES					
	SAND BAG REMOVAL AND REPLACEMENT	1	LS	$ 7,500.00	$ 7,500.00
	ROCK EXCAVATION	1	LS	$ 10,000.00	$ 10,000.00
152	REMOVE AND REPLACE EXIST IRRIGATION FACILITIES	1	LS	$ 10,000.00	$ 10,000.00
280	IRRIGATION SYSTEM DESIGN & INSTALL	1	LS	$ 25,500.00	$ 25,500.00
141	REMOVAL & RELOCATE APS ELECTRICAL - BY APS	0	LS	$ -	$ -
142	REMOVAL & RELOCATE LUMEN FACILITIES - BY LUMEN	0	LS	$ -	$ -
SUMMARY					
COST OF WORK					**$ 1,444,999.00**
GENERAL CONDITIONS (GC'S) (Percent of Cost of the Work)		10.24%			$ 148,000.00
SUBTOTAL #1 - Cost of the Work + GC's					**$ 1,592,999.00**
CONSTRUCTION FEE (Fee) (Percentage of Subtotal #1)		10.50%			$ 167,264.90
SUBTOTAL #2 - Cost of the Work + GC's + Fee					**$ 1,760,263.90**
PERFORMANCE & PAYMENT BOND (Percentage of Subtotal #2)		0.90%			$ 15,842.38
SUBTOTAL #3 - Cost of the Work + GC's + Fee + Bonds					**$ 1,776,106.27**
INSURANCE (Percentage of Subtotal #3)		1.00%			$ 17,761.06
SUBTOTAL #4 - Cost of the Work + GC's + Fee + Bonds + Insurance					**$ 1,793,867.33**
SALES TAX (Percentage of GMP)		5.97%			$ 107,062.66
CMAR CONTINGENCY & PRICE ESCALATION FUNDING		2%			$ 30,000.00
GMP					**$ 1,930,930.00**
OWNERS CONTINGENCY (Percentage of Cost of the Work)		2%			$ 30,000.00
CONTRACT PRICE					**$1,960,930.00**

ARROYO-SECO INLET - 90% PLANS GMP

Keynote	DESCRIPTION	QTY	Unit	Unit Cost	Total
REMOVALS					
101\103	SAWCUT & REMOVE AC PAVEMENT	7.0	SY	$ 154.00	$ 1,078.00
108	REMOVE AND DISPOSE OF EXISTING STORM DRAIN	8.0	LF	$ 35.00	$ 280.00
111	REMOVE AND DISPOSE OF EXISTING ECO BLOCKS	63	LF	$ 85.00	$ 5,355.00
112	REMOVE AND REPLACE DISTURBED SURVEY MONUMENT	2	EA	$ 1,750.00	$ 3,500.00
122	REMOVE AND DISPOSE OF EXISTING SEWER MANHOLE	1	EA	$ 2,250.00	$ 2,250.00
123	REMOVE AND DISPOSE OF EXISTING SEWER MAIN	54	LF	$ 35.00	$ 1,890.00
126	CUT & CAP EXISTING SEWER MAIN	1	EA	$ 1,250.00	$ 1,250.00
130	REMOVE AND DISPOSE OF EXISTING CONCRETE DROP INLET STRUCTURE	1	EA	$ 7,250.00	$ 7,250.00
133	REMOVE AND DISPOSE OF EXISTING TRASH RACK	1	EA	$ 7,250.00	$ 7,250.00
135	REMOVE AND DISPOSE OF EXISTING CONCRETE HEADWALL AND WINGWALLS	1	EA	$ 7,500.00	$ 7,500.00
136	REMOVE AND DISPOSE OF EXISTING 18" SPIRAL RIB STORM DRAIN PIPE	8	LF	$ 75.00	$ 600.00
160	INSTALL TREE PROTECTION FENCING	88	LF	$ 12.00	$ 1,056.00
IMPROVEMENTS					
201	CONSTRUCT ASPHALT PAVEMENT SECTION TO MATCH EXISTING.	7	SY	$ 350.00	$ 2,450.00
262	CONSTRUCT FILL FROM FENCE LINE	1	EA	$15,025.00	$ 15,025.00
505	CONSTRUCT CONCRETE PIPE COLLAR	1	EA	$14,200.00	$ 14,200.00
522	INSTALL 48” DIA. STORM DRAIN MANHOLE	1	EA	$13,500.00	$ 13,500.00
523	INSTALL 84" DIA. STORM DRAIN MANHOLE	1	EA	$34,100.00	$ 34,100.00
525	INSTALL CHECKMATE ULTRAFELX INLINE CHECK VALVE	1	EA	$12,500.00	$ 12,500.00
551	INSTALL 60" DIA SMOOTH SRP (14 GA.)	13	LF	$ 950.00	$ 12,350.00
580	INSTALL D50=6" RIPRAP EROSION PROTECTION	7	CY	$ 1,000.00	$ 7,000.00
MISCELLANEOUS					
	MOBILIZATION & DEMOBILIZATION	1	LS	$ 13,000.00	$ 13,000.00
	SURVEY & STAKING	1	LS	$ 3,730.00	$ 3,730.00
	TRAFFIC CONTROL & MAINTENANCE	1	LS	$ 1,200.00	$ 1,200.00
	AS-BUILTS\RECORD DRAWINGS	1	LS	$ 2,500.00	$ 2,500.00
	SWPPP INSTALLATION & MAINTENANCE	1	LS	$ 2,000.00	$ 2,000.00
SUMMARY					
COST OF WORK					**$ 172,814.00**
GENERAL CONDITIONS (GC'S) (Percent of Cost of the Work)		10.71%			$ 18,500.00
SUBTOTAL #1 - Cost of the Work + GC's					**$ 191,314.00**
CONSTRUCTION FEE (Fee) (Percentage of Subtotal #1)		10.50%			$ 20,087.97
SUBTOTAL #2 - Cost of the Work + GC's + Fee					**$ 211,401.97**
PERFORMANCE & PAYMENT BOND (Percentage of Subtotal #2)		0.90%			$ 1,902.62
SUBTOTAL #3 - Cost of the Work + GC's + Fee + Bonds					**$ 213,304.59**
INSURANCE (Percentage of Subtotal #3)		1.00%			$ 2,133.05
SUBTOTAL #4 - Cost of the Work + GC's + Fee + Bonds + Insurance					**$ 215,437.63**
SALES TAX (Percentage of GMP)		5.97%			$ 12,862.37
CMAR CONTINGENCY & PRICE ESCALATION FUNDING		1%			$ 2,500.00
GMP					**$ 230,800.00**
OWNERS CONTINGENCY (Percentage of Cost of the Work)		1%			$ 2,500.00
CONTRACT PRICE					**$ 233,300.00**

MARTINEZ PROPERTY DEMOLITION

Keynote	DESCRIPTION	QTY	Unit	Unit Cost	Total
REMOVALS					
109	REMOVE AND DISPOSE OF STRUCTURES	1	LS	$51,500.00	$ 51,500.00
MISCELLANEOUS					
	MOBILIZATION	1	LS	$ 6,500.00	$ 6,500.00
	SURVEY & STAKING	1	LS	$ -	$ -
	TRAFFIC CONTROL & MAINTENANCE	1	LS	$ -	$ -
	AS-BUILTS\RECORD DRAWINGS	1	LS	$ -	$ -
	SWPPP INSTALLATION & MAINTENANCE	1	LS	$ 700.00	$ 700.00
CONTRACT ALLOWANCES					
	ASBESTOS DEMO (Report has not been issued, complete scope unknown)	1	LS	$ 20,000.00	$ 20,000.00
SUMMARY					
COST OF WORK					**$ 78,700.00**
GENERAL CONDITIONS (GC'S) (Percent of Cost of the Work)		6.23%			$ 4,900.00
SUBTOTAL #1 - Cost of the Work + GC's					**$ 83,600.00**
CONSTRUCTION FEE (Fee) (Percentage of Subtotal #1)		10.50%			$ 8,778.00
SUBTOTAL #2 - Cost of the Work + GC's + Fee					**$ 92,378.00**
PERFORMANCE & PAYMENT BOND (Percentage of Subtotal #2)		0.90%			$ 831.40
SUBTOTAL #3 - Cost of the Work + GC's + Fee + Bonds					**$ 93,209.40**
INSURANCE (Percentage of Subtotal #3)		1.00%			$ 932.09
SUBTOTAL #4 - Cost of the Work + GC's + Fee + Bonds + Insurance					**$ 94,141.50**
SALES TAX (Percentage of GMP)		5.97%			$ 5,618.50
CMAR CONTINGENCY (estimated 5 additional loads @ $2,500 per load)		16%			$ 12,500.00
GMP					**$ 112,260.00**
OWNERS CONTINGENCY (Percentage of Cost of the Work)		6%			$ 5,000.00
CONTRACT PRICE					**$ 117,260.00**

ATTACHMENT B

GRANT PROVISIONS

Grant Project Title: LPDM-Museum Post-Fire Flood Mitigation – Site Demo, Remove and Clear

Funding Agency: Federal Emergency Management Administration (FEMA) through Arizona Department of Emergency and Military Affairs (ADEMA)

Grant Agreement No.: FY 2023 Community Project Funding/FY2023 Pre-Disaster Mitigation (L-PDM), #LPDM-PJ-09-AZ-2023-001/EMF-2023-PD-0002(0)

FEDERAL - GRANT PROVISIONS

The Contractor and its Subcontractor shall comply with the following grant provisions;

Applicable Laws
Compliance with all applicable Federal, State, and Local laws and regulations.

Awards to debarred and suspended parties
The City will not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Orders 12549 and 12689, ``Debarment and Suspension."

Contracting with small and minority firms, women's business enterprise and labor surplus area firms.
(1) The Contractor will take all necessary affirmative steps to assure that minority firms,women's business enterprises, and labor surplus area firms are used when possible.
(2) Affirmative steps shall include:
(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

Equal Employment Opportunity
Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of $10,000 by grantees and their contractors or subgrantees)

Clean Water and Air Act
Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of $100,000)

Energy Policy and Conservation Act
Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

Resource Conservation and Recovery Act
Compliance with the Resource Conservation and Recovery Act (RCRA) requires federal agencies to assess the impact that debris, debris removal, hazardous wastes, and hazardous waste clean-up projects will have on air and water quality and take actions to prevent degradation. RCRA gives EPA the authority to control hazardous waste from the "cradle-to-grave" to facilities that generate hazardous materials and sets forth a framework for the management of non-hazardous waste (42 USC, 6901).

Conflicts of Interest

The City (grantee) and Contractor (subgrantees) will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Copyrights

Reports, maps or other documents produced in whole or in part are works for hire and shall not be the subject of any application for copyright by or on behalf of the Contractor or its Subcontractor. The Contractor shall advise the City or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

Patent Fees and Royalties

Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device that is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in Funding Agency Contracting Provisions for Construction Projects the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by the Owner in the Contract Documents.

Responsible Contractors

The City will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Access and Retention of Records

Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

This content is from the eCFR and is authoritative but unofficial.

Displaying title 2, up to date as of 8/01/2024. Title 2 was last amended 5/30/2024.

Title 2 —Grants and Agreements
Subtitle A —Office of Management and Budget Guidance for Grants and Agreements
Chapter II —Office of Management and Budget Guidance
Part 200 —Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) NOT APPLICABLE - Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5,
"Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or

research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See § 200.323.

(K) See § 200.216.

(L) See § 200.322.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014; 85 FR 49577, Aug. 13, 2020]

FY 2024 DHS STANDARD TERMS AND CONDITIONS

The Fiscal Year (FY) 2024 Department of Homeland Security (DHS) Standard Terms and Conditions apply to all new federal awards of federal financial assistance (federal awards) for which the federal award date occurs in FY 2024 and flow down to subrecipients unless a term or condition specifically indicates otherwise. For federal awards that may involve continuation awards made in subsequent FYs, these FY 2024 DHS Standard Terms and Conditions will apply to the continuation award unless otherwise specified in the terms and conditions of the continuation award. The United States has the right to seek judicial enforcement of these terms and conditions.

All legislation and digital resources are referenced with no digital links. These FY 2024 DHS Standard Terms and Conditions are maintained on the DHS website at www.dhs.gov/publication/fy15-dhs- standard-terms-and-conditions.

A. Assurances, Administrative Requirements, Cost Principles, Representations, and Certifications

I. Recipients must complete either the Office of Management and Budget (OMB) Standard Form 424B Assurances – Non- Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs, as applicable. Certain assurances in these documents may not be applicable to your program and the DHS financial assistance office (DHS FAO) may require applicants to certify additional assurances. Applicants are required to fill out the assurances as instructed by the federal awarding agency.

B. Recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in effect as of the federal award date and located at 2 C.F.R. Part 200 and adopted by DHS at 2 C.F.R. § 3002.10. General Acknowledgements and Assurances

All recipients and subrecipients must acknowledge and agree to provide DHS access to records, accounts, documents, information, facilities, and staff pursuant to 2 C.F.R. § 200.337.

I. Recipients must cooperate with any DHS compliance reviews or compliance investigations.

II. Recipients must give DHS access to examine and copy records, accounts, and other documents and sources of information related to the federal financial assistance award and permit access to facilities and personnel.

III. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.

IV. Recipients must comply with all other special reporting, data collection, and evaluation requirements required by law, federal regulation, Notice of Funding Opportunity, federal award specific terms and conditions, and/or federal awarding agency program guidance.

V. Recipients must complete the DHS Civil Rights Evaluation Tool within thirty (30) days of receiving the Notice of Award for the first award under which this term applies. Recipients of multiple federal awards from DHS should only submit one completed tool for their organization, not per federal award. After the initial submission, recipients are required to complete the tool once every two (2) years if they have an active federal award, not every time a federal award is made. Recipients must submit the completed tool, including supporting materials, to CivilRightsEvaluation@hq.dhs.gov. This tool clarifies the civil rights obligations and related reporting requirements contained in these DHS Standard Terms and

Conditions. Subrecipients are not required to complete and submit this tool to DHS. The evaluation tool can be found at https://www.dhs.gov/publication/dhs-civil-rights-evaluation-tool. DHS Civil Rights Evaluation Tool | Homeland Security

The DHS Office for Civil Rights and Civil Liberties will consider, in its discretion, granting an extension to the 30-day deadline if the recipient identifies steps and a timeline for completing the tool. Recipients must request extensions by emailing the request to CivilRightsEvaluation@hq.dhs.gov prior to expiration of the 30-day deadline.

C. Standard Terms & Conditions

I. Acknowledgement of Federal Funding from DHS

Recipients must acknowledge their use of federal award funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal award funds.

II. Activities Conducted Abroad

Recipients must coordinate with appropriate government authorities when performing project activities outside the United States obtain all appropriate licenses, permits, or approvals.

III. Age Discrimination Act of 1975

Recipients must comply with the requirements of the Age Discrimination Act of 1975, Pub. L. No. 94-135 (codified as amended at 42 U.S.C. § 6101 *et seq*.), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.

IV. Americans with Disabilities Act of 1990

Recipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, Pub. L. No. 101-336 (1990) (codified as amended at 42 U.S.C. §§ 12101– 12213), which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.

V. Best Practices for Collection and Use of Personally Identifiable Information

Recipients who collect personally identifiable information (PII) as part of carrying out the scope of work under a federal award are required to have a publicly available privacy policy that describes standards on the usage and maintenance of the PII they collect. DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy Template as useful resources respectively.

VI. Civil Rights Act of 1964 – Title VI

Recipients must comply with the requirements of Title VI of the Civil Rights Act of 1964, Pub. L. No. 88-352 (codified as amended at 42 U.S.C. § 2000d *et seq*.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 C.F.R. Part 21. Recipients of an award from the Federal Emergency Management Agency (FEMA) must also comply with FEMA's implementing regulations at 44 C.F.R. Part 7.

VII. Civil Rights Act of 1968

Recipients must comply with Title VIII of the Civil Rights Act of 1968, Pub. L. No. 90-284 (codified as amended at 42 U.S.C. § 3601 *et seq*.) which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection. therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex, as implemented by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features. (See 24 C.F.R. Part 100, Subpart D.)

VIII. Copyright

Recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 to any work first produced under federal awards and also include an acknowledgement that the work was produced under a federal award (including the federal award number and federal awarding agency). As detailed in 2 C.F.R. § 200.315, a federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes and to authorize others to do so.

IX. Debarment and Suspension

Recipients must comply with the non-procurement debarment and suspension regulations implementing Executive Orders (E.O.) 12549 and 12689 set forth at 2 C.F.R. Part 180 as implemented by DHS at 2 C.F.R. Part 3000. These regulations prohibit recipients from entering into covered transactions (such as subawards and contracts) with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

X. Drug-Free Workplace Regulations

Recipients must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 2 C.F.R. Part 3001, which adopts the Government-wide implementation (2 C.F.R. Part 182) of the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 8101-8106).

XI. Duplicative Costs

Recipients are prohibited from charging any cost to this federal award that will be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior budget period. (See 2 C.F.R. § 200.403(f)). However, recipients may shift costs that are allowable under two or more federal awards where otherwise permitted by federal statutes, regulations, or the federal financial assistance award terms and conditions.

XII. Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX

Recipients must comply with the requirements of Title IX of the Education Amendments of 1972, Pub. L. No. 92-318 (codified as amended at 20 U.S.C. § 1681 *et seq*.), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. DHS implementing regulations are codified at 6 C.F.R. Part 17. Recipients of an award from the Federal Emergency Management Agency (FEMA) must also comply with FEMA's implementing regulations at 44 C.F.R. Part 19.

XIII. Energy Policy and Conservation Act

Recipients must comply with the requirements of the Energy Policy and Conservation Act,

Pub. L. No. 94-163 (1975) (codified as amended at 42 U.S.C. § 6201 *et seq*.), which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

XIV. False Claims Act and Program Fraud Civil Remedies

Recipients must comply with the requirements of the False Claims Act, 31 U.S.C. §§ 3729-3733, which prohibit the submission of false or fraudulent claims for payment to the Federal Government. (See 31 U.S.C. §§ 3801-3812, which details the administrative remedies for false claims and statements made.)

XV. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. (See OMB Circular A-129.)

XVI. Federal Leadership on Reducing Text Messaging while Driving

Recipients are encouraged to adopt and enforce policies that ban text messaging while driving recipient-owned, recipient-rented, or privately owned vehicles when on official government business or when performing any work for or on behalf of the Federal Government. Recipients are also encouraged to conduct the initiatives of the type described in Section 3(a) of E.O. 13513.

XVII. Fly America Act of 1974

Recipients must comply with Preference for U.S. Flag Air Carriers (a list of certified air carriers can be found at: Certificated Air Carriers List | US Department of Transportation, https://www.transportation.gov/policy/aviation-policy/certificated-air-carriers-list)for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. § 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

XVIII. Hotel and Motel Fire Safety Act of 1990

Recipients must ensure that all conference, meeting, convention, or training space funded entirely or in part by federal award funds complies with the fire prevention and control guidelines of Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225a.

XIX. John S. McCain National Defense Authorization Act of Fiscal Year 2019

Recipients, subrecipients, and their contractors and subcontractors are subject to the prohibitions described in section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232 (2018) and 2 C.F.R. §§ 200.216, 200.327, 200.471, and Appendix II to 2 C.F.R. Part 200. The statute – as it applies to DHS recipients, subrecipients, and their contractors and subcontractors – prohibits obligating or expending federal award funds on certain telecommunications and video surveillance products and contracting with certain entities for national security reasons.

XX. Limited English Proficiency (Civil Rights Act of 1964, Title VI)

Recipients must comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*.) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance: https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited and additional resources on http://www.lep.gov.

XXI. Lobbying Prohibitions

Recipients must comply with 31 U.S.C. § 1352 and 6 C.F.R. Part 9, which provide that none of the funds provided under a federal award may be expended by the recipient to pay any person to influence, or attempt 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 any federal action related to a federal award or contract, including any extension, continuation, renewal, amendment, or modification. Per 6 C.F.R. Part 9, recipients must file a lobbying certification form as described in Appendix A to 6 C.F.R. Part 9 or available on Grants.gov as the Grants.gov Lobbying Form and file a lobbying disclosure form as described in Appendix B to 6 C.F.R. Part 9 or available on Grants.gov as the Disclosure of Lobbying Activities (SF-LLL).

XXII. National Environmental Policy Act

Recipients must comply with the requirements of the National Environmental Policy Act of 1969, Pub. L. No. 91-190 (1970) (codified as amended at 42 U.S.C. § 4321 *et seq*.) (NEPA) and the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA, which require recipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

XXIII. Nondiscrimination in Matters Pertaining to Faith-Based Organizations

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. Recipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statues, regulations, and guidance governing the participations of faith- based organizations in individual DHS programs.

XXIV. Non-Supplanting Requirement

Recipients of federal awards under programs that prohibit supplanting by law must ensure that federal funds supplement but do not supplant non-federal funds that, in the absence of such federal funds, would otherwise have been made available for the same purpose.

XXV. Notice of Funding Opportunity Requirements

All the instructions, guidance, limitations, scope of work, and other conditions set forth in the Notice of Funding Opportunity (NOFO) for this federal award are incorporated by reference. All recipients must comply with any such requirements set forth in the NOFO. If a condition of the NOFO is inconsistent with these terms and conditions and any such terms of the Award, the condition in the NOFO shall be invalid to the extent of the inconsistency. The remainder of that condition and all other conditions set forth in the NOFO shall remain in effect.

XXVI. Patents and Intellectual Property Rights

Recipients are subject to the Bayh-Dole Act, 35 U.S.C. § 200 *et seq*. and applicable regulations governing inventions and patents, including the regulations issued by the Department of Commerce at 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Awards, Contracts, and Cooperative Agreements) and the standard patent rights clause set forth at 37 C.F.R. § 401.14.

XXVII. Procurement of Recovered Materials

States, political subdivisions of states, and their contractors must comply with Section

6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act at 42 U.S.C. § 6962) and 2 C.F.R. § 200.323. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

XXVIII. Rehabilitation Act of 1973

Recipients must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, Pub. L. No. 93-112 (codified as amended at 29 U.S.C. § 794), which provides that no otherwise qualified handicapped individuals in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

XXIX. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of any currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of the federal award, then the recipient must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated by reference.

XXX. Reporting Subawards and Executive Compensation

For federal awards that equal or exceed $30,000, recipients are required to comply with the requirements set forth in the government-wide award term on Reporting Subawards and Executive Compensation set forth at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated by reference.

XXXI. NOT APPLICABLE - Required Use of American Iron, Steel, Manufactured Products, and Construction Materials Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

(1) all iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(2) all manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

(3) all construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Waivers

When necessary, recipients may apply for, and the agency may grant, a waiver from these requirements. The agency should notify the recipient for information on the process for requesting a waiver from these requirements.

(a) When the Federal agency has determined that one of the following exceptions applies, the awarding official may waive the application of the domestic content procurement preference in any case in which the agency determines that:

(1) applying the domestic content procurement preference would be inconsistent with the public interest;

(2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or

(3) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

A request to waive the application of the domestic content procurement preference must be in writing. The agency will provide instructions on the format, contents, and supporting materials required for any waiver request. Waiver requests are subject to public comment periods of no less than 15 days and must be reviewed by the Made in America Office.

There may be instances where an award qualifies, in whole or in part, for an existing waiver described at "Buy America" Preference in FEMA Financial Assistance Programs for Infrastructure | FEMA.gov.

Definitions

The definitions applicable to this term are set forth at 2 C.F.R. § 184.3, the full text of which is incorporated by reference.

XXXII. SAFECOM

Recipients receiving federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications. The SAFECOM Guidance is updated annually and can be found at Funding and Sustainment | CISA.

XXXIII. Terrorist Financing

Recipients must comply with E.O. 13224 and applicable statutory prohibitions on transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible for ensuring compliance with the E.O. and laws.

XXXIV. Trafficking Victims Protection Act of 2000 (TVPA)

Recipients must comply with the requirements of the government-wide financial assistance award term which implements Trafficking Victims Protection Act of 2000, Pub. L. No. 106-386, § 106 (codified as amended at 22 U.S.C. § 7104). The award term is located at 2 C.F.R. § 175.15, the full text of which is incorporated by reference.

XXXV. Universal Identifier and System of Award Management

Recipients are required to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A, the full text of which is incorporated reference.

XXXVI. USA PATRIOT Act of 2001

Recipients must comply with requirements of Section 817 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

XXXVII. Use of DHS Seal, Logo and Flags

Recipients must obtain written permission from DHS prior to using the DHS seals, logos, crests, or reproductions of flags, or likenesses of DHS agency officials. This includes use of DHS component (e.g., FEMA, CISA, etc.) seals, logos, crests, or reproductions of flags, or likenesses of component officials.

XXXVIII. Whistleblower Protection Act

Recipients must comply with the statutory requirements for whistleblower protections at 10 U.S.C § 470141 U.S.C. § 4712.

ATTACHMENT C

GRANT PROVISIONS

Grant Project Title: Spruce Wash – Killip Basins Inlet

Funding Agency: The Department of the Army

Grant Agreement No.: Flagstaff PPA-595

City Contract No.: GRA-2024-267-AG1

FEDERAL - GRANT PROVISIONS

The Contractor and its Subcontractor shall comply with the following grant provisions;

Applicable Laws
Compliance with all applicable Federal, State, and Local laws and regulations.

Awards to debarred and suspended parties
The City will not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Orders 12549 and 12689, ``Debarment and Suspension."

Contracting with small and minority firms, women's business enterprise and labor surplus area firms.
(1) The Contractor will take all necessary affirmative steps to assure that minority firms,women's business enterprises, and labor surplus area firms are used when possible.
(2) Affirmative steps shall include:
(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

Equal Employment Opportunity
Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of $10,000 by grantees and their contractors or subgrantees)

Clean Water and Air Act
Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of $100,000)

Energy Policy and Conservation Act
Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

Resource Conservation and Recovery Act
Compliance with the Resource Conservation and Recovery Act (RCRA) requires federal agencies to assess the impact that debris, debris removal, hazardous wastes, and hazardous waste clean-up projects will have on air and water quality and take actions to prevent degradation. RCRA gives EPA the authority to control hazardous waste from the "cradle-to-grave" to facilities that generate hazardous materials and sets forth a framework for the management of non-hazardous waste (42 USC, 6901).

Conflicts of Interest

The City (grantee) and Contractor (subgrantees) will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Copyrights

Reports, maps or other documents produced in whole or in part are works for hire and shall not be the subject of any application for copyright by or on behalf of the Contractor or its Subcontractor. The Contractor shall advise the City or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

Patent Fees and Royalties

Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device that is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in Funding Agency Contracting Provisions for Construction Projects the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by the Owner in the Contract Documents.

Responsible Contractors

The City will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Access and Retention of Records

Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

This content is from the eCFR and is authoritative but unofficial.

Title 2 —Grants and Agreements
Subtitle A —Office of Management and Budget Guidance for Federal Financial Assistance
Chapter II —Office of Management and Budget Guidance
Part 200 —Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Authority: 31 U.S.C. 503; 31 U.S.C. 6101-6106; 31 U.S.C. 6307; 31 U.S.C. 7501-7507.
Source: 89 FR 30136, Apr. 22, 2024, unless otherwise noted.

Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be

prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See § 200.323.

(K) See § 200.216.

(L) See § 200.322.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014; 85 FR 49577, Aug. 13, 2020]

DAVIS-BACON AND RELATED ACTS REQUIREMENTS

AND

WAGE RATE

(April 2009)

Fact Sheet #66: The Davis-Bacon and Related Acts (DBRA)

This fact sheet provides general information concerning DBRA.

Coverage

DBRA requires payment of prevailing wages on federally funded or assisted construction projects. The Davis-Bacon Act applies to each federal government or District of Columbia contract in excess of $2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Many federal laws that authorize federal assistance for construction through grants, loans, loan guarantees, and insurance are Davis-Bacon "related Acts." The "related Acts" include provisions that require Davis-Bacon labor standards apply to most federally assisted construction. Examples of "related Acts" include the Federal-Aid Highway Acts, the Housing and Community Development Act of 1974, and the Federal Water Pollution Control Act.

Basic Provisions/Requirements

Contractors and subcontractors must pay laborers and mechanics employed directly upon the site of the work at least the locally prevailing wages (including fringe benefits), listed in the Davis-Bacon wage determination in the contract, for the work performed. Davis-Bacon labor standards clauses must be included in covered contracts.

The Davis-Bacon "prevailing wage" is the combination of the basic hourly rate and any fringe benefits listed in a Davis-Bacon wage determination. The contractor's obligation to pay at least the prevailing wage listed in the contract wage determination can be met by paying each laborer and mechanic the applicable prevailing wage entirely as cash wages or by a combination of cash wages and employer-provided bona fide fringe benefits. Prevailing wages, including fringe benefits, must be paid on all hours worked on the site of the work.

Apprentices or trainees may be employed at less than the rates listed in the contract wage determination only when they are in an apprenticeship program registered with the Department of Labor or with a state apprenticeship agency recognized by the Department.

Contractors and subcontractors are required to pay covered workers weekly and submit weekly certified payroll records to the contracting agency. They are also required to post the applicable Davis-Bacon wage determination with the Davis-Bacon poster (WH-1321) on the job site in a prominent and accessible place where they can be easily seen by the workers.

Davis-Bacon Wage Determinations

Davis-Bacon wage determinations are published on the Wage Determinations On Line (WDOL) website for contracting agencies to incorporate them into covered contracts. The "prevailing wages" are determined based on wages paid to various classes of laborers and mechanics employed on specific types of construction projects in an area. Guidance on determining the type of construction is provided in All Agency Memoranda Nos. 130 and 131.

Penalties/Sanctions and Appeals

Contract payments may be withheld in sufficient amounts to satisfy liabilities for underpayment of wages and for liquidated damages for overtime violations under the Contract Work Hours and Safety Standards Act (CWHSSA). In addition, violations of the Davis-Bacon contract clauses may be grounds for contract termination, contractor liability for any resulting costs to the government and debarment from future contracts for a period up to three years.

Contractors and subcontractors may challenge determinations of violations and debarment before an Administrative Law Judge (ALJ). Interested parties may appeal ALJ decisions to the Department's Administrative Review Board. Final Board determinations on violations and debarment may be appealed to and are enforceable through the federal courts.

Typical Problems

(1) Misclassification of laborers and mechanics. (2) Failure to pay full prevailing wage, including fringe benefits, for all hours worked (including overtime hours). (3) Inadequate recordkeeping, such as not counting all hours worked or not recording hours worked by an individual in two or more classifications during a day. (4) Failure of to maintain a copy of bona fide apprenticeship program and individual registration documents for apprentices. (5) Failure to submit certified payrolls weekly. (6) Failure to post the Davis-Bacon poster and applicable wage determination.

Relation to State, Local, and Other Federal Laws

The Copeland "Anti-Kickback" Act prohibits contractors from in any way inducing an employee to give up any part of the compensation to which he or she is entitled under his or her contract of employment, and requires contractors to submit a weekly statement of the wages paid to each employee performing DBRA covered work.

Contractors on projects subject to DBRA labor standards may also be subject to additional prevailing wage and overtime pay requirements under State (and local) laws. Also, overtime work pay requirements under CWHSSA) and the Fair Labor Standards Act may apply.

Under Reorganization Plan No. 14 of 1950, (5 U.S.C.A. Appendix), the federal contracting or assistance-administering agencies have day-to-day responsibility for administration and enforcement of the Davis-Bacon labor standards provisions and, in order to promote consistent and effective enforcement, the Department of Labor has regulatory and oversight authority, including the authority to investigate compliance.

Where to Obtain Additional Information

For additional information, visit our Wage and Hour Division Website: http://www.wagehour.dol.gov and/or call our toll-free information and helpline, available 8 a.m. to 5 p.m. in your time zone, 1-866-4USWAGE (1-866-487-9243).

This publication is for general information and is not to be considered in the same light as official statements of position contained in the regulations.

U.S. Department of Labor
Frances Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210

1-866-4-USWAGE
TTY: 1-866-487-9243
Contact Us

U.S. Department of Labor
Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

U.S. Wage and Hour Division

Rev. Dec. 2008

OMB No.: 1215-0149
Expires: 12/31/2011

NAME OF CONTRACTOR OR SUBCONTRACTOR	ADDRESS	
PAYROLL NO.	FOR WEEK ENDING	PROJECT AND LOCATION	PROJECT OR CONTRACT NO.

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT. OR ST.	(4) DAY AND DATE — HOURS WORKED EACH DAY	(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS: FICA	WITH-HOLDING TAX			OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK
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While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Public Burden Statement

We estimate that is will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

(over)

Date _____

I, _____ _____
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ on the
(Contractor or Subcontractor)

_____; that during the payroll period commencing on the
(Building or Work)

_____ day of _____, _____, and ending the _____ day of _____, _____,

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Start. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

_____

_____

_____

_____

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

– in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

– Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

Wage and Hour Division (WHD)

Instructions For Completing Payroll Form, WH-347

WH-347 (PDF)
OMB Control No. 1235-0008, Expires 02/28/2018.

General: Form WH-347has been made available for the convenience of contractors and subcontractors required by their Federal or Federally-aided construction-type contracts and subcontracts to submit weekly payrolls. Properly filled out, this form will satisfy the requirements of Regulations, Parts 3 and 5 (29 C.F.R., Subtitle A), as to payrolls submitted in connection with contracts subject to the Davis-Bacon and related Acts.

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) Regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Under the Davis-Bacon and related Acts, the contractor is required to pay not less than prevailing wage, including fringe benefits, as predetermined by the Department of Labor. The contractor's obligation to pay fringe benefits may be met either by payment of the fringe benefits to bona fide benefit plans, funds or programs or by making payments to the covered workers (laborers and mechanics) as cash in lieu of fringe benefits.

This payroll provides for the contractor to show on the face of the payroll all monies to each worker, whether as basic rates or as cash in lieu of fringe benefits, and provides for the contractor's representation in the statement of compliance on the payroll (as shown on page 2) that he/she is paying for fringe benefits required by the contract and not paid as cash in lieu of fringe benefits. Detailed instructions concerning the preparation of the payroll follow:

Contractor or Subcontractor: Fill in your firm's name and check appropriate box.

Address: Fill in your firm's address.

Payroll No.: Beginning with the number "1", list the payroll number for the submission.

For Week Ending: List the workweek ending date.

Project and Location: Self-explanatory.

Project or Contract No.: Self-explanatory.

Column 1 - Name and Individual Identifying Number of Worker: Enter each worker's full name and an individual identifying number (e.g., last four digits of worker's social security number) on each weekly payroll submitted.

Column 2 - No. of Withholding Exemptions: This column is merely inserted for the employer's convenience and is not a requirement of Regulations, Part 3 and 5.

Column 3 - Work Classifications: List classification descriptive of work actually performed by each laborer or mechanic. Consult classification and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary, see Contracting Officer or Agency representative. An individual may be shown as having worked in more than one classification provided an accurate breakdown or hours worked in each classification is maintained and shown on the submitted payroll by use of separate entries.

Column 4 - Hours worked: List the day and date and straight time and overtime hours worked in the applicable boxes. On all contracts subject to the Contract Work Hours Standard Act, enter hours worked in excess of 40 hours a week as "overtime".

Column 5 - Total: Self-explanatory

Column 6 - Rate of Pay (Including Fringe Benefits): In the "straight time" box for each worker, list the actual hourly rate paid for straight time worked, plus cash paid in lieu of fringe benefits paid. When recording the straight time hourly rate, any cash paid in lieu of fringe benefits may be shown separately from the basic rate. For example, "$12.25/.40" would reflect a $12.25 base hourly rate plus $0.40 for fringe benefits. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. When overtime is worked, show the overtime hourly rate paid plus any cash in lieu of fringe benefits paid in the "overtime" box for each worker; otherwise, you may skip this box. See "Fringe Benefits" below. Payment of not less than time and one-half the basic or regular rate paid is required for overtime under the Contract Work Hours Standard Act of 1962 if the prime contract exceeds $100,000. In addition to paying no less than the predetermined rate for the classification which an individual works, the contractor must pay amounts predetermined as fringe benefits in the wage decision made part of the contract to approved fringe benefit plans, funds or programs or shall pay as cash in lieu of fringe benefits. See "FRINGE BENEFITS" below.

Column 7 - Gross Amount Earned: Enter gross amount earned on this project. If part of a worker's weekly wage was earned on projects other than the project described on this payroll, enter in column 7 first the amount earned on the Federal or Federally assisted project and then the gross amount earned during the week on all projects, thus "$163.00/$420.00" would reflect the earnings of a worker who earned $163.00 on a Federally assisted construction project during a week in which $420.00 was earned on all work.

Column 8 - Deductions: Five columns are provided for showing deductions made. If more than five deduction are involved, use the first four columns and show the balance deductions under "Other" column; show actual total under "Total Deductions" column; and in the attachment to the payroll describe the deduction(s) contained in the "Other" column. All deductions must be in accordance with the provisions of the Copeland Act Regulations, 29 C.F.R., Part 3. If an individual worked on other jobs in addition to this project, show actual deductions from his/her weekly gross wage, and indicate that deductions are based on his gross wages.

Column 9 - Net Wages Paid for Week: Self-explanatory.

Totals - Space has been left at the bottom of the columns so that totals may be shown if the contractor so desires.

Statement Required by Regulations, Parts 3 and 5: While the "statement of compliance" need not be notarized, the statement (on page 2 of the payroll form) is subject to the penalties provided by 18 U.S.C. § 1001, namely, a fine, possible imprisonment of not more than 5 years, or both. Accordingly, the party signing this statement should have knowledge of the facts represented as true.

Items 1and 2: Space has been provided between items (1) and (2) of the statement for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "*See* Deductions column in this payroll." *See* "FRINGE BENEFITS" below for instructions concerning filling out paragraph 4 of the statement.

Item 4 FRINGE BENEFITS - Contractors who pay all required fringe benefits: If paying all fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor, show the basic cash hourly rate and overtime rate paid to each worker on the face of the payroll and check paragraph 4(a) of the statement on page 2 of the WH-347 payroll form to indicate the payment. Note any exceptions in section 4(c).

Contractors who pay no fringe benefits: If not paying all fringe benefits to approved plans, funds, or programs in amounts of at least those that were determined in the applicable wage decision of the Secretary of Labor, pay any remaining fringe benefit amount to each laborer and mechanic and insert in the "straight time" of the "Rate of Pay" column of the payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the application wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringe benefits, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringe benefits at the straight time rate. In addition, check paragraph 4(b) of the statement on page 2 the payroll form to indicate the payment of fringe benefits in cash directly to the workers. Note any exceptions in section 4(c).

Use of Section 4(c), Exceptions

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the covered worker as cash in lieu of fringe benefits. Enter any exceptions to section 4(a) or 4(b) in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid each worker as cash in lieu of fringe benefits and the hourly amount paid to plans, funds, or programs as fringe benefits. The contractor must pay an amount not less than the predetermined rate plus cash in lieu of fringe benefits as shown in section 4(c) to each such individual for all hours worked (unless otherwise provided by applicable wage determination) on the Federal or Federally assisted project. Enter the rate paid and amount of cash paid in lieu of fringe benefits per hour in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate.

Public Burden Statement: We estimate that it will take an average of 55 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, ESA, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W.,Washington, D.C. 20210.

Note: In order to view, fill out, and print PDF forms, you need Adobe® Acrobat® Reader® version 5 or later, which you may download for free at www.adobe.com/products/acrobat/readstep2.html. To save the completed forms on your workstation, you need to use the "Save As" method to save the file.
For example, move your mouse curser over the PDF link and click on your "RIGHT" mouse button. This will cause a menu to be displayed, from which you will select the proper save option -- depending upon which browser you are using:

For Microsoft IE users, select "Save Target As"
For Netscape Navigator users, select "Save Link As"

Once you've selected the proper save option for your browser, and have saved the file to a location you specified, go to your program menu and start the Adobe Acrobat® Reader. Once open, locate the PDF file you saved and open it directly in Acrobat®.

Equal Employment Opportunity is

THE LAW

Private Employers, State and Local Governments, Educational Institutions, Employment Agencies and Labor Organizations

Applicants to and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations are protected under Federal law from discrimination on the following bases:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Title VII of the Civil Rights Act of 1964, as amended, protects applicants and employees from discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of race, color, religion, sex (including pregnancy), or national origin. Religious discrimination includes failing to reasonably accommodate an employee's religious practices where the accommodation does not impose undue hardship.

DISABILITY

Title I and Title V of the Americans with Disabilities Act of 1990, as amended, protect qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship.

AGE

The Age Discrimination in Employment Act of 1967, as amended, protects applicants and employees 40 years of age or older from discrimination based on age in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment.

SEX (WAGES)

In addition to sex discrimination prohibited by Title VII of the Civil Rights Act, as amended, the Equal Pay Act of 1963, as amended, prohibits sex discrimination in the payment of wages to women and men performing substantially equal work, in jobs that require equal skill, effort, and responsibility, under similar working conditions, in the same establishment.

GENETICS

Title II of the Genetic Information Nondiscrimination Act of 2008 protects applicants and employees from discrimination based on genetic information in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. GINA also restricts employers' acquisition of genetic information and strictly limits disclosure of genetic information. Genetic information includes information about genetic tests of applicants, employees, or their family members; the manifestation of diseases or disorders in family members (family medical history); and requests for or receipt of genetic services by applicants, employees, or their family members.

RETALIATION

All of these Federal laws prohibit covered entities from retaliating against a person who files a charge of discrimination, participates in a discrimination proceeding, or otherwise opposes an unlawful employment practice.

WHAT TO DO IF YOU BELIEVE DISCRIMINATION HAS OCCURRED

There are strict time limits for filing charges of employment discrimination. To preserve the ability of EEOC to act on your behalf and to protect your right to file a private lawsuit, should you ultimately need to, you should contact EEOC promptly when discrimination is suspected:

The U.S. Equal Employment Opportunity Commission (EEOC), 1-800-669-4000 (toll-free) or 1-800-669-6820 (toll-free TTY number for individuals with hearing impairments). EEOC field office information is available at www.eeoc.gov or in most telephone directories in the U.S. Government or Federal Government section. Additional information about EEOC, including information about charge filing, is available at www.eeoc.gov.

Employers Holding Federal Contracts or Subcontracts

Applicants to and employees of companies with a Federal government contract or subcontract are protected under Federal law from discrimination on the following bases:

RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN

Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

INDIVIDUALS WITH DISABILITIES

Section 503 of the Rehabilitation Act of 1973, as amended, protects qualified individuals from discrimination on the basis of disability in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment. Disability discrimination includes not making reasonable accommodation to the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, barring undue hardship. Section 503 also requires that Federal contractors take affirmative action to employ and advance in employment qualified individuals with disabilities at all levels of employment, including the executive level.

DISABLED, RECENTLY SEPARATED, OTHER PROTECTED, AND ARMED FORCES SERVICE MEDAL VETERANS

The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, prohibits job discrimination and requires affirmative action to employ and advance in employment disabled veterans, recently separated veterans (within three years of discharge or release from active duty), other protected veterans (veterans who served during a war or in a campaign or expedition for which a campaign badge has been authorized), and Armed Forces service medal veterans (veterans who, while on active duty, participated in a U.S. military operation for which an Armed Forces service medal was awarded).

RETALIATION

Retaliation is prohibited against a person who files a complaint of discrimination, participates in an OFCCP proceeding, or otherwise opposes discrimination under these Federal laws.

Any person who believes a contractor has violated its nondiscrimination or affirmative action obligations under the authorities above should contact immediately:

The Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210, 1-800-397-6251 (toll-free) or (202) 693-1337 (TTY). OFCCP may also be contacted by e-mail at OFCCP-Public@dol.gov, or by calling an OFCCP regional or district office, listed in most telephone directories under U.S. Government, Department of Labor.

Programs or Activities Receiving Federal Financial Assistance

RACE, COLOR, NATIONAL ORIGIN, SEX

In addition to the protections of Title VII of the Civil Rights Act of 1964, as amended, Title VI of the Civil Rights Act of 1964, as amended, prohibits discrimination on the basis of race, color or national origin in programs or activities receiving Federal financial assistance. Employment discrimination is covered by Title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. Title IX of the Education Amendments of 1972 prohibits employment discrimination on the basis of sex in educational programs or activities which receive Federal financial assistance.

INDIVIDUALS WITH DISABILITIES

Section 504 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of disability in any program or activity which receives Federal financial assistance. Discrimination is prohibited in all aspects of employment against persons with disabilities who, with or without reasonable accommodation, can perform the essential functions of the job.

If you believe you have been discriminated against in a program of any institution which receives Federal financial assistance, you should immediately contact the Federal agency providing such assistance.

EMPLOYEE RIGHTS

UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

or contact the U.S. Department of Labor's Wage and Hour Division.

WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

1-866-487-9243
TTY: 1-877-889-5627
www.dol.gov/whd

WH1321 REV 10/17

EMPLOYEE RIGHTS

UNDER THE FAIR LABOR STANDARDS ACT

FEDERAL MINIMUM WAGE

$7.25 PER HOUR

BEGINNING JULY 24, 2009

STATE AND LOCAL GOVERNMENT EMPLOYEES

OVERTIME PAY

At least 1½ times the regular rate of pay for all hours worked over 40 in a workweek.

Law enforcement and fire protection personnel: You may be paid overtime on the basis of a "work period" of between 7 and 28 consecutive days in length, rather than on a 40-hour workweek basis.

COMPENSATORY TIME

Employees may receive compensatory time off instead of cash overtime pay, at a rate of not less than 1½ hours for each overtime hour worked, where provided pursuant to an agreement or understanding that meets the requirements of the Act.

EXEMPTIONS

The Act does not apply to persons who are not subject to the civil service laws of State or local governments and who are: elected public officials, certain immediate advisors to such officials, certain individuals appointed or selected by such officials to serve in various capacities, or employees of legislative branches of State and local governments. Employees of legislative libraries do not come within this exclusion and are thus covered by the Act.

Certain types of workers are exempt from the minimum wage and overtime pay provisions, including bona fide executive, administrative, and professional employees who meet regulatory requirements.

Any law enforcement or fire protection employee who in any workweek is employed by a public agency employing less than 5 employees in law enforcement or fire protection activities is exempt from the overtime pay provisions.

YOUTH EMPLOYMENT

16 years old is the minimum age for most occupations. An 18-year old minimum applies to hazardous occupations. Minors 14 and 15 years old may work outside school hours under certain conditions. For more information, visit the YouthRules! Web site at www.youthrules.dol.gov.

ENFORCEMENT

The Department has authority to recover back wages and an equal amount in liquidated damages in instances of minimum wage, overtime, and other violations. The Department may litigate and/or recommend criminal prosecution. Employers may be assessed civil money penalties for each willful or repeated violation of the minimum wage or overtime pay provisions of the law. Civil money penalties may also be assessed for violations of the FLSA's child labor provisions. Heightened civil money penalties may be assessed for each child labor violation that results in the death or serious injury of any minor employee, and such assessments may be doubled when the violations are determined to be willful or repeated. The law also prohibits retaliating against or discharging workers who file a complaint or participate in any proceeding under the FLSA.

ADDITIONAL INFORMATION

- Some state laws provide greater employee protections; employers must comply with both.
- Employees under 20 years of age may be paid a youth minimum wage of not less than $4.25 an hour during their first 90 consecutive calendar days after initial employment by an employer.
- Employers are required to display this poster where employees can readily see it.

The law requires employers to display this poster where employees can readily see it.

WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

1-866-487-9243
TTY: 1-877-889-5627
www.dol.gov/whd

WH1385 REV 07/16

WORKER RIGHTS
UNDER EXECUTIVE ORDER 13658

FEDERAL MINIMUM WAGE FOR CONTRACTORS

$13.30 PER HOUR

EFFECTIVE JANUARY 1, 2025 – DECEMBER 31, 2025

The law requires certain federal contractors to display this poster where employees can easily see it.

MINIMUM WAGE

Federal construction and service contracts are generally subject to a minimum wage rate under either Executive Order (EO) 13658 or EO 14026.

- **$13.30 PER HOUR:** If the contract was entered into on or between **January 1, 2015, and January 29, 2022**, and the contract was not renewed or extended on or after January 30, 2022, EO 13658 generally requires that workers be paid at least **$13.30 per hour** for all time spent performing on or in connection with the contract in calendar year 2025.
- **$17.75 PER HOUR:** If the contract is renewed or extended **on or after January 30, 2022**, or a new contract is entered into on or after January 30, 2022, EO 14026 generally requires that workers be paid at least **$17.75 per hour** for all time spent performing on or in connection with the contract in calendar year 2025.

EXCLUSIONS

- The EO 13658 minimum wage may not apply to some workers who provide support in connection with covered federal contracts for less than 20 percent of their hours worked in a week.
- The EO 13658 minimum wage may not apply to certain other occupations and workers.

ENFORCEMENT

- The U.S. Department of Labor's Wage and Hour Division (WHD) is responsible for enforcing this law. WHD can answer questions about your workplace rights and protections, investigate employers, and recover back wages. All WHD services are free and confidential. Employers cannot retaliate or discriminate against someone who files a complaint or participates in an investigation. WHD will accept a complaint in any language. You can find your nearest WHD office online at *dol.gov/agencies/whd/contact/local-offices* or by calling toll-free 866-4US-WAGE (866-487-9243). We do not ask workers about their immigration status. **We can help**.

ADDITIONAL INFORMATION

- Workers with disabilities whose wages are governed by special certificates issued under section 14(c) of the Fair Labor Standards Act must receive no less than the EO 13658 minimum wage for time spent performing on or in connection with covered contracts.
- Some state or local laws may provide greater worker protections and employers must follow the law that requires the highest rate of pay.
- More information about the EO 13658 minimum wage is available online at *dol.gov/whd/flsa/eo13658*

WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

866-487-9243
www.dol.gov/agencies/whd

WH1089 REV 01/25

WORKER RIGHTS
UNDER EXECUTIVE ORDER 14026

FEDERAL MINIMUM WAGE FOR CONTRACTORS

$17.75 PER HOUR

EFFECTIVE JANUARY 1, 2025–DECEMBER 31, 2025

The law requires certain federal contractors to display this poster where employees can easily see it.

MINIMUM WAGE

Executive Order (EO) 14026 requires that federal contractors pay workers performing work on or in connection with covered contracts at least (1) $15.00 per hour beginning January 30, 2022, and (2) beginning January 1, 2023, and every year thereafter, an inflation-adjusted amount determined by the Secretary of Labor in accordance with EO 14026 and appropriate regulations. The EO 14026 minimum wage in effect from January 1, 2025 through December 31, 2025 is **$17.75 per hour**.

TIP CREDIT

Contractors may not credit employee tips toward the EO 14026 minimum wage. Similar to other workers subject to EO 14026, tipped employees must be paid a cash wage of at least $17.75 per hour, effective January 1, 2025, through December 31, 2025.

EXCLUSIONS

- The EO 14026 minimum wage may not apply to some workers who provide support "in connection with" covered contracts for less than 20 percent of their hours worked in a week.
- The EO 14026 minimum wage may not apply to certain other occupations and workers.

ENFORCEMENT

The U.S. Department of Labor's Wage and Hour Division (WHD) is responsible for enforcing this law. WHD can answer questions about your workplace rights and protections, investigate employers and recover back wages. All WHD services are free and confidential. Employers cannot retaliate or discriminate against someone who files a complaint or participates in an investigation. WHD will accept a complaint in any language. You can find your nearest WHD office online at *dol.gov/agencies/whd/contact/local-offices* or by calling toll-free 866-4US-WAGE (866-487-9243). We do not ask workers about their immigration status. **We can help**.

ADDITIONAL INFORMATION

- EO 14026 only applies to certain federal construction and service contracts that were renewed, extended, or entered into on or after January 30, 2022. Contracts that were awarded between January 1, 2015 and January 29, 2022, that were not renewed or extended on or after January 30, 2022, and some procurement contracts entered into on or between January 30, 2022 and March 30, 2022, may be subject to EO 13658, which provides a lower minimum wage requirement than EO 14026. More information about the differences between EO 14026 and EO 13658 is available at *dol.gov/agencies/whd/government-contracts/eo14026/side-by-side*
- Workers with disabilities whose wages are governed by special certificates issued under section 14(c) of the Fair Labor Standards Act must receive no less than the full minimum wage rate under EO 14026 for time spent performing on or in connection with covered contracts.
- Some state or local laws may provide greater worker protections; employers must follow the law that requires the highest rate of pay.
- More information about the EO is available online at *dol.gov/agencies/whd/government-contracts/eo14026*

WAGE AND HOUR DIVISION
UNITED STATES DEPARTMENT OF LABOR

1-866-487-9243
www.dol.gov/agencies/whd

WH1091 REV 01/25

"General Decision Number: AZ20250056 02/07/2025

Superseded General Decision Number: AZ20240056

State: Arizona

Construction Type: Heavy

County: Coconino County in Arizona.

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	• Executive Order 14026 generally applies to the contract. • The contractor must pay all covered workers at least $17.75 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2025.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	• Executive Order 13658 generally applies to the contract. • The contractor must pay all covered workers at least $13.30 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours performing on that contract in 2025.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at http://www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/03/2025
1	02/07/2025

ELEC0570-014 06/01/2024

	Rates	Fringes
Electrician	$ 32.00	13.28

ELEC0769-001 08/04/2024

	Rates	Fringes
Electrician: Lineperson	$ 59.69	20.83

ELEC0769-003 08/04/2024

	Rates	Fringes
Electrician: Groundperson	$ 34.62	15.82

ELEC0769-004 08/04/2024

	Rates	Fringes
Electrician: Line Equipment Operator	$ 44.77	17.84

ENGI0012-035 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Oiler	$ 32.29	18.12

ENGI0012-037 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Field Equipment Serviceperson	$ 35.56	18.12

ENGI0012-042 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Crane/Derrick	$ 36.64	18.12

ENGI0012-043 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Mechanic	$ 37.67	18.12

ENGI0012-044 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Bobcat/Skid Steer/Skid Loader	$ 32.29	18.12

ENGI0012-045 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		

Backhoe/Backhoe & Loader
Combo/Track Backhoe.....$ 35.56 18.12

ENGI0012-046 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Bulldozer	$ 35.56	18.12

ENGI0012-047 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Compactor/Roller	$ 35.56	18.12

ENGI0012-048 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Drill Rig/Auger	$ 35.56	18.12

ENGI0012-049 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Loader/Front End Loader	$ 35.56	18.12

ENGI0012-054 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Trencher	$ 35.56	18.12

ENGI0012-055 12/01/2024

	Rates	Fringes
TRUCK DRIVER		
Hydrovac	$ 35.56	18.12

ENGI0012-058 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Excavator/Trackhoe	$ 36.64	18.12

ENGI0012-059 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Grade Checker	$ 36.64	18.12

ENGI0012-061 12/01/2024

	Rates	Fringes
POWER EQUIPMENT OPERATOR:		
Motor Grader/Blade	$ 36.64	18.12

LABO1184-012 06/01/2024

	Rates	Fringes
Laborer: General	$ 26.15	8.37

LABO1184-013 06/01/2024

	Rates	Fringes
Laborer: Jackhammer	$ 27.79	8.37

LABO1184-015 06/01/2024

	Rates	Fringes
Power Equipment Operator: Forklift	$ 29.62	8.37

LABO1184-016 06/01/2024

	Rates	Fringes
Power Equipment Operator: Horizontal Directional Drill	$ 30.72	8.37

LABO1184-022 06/01/2024

	Rates	Fringes
Laborer: Asphalt, Includes Raker, Shoveler, Spreader and Distributor	$ 27.79	8.37

LABO1184-028 06/01/2024

	Rates	Fringes
LABORER: Grade Setter	$ 28.65	8.37

LABO1184-034 06/01/2024

	Rates	Fringes
Truck Driver: Concrete	$ 29.62	8.37

LABO1184-035 06/01/2024

	Rates	Fringes
Truck Driver: Dump	$ 29.62	8.37

LABO1184-036 06/01/2024

	Rates	Fringes
Truck Driver: Water	$ 29.62	8.37

LABO1184-042 06/01/2024

	Rates	Fringes
Traffic Control	$ 26.15	8.37

LABO1184-046 06/01/2024

	Rates	Fringes
Laborer: Pipelayer	$ 29.62	8.37

LABO1184-050 06/01/2024

	Rates	Fringes
Carpenter: Formwork Concrete	$ 30.72	8.37

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* UAVG-AZ-0004 01/01/2025

	Rates	Fringes
Laborer: Mason Tender	$ 27.79	8.87

SUAZ2023-006 11/19/2024

	Rates	Fringes
Power Equipment Operator: Scraper	$ 32.41	0.00

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at https://www.dol.gov/agencies/whd/government-contracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classifications and wage rates that have been found to be prevailing for the type(s) of construction and geographic area covered by the wage

determination. The classifications are listed in alphabetical order under rate identifiers indicating whether the particular rate is a union rate (current union negotiated rate), a survey rate, a weighted union average rate, a state adopted rate, or a supplemental classification rate.

Union Rate Identifiers

A four-letter identifier beginning with characters other than ""SU"", ""UAVG"", ?SA?, or ?SC? denotes that a union rate was prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2024. PLUM is an identifier of the union whose collectively bargained rate prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2024 in the example, is the effective date of the most current negotiated rate.

Union prevailing wage rates are updated to reflect all changes over time that are reported to WHD in the rates in the collective bargaining agreement (CBA) governing the classification.

Union Average Rate Identifiers

The UAVG identifier indicates that no single rate prevailed for those classifications, but that 100% of the data reported for the classifications reflected union rates. EXAMPLE: UAVG-OH-0010 01/01/2024. UAVG indicates that the rate is a weighted union average rate. OH indicates the State of Ohio. The next number, 0010 in the example, is an internal number used in producing the wage determination. The date, 01/01/2024 in the example, indicates the date the wage determination was updated to reflect the most current union average rate.

A UAVG rate will be updated once a year, usually in January, to reflect a weighted average of the current rates in the collective bargaining agreements on which the rate is based.

Survey Rate Identifiers

The ""SU"" identifier indicates that either a single non-union rate prevailed (as defined in 29 CFR 1.2) for this classification in the survey or that the rate was derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As a weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SUFL2022-007 6/27/2024. SU indicates the rate is a single non-union prevailing rate or a weighted average of survey data for that classification. FL indicates the State of Florida. 2022 is the year of the survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 6/27/2024 in the example, indicates the survey completion date for the classifications and rates under that identifier.

?SU? wage rates typically remain in effect until a new survey is conducted. However, the Wage and Hour Division (WHD) has the discretion to update such rates under 29 CFR 1.6(c)(1).

State Adopted Rate Identifiers

The ""SA"" identifier indicates that the classifications and prevailing wage rates set by a state (or local) government were adopted under 29 C.F.R 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 01/03/2024 in the example, reflects the date on which the classifications and rates under the ?SA? identifier took effect under state law in the state from which the rates were adopted.

WAGE DETERMINATION APPEALS PROCESS

1) Has there been an initial decision in the matter? This can be:

a) a survey underlying a wage determination
b) an existing published wage determination
c) an initial WHD letter setting forth a position on a wage determination matter
d) an initial conformance (additional classification and rate) determination

On survey related matters, initial contact, including requests for summaries of surveys, should be directed to the WHD Branch of Wage Surveys. Requests can be submitted via email to davisbaconinfo@dol.gov or by mail to:

Branch of Wage Surveys
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Regarding any other wage determination matter such as conformance decisions, requests for initial decisions should be directed to the WHD Branch of Construction Wage Determinations. Requests can be submitted via email to BCWD-Office@dol.gov or by mail to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2) If an initial decision has been issued, then any interested party (those affected by the action) that disagrees with the decision can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Requests for review and reconsideration can be submitted via email to dba.reconsideration@dol.gov or by mail to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and any information (wage payment

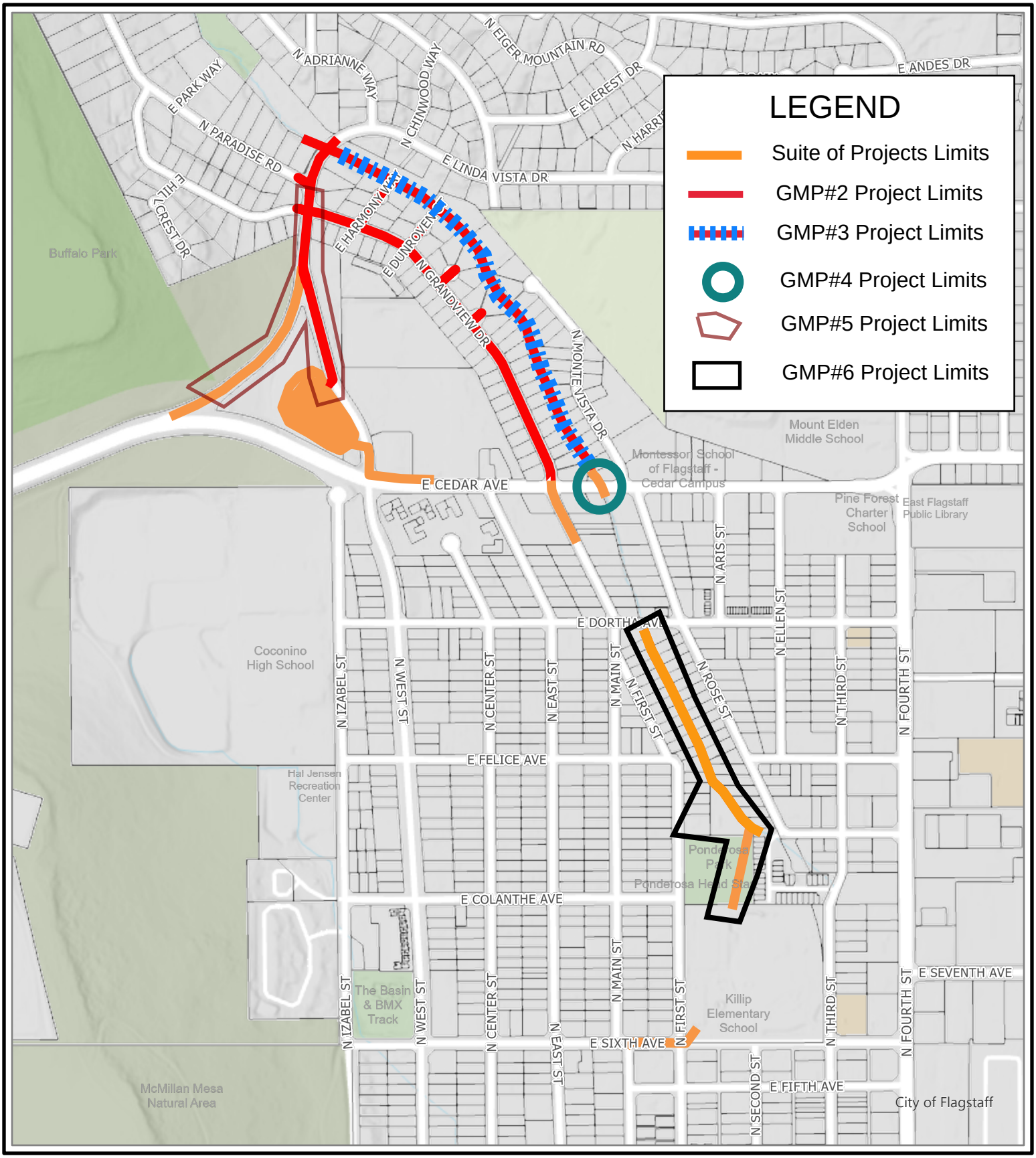
data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210.

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END OF GENERAL DECISION"



Spruce Wash Suite of Projects GMP #6 Vicinity

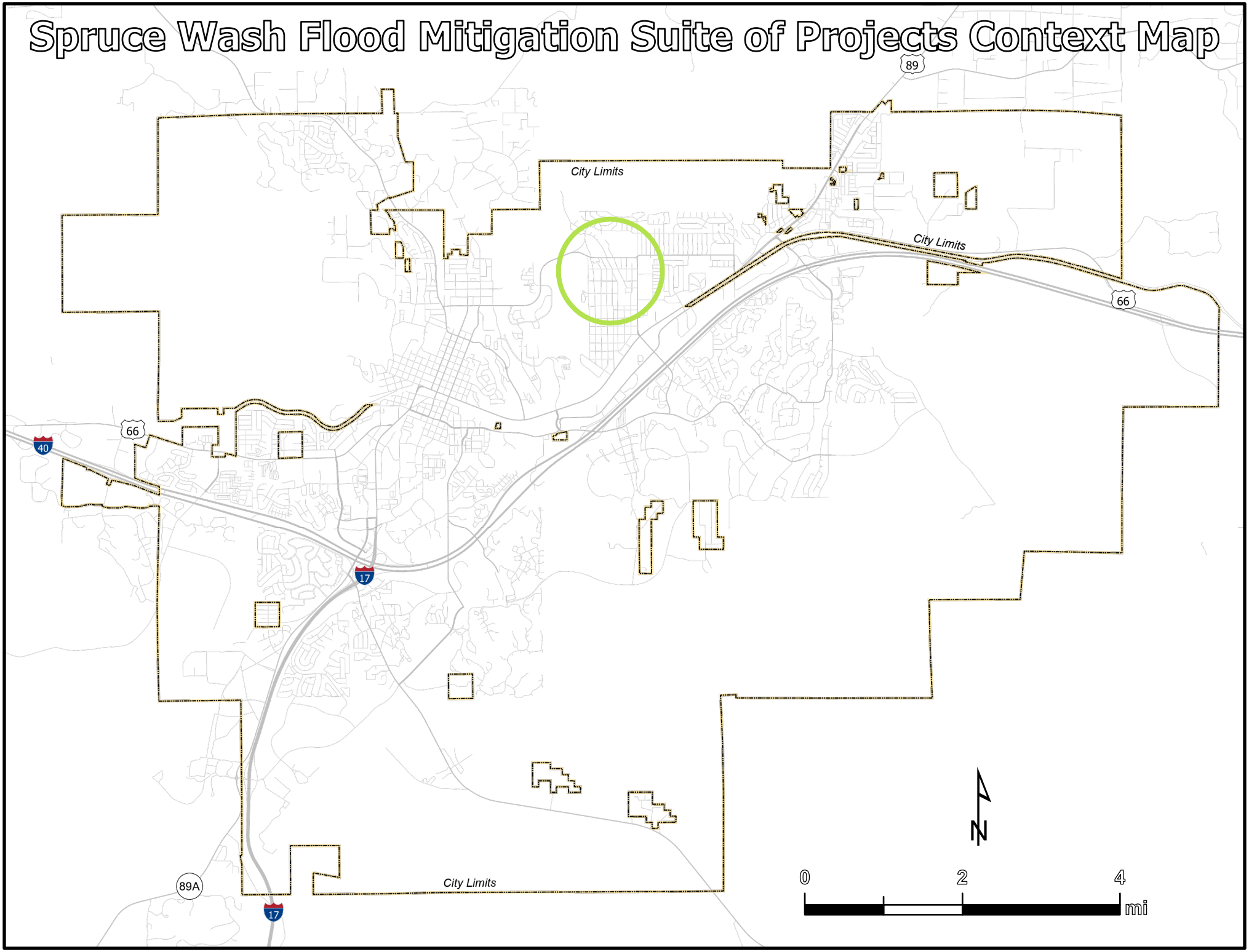
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mi

City of Flagstaff maps and data are updated on a regular basis from data obtained from various sources. The City of Flagstaff endeavors to provide accurate information, but accuracy is not guaranteed. You are strongly encouraged to obtain any information you need for a business or legal transaction from a surveyor, engineer, title company, or other licensed professional as appropriate. Information is provided subject to the express condition that you knowingly waive any and all claims for damages against the City of Flagstaff relating to use of this information.

2/2/2024 2:24 PM

Spruce Wash Flood Mitigation Suite of Projects Context Map



CITY OF FLAGSTAFF
CONTRACT SUPPLEMENTARY JUSTIFICATION
Design-Build OR CMAR Contracts

PROJECT NO. WS3522, WS3523, WS3534, WS3587 **PROJECT NAME:** Spruce Wash – Killip Inlet, Dortha-Arroyo Seco Channel, Arroyo Seco Inlet and Martinez Property Demolition & Cleanup

FILE NO. 03-23015 **Project Manager:** Julie Leid (Sup. Trevor Henry)

CONTRACTOR/CONSULTANT: Eagle Mountain Construction (EMC)

PROJECT DESCRIPTION:
This project includes construction of the following projects within the Spruce Wash suite of projects: Killip Inlet, Dortha to Arroyo Seco Channel, Arroyo Seco Inlet and Martinez property demolition and cleanup. This work is funded by a FEMA/DEMA grant, a USACE grant and Proposition 441. These projects are part of the Spruce Wash Flood Mitigation Suite of Projects.

JUSTIFICATION FOR USE AND AMOUNT:

Contractor's Contingency Justification and Amount:
Contractors Contingency of **$145,000** was negotiated and was recognized to be necessary to compensate Eagle Mountain Construction for increases in material costs which could not be determined at the time of contracting.

Owner's Contingency Justification and Amount:
Owner's Contingency of **$87,500** was recognized to be necessary to compensate EMC should there be unidentified services needed, unsuitable material discovered, scope changes, and/or differing site conditions.
The **$87,500** Owner's Contingency is roughly 1.6% of the $5,235,490.00 Guaranteed Maximum Price #6 proposed by EMC to complete the work, which combined equals the Contract Price of **$5,380,490.00**. If this Project were utilizing traditional project delivery methods, this amount would be within the allowable limits for a Contract Allowance per the Procurement Code revisions approved by Council on April 16, 2019.

COST/BUDGET/FUNDING SOURCE ANALYSIS:
Contractor's & Owner's Contingency:
Contractor's and Owner's Contingencies are recommended to be in the Total Contract Price and can be funded by Account Numbers **410-08-385-3522-3 (Arroyo Seco Inlet), 410-08-385-3523-3 (Dortha-Arroyo Seco Channel), 410-08-385-3534-3 (Killip Inlet), 410-08-385-3587-3 (Martinez Property Demolition/cleanup)** in FY25.

APPROVAL:	**Signature**		**Date:**
Project Manager		**Approval Recommended**	5/5/25
Program Manager	N/A	**Approval Recommended**	N/A
Section Head		**Approval Recommended**	5/5/25
Division Head		**Approval Recommended**	5/5/2025

Definitions

Owner's Contingency (Design/Build or Construction Manager at Risk)

"Owner's Contingency" means a fund to cover cost growth during the Project used at the discretion of the City usually for costs that result from City's directed changes or Differing Site Conditions, or as the City may otherwise elect. The amount of the Owner's Contingency will be set solely by the City and will be in addition to the Project costs included in the Design-Builder's GMP packages.

The Owner's Contingency are funds to be used at the sole discretion of the City to cover any increases in Project costs that result from City directed changes, Differing Site Conditions, or as the City may otherwise elect. Owner's Contingency will be added to the GMP amount provided by the Design-Builder/CMAR, the sum of which will be the full Contract Price for construction. Markups for Construction Fee and taxes will be applied by the Design-Builder at the time that Owner's Contingency is used

Contractor's Contingency (Design/Build or Construction Manager at Risk)

"Design-Builder's/CMAR Contingency" means a fund to cover cost growth during the Project used at the discretion of the Design-Builder/CMAR, usually for costs that result from Project circumstances. The amount of the Design-Builder's/CMAR Contingency will be negotiated as a separate line item in each GMP package.

Use and management of the Design-Builder's/CMAR Contingency:

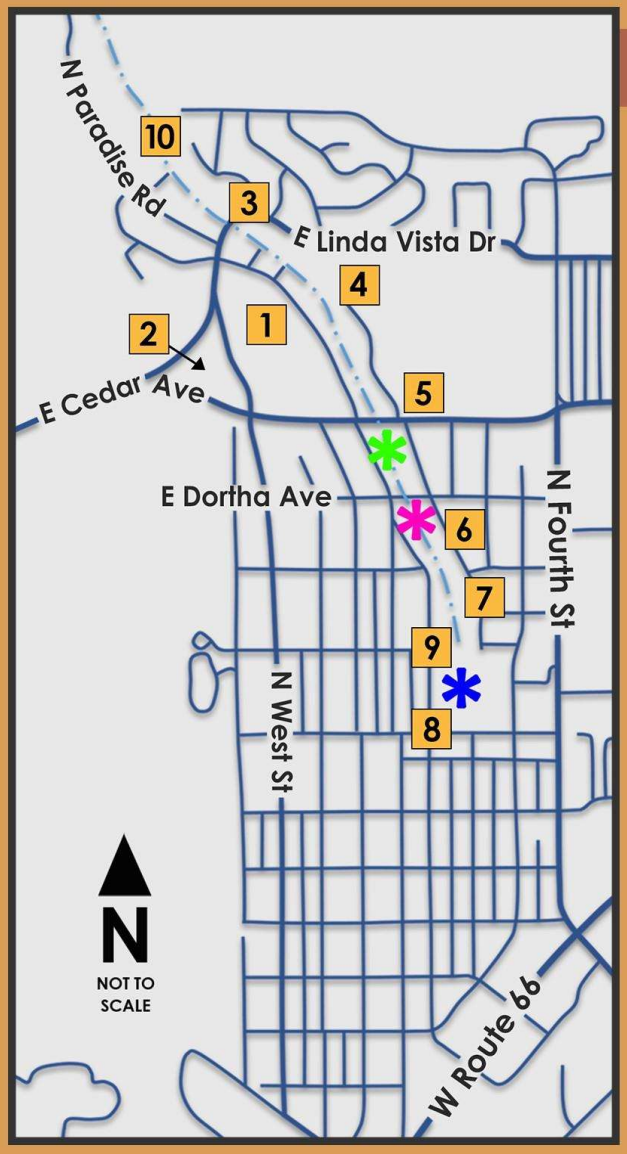
Design-Builder's/CMAR Contingency is an amount the Design-Builder/CMAR may use under the following conditions: (1) at its discretion for increases in the Cost of the Work, or (2) with written approval of the City for increases in General Condition Costs. Design-Builder/CMAR Contingency is assumed to be a direct Project cost so will receive all markups at the time of GMP submission.

When the Design-Builder/CMAR utilizes Design-Builder's/CMAR Contingency funds, the Design-Builder/CMAR shall make the appropriate changes to the Schedule of Values with the next regular progress Payment Request. The Design-Builder/CMAR shall deduct the amount of Design-Builder's/CMAR Contingency funds used from the Design-Builder's/CMAR Contingency line item and add the same amount to the line item on the Schedule of Values where the funds were used. If the Design-Builder's/CMAR Contingency funds are used for a new line item that was not given with the original Schedule of Values, that will be so indicated.


Spruce Wash
Amendment Six to the CMAR
Construction Services Agreement
May 20, 2025
CITY OF FLAGSTAFF
ARIZONA
ESTABLISHED 1882
TEAM FLAGSTAFF
WE MAKE THE
CITY BETTER

Suite of Projects

SPRUCE WASH



Key Flood Projects

1. *Grandview Drive Reconstruction*
2. *"The Wedge" Detention Basin*
3. *Linda Vista Drive Crossing*
4. *Cedar Avenue to Linda Vista Drive Channel*
5. *Cedar Avenue Crossing*
6. *Arroyo Seco Drive to Dortha Avenue Channel*
7. *Arroyo Seco Drive Inlet*
8. *Killip Basins Outlet*
9. *Killip Basins Inlet*
10. *Park Way Basins*

Completed Key Flood Projects

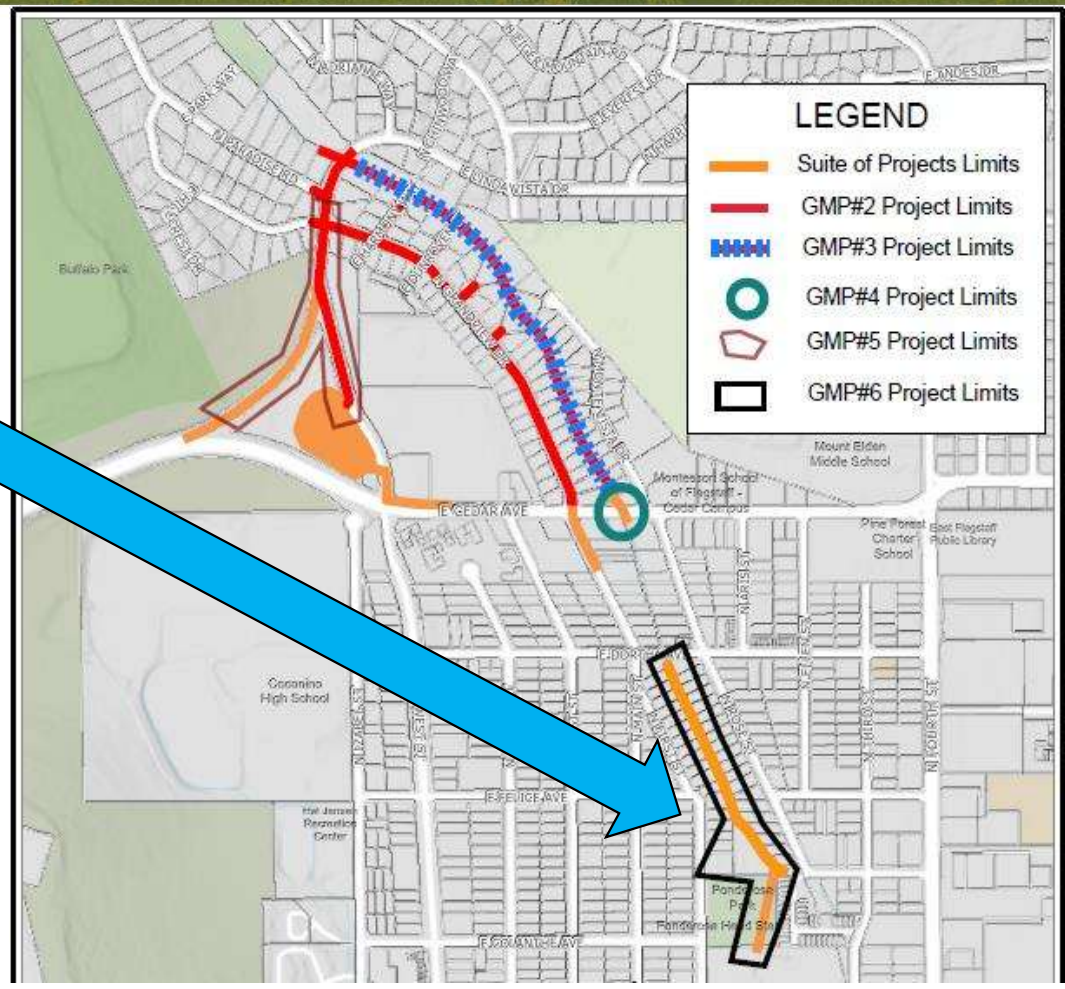
- *Spruce Wash Channel Improvements Project (Cedar Avenue to Dortha Avenue)*
- *Spruce Wash Channel Improvements Project (Dortha Avenue Inlet)*
- *Killip School Regional Detention Basins Project*

CITY OF FLAGSTAFF ARIZONA ESTABLISHED 1882

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

Amendment Six – GMP 6

- GMP No. 6 - Eagle Mountain Construction:
  - Dortha to Arroyo Seco Channel (6)
  - Arroyo Seco Inlet (7)
  - Killip Inlet (9)
  - Martinez Property Demolition and Cleanup



Amendment Six – GMP 6

GMP	Amendment	Description	Amount
1	Orig. Agrmnt	GV Utils & Wedge Clearing	$ 2,956,383.00
2	One	GV Phase 2	$ 2,780,825.49
2	One	LV Xing	$ 1,208,228.69
CO		LV Xing Gas Line	$ 33,834.57
2	One	LV-Cedar Phase 1	$ 526,949.54
2	One	Wedge Phase 2 (Utils)	$ 3,098,145.34
3	Two	LV-Cedar Channel Phase 2	$ 2,957,375.00
CO	Three	Wedge Utils Add'l	$ 310,116.40
4	Four	Cedar Ave Crossing	$ 1,949,943.54
5	Five	Wedge Phase 3	$ 8,063,896.61
CO#1-GMP5		LV Slip Lane	$ 95,338.00
CO#2-GMP5		Gate-Buy American	$ 439,009.00
6	Six	Arroyo-Dortha Channel	$ 3,069,000.00
6	Six	Killip Inlet	$ 1,960,930.00
6	Six	Arroyo Seco Inlet	$ 233,300.00
6	Six	Martinez Property Demo	$ 117,260.00

- Cost to date, GMP 1-5, $24.4M
- GMP 6 $5.38M
- Total Cost $29.8M

- Contract Duration: 1,025-calendar days

Spruce Wash Schedule

NOV 2022 — PROP 441 PASSES

THANK YOU FLAGSTAFF!

NOV 2022 - ONGOING — STUDY, PLANNING, DESIGN & PRECON

APR 2024 — COMPLETED:

- GRANDVIEW UTILITIES & WEDGE CLEARING

OCT 2024 — COMPLETED:

- GRANDVIEW STREET
- WEDGE UTILITIES

2024 — CONSTRUCT:

- BEGIN LV-Cedar Channel
- BEGIN Wedge Stormdrain
- Linda Vista Crossing

2025 — CONSTRUCT:

- LV-Cedar Channel
- Wedge Stormdrain & Basin
- Cedar Xing
- Dortha-Arroyo Seco Channel
- Killip Inlet & Outlet

2026 — CONSTRUCT:

- Final Cleanup and Close-Out

Amendment Six – GMP 6

COMMUNITY INVOLVEMENT

- Council / Community Meetings
- Project notices distributed
- Weekly E-newsletters
- Website: museumfloodprojects.com
- Email: info@museumfloodprojects.com
- Project Hotline: (928) 255-5123
- Beta PR
- Eagle Mountain Construction

SCAN ME


Questions?
SCAN
ME
CITY OF FLAGSTAFF
ESTABLISHED 1882
ARIZONA
TEAM FLAGSTAFF
WE MAKE THE
CITY BETTER

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Anja Wendel, Senior Assistant City Attorney AW

Co-Submitter: Rick Tadder, Management Services Director

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Resolution No. 2025-25 and Ordinance No. 2025-11: a resolution of the City Council of the City of Flagstaff, declaring that certain document known as "the 2025 City Tax Code Amendments" as a public record, and providing for an effective date; and an ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, title 3 Business Regulations, by adopting the "2025 City Tax Code Amendments" as set forth in that public record on file wit the City Clerk relating to codification of voter approved sales tax rates and Model City Tax Code Updates, and increasing the use tax rate to match sales tax rates; providing for repeal of conflicting ordinances, severability, clerical corrections, and establishing an effective date

STAFF RECOMMENDED ACTION:

1. Adopt Resolution No. 2025-25
2. Read Ordinance No. 2025-11 by title only for the final time
3. City Clerk reads Ordinance No. 2025-11 by title only (if approved above)
4. Adopt Ordinance No. 2025-11

Executive Summary:

The City is proposing to update the City Tax Code as follows:

- Increase the local transaction privilege tax (sales tax) rate from 2.281% to 2.486% effective July 1, 2025, as approved by a majority of the qualified electors of the City voting in the November 5, 2024 general election to fund public transit. The tax rate for restaurant and hotel classifications (the bed, board and beverage tax) will increase from 4.281% to 4.486%.
- Increase the use tax rate from 2.281% to match the local transaction privilege tax rate of 2.486% effective July 1, 2025. The use tax is a tax on storage or use of tangible personal property in the City for which an equivalent tax has not been paid. A use tax is similar to the local transaction privilege tax, and is classified as "an affiliated excise tax."
- Comply with A.R.S. § 42-6052(H), which provides that the City must adopt changes to the City Tax Code to conform with the Model City Tax Code as adopted by the Model City Tax Code Commission and maintained by the Arizona Department of Revenue. Changes are being made to conform with state laws.

Notice of a public hearing on the proposed City Tax Code changes has been published pursuant to A.R.S. § 42-6054. Notice of proposed increases to the local tax rates has been posted on the City website pursuant to A.R.S. § 9-499.15.The City is proposing to update the City Tax Code as follows:

Financial Impact:

Adopting the tax code changes related to voter approved taxes does not have a financial impact. The adoption of the use tax rate to match the local transaction privilege tax rate will provide an approximate $90,000 to $150,000 revenues for the General Fund of the City. The updates to conform with the Model City

Tax Code does not have a financial impact.

Policy Impact:
None.

Previous Council Decision or Community Discussion:
The City voters have approved the local transaction privilege tax (sales tax) rates set forth in the proposed updates to the City Tax Code.

The City Council adopted ballot language for the proposed sales tax rates. The City Council canvassed election results from the general elections where sales tax rates were considered by City voters.

Options and Alternatives to Recommended Action:
1. Approve changes to the local transaction privilege tax (sales tax) rates as approved by the voters; OR do not approve changes, in which case rate changes approved by the voters will not be implemented. If rate changes are not approved, this will have negative financial consequences for the General Fund and public transit.

2. Approve an increase to the use tax rate to match the sales tax rate approved by the voters; OR do not approve the use tax rate increase. The City Council has discretion in this regard. Having the use tax rate match the local sales tax rate may help local businesses, as it eliminates the incentive to purchase goods (for example, a car) outside City limits in order to obtain a lower tax rate, and then use the vehicle within City limits.

3. Approve changes to the City Tax Code required by state law; OR do not approve changes, in which case City will be in violation of state law.

Background and History:
The City Charter, Article VI, Section 2 provides that a majority of the qualified electors in the City voting in a regularly scheduled General Election shall approve any transaction privilege (sales tax) increase. City voters approved continuation of a 1% sales tax that generates revenues for the General Fund at the November 3, 2020 election and approved a 0.205% rate increase at the November 5, 2024 election to generate additional revenues for public transit.

The City Charter does not require voter approval of a use tax rate increase.

The City has not updated its City Tax Code in several years. As a result, the proposed changes encompass several years of changes to the Model City Tax Code and are already being implemented by the Arizona Department of Revenue. Changes to the City Tax Code include those listed below. In general, the changes add more tax exemptions, tax credits, and tax deductions; clarify existing provisions (resulting in less revenue to the City); or are otherwise required by law.

Division 3-05-001 General Conditions and Divisions -0100 General Conditions and Definitions

- Adds definitions of "gross income", "gross proceeds of sales", and "gross receipts". All definitions exclude returned items and cash discounts.
- Amends definition of "manufacturer" so that only a person "who is principally" engaged in manufacturing products from raw or prepared materials is classified as a manufacturer.
- Amends definition of "prosthetic" (multiple revisions).
- Adds definition of "qualifying health sciences educational institution."
- Amends definition of "sale" to include lease, rental, or licensing for use of tangible personal property, and preparation thereof for sale.
- Adds definition of "tangible personal property" to require that it be physical and perceptible to the senses.
- Adds section related to definition of "brokers" and when they are liable for tax.

- Adds section related to "delivery, installation, or other direct customer services" and documentation required to establish that charges are not subject to tax.
- Adds section related to "retailers" and gives the tax collector (ADOR) authority to determine when sales persons or dealers are retailers subject to tax.
- Adds section related to "out-of-city sale/out-of-state sales" to Native Americans and requires that solicitation, delivery, and payment all occur on the reservation (in order to not have been considered to occur within the City).
- Adds section related to "remediation contracting" describing activities exempt from tax.

-0110 Income-Producing Capital Equipment

- Expands definition of "aircraft, navigational and communication instruments" in relation to whom the equipment is sold.
- Adds agricultural-related "new machinery and equipment."
- Deletes "motion picture, multimedia or interactive video production."
- Adds equipment sold to a person engaged in "commercial production of livestock" or projects if used to prevent pollution.
- Adds "qualifying equipment" purchased between June 2004 and June 2024 for processing forest products.
- Deletes equipment "used by a contractor in the performance of a contract."

Division 3-05-004 Privilege Taxes
-0415 Construction Contracting: Construction Contractors

- Adds a "handyman exclusion" as exclusion from tax.
- Adds "maintenance, repair, replacement, or alteration of existing property" as exclusion from tax.
- Adds construction of a facility for "recyling solid waste or producing renewable energy from landfill waste" as an exclusion from tax.
- Adds section regarding "liability for MRRA amounts equal to retail transaction privilege tax due."

-0416 Construction Contracting: Speculative Builders

- Adds "the value of existing tenant leases in place at the time of the sale" as a tax exemption.
- Adds "state and county taxes" paid for a project as a deduction from the selling price.
- Adds "privilege taxes" paid to the city as a tax credit.
- Adds a section "speculative builders: homeowner's bona fide non-business sale of a family residence" as a tax exemption.
- Adds a section defining "reconstruction contracting" which is subject to tax.

-0445 Rental, Leasing, and Licensing for Use of Real Property

- Adds charges for pole usage by or to a "cable operator" as a tax exemption.
- Adds income from rental of "low income units" as a tax exemption.

-0450 Rental, Leasing, and Licensing for use of Tangible Personal Property

- Adds charges for pole usage by or to a "cable operator" as a tax exemption.

-0455 Restaurants and Bars

- Adds sales by a business that contracts with the Department of Economic Security to "elderly or homeless persons or persons with a disability" as a tax exemption.
- Adds sales by a non-profit corporation that contracts with a major league baseball team or national touring professional golfing association as a tax exemption.
- If a tax is imposed on the sale of food (the City does not tax food), then it must be uniform (City cannot impose a higher tax on junk food).

-0460 Retail Sales: Measure of Tax; Burden of Proof; Exclusions

- Adds membership fees charged "by limited access retailers" as taxable income.

- Adds consignment sales as taxable income to the principal (not the agent).
- Adds business activities related to sale or commercial use of "any livestock, agricultural or horticultural product" as subject to the retail tax classification, and lists exemptions.

-0462 Retail Sales: Food for Home Consumption

- Amends definition of "eligible grocery business" from one that is eligible to participate in the federal food stamp program to one that is eligible to participating in the federal supplemental nutrition assistance program.
- Amends definition of "food for home consumption" from food purchased with food stamps to items purchased with couples issued under the supplemental nutrition assistance program.
- Again, requires uniform tax (cities cannot impose higher tax on junk food).

-0465 Retail Sales: Exemptions

- Adds sales in interstate commerce as a tax exemption if federal law prohibits taxation.
- Adds sales of tangible personal property sold to a person engaged in the business of "renting, leasing, or licensing for use" of such property as a tax exemption.
- Adds sales of "motor vehicle fuel and use fuel" and "repair parts" related to harvesting, processing, or transporting forest products as a tax exemption.
- Adds sales of tangible personal property "incorporated or fabricated by the person" into a real estate project or improvement as a tax exemption, if not otherwise subject to tax.
- Adds sales directly to the U.S. government, and sales for a U.S. government manufacturing contract as a tax deduction.
- Adds sales to a "manufacturer, modifier, assembler, or repairer" as exempt from tax.
- Adds 50% of the gross income from sale made directly to the U.S. government that is not already deducted as exempt from tax.
- Defines "overhead materials."
- Defines "subcontract."
- Updates or clarifies tax deduction for a "qualifying health care organization", "qualifying community health center."
- Adds sales to a nonprofit organization "that regularly services means to the needy and indigent" as a tax deduction.
- Adds "sales after June 2001 to a nonprofit charitable organization that provides apartment housing for low-income persons over age 62 as a tax deduction.
- Adds sales to a "qualifying health sciences educational institution" as a tax deduction.
- Adds sales of tangible personal property to one of the above-listed nonprofit/charitable organizations for fabrication into a project as a tax deduction.
- Adds sales related to "livestock and poultry" business as a tax deduction, to include:
    - livestock and poultry;
    - implants used as growth promotants and injectible medicine;
    - neat animals, horses, assess, sheep, ratites, swine or goats for breeding.
- Adds sales of seeds, bulbs, cuttings, etc. for crops in Arizona as tax deduction.
- Adds sales to persons engaged in livestock or poultry business to others in same business as a tax deduction.
- Adds definition of "commercial airline" for purposes of tax deduction.
- Adds the conversion of natural gas into liquefied natural gas for fueling compressor equipment as a tax deduction.
- Adds the transfer of coal "for the purpose of refining coal" as a tax deduction.
- Adds sale of "computer data center equipment" certified by the Arizona Commerce Authority as a tax deduction.
- Adds "sale, manufacture, wholesale, or distribution" of food intended for human consumption and related containers/packaging as a tax deduction.
- Adds equipment "useful to assist a person with certain disabilities as defined by law as a tax deduction.
- Adds software to assess or test student learning or curriculum design purchased by a school district, charter school, community college, or state university as a tax deduction.
- Adds "sales of coal" as a tax deduction.

-0470 Telecommunication Services

- Adds tax credit offset for franchise fees paid.

-0475 Transporting for Hire

- Adds tax exemptions for certain transportation activities (A.R.S. Sections 28-9552, -9551, -9503, -9501)

Division 3-05-005 Administration
-0500 Administration of this Chapter; Rulemaking

- Adds that taxpayers are subject to taxpayer bill of rights (A.R.S. Section 42-2051 et seq.)

-0530 When Tax Due; When Delinquent; Verification of Return; Extensions

- Eliminates option for annual returns.
- Requires electronic filing if business has 2 or more locations or names.
- Allows quarterly filing if annual tax liability is between $2,000 and $8,000.
- Allows annual filing if annual tax liability is less than $2,000.
- All others must remit monthly.

Division 3-05-006 Use Tax
-0660 Use Tax: Exemptions (In general, adds exemptions similar to those added for local transaction privilege taxes)

- Adds a purchase of tangible personal property not exceeding $200/month for personal use outside the U.S. as a tax exemption.
- Adds purchase of tangible personal property for "renting, leasing, or licensing for use" business as a tax exemption.
- Adds purchase of use fuel for a "valid single trip use fuel tax permit" as a tax exemption.
- Adds purchase of natural gas or liquid petroleum gas to propel a motor vehicle as a tax exemption.
- Adds purchase of motor vehicle fuel and use fuel or repair parts by a business engaged in harvesting, processing or transporting forest products as a tax exemption.
- Adds purchase of tangible personal property "incorporated or fabricated by the person" into a real estate project or improvement as a tax exemption, if not otherwise subject to tax, as a tax exemption.
- Adds purchases of tangible personal property by a qualifying hospital, qualifying health care organization, qualifying community health center, nonprofit that regularly serves meals to the needy and indigent, nonprofit charitable organization that provides residential apartment housing to low-income persons over age 62, qualifying health sciences educational institutions, or any persons working on behalf of any of the above where the property is incorporated or fabricated into a project.
- Adds purchase of "livestock and poultry" business as a tax exemption, to include:
  - livestock and poultry;
  - implants used as growth promotants and injectible medicine;
  - neat animals, horses, assess, sheep, ratites, swine or goats for breeding.
- Adds purchases of seeds, bulbs, cuttings, etc. for crops in Arizona as tax exemption.
- Adds sales to persons engaged in livestock or poultry business to others in same business as a tax exemption.
- Adds the transfer of coal "for the purpose of refining coal" as a tax exemption.
- Adds the purchase of "computer data center equipment" certified by the Arizona Commerce Authority as a tax exemption.
- Adds "sale, manufacture, wholesale, or distribution" of food intended for human consumption and related containers/packaging as a tax exemption.
- Adds purchase of equipment "useful to assist a person with certain disabilities as defined by law as a tax exemption.
- Adds purchase of software to assess or test student learning or curriculum design purchased by a school district, charter school, community college, or state university as a tax exemption.

Division 3-05-007 Regulations - Privilege and Excise Taxes
-001 Regulations - Privilege and Excise Taxes
(In general, deletes regulations which have now been revised and relocated to Division 3-05-001 General Conditions and Divisions)

- Deletes regulations related to brokers.
- Delete regulations related to retailers.
- Deletes regulations related to out-of-city/out-of-state sales to Native Americans.
- Deletes regulations related to remedia contracting.
- Deletes regulations related to speculative builders: homeowner's bona fide non-business sale of a family residence.
- Deletes regulations related to reconstruction contracting.
- Deletes regulations related to sale of membership fees by limited access retailers.
- Deletes regulations related to consignment sales.
- Deletes regulations related to sale of aircraft for use outside the state.

Division 3-05-008 Miscellaneous Provisions

- Updates the "sunset dates" for local sales tax rates approved by City voters to match recent elections.

Connection to PBB Priorities and Objectives:
High performing governance: Maintain the organization's fiscal stability through strong financial policies and best practices.

Connection to Regional Plan:
None.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None.

Connection to Division Specific Plan:
None.

Attachments: Res. 2025-25
2025 City Tax Code Amendments
Ord. 2025-11
Presentation

RESOLUTION NO. 2025-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, DECLARING THAT CERTAIN DOCUMENT KNOWN AS "*2025 CITY TAX CODE AMENDMENTS*" AS A PUBLIC RECORD, AND PROVIDING FOR AN EFFECTIVE DATE

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; and

WHEREAS, the City Council of the City of Flagstaff ("City") wish to declare the document entitled "2025 City Tax Code Amendments" to be a public record and to permit its adoption by reference into the City Code.

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 the "2025 City Tax 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, maintained in compliance with A.R.S. § 44-7041, shall remain on file with the City Clerk and kept available for public use and inspection.

SECTION 2. Effective Date.

This resolution shall be effective immediately following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of May, 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION NO. 2025-25

APPROVED AS TO FORM:

_____

CITY ATTORNEY

Attachments:
Exhibit A - 2025 City Tax Code Amendments

EXHIBIT A

2025 CITY TAX CODE AMENDMENTS

Section 1: Effective Date of Tax Rate Changes

The tax rate in each of the following sections of the Flagstaff City Code shall be increased from two and two-hundred eighty-one thousandths percent (2.281%) to two and four-hundred eighty-six thousandths percent (2.486%) effective July 1, 2025:

Section 3-05-004-0405	Advertising.
Section 3-05-004-0410	Amusements, exhibitions, and similar activities.
Section 3-05-004-0415	Construction contracting: construction contractors.
Section 3-05-004-0416	Construction contracting: speculative builders.
Section 3-05-004-0417	Construction contracting: owner-builders who are not speculative builders.
Section 3-05-004-0420	Feed at wholesale.
Section 3-05-004-0425	Job printing.
Section 3-05-004-0427	Manufactured buildings.
Section 3-05-004-0430	Timbering and other extraction.
Section 3-05-004-0435	Publishing and periodicals distribution.
Section 3-05-004-0445	Rental, leasing, and licensing for use of real property
Section 3-05-004-0450	Rental, leasing, and licensing for use of tangible personal property.
Section 3-05-004-0460	Retail sales: measure of tax; burden of proof; exclusions.
Section 3-05-004-0470	Telecommunication services.
Section 3-05-004-0475	Transporting for hire.
Section 3-05-004-0480	Utility services.
Section 3-05-006-0610	Use tax: imposition of tax; presumption.

The tax rate in each of the following sections of the Flagstaff City Code shall be increased from four and two-hundred eighty-one thousandths percent (4.281%) to four and four-hundred eighty-six thousandths percent (4.486%) effective July 1, 2025:

Section 3-05-004-0444	Hotels.
Section 3-05-004-0455	Restaurants and bars.

Section 2: In General

The Flagstaff City Code, Title 3, *Business Regulations,* Chapter 3-05, *Privilege and Excise Taxes,* is hereby amended as set forth below (additions are shown in uppercase BLUE TEXT and underlined; deletions are shown in ~~red text~~ with strikethrough)

CHAPTER 3-05
PRIVILEGE AND EXCISE TAXES

DIVISION 3-05-001

GENERAL CONDITIONS AND DEFINITIONS

SECTIONS:

3-05-001-0001 WORDS OF TENSE, NUMBER AND GENDER; CODE REFERENCES

3-05-001-0100 ~~WORDS OF TENSE, NUMBER AND GENDER; CODE REFERENCES; AND~~ GENERAL CONDITIONS AND DEFINITIONS~~:~~

3-05-001-0100.1 BROKERS

3-05-001-0100.2 DELIVERY, INSTALLATION, OR OTHER DIRECT CUSTOMER SERVICES

3-05-001-0100.3 RETAILERS

3-05-001-0100.4 OUT-OF-CITY/OUT-OF-STATE SALES: SALES TO NATIVE AMERICANS

3-05-001-0100.5 REMEDIATION CONTRACTING

3-05-001-0110 DEFINITIONS~~:~~; INCOME-PRODUCING CAPITAL EQUIPMENT~~:~~

3-05-001-0115 DEFINITIONS~~:~~; COMPUTER SOFTWARE; CUSTOM COMPUTER PROGRAMMING~~:~~

3-05-001-0120 REPEALED~~:~~

3-05-001-0001 WORDS OF TENSE, NUMBER AND GENDER; CODE REFERENCES

A. FOR THE PURPOSES OF THIS CHAPTER, ALL WORDS OF TENSE, NUMBER, AND GENDER SHALL COMPLY WITH A.R.S. SECTION 1-214 AS AMENDED.

B. FOR THE PURPOSES OF THIS CHAPTER, ALL CODE REFERENCES, UNLESS SPECIFIED OTHERWISE, SHALL:

1. REFER TO THIS CITY CODE.

2. BE DEEMED TO INCLUDE ALL AMENDMENTS TO SUCH CODE REFERENCES.

3-05-001-0100 ~~WORDS OF TENSE, NUMBER AND GENDER; CODE REFERENCES; AND~~ GENERAL CONDITIONS AND DEFINITIONS~~:~~

For the purposes of this chapter, the following definitions apply:

"Assembler" means a person who unites or combines products, wares, or articles of manufacture so as to produce a change in form or substance of such items without changing or altering component parts.

"Broker" means any person engaged or continuing in business who acts for another for a consideration in the conduct of a business activity taxable under this Chapter, and who receives for his principal all or part of the gross income from the taxable activity.

"Business" includes all activities or acts, personal or corporate, engaged in or caused to be engaged in with the object of gain, benefit, or advantage, either directly or indirectly, but does not include either~~:~~ casual activities or sales~~,~~; or the transfer of electricity from a solar photovoltaic generation system to an electric utility distribution system.

"Business Day" means any day of the week when the Tax Collector's office is open for the public to conduct the Tax Collector's business.

"Casual Activity or Sale" means a transaction of an isolated nature made by a person who neither represents himself to be nor is engaged in a business subject to a tax imposed by this Chapter. However, no sale, rental, license for use, or lease transaction concerning real property nor any activity entered into by a business taxable by this Chapter shall be treated, or be exempt, as casual. This definition shall include sales of used capital assets~~,~~; provided~~,~~ that the volume and frequency of such sales do not indicate that the seller regularly engages in selling such property.

"Combined Taxes" means the sum of all applicable Arizona Transaction Privilege and Use Taxes; all applicable transportation taxes imposed upon gross income by this County as authorized by ~~Chapter 8.3~~ARTICLE III, CHAPTER 6, Title 42, Arizona Revised Statutes; and all applicable taxes imposed by this Chapter.

"Commercial Property" is any real property, or portion of such property, used for any purpose other than lodging or lodging space, including structures built for lodging but used otherwise, such as model homes, apartments used as offices, etc.

"Communications Channel" means any line, wire, cable, microwave, radio signal, light beam, telephone, telegraph, or any other electromagnetic means of moving a message.

"Construction Contracting" refers to the activity of a construction contractor.

"Construction Contractor" means a person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation, or other structure, project, development, or improvement to real property, or to do any part thereof. "Construction

contractor" includes subcontractors, specialty contractors, prime contractors, and any person receiving consideration for the general supervision and/or coordination of such a construction project except for remediation contracting. This definition shall govern without regard to whether or not the construction contractor is acting in fulfillment of a contract.

"Delivery (of Notice) by the Tax Collector" means "receipt (of notice) by the taxpayer."

"Delivery, Installation, or Other Direct Customer Services" means services or labor, excluding repair labor, provided by a taxpayer to or for his customer at the time of transfer of tangible personal property; provided further that the charge for such labor or service is separately billed to the customer and maintained separately in the taxpayer's books and records.

"Engaging," when used with reference to engaging or continuing in business, includes the exercise of corporate or franchise powers.

"Equivalent Excise Tax" means either:

(1) a Privilege or Use Tax levied by another Arizona municipality upon the transaction in question, and paid either to such Arizona municipality directly or to the vendor; or

(2) an excise tax levied by a political subdivision of a state other than Arizona upon the transaction in question, and paid either to such jurisdiction directly or to the vendor; or

(3) an excise tax levied by a Native American Government organized under the laws of the federal government upon the transaction in question, and paid either to such jurisdiction directly or to the vendor.

"Federal Government" means the United States Government, its departments and agencies; but not including national banks or federally chartered or insured banks, savings and loan institutions, or credit unions.

"Food" means any items intended for human consumption as defined by rules and regulations adopted by the Department of Revenue, State of Arizona, pursuant to A.R.S. Section ~~42-1387~~42-5106. Under no circumstances shall "food" include alcoholic beverages or tobacco, or food items purchased for use in conversion to any form of alcohol by distillation, fermentation, brewing, or other process. Under no circumstances shall "food" include an edible product, beverage, or ingredient infused, mixed, or in any way combined with medical marijuana or an active ingredient of medical marijuana. (Ord. 2011-21, Amended, 10/18/2011)

“GROSS INCOME” MEANS THE GROSS RECEIPTS OF A TAXPAYER DERIVED FROM TRADE, BUSINESS, COMMERCE, OR SALES AND THE VALUE PROCEEDING OR ACCRUING FROM THE SALE OF TANGIBLE PERSONAL PROPERTY OR SERVICE, OR BOTH, AND WITHOUT ANY DEDUCTION ON ACCOUNT OF LOSSES. “GROSS INCOME” DOES NOT INCLUDE GOODS, WARES, OR MERCHANDISE, OR VALUE THEREOF, RETURNED BY CUSTOMERS IF THE SALE PRICE IS REFUNDED EITHER IN CASH OR BY CREDIT, NOR THE VALUE OF MERCHANDISE TRADED IN ON THE PURCHASE OF NEW MERCHANDISE WHEN THE TRADE-IN ALLOWANCE IS DEDUCTED FROM THE SALES PRICE OF THE NEW MERCHANDISE BEFORE COMPLETION OF THE SALE.

“GROSS PROCEEDS OF SALES” MEANS THE VALUE PROCEEDING OR ACCRUING FROM THE SALE OF TANGIBLE PERSONAL PROPERTY WITHOUT ANY DEDUCTION ON ACCOUNT OF THE COST OF PROPERTY SOLD, EXPENSE OF ANY KIND OR LOSSES, BUT CASH DISCOUNTS ALLOWED AND TAKEN ON SALES ARE NOT INCLUDED AS GROSS INCOME. “GROSS PROCEEDS OF SALES” DO NOT INCLUDE GOODS, WARES, OR MERCHANDISE, OR VALUE THEREOF, RETURNED BY CUSTOMERS IF THE SALE PRICE IS REFUNDED EITHER IN CASH OR BY CREDIT, NOR THE VALUE OF MERCHANDISE TRADED IN ON THE PURCHASE OF NEW MERCHANDISE WHEN THE TRADE-IN ALLOWANCE IS DEDUCTED FROM THE SALES PRICE OF THE NEW MERCHANDISE BEFORE COMPLETION OF THE SALE.

“GROSS RECEIPTS” MEANS THE TOTAL AMOUNT OF THE SALE, LEASE, OR RENTAL PRICE, AS THE CASE MAY BE, OF THE RETAIL SALES OF RETAILERS, INCLUDING ANY SERVICES THAT ARE A PART OF THE SALES, VALUED IN MONEY, WHETHER RECEIVED IN MONEY OR OTHERWISE, INCLUDING ALL RECEIPTS, CASH, CREDITS, AND PROPERTY OF EVERY KIND OR NATURE, AND ANY AMOUNT FOR WHICH CREDIT IS ALLOWED BY THE SELLER TO THE PURCHASER WITHOUT ANY DEDUCTION FROM THE AMOUNT ON ACCOUNT OF THE COST OF THE PROPERTY SOLD, MATERIALS USED, LABOR OR SERVICE PERFORMED, INTEREST PAID, LOSSES, OR ANY OTHER EXPENSE. GROSS RECEIPTS DO NOT INCLUDE CASH DISCOUNTS ALLOWED AND TAKEN NOR THE SALE PRICE OF PROPERTY RETURNED BY CUSTOMERS IF THE FULL SALE PRICE IS REFUNDED EITHER IN CASH OR BY CREDIT.

"Hotel" means any public or private hotel, inn, hostelry, tourist home, house, motel, rooming house, apartment house, trailer, or other lodging place within the City offering lodging, wherein the owner thereof, for compensation, furnishes lodging to any transient, except foster homes, rest homes, sheltered care homes, nursing homes, or primary health care facilities.

“JET FUEL” MEANS JET FUEL AS DEFINED IN A.R.S. SECTION 42-5351.

"Job Printing" means the activity of copying or reproducing an article by any means, process, or method. "Job printing" includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

"Lessee" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Lessor" includes the equivalent person in a rental or licensing agreement for all purposes of this Chapter.

"Licensing (for Use)" means any agreement between the user ("licensee") and the owner or the owner's agent ("licensor") for the use of the licensor's property whereby the licensor receives consideration, where such agreement does not qualify as a "sale" or "lease" or "rental" agreement.

"Lodging (Lodging Space)" means any room or apartment in a hotel or any other provider of rooms, trailer spaces, or other residential dwelling spaces; or the furnishings or services and accommodations accompanying the use and possession of said dwelling space, including storage or parking space for the property of said tenant.

"Manufactured Buildings" means a manufactured home, mobile home or factory built building, as defined in A.R.S. Section 41-2142.

"Manufacturer" means a person WHO IS PRINCIPALLY engaged ~~or continuing in the business of fabricating, producing, or manufacturing~~ IN THE FABRICATION, PRODUCTION, OR MANUFACTURE OF products, wares, or articles for use from ~~other forms of tangible personal property~~ RAW OR PREPARED MATERIALS, imparting to ~~such~~ THOSE MATERIALS new forms, qualities, properties, and combinations.

"Medical marijuana" means "marijuana" used for a "medical use" as those terms are defined in A.R.S. ~~s~~Section 36-2801. (Ord. 2011-21, Amended, 10/18/2011)

"Mining and Metallurgical Supplies" means all tangible personal property acquired by persons engaged in activities defined in Section 3-05-004-0432 for such use. This definition shall not include:

(1) janitorial equipment and supplies.

(2) office equipment, office furniture, and office supplies.

(3) motor vehicles licensed for use upon the highways of the State.

"Modifier" means a person who reworks, changes, or adds to products, wares, or articles of manufacture.

"Nonprofit Entity" means any entity organized and operated exclusively for charitable purposes, or operated by the Federal Government, the State, or any political subdivision of the State.

"Occupancy (of Real Property)" means any occupancy or use, or any right to occupy or use, real property including any improvements, rights, or interests in such property.

"Out-of-City Sale" means the sale of tangible personal property and job printing if all of the following occur:

(1) transference of title and possession occur without the City; and

(2) the stock from which such personal property was taken was not within the corporate limits of the City; and

(3) the order is received at a permanent business location of the seller located outside the City; which location is used for the substantial and regular conduct of such business sales activity. In no event shall the place of business of the buyer be determinative of the situs of the receipt of the order.

For the purpose of this definition it does not matter that all other indicia of business occur within the City, including, but not limited to, accounting, invoicing, payments, centralized purchasing, and supply to out-of-City storehouses and out-of-City retail branch outlets from a primary storehouse within the City.

"Out-of-State Sale" means the sale of tangible personal property and job printing if all of the following occur:

(1) The order is placed from without the State of Arizona; and

(2) the property is delivered to the buyer at a location outside the State; and

(3) the property is purchased for use outside the State.

(Ord. No. 2009-16, Amended, 06/19/2009)

"Owner-Builder" means an owner or lessor of real property who, by himself or by or through others, constructs or has constructed or reconstructs or has reconstructed any improvement to real property.

"Person" means an individual, firm, partnership, joint venture, association, corporation, estate, trust, receiver, syndicate, broker, the Federal Government, this State, or any political subdivision or agency of this State. For the purposes of this Chapter, a person shall be considered a distinct and separate person from any general or limited partnership or joint venture or other association with which such person is affiliated. A subsidiary

corporation shall be considered a separate person from its parent corporation for purposes of taxation of transactions with its parent corporation.

"Prosthetic" means any of the following tangible personal property ~~if such items are prescribed or recommended by a licensed podiatrist, chiropractor, dentist, physician or surgeon, naturopath, optometrist, osteopathic physician or surgeon, psychologist, hearing aid dispenser, physician assistant, nurse practitioner or veterinarian~~:

~~(1) any man-made device for support or replacement of a part of the body, or to increase acuity of one of the senses. Such items include: prescription eyeglasses; contact lenses; hearing aids; artificial limbs or teeth; neck, back, arm, leg, or similar braces.~~

(1) DRUGS AND MEDICAL OXYGEN, INCLUDING DELIVERY HOSE, MASK OR TENT, REGULATOR AND TANK, ON THE PRESCRIPTION OF A MEMBER OF THE MEDICAL, DENTAL, OR VETERINARIAN PROFESSION WHO IS LICENSED BY LAW TO ADMINISTER SUCH SUBSTANCES.

(2) PROSTHETIC APPLIANCES AS DEFINED IN A.R.S. SECTION 23-501 AND AS PRESCRIBED OR RECOMMENDED BY A HEALTH PROFESSIONAL WHO IS LICENSED PURSUANT TO A.R.S., TITLE 32, CHAPTER 7, 8, 11, 13, 14, 15, 16, 17, OR 29.

(~~2~~3) insulin, insulin syringes, and glucose test strips ~~sold with or without a prescription~~.

~~(3) hospital beds, crutches, wheelchairs, similar home health aids, or corrective shoes.~~

~~(4) drugs or medicine, including oxygen.~~

~~(5) equipment used to generate, monitor, or provide health support systems, such as respiratory equipment, oxygen concentrator, dialysis machine.~~

(4) PRESCRIPTION EYEGLASSES OR CONTACT LENSES.

(5) HEARING AIDS AS DEFINED IN A.R.S. SECTION 36-1901.

(6) durable medical equipment ~~which has a federal health care financing administration~~ THAT HAS A CENTERS FOR MEDICARE AND MEDICAID SERVICES common procedure code, is designated reimbursable by Medicare, IS PRESCRIBED BY A PERSON WHO IS LICENSED UNDER A.R.S.

TITLE 32, CHAPTER 7, 8, 13, 14, 15, 17, OR 29, can withstand repeated use, is primarily and customarily used to serve a medical purpose, is generally not useful to a person in the absence of illness or injury and is appropriate for use in the home.

(7) orthodontic devices dispensed by a dental professional who is licensed under A.R.S. Title 32, Chapter 11, to a patient as part of the practice of dentistry.

(8) under no circumstances shall "prosthetic" include medical marijuana regardless of whether it is sold or dispensed pursuant to a prescription, recommendation, or written certification by any authorized person.

"Qualifying Community Health Center"~~:~~

(1) means an entity that is recognized as nonprofit under Section 501(c)(3) of the United States Internal Revenue Code, that is a community-based, primary care clinic that has a community-based board of directors and that is either:

(a) the sole provider of primary care in the community.

(b) a nonhospital affiliated clinic that is located in a federally designated medically underserved area in this State.

(2) includes clinics that are being constructed as qualifying community health centers.

"Qualifying Health Care Organization" means an entity that is recognized as nonprofit under Section 501(c) of the United States Internal Revenue Code and that uses, saves, or invests at least eighty per cent of all monies that it receives from all sources each year only for health and medical related educational and charitable services, as documented by annual financial audits prepared by an independent certified public accountant, performed according to generally accepted accounting standards and filed annually with the Arizona Department of Revenue. Monies that are used, saved, or invested to lease, purchase or construct a facility for health and medical related education and charitable services are included in the eighty percent (80%) requirement.

"QUALIFYING HEALTH SCIENCES EDUCATIONAL INSTITUTION" MEANS AN ENTITY THAT IS RECOGNIZED AS NONPROFIT UNDER SECTION 501(C) OF THE UNITED STATES INTERNAL REVENUE CODE AND THAT SOLELY PROVIDES GRADUATE AND POSTGRADUATE EDUCATION IN THE HEALTH SCIENCES. FOR THE PURPOSES OF THIS PARAGRAPH, "HEALTH SCIENCES" INCLUDES MEDICINE,

NURSING, PHYSICIAN'S ASSISTANT STUDIES, PHARMACY, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, BIOMEDICAL SCIENCES, PODIATRY, CLINICAL PSYCHOLOGY, CARDIOVASCULAR SCIENCE, NURSE ANESTHESIA, DENTISTRY, OPTOMETRY, AND VETERINARY MEDICINE.

"Qualifying Hospital" means any of the following:

(1) a licensed hospital which is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(2) a licensed nursing care institution or a licensed residential care institution or a residential care facility operated in conjunction with a licensed nursing care institution or a licensed kidney dialysis center, which provides medical services, nursing services or health related services and is not used or held for profit.

(3) a hospital, nursing care institution or residential care institution which is operated by the federal government, this State or a political subdivision of this State.

(4) a facility that is under construction and that on completion will be a facility under Subdivision (1), (2) or (3) of this paragraph.

"Receipt (of Notice) by the Taxpayer" means the earlier of actual receipt or the first attempted delivery by certified United States mail to the taxpayer's address of record with the Tax Collector.

"Remediation" means those actions that are reasonable, necessary, cost-effective and technically feasible in the event of the release or threat of release of hazardous substances into the environment such that the waters of the State are or may be affected, such actions as may be necessary to monitor, assess and evaluate such release or threat of release, actions of remediation, removal or disposal of hazardous substances or taking such other actions as may be necessary to prevent, minimize or mitigate damage to the public health or welfare or to the waters of the State which may otherwise result from a release or threat of release of a hazardous substance that will or may affect the waters of the State. Remediation activities include the use of biostimulation with indigenous microbes and bioaugmentation using microbes that are nonpathogenic, nonopportunistic and that are naturally occurring. Remediation activities may include community information and participation costs and providing an alternative drinking water supply.

"Rental Equipment" means tangible personal property sold, rented, leased, or licensed to customers to the extent that the item is actually used by the customer for rental, lease, or license to others; provided that:

(1) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and

(2) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

(Ord. 2011-21, Amended, 10/18/2011)

"Rental Supply" means an expendable or nonexpendable repair or replacement part sold to become part of "rental equipment"; provided, that:

(1) the documentation relating to each purchased item so claimed specifically itemizes to the vendor the actual item of "rental equipment" to which the purchased item is intended to be attached as a repair or replacement part; and

(2) the vendee is regularly engaged in the business of renting, leasing, or licensing such property for a consideration; and

(3) the item so claimed as "rental equipment" is not used by the person claiming the exemption for any purpose other than rental, lease, or license for compensation, to an extent greater than fifteen percent (15%) of its actual use.

"Repairer" means a person who restores or renews products, wares, or articles of manufacture.

"Resides within the City" means in cases other than individuals, whose legal addresses are determinative of residence, the engaging, continuing, or conducting of regular business activity within the City.

"Restaurant" means any business activity where articles of food, drink, or condiment are customarily prepared or served to patrons for consumption on or off the premises, also including bars, cocktail lounges, the dining rooms of hotels, and all caterers. For the purposes of this Chapter, a "fast food" business, which includes street vendors and mobile vendors selling in public areas or at entertainment or sports or similar events, who prepares or sells food or drink for consumption on or off the premises is considered a "restaurant," and not a "retailer."

"Retail Sale (Sale at Retail)" means the sale of tangible personal property, except the sale of tangible personal property to a person regularly engaged in the business of selling such property.

"Retailer" means any person engaged or continuing in the business of sales of tangible personal property at retail.

"Sale" means any transfer of title or possession, or both, exchange, barter, LEASE, RENTAL, OR LICENSE FOR USE, conditional or otherwise, in any manner or by any means whatsoever, including consignment transactions and auctions, of TANGIBLE PERSONAL property OR OTHER ACTIVITIES TAXABLE UNDER THIS CHAPTER, for a consideration. "Sale" includes any transaction ~~where~~by WHICH the possession of ~~such~~ property is transferred but the seller retains the title as security for the payment of the price. "Sale" also includes ~~the fabrication of~~ FABRICATING tangible personal property for consumers who~~, in whole or in part,~~ furnish either directly or indirectly the materials used in such fabrication work. "SALE" ALSO INCLUDES FURNISHING, PREPARING, OR SERVING FOR A CONSIDERATION ANY TANGIBLE PERSONAL PROPERTY CONSUMED ON THE PREMISES OF THE PERSON FURNISHING, PREPARING, OR SERVING THE TANGIBLE PERSONAL PROPERTY.

"Solar Daylighting" means a device that is specifically designed to capture and redirect the visible portion of the solar beam, while controlling the infrared portion, for use in illuminating interior building spaces in lieu of artificial lighting.

"Solar Energy Device" means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination of the foregoing by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity. Solar energy systems may also have the capability of storing solar energy for future use. Passive systems shall clearly be designed as a solar energy device, such as a ~~t~~Trombe wall, and not merely as a part of a normal structure, such as a window.

"Speculative Builder" means either:

(1) an owner-builder who sells or contracts to sell, at any time, improved real property (as provided in Section 3-05-004-0416) consisting of:

(a) custom, model, or inventory homes, regardless of the stage of completion of such homes; or

(b) improved residential or commercial lots without a structure; or

(2) an owner-builder who sells or contracts to sell improved real property, other than improved real property specified in subsection (1) above:

(a) prior to completion; or

(b) before the expiration of twenty-four (24) months after the improvements of the real property sold are substantially complete.

"Substantially Complete" means the construction contracting or reconstruction contracting:

(1) has passed final inspection or its equivalent; or

(2) certificate of occupancy or its equivalent has been issued; or

(3) is ready for immediate occupancy or use.

"Supplier" means any person who rents, leases, licenses, or makes sales of tangible personal property within the City, either directly to the consumer or customer or to wholesalers, jobbers, fabricators, manufacturers, modifiers, assemblers, repairers, or those engaged in the business of providing services which involve the use, sale, rental, lease, or license of tangible personal property.

"TANGIBLE PERSONAL PROPERTY" MEANS PERSONAL PROPERTY WHICH MAY BE SEEN, WEIGHED, MEASURED, FELT, OR TOUCHED OR IS IN ANY OTHER MANNER PERCEPTIBLE TO THE SENSES.

"Tax Collector" means the city manager or his designee or agent for all purposes under this chapter.

"Taxpayer" means any person liable for any tax under this chapter.

"Taxpayer Problem Resolution Officer" means the individual designated by the City to perform the duties identified in Sections 3-05-005-0515 and 3-05-005-0516. In cities with a population of 50,000 or more, the Taxpayer Problem Resolution Officer shall be an employee of the City. In cities with a population of less than 50,000, the Taxpayer Problem Resolution Officer need not be an employee of the City. Regardless of whether the Taxpayer Problem Resolution Officer is or is not an employee of the City, the Taxpayer Problem Resolution Officer shall have substantive knowledge of taxation. The identity of and telephone number for the Taxpayer Problem Resolution Officer can be obtained from the Tax Collector.

"Telecommunication Service" means any service or activity connected with the transmission or relay of sound, visual image, data, information, images, or material over a communications channel or any combination of communications channels.

"Transient" means any person who either at the person's own expense or at the expense of another obtains lodging space or the use of lodging space on a daily or weekly basis, or on any other basis for less than thirty (30) consecutive days.

"Utility Service" means the producing, providing, or furnishing of electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

(Ord. 1924, 01/07/1997; Ord. 1979, Amended, 10/06/1998; Ord. 2004-25, Amended, 01/10/2005; Ord. 2007-28, Amended, 05/01/2007; Ord. 2009-16, Amended, 06/19/2009; Ord. 2011-21, Amended, 10/18/2011; Ord. 2013-26, Amended, 01/07/2014)

3-05-001-0100.1 BROKERS

A. FOR THE PURPOSES OF PROPER ADMINISTRATION OF THIS CHAPTER AND TO PREVENT EVASION OF TAXES IMPOSED, BROKERS SHALL BE WHEREVER NECESSARY TREATED AS TAXPAYERS FOR ALL PURPOSES, AND SHALL FILE A RETURN AND REMIT THE TAX IMPOSED ON THE ACTIVITY ON BEHALF OF THE PRINCIPAL. NO DEDUCTION SHALL BE ALLOWED FOR ANY COMMISSIONS OR FEES RETAINED BY SUCH BROKER, EXCEPT AS PROVIDED IN SECTION 3-05-001-0405, RELATING TO ADVERTISING COMMISSIONS.

B. BROKERS FOR VENDORS. A BROKER ACTING FOR A SELLER, LESSOR, OR OTHER SIMILAR PERSON DERIVING GROSS INCOME IN A CATEGORY UPON WHICH THIS CHAPTER IMPOSES A TAX SHALL BE LIABLE FOR SUCH TAX, EVEN IF HIS PRINCIPAL WOULD NOT BE SUBJECT TO THE TAX IF HE CONDUCTED SUCH ACTIVITY IN HIS OWN BEHALF, BY REASON OF THE ACTIVITY BEING DEEMED A "CASUAL" ONE. FOR EXAMPLE:

1. AN AUCTIONEER OR OTHER SALES AGENT OF TANGIBLE PERSONAL PROPERTY IS SUBJECT TO THE TAX IMPOSED UPON RETAIL SALES, EVEN IF SUCH SALES WOULD BE DEEMED "CASUAL" IF HIS PRINCIPAL HAD SOLD SUCH ITEMS HIMSELF.

2. A PROPERTY MANAGER IS SUBJECT TO THE TAX IMPOSED UPON RENTAL, LEASING, OR LICENSING OF REAL PROPERTY, EVEN IF SUCH RENTAL, LEASING, OR LICENSING WOULD BE DEEMED "CASUAL" IF HIS PRINCIPAL MANAGED SUCH REAL PROPERTY HIMSELF.

C. BROKERS FOR VENDEES. A BROKER ACTING SOLELY FOR A BUYER, LESSEE, TENANT, OR OTHER SIMILAR PERSON WHO IS A PARTY TO A TRANSACTION WHICH MAY BE SUBJECT TO THE TAX, SHALL BE LIABLE FOR SUCH TAX AND FOR FILING A RETURN IN CONNECTION WITH SUCH TAX ONLY TO THE EXTENT HIS PRINCIPAL IS SUBJECT TO THE TAX.

D. THE LIABILITY OF A BROKER DOES NOT RELIEVE THE PRINCIPAL OF LIABILITY EXCEPT UPON PRESENTATION TO THE TAX COLLECTOR OF PROOF OF PAYMENT OF THE TAX, AND ONLY TO THE EXTENT OF THE CORRECT PAYMENT. THE BROKER SHALL BE RELIEVED OF THE RESPONSIBILITY TO FILE AND PAY TAXES UPON THE FILING AND CORRECT PAYMENT OF SUCH TAXES BY THE PRINCIPAL.

E. LOCATION OF BUSINESS. RETAIL SALES BY BROKERS ACTING FOR ANOTHER PERSON SHALL BE DEEMED TO HAVE OCCURRED AT THE REGULAR BUSINESS LOCATION OF THE BROKER, IN A MANNER SIMILAR TO THAT USED TO DETERMINE "OUT-OF-CITY SALES'; PROVIDED, HOWEVER, THAN AN AUCTIONEER IS DEEMED TO BE ENGAGED IN BUSINESS AT THE SITE OF EACH AUCTION.

3-01-001-0100.2 DELIVERY, INSTALLATION, OR OTHER DIRECT CUSTOMER SERVICES

A. "DELIVERY CHARGES" EXIST ONLY WHEN THE TOTAL CHARGES TO THE ULTIMATE CUSTOMER OR CONSUMER INCLUDE, AS SEPARATELY CHARGED TO THE ULTIMATE CUSTOMER, CHARGES FOR DELIVERY TO THE ULTIMATE CONSUMER, WHETHER THE PLACE OF DELIVERY IS WITHIN OR WITHOUT THE CITY, AND WHEN THE TAXPAYER'S BOOKS AND RECORDS SHOW THE SEPARATE DELIVERY CHARGES.

1. IDENTIFICATION TO THE CUSTOMER OR CONSUMER THAT THE LISTED PRICE HAS "DELIVERY INCLUDED" OR OTHER SIMILAR EXPRESSION IS INSUFFICIENT TO SHOW THE DELIVERY AS A SEPARATE CHARGE. ONLY THE SEPARATELY STATED CHARGE FOR THE DELIVERY SHALL BE DEEMED A "DELIVERY CHARGE."

2. FREIGHT IN. CHARGES FOR DELIVERY FROM PLACE OF PRODUCTION OR THE MANUFACTURER TO THE VENDOR EITHER DIRECTLY OR THROUGH A CHAIN OF

WHOLESALERS OR JOBBERS OR OTHER MIDDLEMEN ARE DEEMED "FREIGHT-IN" AND ARE NOT CONSIDERED DELIVERY.

B. "INSTALLATION" AS USED IN THIS DEFINITION RELATES ONLY TO ATTACHMENT TO TANGIBLE PERSONAL PROPERTY. INSTALLATION TO REAL PROPERTY IS DEEMED CONSTRUCTION CONTRACTING IN THIS CHAPTER. EXAMPLES OF INSTALLATION RELATING TO TANGIBLE PERSONAL PROPERTY INCLUDE INSTALLING A RADIO IN AN AUTOMOBILE; APPLYING SUN SCREENS ON THE WINDOWS OF A BOAT; INSTALLING CABINETS, CARPETING, OR "BUILT-IN APPLIANCES" TO A CAMPER OR MOTORIZED RECREATIONAL VEHICLE, OR SIMILAR ACTIVITIES.

C. REPAIR OF TANGIBLE PERSONAL PROPERTY IS NOT INCLUDED IN THIS DEFINITION.

D. "DIRECT CUSTOMER SERVICES" MEANS SERVICES OTHER THAN REPAIR RENDERED DIRECTLY TO THE CUSTOMER. SERVICES OR LABOR PROVIDED BY ANY PERSON PRIOR TO THE TRANSFER OF TANGIBLE PERSONAL PROPERTY TO THE CUSTOMER OR CONSUMER ARE NOT INCLUDED IN THIS DEFINITION. IN THE FOLLOWING EXAMPLES, THE REQUIREMENTS OF SUBSECTION E BELOW ARE REFERRED TO BY THE WORDS "IDENTIFY" OR "IDENTIFICATION."

1. A RETAILER SELLS A CUSTOMER A $100 "PLUG-IN" APPLIANCE, WITH A $25 DELIVERY AND INSTALLATION CHARGE. IF THE RETAILER IDENTIFIES THE $25 DELIVERY AND INSTALLATION CHARGE, IT IS A CHARGE FOR DIRECT CUSTOMER SERVICES.

2. A CATERER CHARGES HIS CUSTOMER $1,000 FOR THE FOOD AND DRINK SERVED, $300 FOR SETUP AND SITE CLEANUP, AND $500 FOR BARTENDER AND WAITERS. IF ALL CHARGES ARE PROPERLY IDENTIFIED, ONLY THE $300 FOR SET UP AND CLEANUP IS A CHARGE FOR DIRECT CUSTOMER SERVICES, AND THE $1,500 FOR FOOD AND SERVICE IS CONSIDERED RESTAURANT GROSS INCOME.

3. PERSONS ENGAGED IN ENGRAVING ON WOOD, METAL, STONE, ETC., OR PERSONS ENGAGED IN RETOUCHING PHOTOGRAPHS OR PAINTINGS MAY CONSIDER SUCH CHARGES FOR LABOR AS DIRECT CUSTOMER SERVICES.

4. ALL CHARGES BY A PHOTOGRAPHER RESULTING IN THE SALE OF A PHOTOGRAPH (SITTING FEES, DEVELOPING, MAKING ENLARGEMENTS, RETOUCHING, ETC.) FOR SERVICES THAT OCCUR PRIOR TO TRANSFER OF TANGIBLE PERSONAL PROPERTY ARE NOT DIRECT CUSTOMER SERVICES.

5. AN EQUIPMENT RENTAL COMPANY CHARGING $25 FOR DELIVERY MAY CONSIDER SUCH DELIVERY CHARGE AS A CHARGE FOR DIRECT CUSTOMER SERVICE ONLY IF SUCH CHARGE IS PROPERLY IDENTIFIED.

6. EVEN IF IDENTIFIED, CHARGES FOR LABOR INCURRED IN THE PRODUCTION OF ANY MANUFACTURED ARTICLE OR OF A CUSTOM-MADE ARTICLE (JEWELRY, ARTWORK, TAILORING, DRAPERIES, ETC.) ARE NOT INCLUDED IN THIS DEFINITION, AS SUCH LABOR OCCURS PRIOR TO THE TRANSFER OF PROPERTY.

E. RECORDKEEPING REQUIREMENTS.

1. ANY PERSON WHO ENGAGES IN TRANSACTIONS INVOLVING THESE SERVICES MUST:

(A) SEPARATELY BILL, INVOICE, OR CHARGE THE CUSTOMER FOR SUCH SERVICES IN A MANNER BY WHICH THE CUSTOMER OR CONSUMER MAY READILY IDENTIFY THE SPECIFIC DOLLAR AMOUNT OF THE SERVICE CHARGE; AND

(B) MAINTAIN BUSINESS BOOKS AND RECORDS IN A MANNER IN WHICH THE SEPARATE CHARGE FOR SUCH SERVICES CAN BE CLEARLY IDENTIFIED, TO THE SATISFACTION OF THE TAX COLLECTOR.

2. RENDERING A STATEMENT TO A CUSTOMER FOR A TRANSACTION INVOLVING SUCH SERVICES AND THE TRANSFER OF TANGIBLE PERSONAL PROPERTY WHICH ONLY INDICATES THE TOTAL AMOUNT OF THE CHARGES WITH WORDS SUCH AS “SERVICES INCLUDED” OR "CHARGE INCLUDES LABOR AND PARTS" OR A SIMILAR EXPRESSION DOES NOT SATISFY THE REQUIREMENTS OF THIS SUBSECTION.

3-05-001-0100.3 RETAILERS

WHEN IN THE OPINION OF THE TAX COLLECTOR IT IS NECESSARY FOR EFFICIENT ADMINISTRATION OF THIS CHAPTER, HE MAY REGARD ANY SALES PERSON, REPRESENTATIVE, PEDDLER, CANVASSER, OR AGENT OF ANY DEALER, DISTRIBUTOR, SUPERVISOR, OR EMPLOYER UNDER WHOM HE OPERATES OR FROM WHOM HE OBTAINS TANGIBLE PERSONAL PROPERTY FOR SALE, RENTAL, LEASE, OR LICENSE AS A RETAILER FOR THE PURPOSES OF THIS CHAPTER, IRRESPECTIVE OF WHETHER HE IS MAKING SALES, RENTALS, LEASES, OR LICENSES ON HIS OWN BEHALF OR ON BEHALF OF OTHERS. THE TAX COLLECTOR MAY ALSO REGARD SUCH DEALER,

DISTRIBUTOR, SUPERVISOR, OR EMPLOYER AS A RETAILER FOR THE PURPOSES OF THIS CHAPTER.

3-05-001-0100.4 OUT-OF-CITY/OUT-OF-STATE SALES: SALES TO NATIVE AMERICANS

SALES TO NATIVE AMERICANS OR TRIBAL COUNCILS BY VENDORS LOCATED WITHIN THE CITY SHALL BE DEEMED SALES WITHIN THE CITY, UNLESS ALL OF THE FOLLOWING CONDITIONS EXIST:

(A) THE VENDOR HAS PROPERLY ACCOUNTED FOR SUCH SALES IN A MANNER SIMILAR TO THE RECORDKEEPING REQUIREMENTS FOR OUT-OF-CITY SALES; AND

(B) ALL OF THE FOLLOWING ELEMENTS OF THE SALE EXIST:

(1) SOLICITATION AND PLACEMENT OF THE ORDER OCCURS ON THE RESERVATION; AND

(2) DELIVERY IS MADE TO THE RESERVATION; AND

(3) PAYMENT ORIGINATES FROM THE RESERVATION.

3-05-001-0100.5 REMEDIATION CONTRACTING

THE FOLLOWING ACTIVITIES ARE CONSIDERED REMEDIATION CONTRACTING AND ARE EXEMPT:

(A) EXCAVATION, TRANSPORTATION, TREATMENT, AND/OR DISPOSAL OF CONTAMINATED SOIL FOR PURPOSES OF SITE REMEDIATION (RATHER THAN CHARACTERIZATION);

(B) INSTALLATION OF GROUNDWATER EXTRACTION AND/OR INJECTION WELLS FOR PURPOSES OF GROUNDWATER REMEDIATION;

(C) INSTALLATION OF PUMPS AND PIPING INTO GROUNDWATER EXTRACTION WELLS FOR REMEDIATION PURPOSES;

(D) INSTALLATION OF VAPOR EXTRACTION WELLS FOR THE PURPOSE OF SOIL OR GROUNDWATER REMEDIATION;

(E) CONSTRUCTION OF REMEDIATION SYSTEMS, SUCH AS GROUNDWATER TREATMENT PLANTS, VAPOR EXTRACTION SYSTEMS, OR AIR INJECTION SYSTEMS;

(F) CONNECTION OF REMEDIATION SYSTEMS TO UTILITIES;

(G) ABANDONMENT OF GROUNDWATER OR VAPOR EXTRACTION WELLS;

(H) REMOVAL/DEMOLITION OF REMEDIATION SYSTEMS;

(I) CAPPING/CLOSURE CONSTRUCTION ACTIVITIES;

(J) SERVICE OR HANDLING CHARGES FOR SUBCONTRACTED REMEDIATION CONTRACTING ACTIVITIES.

3-05-001-0110 DEFINITIONS:~~;~~ INCOME-PRODUCING CAPITAL EQUIPMENT~~:~~

A. The following tangible personal property, other than items excluded in subsection ~~(d)~~ D below, shall be deemed "income-producing capital equipment" for the purposes of this Chapter:

1. machinery or equipment used directly in manufacturing, processing, fabricating, job printing, refining or metallurgical operations. The terms "manufacturing," "processing," "fabricating," "job printing," "refining," and "metallurgical" as used in this paragraph refer to and include those operations commonly understood within their ordinary meaning. "Metallurgical operations" includes leaching, milling, precipitating, smelting and refining.

2. mining machinery, or equipment, used directly in the process of extracting ores or minerals from the earth for commercial purposes, including equipment required to prepare the materials for extraction and handling, loading or transporting such extracted material to the surface. "Mining" includes underground, surface and open pit operations for extracting ores and minerals.

3. tangible personal property, sold to persons engaged in business classified under the telecommunications classification, INCLUDING A PERSON REPRESENTING OR WORKING ON BEHALF OF SUCH A PERSON IN A MANNER DESCRIBED IN SECTION 3-05-001-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O, consisting of central office switching equipment; switchboards; private branch exchange equipment; microwave radio equipment, and carrier equipment including optical fiber, coaxial cable, and other transmission media which are components of carrier systems.

4. machinery, equipment, or transmission lines used directly in producing or transmitting electrical power, but not including distribution. Transformers and control equipment used at transmission substation sites constitute equipment used in producing or transmitting electrical power.

5. pipes or valves four inches (4") in diameter or larger ~~and related equipment,~~ used to transport oil, natural gas, artificial gas, water, or coal slurry~~. For the purpose of this section, related equipment includes:~~ INCLUDING compressor units, regulators, machinery and equipment, fittings, seals, and any other parts that are used in operating the pipes or valves.

6. aircraft, navigational and communication instruments, and other accessories and related equipment sold to:

(a) a person:

(I) holding, OR EXEMPTED BY FEDERAL LAW FROM OBTAINING, a federal certificate of public convenience and necessity ~~or foreign air carrier permit for air transportation~~ for use as, ~~or~~ in conjunction with or becoming a part of AN aircraft to be used to transport persons~~, property or United States mail~~ FOR HIRE in intrastate, interstate or foreign commerce.

(II) THAT IS CERTIFICATED OR LICENSED UNDER FEDERAL AVIATION ADMINISTRATION REGULATIONS (14 CODE OF FEDERAL REGULATIONS PART 121 OR 135) AS SCHEDULED OR UNSCHEDULED CARRIER OF PERSONS FOR HIRE FOR USE AS OR IN CONJUNCTION WITH OR BECOMING PART OF AN AIRCRAFT TO BE USED TO TRANSPORT PERSONS FOR HIRE IN INTRASTATE, INTERSTATE, OR FOREIGN COMMERCE.

(III) HOLDING A FOREIGN AIR CARRIER PERMIT FOR AIR TRANSPORTATION FOR USE AS OR IN CONJUNCTION WITH OR BECOMING A PART OF AIRCRAFT TO BE USED TO TRANSPORT PERONS, PROPERTY, OR UNITED STATES MAIL IN INTRASTATE, INTERSTATE, OR FOREIGN COMMERCE.

(IV) OPERATING AN AIRCRAFT TO TRANSPORT PERSONS IN ANY MANNER FOR COMPENSATION OR HIRE, OR FOR USE IN A FRACTIONAL OWNERSHIP PROGRAM THAT MEETS THE REQUIREMENTS OF FEDERAL AVIATION ADMINISTRATION REGULATIONS (14 CODE OF FEDERAL REGULATIONS PART

19, SUBPART K), INCLUDING AS AN AIR CARRIER, A FOREIGN AIR CARRIER, OR A COMMERCIAL OPERATOR OR UNDER A RESTRICTED CATEGORY, WITHIN THE MEANING OF 14 CODE OF FEDERAL REGULARIONS, REGARDLESS OF WHETHER THE OPERATION OR AIRCRAFT IS REGULATED OR CERTIFIED UNDER PART 91, 119, 121, 133, 135, 136, OR 137, OR ANOTHER PART OF 14 CODE OF FEDERAL REGULATIONS.

(V) THAT WILL LEASE OR OTHERWISE TRANSFER OPERATIONAL CONTROL, WITHIN THE MEANING OF FEDERAL AVIATION ADMINISTRATION OPERATIONS SPECIFICATION A008, OR ITS SUCCESSOR, OF THE AIRCRAFT, INSTRUMENTS OR ACCESSORIES TO ONE OR MORE PERSONS DESCRIBED IN ITEM (I), (II), (III), OR (IV) OF THIS SUBDIVISION, SUBJECT TO A.R.S. SECTION 42-5009, SUBSECTION Q.

(b) any foreign government ~~for use by such government outside of this State~~.

(c) persons who are not residents of this State and who will not use such property in this State other than in removing such property from this State. This subdivision also applies to corporations that are not incorporated in this State, regardless of maintaining a place of business in this State, if the principal corporate office is located outside this State and the property will not be used in this State other than in removing the property from this State.

7. machinery, tools, equipment and related supplies used or consumed directly in repairing, remodeling or maintaining aircraft, aircraft engines or aircraft component parts by or on behalf of a certificated or licensed carrier of persons or property.

8. railroad rolling stock, rails, ties and signal control equipment used directly to transport persons or property.

9. machinery or equipment used directly to drill for oil or gas or used directly in the process of extracting oil or gas from the earth for commercial purposes.

10. buses or other urban mass transit vehicles ~~which~~ THAT are used directly to transport persons or property for hire or pursuant to a governmentally adopted and controlled urban mass transportation program and ~~which~~ THAT are sold to bus companies holding a federal certificate of convenience and necessity or operated by aNY city, town or other governmental entity or by any person contracting with

such governmental entity as part of a governmentally adopted and controlled program to provide urban mass transportation.

11. metering, monitoring, receiving, and transmitting equipment acquired by persons engaged in the business of providing utility services or telecommunications services; but only to the extent that such equipment is to be used by the customers of such persons and such persons separately charge or bill their customers for use of such equipment.

12. groundwater measuring devices required under A.R.S. § 45-604.

13. machinery or equipment used in research and development. ~~In~~ FOR THE PURPOSES OF this paragraph, "research and development" means basic and applied research in the sciences and engineering, and designing, developing or testing prototypes, processes or new products, including research and development of computer software that is embedded in or an integral part of the prototype or new product or that is required for machinery or equipment otherwise exempt under this section to function effectively. Research and development do not include manufacturing quality control, routine consumer product testing, market research, sales promotion, sales service, research in social sciences or psychology, computer software research that is not included in the definition of research and development, or other nontechnological activities or technical services.

14. ~~(Reserved)~~ NEW MACHINERY AND EQUIPMENT CONSISTING OF AGRICULTURAL AIRCRAFT, TRACTORS, TRACTOR-DRAWN IMPLEMENTS, SELF-POWERED IMPLEMENTS, MACHINERY AND EQUIPMENT NECESSARY FOR EXTRACTING MILK, AND MACHINERY AND EQUIPMENT NECESSARY FOR COOLING MILK AND LIVESTOCK, AND DRIP IRRIGATION LINES NOT ALREADY EXEMPT UNDER PARAGRAPH 5 OF THIS SUBSECTION AND THAT ARE USED FOR COMMERCIAL PRODUCTION OF AGRICULTURAL, HORTICULTURAL, VITICULTURAL, OR FLORICULTURAL CROPS IN THIS STATE. FOR THE PURPOSES OF THIS PARAGRAPH:

(A) “NEW MACHINERY AND EQUIPMENT” MEANS MACHINERY AND EQUIPMENT THAT HAVE NEVER BEEN SOLD AT RETAIL EXCEPT PURSUANT TO LEASES OR RENTALS WHICH DO NOT TOTAL TWO YEARS OR MORE.

(B) “AGRICULTURAL AIRCRAFT” MEANS AN AIRCRAFT THAT IS BUILT FOR AGRICULTURAL USE FOR THE AERIAL APPLICATION OF PESTICIDES OR FERTILIZER OR FOR AERIAL SEEDING.

(C) "SELF-POWERED IMPLEMENTS" INCLUDES MACHINERY AND EQUIPMENT THAT ARE ELECTRIC-POWERED.

15. included in income producing capital equipment are liquid, solid or gaseous chemicals used in manufacturing, processing, fabricating, mining, refining, metallurgical operations, ~~or~~ research and development or job printing, if using or consuming the chemicals, alone or as part of an integrated system of chemicals, involving direct contact with the materials from which the product is produced for the purpose of causing or permitting a chemical or physical change to occur in the materials as part of the production process. This subsection does not include chemicals that are used or consumed in activities such as packaging, storage or transportation but does not affect any deduction for such chemicals that is otherwise provided by this code. Chemicals meeting the requirements of this subsection are deemed not to be expendable under subsection (d) of this Section.

16. cleanrooms that are used for manufacturing, processing, fabrication or research and development, as defined in paragraph ~~(~~13~~)~~ of this subsection, of semiconductor products. For purposes of this paragraph, "cleanroom" means all property that comprises or creates an environment where humidity, temperature, particulate matter and contamination are precisely controlled within specified parameters, without regard to whether the property is actually contained within that environment or whether any of the property is affixed to or incorporated into real property. Cleanroom:

(a) includes the integrated systems, fixtures, piping, movable partitions, lighting and all property that is necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity or other environmental conditions or manufacturing tolerances, as well as the production machinery and equipment operating in conjunction with the cleanroom environment.

(b) does not include the building or other permanent, nonremovable component of the building that houses the cleanroom environment.

~~17. machinery and equipment that are purchased by or on behalf of the owners of a soundstage complex and primarily used for motion picture, multimedia or interactive video production in the complex. This paragraph applies only if the initial construction of the soundstage complex begins after June 30, 1996 and before January 1, 2002 and the machinery and equipment are purchased before the expiration of five years after the start of initial construction. For purposes of this paragraph:~~

~~(a) "motion picture, multimedia or interactive video production" includes products for theatrical and television release, educational presentations, electronic retailing, documentaries, music videos, industrial films, cd-rom, video game production, commercial advertising and television episode production and other genres that are introduced through developing technology.~~

~~(b) "soundstage complex" means a facility of multiple stages including production offices, construction shops and related areas, prop and costume shops, storage areas, parking for production vehicles and areas that are leased to businesses that complement the production needs and orientation of the overall facility.~~

17. MACHINERY AND EQUIPMENT THAT ARE SOLD TO A PERSON ENGAGED IN THE COMMERCIAL PRODUCTION OF LIVESTOCK, LIVESTOCK PRODUCTS, OR AGRICULTURAL, HORTICULTURAL, VITICULTURAL, OR FLORICULTURAL CROPS OR PRODUCTS IN THIS STATE, INCLUDING A PERSON REPRESENTING OR WORKING ON BEHALF OF SUCH A PERSON IN A MANNER DESCRIBED IN A.R.S. SECTION 42-5075, SUBSECTION O, IF THE MACHINERY AND EQUIPMENT ARE USED DIRECTLY AND PRIMARILY TO PREVENT, MONITOR, CONTROL, OR REDUCE AIR, WATER, OR LAND POLLUTION.

18. tangible personal property that is used by either of the following to receive, store, convert, produce, generate, decode, encode, control or transmit telecommunications information:

(a) any direct broadcast satellite television or data transmission service that operates pursuant to 47 Code of Federal Regulations part~~s~~ 25 ~~and 100~~.

(b) any satellite television or data transmission facility, if both of the following conditions are met:

(1) over two-thirds of the transmissions, measured in megabytes, transmitted by the facility during the test period were transmitted to or on behalf of one or more direct broadcast satellite television or data transmission services that operate pursuant to 47 Code of Federal Regulations part~~s~~ 25 ~~and 100~~.

(2) over two-thirds of the transmissions, measured in megabytes, transmitted by or on behalf of those direct broadcast television or data transmission services during the test period were transmitted by the facility to or on behalf of those services.

For purposes of subdivision (B) of this paragraph, "test period" means the three hundred sixty-five day period beginning on the later of the date on which the tangible personal property is purchased or the date on which the direct broadcast satellite television or data transmission service first transmits information to its customers.

19. Machinery and equipment that is used directly in the feeding of poultry, the environmental control of housing for poultry, the movement of eggs within a production and packaging facility or the sorting or cooling of eggs. This exemption does not apply to vehicles used for transporting eggs.

20. Machinery or equipment, including related structural components, that is employed in connection with manufacturing, processing, fabricating, job printing, refining, mining, natural gas pipelines, metallurgical operations, telecommunications, producing or transmitting electricity or research and development that is used directly to meet or exceed rules or regulations adopted by the Federal Energy Regulatory Commission, the United States Environmental Protection Agency, the United States Nuclear Regulatory Commission, the Arizona Department of Environmental Quality or a political subdivision of this state to prevent, monitor, control or reduce land, water or air pollution.

21. Machinery or equipment that enables a television station to originate and broadcast or to receive and broadcast digital television signals and that was purchased to facilitate compliance with the Telecommunications Act of 1996 (PL 104-104; 110 Stat. 56;47 United States Code Section 336) and the Federal Communications Commission order issued April 21, 1997, 47 Code of Federal Regulations ~~p~~Part 73. This paragraph does not exempt any of the following:

(a) Repair or replacement parts purchased for the machinery or equipment described in this paragraph.

(b) Machinery or equipment purchased to replace machinery or equipment for which an exemption was previously claimed and taken under this paragraph.

(c) Any machinery or equipment purchased after the television station has ceased analog broadcasting, or purchased after November 1, 2009, whichever occurs first.

22. QUALIFYING EQUIPMENT THAT IS PURCHASED FROM AND AFTER JUNE 30, 2004, THROUGH JUNE 30, 2024, BY A QUALIFIED BUSINESS UNDER A.R.S. SECTION 41-1516 FOR HARVESTING OR PROCESSING QUALIFYING FOREST PRODUCTS REMOVED FROM QUALIFYING PROJECTS AS DEFINED IN A.R.S. SECTION 41-1516. TO QUALIFY FOR THIS

DEDUCTION, THE QUALIFIED BUSINESS AT THE TIME OF PURCHASE MUST PRESENT ITS CERTIFICATION APPROVED BY THE DEPARTMENT OF REVENUE.

B. The term "income-producing capital equipment" shall further include ancillary machinery and equipment used for the treatment of waste products created by the business activities which are allowed to purchase "income-producing capital equipment" defined in subsection ~~(~~A~~)~~ above.

C. The term "income-producing capital equipment" shall further include repair and replacement parts, other than the items in subsection ~~(d)~~D below, where the property is acquired to become an integral part of another item itemized in subsections ~~(a)~~A or ~~(b)~~B above.

D. The tangible personal property defined as income-producing capital equipment in this Section shall not include:

1. expendable materials. For purposes of this paragraph, expendable materials do not include any of the categories of tangible personal property specified in subsections ~~(a)~~A, ~~(b)~~B, or ~~(c)~~C of this section regardless of the cost or useful life of that property.

2. janitorial equipment and hand tools.

3. office equipment, furniture, and supplies.

4. tangible personal property used in selling or distributing activities, OTHER THAN THE TELECOMMUNICATIONS TRANSMISSIONS DESCRIBED IN SUBSECTION A.18. OF THIS SECTION.

5. motor vehicles required to be licensed by the State of Arizona, except buses or other urban mass transit vehicles specifically exempted pursuant to subsection ~~(a)(10)~~ A.10. above without regard to the use of such motor vehicles.

6. shops, buildings, docks, depots, and all other materials of whatever kind or character not specifically included as exempt.

7. motors and pumps used in drip irrigation systems.

8. MACHINERY AND EQUIPMENT OR OTHER TANGIBLE PERSONAL PROPERTY USED BY A CONTRACTOR IN THE PERFORMANCE OF A CONTRACT.

E. For the purposes of this Section:

1. "aircraft" includes:

(a) an airplane flight simulator that is approved by the Federal Aviation Administration for use as a Phase II or higher flight simulator under Appendix H, 14 Code of Federal Regulations Part 121.

(b) tangible personal property that is permanently affixed or attached as a component part of an aircraft that is owned or operated by a certificated or licensed carrier of persons or property.

2. "other accessories and related equipment" includes aircraft accessories and equipment such as ground service equipment that physically contact aircraft at some point during the overall carrier operation.

(Ord. 1851, 01/03/95, Ord. 1979, 10/06/98) (Ord. No. 1979, Enacted, 10/06/98; Ord. No. 1979, Amended, 10/06/98) (Ord. 2008, Amended, 11/02/1999)

3-05-001-0115 DEFINITIONS~~:~~; COMPUTER SOFTWARE~~:~~, CUSTOM COMPUTER PROGRAMMING~~:~~

A. ~~COMPUTER SOFTWARE: Any~~ "COMPUTER SOFTWARE" MEANS ANY computer program, part of such a program, or any sequence of instructions for automatic data processing equipment. Computer software which is not "custom computer programming" is deemed to be tangible personal property for the purposes of this Chapter, regardless of the method by which title, possession, or right to use the software is transferred to the user.

B. ~~CUSTOM COMPUTER PROGRAMMING: Any~~ "CUSTOM COMPUTER PROGRAMMING" MEANS ANY computer software which is written or prepared exclusively for a customer and includes those services represented by separately stated charges for the modification of existing prewritten programs when the modifications are written or prepared exclusively for a customer.

1. The term does not include a prewritten program which is held or existing for general or repeated sale, lease, or license, even if the program was initially developed on a custom basis for in-house, or for a single customer's, use.

2. Modification to an existing prewritten program to meet the customer's needs is custom computer programming only to the extent of the modification, and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements, and other billing documents supplied to the customer.

3-05-001-0120 REPEALED:

(Ord. 2013-26, Repealed, 01/07/2014)

DIVISION 3-05-002

DETERMINATION OF GROSS INCOME

SECTIONS:

3-05-002-0200 DETERMINATION OF GROSS INCOME:; IN GENERAL:

3-05-002-0210 DETERMINATION OF GROSS INCOME:; TRANSACTIONS BETWEEN AFFILIATED COMPANIES OR PERSONS:

3-05-002-0220 DETERMINATION OF GROSS INCOME:; ARTIFICIALLY CONTRIVED TRANSACTIONS:

3-05-002-0230 DETERMINATION OF GROSS INCOME BASED UPON METHOD OF REPORTING:

3-05-002-0240 EXCLUSION OF CASH DISCOUNTS, RETURNS, REFUNDS, TRADE-IN VALUES, VENDOR-ISSUED COUPONS, AND REBATES FROM GROSS INCOME:

3-05-002-0250 EXCLUSION OF COMBINED TAXES FROM GROSS INCOME; ITEMIZATION;; NOTICE;; LIMITATIONS:

3-05-002-0260 EXCLUSION OF FEES AND TAXES FROM GROSS INCOME; LIMITATIONS:

3-05-002-0265 RESERVED:

3-05-002-0266 EXCLUSION OF MOTOR CARRIER REVENUES FROM GROSS INCOME:

3-05-002-0270 EXCLUSION OF GROSS INCOME OF PERSONS DEEMED NOT ENGAGED IN BUSINESS:

3-05-002-0280 ~~EXCLUSION OF TRANSACTIONS WITH SPECIFIED GOVERNMENTAL AGENCIES:~~ RESERVED

3-05-002-0285 RESERVED:

3-05-002-0290 RESERVED:

3-05-002-0200 DETERMINATION OF GROSS INCOME:; IN GENERAL:

A. Gross income includes:

1. The value proceeding or accruing from the sale of property, the providing of service, or both.

2. The total amount of the sale, lease, license for use, or rental price at the time of such sale, rental, lease, or license.

3. All receipts, cash, credits, barter, exchange, reduction of/ or forgiveness of indebtedness, and property of every kind or nature derived from a sale, lease, license for use, rental, or other taxable activity.

4. All other receipts whether payment is advanced prior to, contemporaneous with, or deferred in whole or in part subsequent to the activity or transaction.

B. Barter, exchange, trade-outs, or similar transactions are includable in gross income at the fair market value of the service rendered or property transferred, whichever is higher, as they represent consideration given for consideration received.

C. No deduction or exclusion is allowed from gross income on account of the cost of the property sold, the time value of money, expense of any kind or nature, losses, materials used, labor or service performed, interest paid, or credits granted.

D. For the purposes of this chapter the total amount of gross income, gross receipts or gross proceeds of sales for nuclear fuel shall be deemed to be the value of the purchase price of uranium oxide used in producing the fuel. The tax imposed by this chapter may be imposed only once for any one quantity or batch of nuclear fuel regardless of the number of transactions or financing arrangements which may occur with respect to that nuclear fuel. (Ord. 2013-26, Amended, 01/07/2014)

3-05-002-0210 DETERMINATION OF GROSS INCOME: TRANSACTIONS BETWEEN AFFILIATED COMPANIES OR PERSONS:

In transactions between affiliated companies or persons, or in other circumstances where the relationship between the parties is such that the gross income from the transaction is not indicative of the market value of the subject matter of the transaction, the Tax Collector shall determine the "market value" upon which the City privilege and use taxes shall be levied. "Market value" shall correspond as nearly as possible to the gross income from similar transactions of like quality or character by other taxpayers where no common interest exists between the parties, but otherwise under similar circumstances and conditions.

3-05-002-0220 DETERMINATION OF GROSS INCOME: ARTIFICIALLY CONTRIVED TRANSACTIONS:

The Tax Collector may examine any transaction, reported or unreported, if, in his opinion, there has been or may be an evasion of the taxes imposed by this Chapter and to estimate the amount subject to tax in cases where such evasion has occurred. The Tax Collector shall disregard any transaction which has been undertaken in an artificial manner in order to evade the taxes imposed by this Chapter.

3-05-002-0230 DETERMINATION OF GROSS INCOME BASED UPON METHOD OF REPORTING:

The method of reporting chosen by a taxpayer, as provided in Section 3-05-005-0520, necessitates the following adjustments to gross income for all purposes under this Chapter:

(a) Cash Basis: When a person elects to report and pay taxes on a cash basis, gross income for the reporting period shall include:

(1) The total amounts received on "paid in full" transactions, against which are allowed all applicable deductions and exclusions; and

(2) All amounts received on accounts receivable, conditional sales contract, or other similar transactions, against which no deductions and no exclusions from gross income are allowed. Interest on finance contracts may be deducted if separately itemized on all books and records.

(b) Accrual Basis: When a person elects to report and pay taxes on an accrual basis, gross income shall include all gross income for the applicable period regardless of whether receipts are for cash, credit, conditional, or partially deferred transactions, and regardless of whether or not any security document or instrument is sold, assigned, or otherwise transferred to another. Persons reporting on the accrual basis may deduct bad debts, provided that:

(1) The amount deducted for the bad debt must be deducted from gross income of the month in which the actual charge-off was made, and only to the extent that such amount was actually charged off, and also only to the extent that such amount is or was included as taxable gross income; and

(2) If any amount is subsequently collected on such charged-off account, it shall be included in gross income for the month in which it was collected, without deduction for expense of collection. (Ord. 1924, 01/07/97)

3-05-002-0240 EXCLUSION OF CASH DISCOUNTS, RETURNS, REFUNDS, TRADE-IN VALUES, VENDOR-ISSUED COUPONS, AND REBATES FROM GROSS INCOME:

(a) The following items are not included in gross income:

(1) Cash discounts allowed by the vendor for timely payment, but only discounts allowed against taxable gross income.

(2) The value of property returned by customers to the extent of the amount actually refunded either in cash or by credit and the amount refunded was included in taxable gross income.

(3) The trade-in allowance for tangible personal property accepted as payment, not to exceed the full sales price for any tangible personal property sold, when the full sales price is included in taxable gross income. Trade-in allowances are not allowed for manufactured buildings taxable under Section 3-05-004-0427.

(4) When coupons issued by a vendor are later accepted by the vendor as a discount against the transaction, the discount may be excluded from gross income as a cash discount. Amounts credited or refunded by a vendor for redemption of coupons issued by any person other than the vendor may not be excluded from gross income.

(5) Rebates issued by the vendor to a customer as a discount against the transaction may be excluded from gross income as cash discount. Rebates issued by a person other than the vendor may not be excluded from gross income, even when the vendee assigns his right to the rebate to the vendor.

(6) In computing the tax base, gross proceeds of sales or gross income does not include a manufacturer's cash rebate on the sales price of a motor vehicle if the buyer assigns the buyer's right in the rebate to the retailer.

(b) If the amount specified in subsection A. above is credited by a vendor subsequent to the reporting period in which the original transaction occurs, such amount may be excluded from the taxable gross income of that subsequent reporting period, but only to the extent that the excludable amount was reported as taxable gross income in that prior reporting period. (Ord. 1924, 01/07/97)

3-05-002-0250 EXCLUSION OF COMBINED TAXES FROM GROSS INCOME; ITEMIZATION; NOTICE; LIMITATIONS.

A. When Tax is Separately Charged and/or Collected: The total amount of gross income shall be exclusive of combined taxes only when the person upon whom the tax is imposed shall establish to the satisfaction of the Tax Collector that such tax has been added to the total price of the transaction. The taxpayer must provide to his customer and also keep a reliable record of the actual tax charged or collected, shown by cash register tapes, sales tickets, or other accurate record, separating net transaction price and combined tax. If at any time the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts billed or collected on account of combined taxes, the claimed taxes collected may not be excluded from gross income, unless such records are completed and/or clarified to the satisfaction of the Tax Collector.

1. Remittance of all tax charged and/or collected. When an added charge is made to cover City (or combined) privilege and use taxes, the person upon whom the tax is imposed shall pay the full amount of the City taxes due, whether collected by him or not, and in the event he collects more than the amount due he shall remit the excess to the Tax Collector. In the event the Tax Collector cannot ascertain from the records kept by the taxpayer the total or amounts of taxes collected by him, and the Tax Collector is satisfied that the taxpayer has collected taxes in an amount in excess of the tax assessed under this chapter, the Tax Collector may determine the amount collected and collect the tax so determined in the manner provided in this chapter.

2. Itemization. A taxpayer, in order to be entitled to exclude from his gross income any amounts paid to him by customers for combined taxes passed on to the customer, must prove that he has provided his customer with a written record of the transaction showing at a minimum the price before the tax, the combined taxes, and the total cost. This shall be additional to the record required to be kept under subsection ~~(~~A~~)~~ of this section.

B. When Tax Has Been Neither Separately Charged Nor Separately Collected: When the person upon whom the tax is imposed shall establish by means of invoices, sales tickets, or other reliable evidence, that no added charge was made to cover combined taxes, the taxpayer may exclude tax collected from such income by dividing such taxable gross income by ~~one (~~1.00~~)~~ plus a decimal figure representing the effective combined tax rate expressed as a fraction of ~~one (~~1.00~~)~~.

3-05-002-0260 EXCLUSION OF FEES AND TAXES FROM GROSS INCOME; LIMITATIONS~~S~~

A. There shall be excluded from gross income of vendors of motor vehicles those motor vehicle registration fees, license fees and taxes, and lieu taxes imposed pursuant to A.R.S. Title 28 in connection with the initial purchase of a motor vehicle, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser of the motor vehicle by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Division 3-05-003, regarding recordkeeping, are met. For the purpose of the exclusion provided by this subsection only, the terms vendor and vendee shall also apply to a lessor and lessee respectively, of a motor vehicle if, in addition to all other requirements of this subsection, the lease agreement specifically requires the lessee to pay such fees or taxes, and such amounts are separately itemized in the documentation provided to the lessee.

B. There shall be excluded from gross income of vendors at retail of heavy trucks and trailers, the amount attributable to Federal excise taxes imposed by 26 U.S.C. Section 4051, but only to the extent that the provisions of Division 3-05-003, relating to recordkeeping, have been met:~~.~~

C. There shall be excluded from gross income the following fees, taxes, and lieu taxes, but only to the extent that such taxes or fees or both have been separately itemized and collected from the purchaser by the vendor, actually remitted to the proper registering, licensing, and taxing authorities, and the provisions of Division 3-05-003, regarding recordkeeping, are met:

1. Emergency telecommunication services excise tax imposed pursuant to A.R.S. Section 42-5252. "Emergency telecommunication services" means telecommunication services or systems that use number 911 or a similarly designated telephone number for emergency calls;

2. The telecommunication devices for the deaf and the severely hearing and speech impaired excise tax imposed pursuant to A.R.S. Section 42-5252;

3. Federal excise taxes on communications services as imposed by 26 U.S.C. Section 4251;

4. Car rental surcharge imposed pursuant to A.R.S. Section 48-4234;

5. Federal excise taxes on passenger vehicles as imposed by 26 U.S.C. Section 4001(.01);

6. Waste tire disposal fees, imposed pursuant to A.R.S. Section 44-1302.

D. There shall be excluded from gross income of vendors of motor vehicles dealer documentation fees, but only to the extent that such fees have been separately itemized and collected from the purchaser of the motor vehicle by the vendor. (Ord. 1924, 01/07/97; Ord. 2004-25, Amended, 01/10/05; Ord. 2007-28, Amended, 05/01/2007)

3-05-002-0265 RESERVED:

3-05-002-0266 EXCLUSION OF MOTOR CARRIER REVENUES FROM GROSS INCOME:

There shall be excluded from gross income the gross proceeds of sale or gross income derived from any of the following:

A. A motor carrier's use on the public highways in this State if the motor carrier is subject to a fee prescribed in A.R.S. Title 28, Chapter 15, Article 4, or A.R.S. Title 28, Chapter 16, Article 4.

B. Leasing, renting or licensing a motor vehicle subject to and upon which the fee has been paid under A.R.S. Title 28, Chapter 16.

C. The sale of a motor vehicle and any repair and replacement parts and tangible personal property becoming a part of such motor vehicle, to a motor carrier who is subject to a fee prescribed in A.R.S. Title 28, Chapter 16 and who is engaged in the business of leasing, renting or licensing such property.

D. For the purposes of these exclusions, "motor carrier" includes a motor vehicle weighing 26,000 pounds or more, a lightweight motor vehicle which weighs 12,001 pounds to 26,000 pounds and a light motor vehicle weighing 12,000 pounds or less, which pay the fee prescribed in A.R.S. Title 28, Chapter 15 or A.R.S. Title 28, Chapter 16. (Ord. 1979, Amended, 10/06/98; Ord. 2007-28, Amended, 05/01/2007)

3-05-002-0270 EXCLUSION OF GROSS INCOME OF PERSONS DEEMED NOT ENGAGED IN BUSINESS:

A. For the purposes of this section, the following definitions shall apply:

1. "Federally exempt organization" means an organization which has received a determination of exemption, or qualifies for such exemption, under 26 U.S.C. Section 501(c) and rules and regulations of the Commissioner of Internal Revenue pertaining to same, but not including a "governmental entity," "non-licensed business," or "public educational entity."

2. "Governmental entity" means the Federal government, the State of Arizona, any other state, or any political subdivision, department, or agency of any of the foregoing; provided further, that persons contracting with such a governmental entity to operate any part of a governmentally adopted and controlled program to provide urban mass transportation shall be deemed a governmental entity in all activities such person performs when engaged in said contract.

3. "Non-licensed business" means any person conducting any business activity for gain or profit, whether or not actually realized, which person is not required to be licensed for the conduct or transaction of activities subject to the tax imposed under this chapter.

4. "Proprietary club" means any club which has qualified or would otherwise qualify as an exempt club under the provisions of 26 U.S.C. Section 502(c)(7), (8), and (9), notwithstanding the fact that some or all of the members may own a proprietary interest in the property and assets of the club.

5. "Public educational entity" means any educational entity operated pursuant to any provisions of A.R.S. Title 15.

B. Transactions which, if conducted by any other person, would produce gross income subject to tax under this chapter shall not be subject to the imposition of such tax if conducted entirely by a public educational entity; governmental entity, except "proprietary activities" of municipalities as provided by regulation; or non-licensed business.

C. Transactions which, if conducted by any other person, would produce gross income subject to the tax under this chapter shall not be subject to the IMPOSITION OF SUCH tax if conducted entirely by a federally exempt organization or proprietary club with the following exceptions:

1. Transactions involving proprietary clubs and organizations exempt under 26 U.S.C. Section 501(c)(7), (8), and (9), where the gross revenue of the activity received from persons other than members and bona fide guests of members is in an amount in excess of fifteen percent (15%) of total gross revenue, as prescribed by regulation. In the event this fifteen percent (15%) limit is exceeded, the entire gross income of such entity shall be subject to the applicable tax.

2. Gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512, including all statutory definitions and determinations, the rules and regulations of the Commissioner of Internal Revenue, and the administrative interpretations and guidelines.

3. Reserved.

D. Except as may be provided elsewhere in this chapter, transactions where customers are exempt organizations, proprietary clubs, public educational entities, governmental entities, or non-licensed businesses shall be deemed taxable transactions for the purpose of the imposition of taxes under this chapter, notwithstanding that property so acquired may in fact be resold or leased by the acquiring person to others. In the case of sales, rentals, leases, or licenses to proprietary clubs or exempt organizations, the vendor may be relieved from the responsibility for reporting and paying tax on such income only by obtaining from its vendee a verified statement that includes:

1. A statement that when the property so acquired is resold, rented, leased, or licensed, that the otherwise exempt vendee chooses, or is required, to pay City privilege tax or an equivalent excise tax on its gross income from such transactions and does in fact file returns on same; and

2. The privilege license number of the otherwise exempt vendee; and

3. Such other information as the Tax Collector may require.

E. Franchisees or concessionaires operating businesses for or on behalf of any exempt organization, governmental entity, public educational entity, proprietary club, or non-licensed business shall not be considered to be such an exempt organization, club, entity, or non-licensed business, but shall be deemed to be a taxpayer subject to the provisions of this chapter, except as provided in the definition of governmental entity, regarding urban mass transit.

F. In any case, if a federally exempt organization, proprietary club, or non-licensed business rents, leases, licenses, or purchases any tangible personal property for its own storage or use, and no City privilege or use tax or equivalent excise tax has been paid on such transaction, said organization, club, or business shall be liable for the use tax upon such acquisitions or use of such property. (Ord. 2014-16, Amended, 07/15/2014)

3-05-002-0280 ~~EXCLUSION OF TRANSACTIONS WITH SPECIFIED GOVERNMENTAL AGENCIES:~~ RESERVED

~~Notwithstanding provisions contained elsewhere in this Chapter, "gross income" derived from transactions that would be deemed taxable, if conducted with or for other customers or consumers, shall be deemed exempt from the taxes imposed by this Chapter when the customer or consumer is (effective 07/01/01, Ordinance No. 2001-04):~~

~~A. Reserved.~~

~~B. Reserved.~~

~~C. Reserved.~~

~~D. Reserved.~~

~~E. Reserved.~~

~~(Ord. 2001-04, Amended, 01/16/2001; Ord. 2000-29, Amended, 11/21/2000)~~

3-05-002-0285 RESERVED~~:~~

3-05-002-0290 RESERVED~~:~~

DIVISION 3-05-003
LICENSING AND RECORDKEEPING

SECTIONS:

3-05-003-0300 LICENSING REQUIREMENTS

3-05-003-0310 LICENSING: SPECIAL REQUIREMENTS

3-05-003-0320 LICENSE FEES; ANNUAL RENEWAL; RENEWAL FEES

3-05-003-0330 LICENSING: DURATION; TRANSFERABILITY; DISPLAY; PENALTIES; PENALTY WAIVER; RELICENSING; FEES COLLECTIBLE AS IF TAXES

3-05-003-0340 LICENSING: CANCELLATION; REVOCATION

3-05-003-0350 OPERATING WITHOUT A LICENSE

3-05-003-0360 RECORDKEEPING REQUIREMENTS

3-05-003-0362 RECORDKEEPING: INCOME

3-05-003-0364 RECORDKEEPING: EXPENDITURES

3-05-003-0366 RECORDKEEPING: OUT-OF-CITY AND OUT-OF-STATE SALES

3-05-003-0370 RECORDKEEPING: CLAIM OF EXCLUSION, EXEMPTION, DEDUCTION, OR CREDIT; DOCUMENTATION; LIABILITY

3-05-003-0372 PROOF OF EXEMPTION: SALE FOR RESALE; ~~SALE,~~ RENTAL, LEASE, OR LICENSE OF RENTAL EQUIPMENT

3-05-003-0380 INADEQUATE OR UNSUITABLE RECORDS

3-05-003-0300 LICENSING REQUIREMENTS

A. The following persons shall make application to the Tax Collector for a transaction privilege and use tax license and no person shall engage or continue in business or engage in such activities until he shall have such a license:

1. Every person engaging or continuing in business activities within the City or Town upon which a transaction privilege tax is imposed by this chapter.

2. Every person engaging or continuing in business within the City or Town and storing or using tangible personal property in this municipality upon which a use tax is imposed by this chapter.

3. (Reserved)

B. For the purpose of determining whether a transaction privilege and use tax license is required, a person shall be deemed to be "engaging or continuing in business" within the City or Town if:

1. Engaging in any activity as a principal or broker, the gross receipts of which may be subject to transaction privilege tax under Division 3-05-004; or

2. Maintaining within the City or Town directly, or if a corporation by a subsidiary, an office, distribution house, sales house, warehouse or other place of business; maintaining within the City or Town directly, or if a corporation by a subsidiary, any real or tangible personal property; or having any agent or other representative operating within the City or Town under the authority of such person, or if a corporation by a subsidiary, irrespective of whether such place of business, property, or agent or other representative is located here permanently or temporarily; or

3. Soliciting sales, orders, contracts, leases, and other similar forms of business relationships, within the City or Town from customers, consumers, or users located within the City or Town, by means of salesmen, solicitors, agents, representatives, brokers, and other similar agents or by means of catalogs or other advertising, whether such orders are received or accepted within or without this City or Town.

4. A person shall also be deemed to be "engaging or continuing in business" if engaging in any activity subject to use tax under Division 3-05-006 for business purposes. Individuals who acquire items subject to use tax for their own personal use or their family's personal use are not required to obtain a license.

5. (Reserved)

C. A person engaging in more than one (1) activity subject to transaction privilege tax at any one (1) business location is not required to obtain a separate license for each activity**;** provided**,** that at the time such person makes application for a license, he shall list on such application each category of activity in which he is engaged.

D. The licensee shall inform the Tax Collector of any changes in his business activities, location, or mailing address within thirty (30) days.

E. Limitation. The issuance of a transaction privilege and use tax license by the Tax Collector shall in no way be construed as permission to operate a business activity in violation of any other law or regulation to which such activity may be subject.

F. Casual Activity. For the purposes of this chapter, individuals engaging in a "casual activity or sale" are not subject to the license requirements imposed under this division~~;~~ provided~~,~~ that they are only engaged in private sales activities, such as the sale of a personal automobile or garage sale, on no more than three (3) separate occasions during any calendar year. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0310 LICENSING: SPECIAL REQUIREMENTS

A. Partnerships. Application for a transaction privilege and use tax license for a partnership engaging or continuing in business shall provide, as a minimum, the names and addresses of all general partners. Licenses issued to persons engaging in business as partners, limited or general, shall be in the name of the partnership.

B. Limited Liability Companies. Application for a transaction privilege and use tax license for a limited liability company (LLC) engaging or continuing in business shall provide, as a minimum, the names and addresses of all members and the manager. Licenses issued to persons engaging in business as limited liability companies shall be in the name of the LLC.

C. Corporations. Application for a transaction privilege and use tax license for a corporation engaging or continuing in business shall provide, as a minimum, the names and addresses of both the chief executive officer and chief financial officer of the corporation. Licenses issued to persons engaging in business as corporations shall be in the name of the corporation.

D. Multiple Locations or Multiple Business Names. A person engaging or continuing in one (1) or more businesses at two (2) or more locations or under two (2) or more business names shall procure a license for each such location or business name. A "location" is a place of a separate business establishment.

E. Real Property Rental, Leasing, and Licensing for Use. In all cases the transaction privilege and use tax license shall be issued only to the owner of the real property regardless of the owner engaging a property manager or other broker to oversee the owner’s business activity including filing tax returns on behalf of the owner. Each rental property that can be independently sold or transferred is deemed to be a separate business establishment. Each platted parcel of real property subject to the tax imposed by this chapter is deemed to be a separate business establishment and requires a separate license, regardless of the number of rental units located on that platted parcel. If one (1) structure is located on multiple parcels in a manner such that ownership of an individual parcel cannot be sold or transferred without requiring alteration to divide the structure, one (1) license shall be required for all affected parcels. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0320 LICENSE FEES; ANNUAL RENEWAL; RENEWAL FEES

A. The transaction privilege and use tax license shall be valid upon receipt of a nonrefundable license fee of twenty dollars ($20.00), except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this section. The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of twenty dollars ($20.00) for each license, subject to the limitations in A.R.S. Section 42-5005. Such annual renewal fee shall be due and payable on January 1~~st~~ of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

B. The transaction privilege and use tax license to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a nonrefundable license fee of twenty dollars ($20.00). The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of twenty dollars ($20.00) for each license, subject to the limitations in A.R.S. Section 42-5005. Such fee shall be due and payable on January 1~~st~~ of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

C. The transaction privilege and use tax license to engage in the business activity of commercial real property rental, leasing, and licensing for use shall be valid only upon receipt of a non-refundable license fee of twenty dollars ($20.00). The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of twenty dollars ($20.00) for each license, subject to the limitations in A.R.S. Section 42-5005. Such fee shall be due and payable on January 1~~st~~ of each year and shall be considered delinquent if not paid and received on or before the last business day of January. (Ord. 2015-05, Enacted, 05/19/2015; Ord. 2018-22, Amended, 06/19/2018)

3-05-003-0330 LICENSING: DURATION; TRANSFERABILITY; DISPLAY; PENALTIES; PENALTY WAIVER; RELICENSING; FEES COLLECTIBLE AS IF TAXES

A. The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying the applicable license renewal fee for each license, subject to the limitations in A.R.S. Section 42-5005. Such fee shall be due and payable on January 1~~st~~ of each year and shall be considered delinquent if not paid and received on or before the last business day of January. Application and payment of the annual fee must be received in the Tax Collector's office to be deemed paid and received.

B. The transaction privilege and use tax license shall be nontransferable between owners or locations, and shall be on display to the public in the licensee's place of business.

C. Any person required to be licensed under this chapter who fails to obtain a license on or before conducting any business activity requiring such license shall be subject to the license fees due for each year in business plus a penalty in the amount of fifty percent (50%) of the applicable fee for each period of time for which such fee would have been imposed, from and after the date on which such activity commenced until paid. This penalty shall be in addition to any other penalty imposed under this chapter and must be paid prior to the issuance of any license. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 3-05-005-0540.

D. Any licensee who fails to renew his license on or before the due date shall be deemed to be operating without a license following such due date, and shall be subject to all penalties imposed under this chapter against persons required to be licensed and operating without a license. The non-licensed status may be removed by payment of the annual license fee for each year or portion of a year he operated without a license, plus a license fee penalty of fifty percent (50%) of the license fee due for each year. License fee penalties may be waived by the Tax Collector subject to the same terms as the waiver of tax penalties as provided for in Section 3-05-005-0540.

E. Any licensee who permits his license to expire through cancellation as provided in Section 3-05-003-0340, by his request for cancellation, by surrender of the license, or by the cessation of the business activity for which the license was issued, and who thereafter applies for a license, shall be granted a new license as a new applicant and shall pay the current license fee imposed under Section 3-05-003-0320.

F. Any licensee who needs a copy of his transaction privilege and use tax license which is still in effect shall be charged the current license fee for each reissuance of a license.

G. Any person conducting a business activity subject to licensing without obtaining a transaction privilege and use tax license shall be liable to the City for all applicable fees and penalties and shall be subject to the provisions of Sections 3-05-005-0580 and 3-05-005-0590, to the same extent as if such fees and penalties were taxes and penalties under such sections. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0340 LICENSING: CANCELLATION; REVOCATION

A. Cancellation. The Tax Collector may cancel the transaction privilege and use tax license of any licensee as "inactive" if the taxpayer, required to report monthly, has neither filed any return nor remitted any taxes imposed

by this chapter for a period of six (6) consecutive months; or, if required to report quarterly, has neither filed any return nor remitted any taxes imposed by this chapter for two (2) consecutive quarters; or, if required to report annually, has neither filed any return nor remitted any taxes imposed by this chapter when such annual report and tax are due to be filed with and remitted to the Tax Collector.

B. Revocation. If any licensee fails to pay any tax, interest, penalty, fee, or sum required to be paid under this chapter, or if such licensee fails to comply with any other provisions of this chapter, the Tax Collector may revoke the transaction privilege and use tax license of said licensee.

C. Notice and Hearing. The Tax Collector shall deliver notice to such licensee of cancellation or revocation of the transaction privilege and use tax license. If the licensee requests a hearing within twenty (20) days of receipt of such notice, he shall be granted a hearing before the Tax Collector.

D. After cancellation or revocation of a taxpayer's license, the taxpayer shall not be issued a new license until all reports have been filed; all fees, taxes, interest, and penalties due have been paid; and he is in compliance with all provisions of this chapter. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0350 OPERATING WITHOUT A LICENSE

It shall be unlawful for any person who is required by this chapter to obtain a transaction privilege and use tax license to engage in or continue in business without a license. The Tax Collector shall assess any delinquencies in tax, interest, and penalties which may apply against such person upon any transactions subject to the taxes imposed by this chapter. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0360 RECORDKEEPING REQUIREMENTS

A. It shall be the duty of every person subject to the tax imposed by this chapter to keep and preserve suitable records and such other books and accounts as may be necessary to determine the amount of tax for which he is liable under this chapter. The books and records must contain, at a minimum, such detail and summary information as may be required by this division; or when records are maintained within an electronic data processing (EDP) system, the requirements established by the Arizona Department of Revenue for privilege tax filings will be accepted. It shall be the duty of every person to keep and preserve such books and records for a period equal to the applicable limitation period for assessment of tax, and all such books and records shall be open for inspection by the Tax Collector during any business day.

B. The Tax Collector may direct, by letter, a specific taxpayer to keep specific other books, records, and documents. Such letter directive shall apply:

1. Only for future reporting periods; and

2. Only by express determination of the Tax Collector that such specific recordkeeping is necessary due to the inability of the taxing jurisdiction to conduct an adequate examination of the past activities of the taxpayer, which inability resulted from inaccurate or inadequate books, records, or documentation maintained by the taxpayer. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0362 RECORDKEEPING: INCOME

The minimum records required for persons having gross income subject to, or exempt or excluded from, tax by this chapter must show:

A. The gross income of the taxpayer attributable to any activity occurring in whole or in part in the City.

B. The gross income taxable under this chapter, divided into categories as stated in the official City tax return.

C. The gross income subject to Arizona transaction privilege taxes, divided into categories as stated in the official State tax return.

D. The gross income claimed to be exempt, and with respect to each activity or transaction so claimed:

1. If the transaction is claimed to be exempt as a sale for resale or as a sale, rental, lease, or license for use of rental equipment:

a. The City privilege license number and State transaction privilege tax license number of the customer (or the equivalent city, if applicable, and state tax numbers of the city and state where the customer resides); and

b. The name, business address, and business activity of the customer; and

c. Evidence sufficient to persuade a reasonably prudent businessman that the transaction is believed to be in good faith a purchase for resale, or a purchase, rental, lease, or license for use of rental equipment, by the vendee in the ordinary and regular course of his business activity, as provided by regulation.

2. If the transaction is claimed to be exempt for any other reason:

a. The name, business address, and business activity of the customer; and

b. Evidence which would establish the applicability of the exemption to a reasonably prudent businessman acting in good faith. Ordinary business documentation which would reasonably indicate the applicability of an exemption shall be sufficient to relieve the person on whom the tax would otherwise be imposed from liability therein, if he acts in good faith as provided by regulation.

E. With respect to those allowed deductions or exclusions for tax collected or charges for delivery or other direct customer services, where applicable, evidence that the deductible income has been separately stated and shown on the records of the taxpayer and on invoices or receipts provided to the customer. All other deductions, exemptions, and exclusions shall be separately shown and substantiated.

F. With respect to special classes and activities, such other books, records, and documentation as the Tax Collector, by regulation, shall deem necessary for specific classes of taxpayer by reason of the specialized business activity of any such class.

G. In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded income defined by this chapter. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0364 RECORDKEEPING: EXPENDITURES

The minimum records required for persons having expenditures, costs, purchases and rental or lease or license expenses subject to, or exempt or excluded from, tax by this chapter are:

A. The total price of all goods acquired for use or storage in the City.

B. The date of acquisition and the name and business address of the seller or lessor of all goods acquired for use or storage in the City.

C. Documentation of taxes, freight, and direct customer service labor separately charged and paid for each purchase, rental, lease, or license.

D. The gross price of each acquisition claimed as exempt from tax, and with respect to each transaction so claimed, sufficient evidence to satisfy the Tax Collector that the exemption claimed is applicable.

E. As applicable to each taxpayer, documentation sufficient to the Tax Collector, so that he may ascertain:

1. All construction expenditures and all privilege and use taxes claimed paid, relating to owner-builders and speculative builders.

2. Disbursement of collected gratuities and related payroll information required of restaurants.

3. (Reserved)

a. Reserved

b. Reserved

4. The validity of any claims of proof of exemption.

5. A claimed alternative prior value for reconstruction.

6. All claimed exemptions to the use tax imposed by Division 3-05-006.

7. Costs used to compute the "computed charge" claimed for retail service and repair.

8. Payments of tax to the Arizona Department of Transportation and computations therefor, when a motor-vehicle transporter claims such the exemption.

9. (Reserved)

F. Any additional documentation as the Tax Collector, by regulation, shall deem necessary for any specific class of taxpayer by reason of the specialized business activity of specific exemptions afforded to that class of taxpayer.

G. In all cases, the books and records of the taxpayer shall indicate both individual transaction amounts and totals for each reporting period for each category of taxable, exempt, and excluded expenditures as defined by this chapter. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0366 RECORDKEEPING: OUT-OF-CITY AND OUT-OF-STATE SALES

A. Out-of-City Sales. Any person engaging or continuing in a business who claims out-of-City sales shall maintain and keep accounting records or books indicating separately the gross income from the sales of tangible personal property from such out-of-City branches or locations.

B. Out-of-State Sales. Persons engaged in a business claiming out-of-State sales shall maintain accounting records or books indicating for each out-of-State sale the following documentation:

1. Documentation of location of the buyer at the time of order placement; and

2. Shipping, delivery, or freight documents showing where the buyer took delivery; and

3. Documentation of intended location of use or storage of the tangible personal property sold to such buyer. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0370 RECORDKEEPING: CLAIM OF EXCLUSION, EXEMPTION, DEDUCTION, OR CREDIT; DOCUMENTATION; LIABILITY

A. All deductions, exclusions, exemptions, and credits provided in this chapter are conditional upon adequate proof and documentation of such as may be required either by this chapter or regulation.

B. Any person who claims and receives an exemption, deduction, exclusion, or credit to which he is not entitled under this chapter~~,~~ shall be subject to, liable for, and pay the tax on the transaction as if the vendor subject to the tax had passed the burden of the payment of the tax to the person wrongfully claiming the exemption. A person who wrongfully claimed such exemption shall be treated as if he is delinquent in the payment of the tax and shall be subject to interest and penalties upon such delinquency. However, if the tax is collected from the vendor on such transaction it shall not again be collected from the person claiming the exemption, or if collected from the person claiming the exemption it shall not also be collected from the vendor. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0372 PROOF OF EXEMPTION: SALE FOR RESALE; ~~SALE,~~ RENTAL, LEASE, OR LICENSE OF RENTAL EQUIPMENT

A claim of purchase for resale or of purchase, rental, lease, or license for rent, lease, or license is valid only if the evidence is sufficient to persuade a reasonably prudent businessman that the particular item is being acquired for resale or for rental, lease, or license in the ordinary course of business. The fact that the acquiring person possesses a privilege license number, and makes a verbal claim of "sale for resale or lease" or "lease for re-lease" does not meet this burden and is insufficient to justify an exemption. The "reasonable evidence" must be evidence which exists objectively, and not merely in the mind of the vendor, that the property being acquired is normally sold, rented, leased, or licensed by the acquiring person in the ordinary course of business. Failure to obtain such reasonable evidence at the time of the transaction will be a basis for

disallowance of any claimed deduction on returns filed for such transactions. (Ord. 2015-05, Enacted, 05/19/2015)

3-05-003-0380 INADEQUATE OR UNSUITABLE RECORDS

In the event the records provided by the taxpayer are considered by the Tax Collector to be inadequate or unsuitable to determine the amount of the tax for which such taxpayer is liable under the provisions of this chapter, it is the responsibility of the taxpayer either:

A. To provide such other records required by this chapter or regulation; or

B. To correct or to reconstruct his records, to the satisfaction of the Tax Collector.

(Ord. 2015-05, Enacted, 05/19/2015)

Division 3-05-004

PRIVILEGE TAXES

SECTIONS:

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3-05-004-0410 AMUSEMENTS, EXHIBITIONS, AND SIMILAR ACTIVITIES:

3-05-004-0415 CONSTRUCTION CONTRACTING:; CONSTRUCTION CONTRACTORS:

3-05-004-0415.1 LIABILITY FOR MRRA AMOUNTS EQUAL TO RETAIL TRANSACTION PRIVILEGE TAX DUE

3-05-004-0416 CONSTRUCTION CONTRACTING:; SPECULATIVE BUILDERS:

3-05-004-0416.1 SPECULATIVE BUILDERS: HOMEOWNER'S BONA FIDE NON-BUSINESS SALE OF A FAMILY RESIDENCE

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3-05-004-0450 RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY (REG 450.1, REG. 450.2, REG 450.3):

3-05-004-0452 RESERVED:

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3-05-004-0460 RETAIL SALES:; MEASURE OF TAX;, BURDEN OF PROOF;, EXCLUSIONS:

3-05-004-0462 RETAIL SALES;; FOOD FOR HOME CONSUMPTION:

3-05-004-0465 RETAIL SALES:; EXEMPTIONS:

3-05-004-0470 TELECOMMUNICATION SERVICES (REG. 475.1):

3-05-004-0475 TRANSPORTING FOR HIRE (REG. 475.1):

3-05-004-0480 UTILITY SERVICES:

3-05-004-0485 WASTEWATER REMOVAL SERVICES

~~3-05-004-0490 RESERVED:~~

3-05-004-0400 IMPOSITION OF PRIVILEGE TAXES; PRESUMPTION:

A. There are hereby levied and imposed, subject to all other provisions of this chapter, the following privilege taxes for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the Tax Collector:

1. A privilege tax upon persons on account of their business activities, to the extent provided elsewhere in this ~~Article~~DIVISION, to be measured by the gross income of persons, whether derived from residents of the City or not, or whether derived from within the City or from without.

~~2. A privilege tax upon certain persons for the privilege of occupancy of real property, in accordance with the provisions of Section 3-05-004-0413.~~

2. RESERVED.

3. RESERVED.

B. Taxes Imposed by this Chapter are in Addition to Others: Except as specifically designated elsewhere in this Chapter, each of the taxes imposed by this chapter shall be in addition to all other licenses, fees, and taxes levied by law, including other taxes imposed by this chapter.

C. Presumption: For the purpose of proper administration of this chapter and to prevent evasion of the taxes imposed by this chapter, it shall be presumed that all gross income is subject to the tax until the contrary is established by the taxpayer.

D. Limitation of Exemptions, Deductions, and Credits Allowed Against the Measure of Taxes Imposed by this Chapter: All exemptions, deductions, and credits set forth in this chapter shall be limited to the specific activity or transaction described and not extended to include any other activity or transaction subject to the tax.

3-05-004-0405 ADVERTISING~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of "local advertising" by billboards, direct mail, radio, television, or by any other means. However, commission and fees retained by an advertising agency shall not be includable in gross income from "local advertising." All delivery or disseminating of information directly to the public or any portion thereof for a consideration shall be considered "local advertising," except the following:

1. The advertising of a product or service which is sold or provided both within and without the State by more than one "commonly designated business entity" within the State, and in which the advertisement names either no "commonly designated business entity" within the State or more than one "commonly designated business entity". "Commonly designated business entity" means any person selling or providing any product or service to its customers under a common business name or style, even though there may be more than one legal entity conducting business functions using the same or substantially the same business name or style by virtue of a franchise, license, or similar agreement.

2. The advertising of a facility or of a service or activity in which neither the facility nor a business site carrying on such service or activity is located within the State.

3. The advertising of a product which may only be purchased from an out-of-State supplier.

4. Political advertising for United States presidential and vice presidential candidates only.

5. Advertising by means of product purchase coupons redeemable at any retail establishment carrying such product but not product coupons redeemable only at a single commonly designated business entity.

6. Advertising transportation services where a substantial portion of the transportation activity of the business entity advertised involves interstate or foreign carriage.

B. Reserved.

(Ord. 2000-14, Amended, 06/06/2000; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0407 RESERVED

3-05-004-0410 AMUSEMENTS, EXHIBITIONS, AND SIMILAR ACTIVITIES~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of providing amusement that begins in the city or takes place entirely within the city, which includes the following type or nature of businesses:

1. Operating or conducting theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, menageries, fairs, races, contests, games, billiard or pool parlors, bowling alleys, skating rinks, tennis courts, golf courses, video games, pinball machines, public dances, dance halls, sports events, jukeboxes, batting and driving ranges, animal rides, or any other business charging admission for exhibition, amusement, or entertainment.

2. Reserved.

B. Deductions or Exemptions. The gross proceeds or sales or gross income derived from the following sources are exempt from the tax imposed by this section:

1. Reserved.

2. Amounts retained by the Arizona Exposition and State Fair Board from ride ticket sales at the annual Arizona State Fair.

3. Income received from a hotel business subject to tax under Section 3-05-005-0444, if all of the following apply:

a. The hotel business receives gross income from a customer for the specific business activity otherwise subject to amusement tax.

b. The consideration received by the hotel business is equal to or greater than the amount to be deducted under this subsection.

c. The hotel business has provided an exemption certificate to the person engaging in business under this section.

4. Income that is specifically included as the gross income of a business activity upon which another section of this ~~article~~DIVISION imposed a tax, that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.

5. Income from arranging transportation connected to amusement activity that is separately stated to the customer, not to exceed consideration paid to the transportation business.

6. RESERVED.

7. RESERVED.

8. RESERVED.

9. RESERVED.

C. The tax imposed by this section shall not include arranging an amusement activity as a service to a person's customers if that person is not otherwise engaged in the business of operating or conducting an amusement themselves or through others. This exception does not apply to businesses that operate or conduct amusements pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the amusement is performed by third party independent contractors. For the purposes of this subsection, "arranging" includes billing for or collecting amusement charges from a person's customers on behalf of the persons providing the amusement.

(Ord. 1851, 01/03/1995; Ord. 2000-14, Amended, 06/06/2000; Ord. 2007-28, Amended, 05/01/2007; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0415 CONSTRUCTION CONTRACTING:; CONSTRUCTION CONTRACTORS:

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from

the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City.

1. However, gross income from construction contracting shall not include charges related to groundwater measuring devices required by A.R.S. Section 45-604.

2. Reserved.

3. Gross income from construction contracting shall not include gross income from the sale of manufactured buildings taxable under Section 3-05-004-0427.

4. For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

5. HANDYMAN EXCLUSION. THIS CLASSIFICATION DOES NOT INCLUDE GROSS INCOME FROM ANY WORK OR OPERATION PERFORMED BY A PERSON THAT IS NOT REQUIRED TO BE LICENSED BY THE REGISTRAR OF CONTRACTORS PURSUANT TO A.R.S. SECTION 32-1121.

B. Deductions and Exemptions.

1. Gross income derived from acting as a "subcontractor" shall be exempt from the tax imposed by this section.

2. All construction contracting gross income subject to the tax and not deductible herein shall be allowed a deduction of thirty-five percent (35%).

3. The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

a. Sections 3-05-004-0465(G) and (P);

b. Sections 3-05-006-0660(G) and (P);

shall be exempt or deductible, respectively, from the tax imposed by this section.

4. The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair or maintenance of income-producing capital equipment, as defined in Section 3-05-001-0110, that is deducted from the retail classification pursuant to Section 3-05-004-0465(G) that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this ~~subsection~~ PARAGRAPH does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this subsection, "permanent attachment" means at least one (1) of the following:

a. To be incorporated into real property.

b. To become so affixed to real property that it becomes part of the real property.

c. To be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

5. The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this section.

6. The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of clean rooms that are deducted from the tax base of the retail classification pursuant to Section 3-05-004-0465(G) shall be exempt from the tax imposed under this section.

7. The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this State for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or

improvement used directly and primarily to prevent, monitor, control or reduce air, water, or land pollution shall be exempt from the tax imposed under this section.

8. The gross proceeds of sales or gross income received from a post-construction contract to perform post-construction treatment of real property for termite and general pest control, including wood destroying organisms, shall be exempt from tax imposed under this section.

9. Through December 31, 2009, the gross proceeds of sales or gross income received from a contract for constructing any lake facility development in a commercial enhancement reuse district that is designated pursuant to A.R.S. Section 9-499.08 if the contractor maintains the following records in a form satisfactory to the Arizona Department of Revenue and to the City:

a. The certificate of qualification of the lake facility development issued by the City pursuant to A.R.S. Section 9-499.08(D).

b. All state and local transaction privilege tax returns for the period of time during which the contractor received gross proceeds of sales or gross income from a contract to construct a lake facility development in a designated commercial enhancement reuse district, showing the amount exempted from state and local taxation.

c. Any other information considered to be necessary.

10. Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer. For the purposes of this ~~subsection~~ PARAGRAPH:

a. The attributable amount shall not exceed the value of the development fees actually imposed.

b. The attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

c. "Development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, ~~or~~ A.R.S. SECTION 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

11. For taxable periods beginning from and after July 1, 2008, and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the Department of Revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the Department of Revenue and the City, as applicable, for examination.

12. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM A CONTRACT WITH THE OWNER OF REAL PROPERTY OR IMPROVEMENTS TO REAL PROPERTY FOR THE MAINTENANCE, REPAIR, REPLACEMENT, OR ALTERATION OF EXISTING PROPERTY IS NOT SUBJECT TO TAX UNDER THIS SECTION IF THE CONTRACT DOES NOT INCLUDE MODIFICATION ACTIVITIES, EXCEPT AS SPECIFIED IN THIS PARAGRAPH. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM A DE MINIMIS AMOUNT OF MODIFICATION ACTIVITY DOES NOT SUBJECT THE CONTRACT OR ANY PART OF THE CONTRACT TO TAX UNDER THIS SECTION. FOR PURPOSES OF THIS PARAGRAPH:

A. ANY TERM NOT DEFINED IN THIS PARAGRAPH THAT IS DEFINED IN A.R.S. SECTION 42-5075 HAS THE SAME MEANING PRESCRIBED IN A.R.S. SECTION 42-5075.

B. TANGIBLE PERSONAL PROPERTY THAT IS INCORPORATED OR FABRICATED INTO A PROJECT DESCRIBED IN THIS SUBSECTION MAY BE SUBJECT TO THE AMOUNT PRESCRIBED IN SECTION 3-05-004-0415.1.

C. EACH CONTRACT IS INDEPENDENT OF ANY OTHER CONTRACT, EXCEPT THAT ANY CHANGE ORDER THAT DIRECTLY RELATES TO THE SCOPE OF WORK OF THE ORIGINAL CONTRACT SHALL BE TREATED THE SAME AS THE ORIGINAL CONTRACT UNDER THIS CHAPTER, REGARDLESS OF THE AMOUNT OF MODIFICATION ACTIVITIES INCLUDED IN THE CHANGE ORDER. IF A CHANGE ORDER DOES NOT DIRECTLY RELATE TO THE SCOPE OF WORK OF THE ORIGINAL CONTRACT, THE CHANGE ORDER SHALL BE TREATED AS A NEW CONTRACT, WITH THE TAX

TREATMENT OF ANY SUBSEQUENT CHANGE ORDER TO FOLLOW THE TAX TREATMENT OF THE CONTRACT TO WHICH THE SCOPE OF WORK OF THE SUBSEQUENT CHANGE ORDER DIRECTLY RELATES.

D. THIS PARAGRAPH DOES NOT APPLY TO A CONTRACT THAT PRIMARILY INVOLVES SURFACE OR SUBSURFACE IMPROVEMENTS TO LAND AND THAT IS SUBJECT TO A.R.S. TITLE 28, CHAPTER 19, 20, OR 22 OR A.R.S. TITLE 34, CHAPTER 2 OR 6, EVEN IF THE CONTRACT ALSO INCLUDES VERTICAL IMPROVEMENTS. IF A CITY OR TOWN IMPOSES A TAX ON CONTRACTS THAT ARE SUBJECT TO PROCUREMENT PROCESSES UNDER THOSE PROVISIONS, THE CITY OR TOWN SHALL INCLUDE IN THE REQUEST FOR PROPOSALS A NOTICE TO BIDDERS WHEN THOSE PROJECTS ARE SUBJECT TO THE TAX. THIS SUBDIVISION DOES NOT APPLY TO CONTRACTS WITH:

I. COMMUNITY FACILITIES DISTRICTS, FIRE DISTRICTS, COUNTY TELEVISION IMPROVEMENT DISTRICTS, COMMUNITY PARK MAINTENANCE DISTRICTS, COTTON PEST CONTROL DISTRICTS, HOSPITAL DISTRICTS, PEST ABATEMENT DISTRICTS, HEALTH SERVICE DISTRICTS, AGRICULTURAL IMPROVEMENT DISTRICTS, COUNTY FREE LIBRARY DISTRICTS, COUNTY JAIL DISTRICTS, COUNTY STADIUM DISTRICTS, REGIONAL ATTRACTION DISTRICTS, OR REVITALIZATION DISTRICTS.

II. ANY SPECIAL TAXING DISTRICT NOT SPECIFIED IN ITEM I OF THIS SUBDIVISION IF THE DISTRICT DOES NOT SUBSTANTIALLY ENGAGE IN THE MODIFICATION, MAINTENANCE, REPAIR, REPLACEMENT, OR ALTERATION OF SURFACE OR SUBSURFACE IMPROVEMENTS TO LAND.

13. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM A CONTRACT ENTERED INTO FOR THE CONSTRUCTION OF A MIXED WASTE PROCESSING FACILITY THAT IS LOCATED ON A MUNICIPAL SOLID WASTE LANDFILL AND THAT IS CONSTRUCTED FOR THE PURPOSE OF RECYCLING SOLID WASTE OR PRODUCING RENEWABLE ENERGY FROM LANDFILL WASTE. FOR THE PURPOSES OF THIS PARAGRAPH:

A. “MIXED WASTE PROCESSING FACILITY” MEANS A SOLID WASTE FACILITY THAT IS OWNED, OPERATED, OR USED FOR THE TREATMENT, PROCESSING, OR DISPOSAL

OF SOLID WASTE, RECYCLABLE SOLID WASTE, CONDITIONALLY EXEMPT SMALL QUANTITY GENERATOR WASTE, OR HOUSEHOLD HAZARDOUS WASTE. FOR THE PURPOSES OF THIS SUBDIVISION, "CONDITIONALLY EXEMPT SMALL QUANTITY GENERATOR WASTE," "HOUSEHOLD HAZARDOUS WASTE," AND "SOLID WASTE FACILITY" HAVE THE SAME MEANINGS PRESCRIBED IN A.R.S. SECTION 49-701, EXCEPT THAT SOLID WASTE FACILITY DOES INCLUDE A SITE THAT STORES, TREATS, OR PROCESSES PAPER, GLASS, WOOD, CARDBOARD, HOUSEHOLD TEXTILES, SCRAP METAL, PLASTIC, VEGETATIVE WASTE, ALUMINUM, STEEL, OR OTHER RECYCLABLE MATERIAL.

B. "MUNICIPAL SOLID WASTE LANDFILL" HAS THE SAME MEANING PRESCRIBED IN A.R.S. SECTION 49-701.

C. "RECYCLING" MEANS COLLECTING, SEPARATING, CLEANSING, TREATING, AND RECONSTITUTING RECYCLABLE SOLID WASTE THAT WOULD OTHERWISE BECOME SOLID WASTE, BUT DOES NOT INCLUDE INCINERATION OR OTHER SIMILAR PROCESSES.

D. "RENEWABLE ENERGY" HAS THE SAME MEANING PRESCRIBED IN A.R.S. SECTION 41-1511.

C. "Subcontractor" means a construction contractor performing work for either:

1. A construction contractor who has provided the subcontractor with a written declaration that he is liable for the tax for the project and has provided the subcontractor his City privilege license number.

2. An owner-builder who has provided the subcontractor with a written declaration that:

a. The owner-builder is improving the property for sale; and

b. The owner-builder is liable for the tax for such construction contracting activity; and

c. The owner-builder has provided the contractor his City privilege license number.

3. A person selling new manufactured buildings who has provided the subcontractor with a written declaration that he is liable for the tax for the site preparation and setup; and provided the subcontractor his City privilege license number.

Subcontractor also includes a construction contractor performing work for another subcontractor as defined above.

(Ord. 2008, Amended, 11/02/1999; Ord. 2000-14, Amended, 06/06/2000; Ord. 2004-25, Amended, 01/10/2005; Ord. 2007-28, Amended, 05/01/2007; Ord. 2009-16, Amended, 06/19/2009; Ord. 2011-21, Amended, 10/18/2011; Ord. 2014-16, Amended, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0415.1 LIABILITY FOR MRRA AMOUNTS EQUAL TO RETAIL TRANSACTION PRIVILEGE TAX DUE

A. A PERSON THAT IS EITHER A PRIME CONTRACTOR SUBJECT TO TAX UNDER SECTION 3-05-004-0415 OR A SUBCONTRACTOR WORKING UNDER THE CONTROL OF SUCH A PRIME CONTRACTOR, THAT PURCHASES TANGIBLE PERSONAL PROPERTY, THE PURCHASE PRICE OF WHICH WAS EXCLUDED FROM THE TAX BASE UNDER THE RETAIL CLASSIFICATION UNDER SECTION 3-05-004-0465(K) OR WAS EXCLUDED FROM THE USE TAX UNDER SECTION 3-05-006-0660(K) AT THE TIME OF PURCHASE, AND THAT INCORPORATES OR FABRICATES THE TANGIBLE PERSONAL PROPERTY INTO A PROJECT DESCRIBED IN SECTION 3-05-004-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O, IS LIABLE FOR AN AMOUNT EQUAL TO ANY TAX THAT A SELLER WOULD HAVE BEEN REQUIRED TO PAY UNDER SECTION 3-05-004-0460 ANDA.R.S. TITLE 42, CHAPTER 5, AS FOLLOWS:

1. THE AMOUNT OF LIABILITY SHALL BE CALCULATED AND REPORTED BASED ON THE LOCATION OF THE PROJECT AND THE TAXES IMPOSED UNDER SECTION 3-05-004-0460 AND A.R.S. TITLE 42, CHAPTER 5.

2. ALL DEDUCTIONS, EXEMPTIONS, AND EXCLUSIONS FOR THE COST OF TANGIBLE PERSONAL PROPERTY PROVIDED IN SECTION 3-05-004-0415 APPLY TO THE TANGIBLE PERSONAL PROPERTY INCORPORATED OR FABRICATED INTO THE PROJECT.

3. THIS SUBSECTION DOES NOT APPLY TO TANGIBLE PERSONAL PROPERTY THAT IS INCORPORATED OR FABRICATED INTO ANY PROJECT UNDER A CONTRACT THAT WOULD OTHERWISE BE EXCLUDED FROM THE TAX BASE UNDER SECTION 3-05-004-0415, WITHOUT REGARD TO SECTION 3-05-004-0415(B)(12).

4. THE AMOUNT OF LIABILITY SHALL BE REPORTED WITHIN THE REPORTING PERIOD THAT INCLUDES THE MONTH IN WHICH THE PERSON INCORPORATES OR FABRICATES THE TANGIBLE PERSONAL PROPERTY INTO THE PROJECT.

5. THE PERSON IS NOT LIABLE FOR THE AMOUNT IF THE CONTRACTOR WHO HIRED THE PERSON EXECUTES AND PROVIDES TO THE PERSON A CERTIFICATE STATING THAT THE CONTRACTOR PROVIDING THE CERTIFICATE IS LIABLE FOR ANY AMOUNT DUE UNDER THIS SUBSECTION. THE DEPARTMENT OF REVENUE SHALL PRESCRIBE THE FORM OF THE CERTIFICATE. IF THE PERSON HAS REASON TO BELIEVE THAT THE INFORMATION CONTAINED ON THE CERTIFICATE IS ERRONEOUS OR INCOMPLETE, THE CITY MAY DISREGARD THE CERTIFICATE. THE CONTRACTOR PROVIDING THE CERTIFICATE IS LIABLE FOR THE AMOUNT THAT OTHERWISE WOULD BE DUE FROM THE PERSON UNDER THIS SUBSECTION.

B. A PERSON THAT PURCHASED TANGIBLE PERSONAL PROPERTY, THE PURCHASE PRICE OF WHICH WAS EXCLUDED FROM THE TAX BASE UNDER SECTION 3-05-004-0465(K) OR WAS EXCLUDED FROM THE USE TAX UNDER SECTION 3-05-006-0660(K) AT THE TIME OF PURCHASE, WHOSE TRANSACTION PRIVILEGE TAX LICENSE HAS BEEN CANCELED AND THAT SUBSEQUENTLY USES, CONSUMES, SELLS, OR DISCARDS THE TANGIBLE PERSONAL PROPERTY IS LIABLE FOR AN AMOUNT OF TAX DETERMINED UNDER THIS SUBSECTION. FOR THE PURPOSES OF THIS SUBSECTION:

1. IF THE TANGIBLE PERSONAL PROPERTY IS INCORPORATED OR FABRICATED INTO A PROJECT DESCRIBED IN SECTION 3-05-004-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O, OR OTHERWISE USED OR CONSUMED BY THE PERSON, THE AMOUNT OF LIABILITY SHALL BE CALCULATED AND REPORTED BASED ON THE PERSON'S PURCHASE PRICE OF THE TANGIBLE PERSONAL PROPERTY, THE LOCATION OF THE PROJECT, USE, OR CONSUMPTION AND THE TAXES IMPOSED UNDER SECTION 3-05-004-0460 AND A.R.S. TITLE 42, CHAPTER 5.

2. IF THE TANGIBLE PERSONAL PROPERTY IS SOLD IN A MANNER THAT IS NOT SUBJECT TO TAX UNDER THIS CHAPTER OR IS DISCARDED, THE AMOUNT SHALL BE CALCULATED AND REPORTED BASED ON THE PAYMENT RECEIVED BY THE PERSON, THE LOCATION OF THE PERSON'S PRINCIPAL PLACE OF BUSINESS IN THIS STATE, AND THE TAXES IMPOSED UNDER SECTION 3-05-004-0460 AND A.R.S. TITLE 42, CHAPTER 5.

3. THE PERSON IS NOT LIABLE UNDER THIS SUBSECTION FOR ANY AMOUNT IF THE PERSON DISCARDS THE TANGIBLE PERSONAL PROPERTY AND DOES NOT RECEIVE PAYMENT OF ANY KIND.

4. THE AMOUNT OF LIABILITY SHALL BE REPORTED ON OR BEFORE THE BUSINESS DAY PRECEDING THE LAST BUSINESS DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE PERSON USES THE TANGIBLE PERSONAL PROPERTY IN A MANNER DESCRIBED IN PARAGRAPH 1 OR 2 OF THIS SUBSECTION. NO AMOUNT IS DUE UNDER THIS SUBSECTION AT ANY TIME THAT THE PERSON STORES THE TANGIBLE PERSONAL PROPERTY WITHOUT USING IT IN A MANNER DESCRIBED IN PARAGRAPH 1 OR 2 OF THIS SUBSECTION.

5. ALL DEDUCTIONS, EXEMPTIONS, AND EXCLUSIONS FOR THE COST OF TANGIBLE PERSONAL PROPERTY PROVIDED IN SECTION 3-05-004-0415 APPLY TO THE TANGIBLE PERSONAL PROPERTY INCORPORATED OR FABRICATED INTO A PROJECT DESCRIBED IN SECTION 3-05-004-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O.

6. THIS SUBSECTION DOES NOT APPLY TO TANGIBLE PERSONAL PROPERTY THAT IS INCORPORATED OR FABRICATED INTO ANY PROJECT UNDER A CONTRACT THAT WOULD OTHERWISE BE EXCLUDED FROM THE TAX BASE UNDER SECTION 3-05-004-0415 AND A.R.S. SECTION 42-5075, WITHOUT REGARD TO SECTION 3-05-004-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O.

7. THE PERSON IS NOT LIABLE FOR THE AMOUNT IF THE CONTRACTOR WHO HIRED THE PERSON EXECUTES AND PROVIDES TO THE PERSON A CERTIFICATE STATING THAT THE CONTRACTOR PROVIDING THE CERTIFICATE IS LIABLE FOR ANY AMOUNT DUE UNDER THIS SUBSECTION FOR TANGIBLE PERSONAL PROPERTY INCORPORATED OR FABRICATED INTO A PROJECT DESCRIBED IN A.R.S. SECTION 42-5075, SUBSECTION O. THE DEPARTMENT SHALL PRESCRIBE THE FORM OF THE CERTIFICATE. IF THE PERSON HAS REASON TO BELIEVE THAT THE INFORMATION CONTAINED ON THE CERTIFICATE IS ERRONEOUS OR INCOMPLETE, THE DEPARTMENT MAY DISREGARD THE CERTIFICATE. THE CONTRACTOR PROVIDING THE CERTIFICATE IS LIABLE FOR THE AMOUNT THAT OTHERWISE WOULD BE DUE FROM THE PERSON UNDER THIS SUBSECTION.

C. A PERSON THAT FAILS TO REPORT OR PAY ANY AMOUNT DUE UNDER SUBSECTION A OR B OF THIS SECTION IS LIABLE FOR INTEREST IN A MANNER CONSISTENT WITH A.R.S. SECTION 42-1123 AND PENALTIES IN A MANNER CONSISTENT WITH A.R.S. SECTION 42-1125.

D. IF A PERSON HAS PAID AN AMOUNT DESCRIBED IN THIS SECTION ON TANGIBLE PERSONAL PROPERTY THAT THE PERSON REASONABLY BELIEVED TO BE DESCRIBED UNDER SECTION 3-05-004-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O, AND A FINAL DETERMINATION IS MADE THAT SECTION 3-05-004-0415(B)(12) AND A.R.S. SECTION 42-5075, SUBSECTION O, DOES NOT APPLY, THE PERSON IS ENTITLED TO AN OFFSET FOR THE AMOUNT PAID UNDER THIS SECTION AGAINST THE AMOUNT OF TAX LIABILITY ASSESSED UNDER THIS CHAPTER.

3-05-004-0416 CONSTRUCTION CONTRACTING:; SPECULATIVE BUILDERS:

A. The tax shall be equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City.

1. The gross income of a speculative builder considered taxable shall include the total selling price from the sale of improved real property at the time of closing of escrow or transfer of title.

2. "Improved real property" means any real property:

   a. Upon which a structure has been ~~constructed~~ SUBSTANTIALLY COMPLETED; or

   b. Where improvements have been made to land containing no structure (such as paving or landscaping); or

   c. Which has been reconstructed as provided by ~~regulation~~ SECTION 3-05-004-0416.2; or

   d. Where water, power, and streets have been constructed to the property line.

3. "Sale of improved real property" includes any form of transaction, whether characterized as a lease or otherwise, which in substance is a transfer of title of, or equitable ownership in, improved real property and includes any lease of the property for a term of thirty (30) years or more (with all options for renewal being included as a part of the term). In the case of multiple unit projects, "sale" refers to the sale of the entire project or to the sale of any individual parcel or unit.

4. "Partially improved residential real property," as used in this section, means any improved real property, as defined in subsection ~~(A)(2) of this section~~ A.2. ABOVE, being developed for sale ~~to individual homeowners~~, where the ~~construction of the residence upon~~ IMPROVEMENT TO such property is not substantially complete at the time of the sale.

B. Exclusions:

1. In cases involving reconstruction contracting, the speculative builder may exclude from gross income the prior value allowed for reconstruction contracting in determining his taxable gross income, as provided by ~~regulation~~ SECTION 3-05-004-0416.2.

2. Neither the cost nor the fair market value of the land which constitutes part of the improved real property sold may be excluded or deducted from gross income subject to the tax imposed by this section.

3. Reserved.

4. A speculative builder may exclude gross income from the sale of partially improved residential real property as defined in ~~subsection (A)(4) of this section~~ A.4. ABOVE to another speculative builder only if all of the following conditions are satisfied:

a. The speculative builder purchasing the partially improved residential real property has a valid ~~city~~ MUNICIPAL privilege TAX license for construction contracting as a speculative builder; and

b. At the time of the transaction, the purchaser provides the seller with a properly completed written declaration that the purchaser assumes liability for and will pay all privilege taxes which would otherwise be due the City at the time of sale of the partially improved residential real property; and

c. The seller also:

(1) Maintains proper records of such transactions in a manner similar to the requirements provided in this chapter relating to sales for resale; and

(2) Retains a copy of the written declaration provided by the buyer for the transaction; and

(3) Is properly licensed with the City as a speculative builder ~~and provides the City with a written declaration attached to the City privilege tax return where he claims the exclusion~~.

5. For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

C. Tax liability for speculative builders occurs at close of escrow or transfer of title, whichever occurs earlier, and is subject to the following provisions, relating to EXEMPTIONS, deductions and tax credits:

1. Exemptions.

a. The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(1) Sections 3-05-004-0465(G) and (P);

(2) Sections 3-05-006-0660(G) and (P);

shall be exempt or deductible, respectively, from the tax imposed by this section.

b. The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this section.

c. The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of clean rooms that are deducted from the tax base of the retail classification pursuant to Section 3-05-004-0465(G) shall be exempt from the tax imposed under this section.

d. The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or

agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent, monitor, control or reduce air, water, or land pollution shall be exempt from the tax imposed under this section.

e. Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer ~~shall be exempt from the tax imposed under this section~~. For the purposes of this ~~subsection~~ PARAGRAPH:

(1) The attributable amount shall not exceed the value of the development fees actually imposed.

(2) The attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(3) "Development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, ~~or~~ A.R.S. SECTION 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

F. THE GROSS PROCEEDS OF SALES OR GROSS INCOME THAT IS DERIVED FROM THE VALUE OF EXISTING TENANT LEASES IN PLACE AT THE TIME OF THE SALE SHALL BE EXEMPT FROM TAX IMPOSED UNDER THIS SECTION. THE VALUE OF THE IN-PLACE LEASES SHALL BE DETERMINED AS OF THE CLOSE OF ESCROW OR TRANSFER OF TITLE AS FOLLOWS:

(1) FOR A RESIDENTIAL LEASE THE VALUE OF THE IN-PLACE LEASE IS THE TOTAL VALUE OF ALL EXPECTED LEASE RECEIPTS THROUGH THE END OF THE CURRENT LEASE TERM MULTIPLIED BY A FACTOR OF 1.5. EXPECTED LEASE RECEIPTS INCLUDES NON-REFUNDABLE DEPOSITS AND EXCLUDES ALL REFUNDABLE DEPOSITS REGARDLESS OF WHETHER THE REFUNDABLE DEPOSIT MAY BE FORFEITED.

(2) FOR A COMMERCIAL LEASE THE VALUE OF THE IN-PLACE LEASE IS THE PRESENT VALUE OF THE EXPECTED LEASE RECEIPTS THROUGH THE END OF THE CURRENT LEASE TERM OR FIRST OPTION OF EITHER PARTY TO TERMINATE THE LEASE, WHICHEVER IS LESS. THE DISCOUNT RATE USED TO CALCULATE THE PRESENT VALUE SHALL BE THE 100% MID-TERM APPLICABLE FEDERAL RATE PUBLISHED BY THE INTERNAL REVENUE SERVICE ASSOCIATED WITH THE PAYMENT TERMS OF THE LEASE RELATED TO THE MONTH PRECEDING THE CLOSE OF ESCROW PLUS THREE (3) PERCENTAGE POINTS.

(3) A TRANSACTION, WHETHER CHARACTERIZED AS A LEASE OR OTHERWISE, WHICH IN SUBSTANCE IS A TRANSFER OF TITLE OF OR EQUITABLE OWNERSHIP IN IMPROVED REAL PROPERTY, INCLUDING ANY LEASE OF THE PROPERTY FOR A TERM OF THIRTY (30) YEARS OR MORE (WITH ALL OPTIONS FOR RENEWAL BEING INCLUDED AS A PART OF THE TERM) IS DEEMED TO BE A SALE OF IMPROVED REAL PROPERTY PURSUANT TO SUBSECTION A.3. OF THIS SECTION AND IS NOT CONSIDERED AN IN-PLACE LEASE.

2. "Deductions."

A. ALL STATE AND COUNTY TAXES ASSOCIATED WITH THE PROJECT AND REPORTED AND PAID TO THE DEPARTMENT OF REVENUE BY A CONTRACTOR CONSTRUCTING THE IMPROVEMENTS ON THE PROPERTY SHALL BE DEDUCTED FROM THE SELLING PRICE.

~~a~~B. All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

~~b~~C. The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair, or maintenance of income-producing capital equipment, as defined in Section 3-05-001-0110, that is deducted from the retail classification pursuant to Section 3-05-004-0465(G), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this section. If the ownership of the realty is separate from the ownership of the income-producing capital equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this ~~subsection~~ PARAGRAPH does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this ~~subsection~~ PARAGRAPH, "permanent attachment" means at least one (1) of the following:

(1) To be incorporated into real property.

(2) To become so affixed to real property that it becomes part of the real property.

(3) To be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

~~c~~D. For taxable periods beginning from and after July 1, 2008, and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the Department of Revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the Department of Revenue and the city, as applicable, for examination.

3. Tax Credits. The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the Tax Collector:

a. A tax credit equal to the amount of City privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the

vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

b. A tax credit equal to the amount of privilege taxes paid to this city, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

C. A TAX CREDIT EQUAL TO THE AMOUNT OF PRIVILEGE TAXES PAID TO THIS CITY BY ANY SPECULATIVE BUILDER ON THE GROSS INCOME DERIVED BY SAID PERSON FROM THE SALE OF IMPROVED REAL PROPERTY PURSUANT TO SUBSECTIONS A.2.B. OR A.2.D. OF THIS SECTION AGAINST THE GROSS INCOME OF ANY SPECULATIVE BUILDER FROM THE SALE OF IMPROVED REAL PROPERTY PURSUANT TO SUBSECTION A.2.A.

~~c~~D. No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

3-05-004-0416.1. SPECULATIVE BUILDERS: HOMEOWNER'S BONA FIDE NON-BUSINESS SALE OF A FAMILY RESIDENCE

A. A SALE OF A HOME, REGARDLESS OF THE STAGE OF COMPLETION OF SUCH HOME, SHALL BE CONSIDERED A "HOMEOWNER'S BONA FIDE NON-BUSINESS SALE" AND NOT SUBJECT TO THE TAX ON SPECULATIVE BUILDERS IF:

1. THE PROPERTY WAS ACTUALLY USED AS THE PRINCIPAL PLACE OF FAMILY RESIDENCE OR VACATION RESIDENCE BY THE IMMEDIATE FAMILY OF THE SELLER FOR THE SIX (6) MONTHS NEXT PRIOR TO THE OFFER FOR SALE; AND

2. THE SELLER HAS NOT SOLD MORE THAN TWO (2) SUCH RESIDENCES (OR, IF THE RESIDENCE IS A VACATION RESIDENCE, TWO (2) SUCH VACATION RESIDENCES) WITHIN THE THIRTY-SIX (36) MONTHS IMMEDIATELY PRIOR TO THE OFFER FOR SALE; AND

3. THE SELLER HAS NOT LICENSED, LEASED, OR RENTED THE SOLD PREMISES FOR ANY PERIOD WITHIN TWENTY-FOUR (24) MONTHS PRIOR TO THE OFFER FOR SALE.

B. IN THE EVENT THAT A HOMEOWNER OF A FAMILY RESIDENCE CONTRACTS WITH A LICENSED CONSTRUCTION CONTRACTOR FOR IMPROVEMENTS TO A RESIDENCE, THE CONSTRUCTION

CONTRACTING ON A FAMILY RESIDENCE SHALL BE PRESUMED TO BE FOR AN OWNER'S BONA FIDE NON-BUSINESS PURPOSE AND ALL CONSTRUCTION CONTRACTORS SHALL BE REQUIRED TO REPORT AND PAY THE TAX IMPOSED ON ALL SUCH IMPROVEMENTS.

C. PURCHASES BY A HOMEOWNER OF TANGIBLE PERSONAL PROPERTY FOR INCLUSION IN ANY CONSTRUCTION, ALTERATION, OR REPAIR OF HIS RESIDENCE SHALL BE SUBJECT TO TAX AS RETAIL SALES TO THE ULTIMATE CONSUMER.

D. "OWNER," "HOMEOWNER," AND "SELLER" AS USED IN THIS SECTION SHALL ONLY MEAN AN INDIVIDUAL OR QUALIFIED TRUST, AND NO OTHER ENTITY, ASSOCIATION, OR REPRESENTATIVE SHALL QUALIFY; EXCEPT THAT AN ADMINISTRATOR, EXECUTOR, PERSONAL REPRESENTATIVE, OR GUARDIAN IN GUARDIANSHIP OR PROBATE PROCEEDINGS, FOR THE ESTATE OF A DECEASED OR INCOMPETENT PERSON OR A MINOR, MAY CLAIM "HOMEOWNER" STATUS FOR SUCH PERSON IF SUCH PERSON WOULD HAVE OTHERWISE QUALIFIED WITH RESPECT TO THE SPECIFIC PROPERTY INVOLVED.

E. “QUALIFIED TRUST” AS USED IN THIS SECTION MEANS ANY LEGAL TRUST WHERE A BENEFICIARY OF THE TRUST IS AN INDIVIDUAL THAT HAS BEEN THE RESIDENT OF THE PROPERTY AND THAT INDIVIDUAL MEETS THE CRITERIA LISTED IN SUBSECTION A OF THIS SECTION.

3-05-004-0416.2. RECONSTRUCTION CONTRACTING

A. "RECONSTRUCTION (OF REAL PROPERTY)" SHALL MEAN THE SUBDIVIDING OF REAL PROPERTY AND, IN ADDITION, ALL CONSTRUCTION CONTRACTING ACTIVITIES PERFORMED UPON SAID REAL PROPERTY; PROVIDED, HOWEVER, THAT EACH OF THE FOLLOWING CONDITIONS ARE MET:

1. A STRUCTURE EXISTED ON SAID REAL PROPERTY PRIOR TO THE RECONSTRUCTION ACTIVITY; AND

2. THE "PRIOR VALUE" OF SAID STRUCTURE EXCEEDS FIFTEEN PERCENT (15%) OF THE "PRIOR VALUE" OF THE INTEGRATED PROPERTY (LAND, IMPROVEMENTS, AND STRUCTURE); AND

3. THE TOTAL COST OF ALL CONSTRUCTION CONTRACTING ACTIVITIES PERFORMED ON SAID REAL PROPERTY IN THE TWENTY-FOUR (24) MONTH PERIOD PRIOR TO THE SALE OF

ANY PART OF THE REAL PROPERTY EXCEEDS FIFTEEN PERCENT (15%) OF THE "PRIOR VALUE" OF THE REAL PROPERTY; AND

4. THE STRUCTURE WHICH EXISTED ON THE REAL PROPERTY PRIOR TO THE RECONSTRUCTION ACTIVITY STILL EXISTS IN SOME FORM UPON THE PROPERTY, AND IS INCLUDED, IN WHOLE OR IN PART, IN THE PROPERTY SOLD.

B. EXCEPT AS PROVIDED IN SUBSECTION C BELOW, "PRIOR VALUE" MEANS THE VALUE OF THE TOTAL INTEGRATED PROPERTY, WITH IMPROVEMENTS, AS EXISTING IMMEDIATELY PRIOR TO ANY RECONSTRUCTION ACTIVITY. WHERE, ACCORDING TO TITLE 42 OF THE ARIZONA REVISED STATUTES, A PROPERTY'S FULL CASH VALUE FOR SECONDARY TAX PURPOSES IS INTENDED TO REPRESENT THE PROPERTY'S FAIR MARKET VALUE, "PRIOR VALUE" SHALL BE THE PROPERTY'S FULL CASH VALUE FOR SECONDARY PROPERTY TAX PURPOSES AS DETERMINED BY THE COUNTY ASSESSOR IN THE YEAR IMMEDIATELY PRECEDING THE YEAR IN WHICH THE RECONSTRUCTION IMPROVEMENT(S) ARE OR COULD HAVE BEEN INCLUDED IN THE COUNTY ASSESSOR'S VALUATION. IF THE COUNTY ASSESSOR'S VALUATION IS CONTESTED OR APPEALED, THE FINAL DETERMINATION AT EITHER THE ADMINISTRATIVE OR JUDICIAL LEVEL SHALL APPLY. WHERE, ACCORDING TO TITLE 42 OF THE ARIZONA REVISED STATUTES, A PROPERTY'S FULL CASH VALUE FOR SECONDARY PROPERTY TAX PURPOSES IS NOT INTENDED TO REPRESENT THE PROPERTY'S FAIR MARKET VALUE, "PRIOR VALUE" SHALL BE THE PROPERTY'S FAIR MARKET VALUE PRIOR TO THE RECONSTRUCTION IMPROVEMENT(S).

C. "ALTERNATIVE PRIOR VALUE" SHALL MEAN THAT AS AN ALTERNATIVE TO THE "PRIOR VALUE" DEFINED ABOVE, THE TAXPAYER MAY USE HIS ACTUAL COST OF THE RECONSTRUCTED PROPERTY PRIOR TO RECONSTRUCTION, PROVIDED THAT EVIDENCE OF SUCH COST IS PRESENTED TO THE TAX COLLECTOR AND IS DETERMINED BY THE TAX COLLECTOR, IN HIS SOLE DISCRETION, TO BE SATISFACTORY. SUCH EVIDENCE SHALL CONSIST, AT A MINIMUM, OF PROOF OF THE ACTUAL, ARMS-LENGTH ACQUISITION PRICE, ACCOMPANIED BY A FULL APPRAISAL OF ALL PROPERTY INVOLVED WHICH APPRAISAL SHALL HAVE BEEN PERFORMED BY A REAL ESTATE BROKER OR MAI APPRAISER SPECIFICALLY FOR THE PURPOSE OF ASSISTING IN THE ACQUISITION AND FURTHER SHALL HAVE BEEN PERFORMED ON BEHALF OF THE SELLER OR A LENDING INSTITUTION WHICH HAS LENT AT LEAST SIXTY-FIVE PERCENT (65%) OF THE ACQUISITION PRICE. (ONLY LONG-TERM LENDING - NOT INTERIM OR CONSTRUCTION FINANCING WILL BE CONSIDERED.) THIS ALTERNATIVE VALUE SHALL

BE USED ONLY IF THE PROPERTY WAS ACQUIRED BY THE RECONSTRUCTION TAXPAYER NOT MORE THAN THIRTY-SIX (36) MONTHS PRIOR TO A "SALE" AS DEFINED BELOW.

D. A "SALE" FOR THE PURPOSE OF DETERMINING "ALTERNATIVE PRIOR VALUE" OR "RECONSTRUCTION" ONLY SHALL BE DEEMED TO HAVE OCCURRED AS OF THE DATE OF THE EXECUTION OF A CONTRACT OF SALE OR A DEED (JOINT TENANCY OR WARRANTY) WHICHEVER IS EARLIER, TO A PURCHASER OR GRANTEE OF ANY SINGLE RESIDENTIAL OR OTHER OCCUPANCY UNIT. IN ADDITION TO THE FOREGOING, A LEASE WITH OPTION TO PURCHASE A SINGLE RESIDENTIAL UNIT SHALL BE CONSIDERED A "SALE" AT THE DATE OF EXECUTION OF SUCH LEASE IF SAID OPTION IS EXERCISABLE BY THE LESSEE IN NOT LATER THAN NINE (9) MONTHS. FURTHER IN THE CASE OF COOPERATIVE APARTMENTS, THE SALE DATE SHALL BE THE DATE OF EXECUTION OF THE CONTRACT SELLING (SUBJECT OR NOT TO ENCUMBRANCES, LIENS, OR SECURITY INTERESTS) OF A SHARE, OR A SUFFICIENT NUMBER OF SHARES WHICH ENTITLE THE PURCHASER TO THE OCCUPANCY OF A RESIDENTIAL UNIT. IN ALL CASES A PERSON SHALL INCLUDE A HUSBAND AND WIFE AS A COMMUNITY, OR ANY CO-OCCUPANTS OF A SINGLE UNIT AS JOINT TENANTS.

(Ord. 1669, 07/17/1990; Ord. 2000-14, Amended, 06/06/2000; Ord. 2008, Amended, 11/02/1999; Ord. 2004-25, Amended, 01/10/2005; Ord. 2006-16, Amended 06/06/2006; Ord. 2007-28, Amended, 05/01/2007; Ord. No. 2009-16, Amended, 06/19/2009; Ord. 2011-21, Amended, 10/18/2011; Ord. 2014-16, Amended, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0417 CONSTRUCTION CONTRACTING:~~;~~ OWNER-BUILDERS WHO ARE NOT SPECULATIVE BUILDERS~~:~~

A. At the expiration of twenty-four (24) months after improvement to the property is substantially complete, the tax liability for an owner-builder who is not a speculative builder shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of:

1. The gross income from the activity of construction contracting upon the real property in question which was realized by those construction contractors to whom the owner-builder provided written declaration that they were not responsible for the taxes as prescribed in Section 3-05-004-0415(C)(2); and

2. The purchase of tangible personal property for incorporation into any improvement to real property, computed on the sales price.

B. For taxable periods beginning from and after July 1, 2008, the portion of gross proceeds of sales or gross income attributable to the actual direct costs of providing architectural or engineering services that are incorporated in a contract is not subject to tax under this section. For the purposes of this subsection, "direct costs" means the portion of the actual costs that are directly expended in providing architectural or engineering services.

C. The tax liability of this section is subject to the following provisions, relating to exemptions, deductions and tax credits:

1. Exemptions.

a. The gross proceeds of sales or gross income attributable to the purchase of machinery, equipment or other tangible personal property that is exempt from or deductible from privilege or use tax under:

(1) Sections 3-05-004-0465(G) and (P);

(2) Sections 3-05-006-0660(G) and (P);

shall be exempt or deductible, respectively, from the tax imposed by this section.

b. The gross proceeds of sales or gross income received from a contract for the construction of an environmentally controlled facility for the raising of poultry for the production of eggs and the sorting, or cooling and packaging of eggs shall be exempt from the tax imposed under this section.

c. The gross proceeds of sales or gross income that is derived from the installation, assembly, repair or maintenance of clean rooms that are deducted from the tax base of the retail classification pursuant to Section 3-05-004-0465(G) shall be exempt from the tax imposed under this section.

d. The gross proceeds of sales or gross income that is derived from a contract entered into with a person who is engaged in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products in this state for the construction, alteration, repair, improvement, movement, wrecking or demolition or addition to or subtraction from any building, highway, road, excavation, manufactured building or other structure, project, development or improvement used directly and primarily to prevent,

monitor, control or reduce air, water, or land pollution shall be exempt from the tax imposed under this section.

e. Any amount attributable to development fees that are incurred in relation to the construction, development or improvement of real property and paid by the taxpayer as defined in the model city tax code or by a contractor providing services to the taxpayer shall be exempt from the tax imposed under this section. For the purposes of this ~~subsection~~ PARAGRAPH:

(1) The attributable amount shall not exceed the value of the development fees actually imposed.

(2) The attributable amount is equal to the total amount of development fees paid by the taxpayer or by a contractor providing services to the taxpayer and the total development fees credited in exchange for the construction of, contribution to or dedication of real property for providing public infrastructure, public safety or other public services necessary to the development. The real property must be the subject of the development fees.

(3) "Development fees" means fees imposed to offset capital costs of providing public infrastructure, public safety or other public services to a development and authorized pursuant to A.R.S. Section 9-463.05, ~~or~~ A.R.S. SECTION 11-1102 or A.R.S. Title 48 regardless of the jurisdiction to which the fees are paid.

2. Deductions.

a. All amounts subject to the tax shall be allowed a deduction in the amount of thirty-five percent (35%).

b. The gross proceeds of sales or gross income that is derived from a contract entered into for the installation, assembly, repair, or maintenance of income-producing capital equipment, as defined in Section 3-05-001-0110, that is deducted from the retail classification pursuant to Section 3-05-004-0465(G), that does not become a permanent attachment to a building, highway, road, railroad, excavation or manufactured building or other structure, project, development or improvement shall be exempt from the tax imposed by this section. If the ownership of the realty is separate from the ownership of the income-producing capital

equipment, the determination as to permanent attachment shall be made as if the ownership was the same. The deduction provided in this ~~subsection~~ PARAGRAPH does not include gross proceeds of sales or gross income from that portion of any contracting activity which consists of the development of, or modification to, real property in order to facilitate the installation, assembly, repair, maintenance or removal of the income-producing capital equipment. For purposes of this ~~subsection~~ PARAGRAPH, "permanent attachment" means at least one of the following:

(1) To be incorporated into real property.

(2) To become so affixed to real property that it becomes part of the real property.

(3) To be so attached to real property that removal would cause substantial damage to the real property from which it is removed.

c. For taxable periods beginning from and after July 1, 2008, and ending before January 1, 2017, the gross proceeds of sales or gross income derived from a contract to provide and install a solar energy device. The contractor shall register with the Department of Revenue as a solar energy contractor. By registering, the contractor acknowledges that it will make its books and records relating to sales of solar energy devices available to the Department of Revenue and the City, as applicable, for examination.

3. Tax Credits. The following tax credits are available to owner-builders or speculative builders, not to exceed the tax liability against which such credits apply, provided such credits are documented to the satisfaction of the Tax Collector:

a. A tax credit equal to the amount of City privilege or use tax, or the equivalent excise tax, paid directly to a taxing jurisdiction or as a separately itemized charge paid directly to the vendor with respect to the tangible personal property incorporated into the said structure or improvement to real property undertaken by the owner-builder or speculative builder.

b. A tax credit equal to the amount of privilege taxes paid to this City, or charged separately to the speculative builder, by a construction contractor, on the gross income derived by said person from the construction of any improvement to the real property.

c. No credits provided herein may be claimed until such time that the gross income against which said credits apply is reported.

D. The limitation period for the assessment of taxes imposed by this section is measured based upon when such liability is reportable, that is, in the reporting period that encompasses the twenty-fifth (25TH) month after said unit or project was substantially complete. Interest and penalties, as provided in Section 3-05-005-0540, will be based on reportable date.

E. Reserved.

(Ord. 2000-14, Amended, 06/06/2000; Ord. 2008, Amended, 11/02/1999; Ord. 2004-25, Amended, 01/10/2005; Ord. 2007-28, Amended, 05/01/2007; Ord. 2009-16, Amended, 06/19/2009; Ord. 2011-21, Amended, 10/18/2011; Ord. 2014-16, Amended, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0418 (RESERVED)

3-05-004-0420 FEED AT WHOLESALE~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of the sale of feed, salt, vitamins, and other additives to feed, to persons engaged in the raising or feeding of livestock or poultry purchased or raised for slaughter, with no deduction for the income derived from the "resale" of such feed.

B. The tax imposed by this section shall not apply to:

1. Out-of-City sales.

2. Out-of-State sales.

(Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0422 RESERVED.

3-05-004-0425 JOB PRINTING (REG. 425.1)~~:~~

SEE ALSO REGULATION 3-5-425.1.

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction.

B. The tax imposed by this section shall not apply to:

1. Job printing purchased for the purpose of resale by the purchaser in the form supplied by the job printer.

2. Out-of-City sales.

3. Out-of-State sales.

4. Job printing of newspapers, magazines, or other periodicals or publications for a person who is subject to the tax imposed by Section 3-05-004-0435(A) or an equivalent excise tax; provided further that said person is properly licensed by the taxing jurisdiction at the location of publication.

5. Sales of job printing to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

6. (Reserved)

7. Sales of postage and freight except that the amount deducted shall not exceed the actual postage and freight expense that is paid to the United States Postal Service or a commercial delivery service and that is separately itemized by the taxpayer on the customer's invoice and in the taxpayer's records.

(Ord. 1851, 01/03/1995; Ord. 1979, Amended, 10/06/1998; Ord. 2000-14, Amended, 06/06/2000; Ord. 2013-26, Amended, 01/07/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0427 MANUFACTURED BUILDINGS~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income, including site preparation, moving to the site, and/or setup, upon every person engaging or continuing in the

business activity of selling manufactured buildings within the City. Such business activity is deemed to occur at the business location of the seller where the purchaser first entered into the contract to purchase the manufactured building.

B. The sale of used manufactured buildings are not taxable.

C. The sales price of furniture, furnishings, fixtures, appliances, and attachments that are not incorporated as component parts of or attached to a manufactured building are exempt from the tax imposed by this Section. ~~The sale~~ SALES of such items are subject to the tax under Section 3-05-004-0460.

D. Under this Section, a trade-in will not be allowed for the purpose of reducing the tax liability.

(Ord. 1851, 01/03/95; Ord. 2000-14, Amended, 06/06/2000; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0430 TIMBERING AND OTHER EXTRACTION~~:~~

A. The tax rate shall be an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the following businesses:

1. Felling, producing, or preparing timber or any product of the forest for sale, profit, or commercial use.

2. Extracting, refining, or producing any oil or natural gas for sale, profit, or commercial use.

B. The rate specified in subsection ~~(A) of this section~~ A ABOVE shall be applied to the value of the entire product extracted, refined, produced, or prepared for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.

C. If any person engaging in any business classified in this section ships or transports product, or any part thereof, out of the State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out of State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this section.

D. RESERVED.

(Ord. 1851, 01/03/1995; Ord. 2000-14, Amended, 06/06/2000; Ord. 2013-02, Amended, 04/02/2013; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0432 MINING~~:~~

A. The tax rate shall be at an amount equal to one tenth of one percent (0.1%), not to exceed one tenth of one percent, of the gross income from the business activity upon every person engaging or continuing in the business of mining, smelting, or producing for sale, profit or commercial use any copper, gold, silver, or other mineral product, compound, or combination of mineral products; but not including the extraction, removal, or production of sand, gravel, or rock from the ground for sale, profit, or commercial use.

B. The rate specified in subsection ~~(A) of this section~~ A ABOVE shall be applied to the value of the entire product mined, smelted or produced for sale, profit, or commercial use, when such activity occurs within the City, regardless of the place of sale of the product or the fact that delivery may be made to a point without the City or without the State.

C. If any person engaging in any business classified in this Section ships or transports products, or any part thereof, out of THE State without making sale of such products, or ships his products outside of the State in an unfinished condition, the value of the products or articles in the condition or form in which they existed when transported out-of-State and before they enter interstate commerce shall be the basis for assessment of the tax imposed by this section.

(Ord. 1851, 01/03/1995)

3-05-004-0435 PUBLISHING AND PERIODICALS DISTRIBUTION~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business activity of:

1. Publication of newspapers, magazines, or other periodicals when published within the City, measured by the gross income derived from notices, subscriptions, and local advertising as defined in Section 3-05-004-0405. In cases where the location of publication is both within and without this State, gross income subject to the tax shall refer only to gross income derived from residents of this State or generated by permanent business locations within this State.

2. Distribution or delivery within the City of newspapers, magazines, or other periodicals not published within the City, measured by the gross income derived from subscriptions.

B. "Location of publication" is determined by:

1. Location of the editorial offices of the publisher, when the physical printing is not performed by the publisher; or

2. Location of either the editorial offices or the printing facilities, if the publisher performs his own physical printing.

C. "Subscription income" shall include all circulation revenue of the publisher except amounts retained by or credited to carriers or other vendors as compensation for delivery within the State by such carriers or vendors, and further except sales of published items, directly or through distributors, for the purpose of resale, to retailers subject to the privilege tax on such resale.

D. "Circulation," for the purpose of measurement of gross income subject to the tax, shall be considered to occur at the place of delivery of the published items to the subscriber or intended reader irrespective of the location of the physical facilities or personnel of the publisher. However, delivery by the United States mails shall be considered to have occurred at the location of publication.

E. Allocation of taxes between cities and towns. In cases where publication or distribution occurs in more than one city or town, the measurement of gross income subject to tax by the City shall include:

1. That portion of the gross income from publication which reflects the ratio of circulation within this City to circulation in all incorporated cities and towns in this State having substantially similar provisions; plus

2. Only when publication occurs within the City, that portion of the remaining gross income from publication which reflects the ratio of circulation within this City to the total circulation of all incorporated cities or towns in this State within which cities the taxpayer maintains a location of publication.

F. The tax imposed by this section shall not apply to sales of newspapers, magazines or other periodicals to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

(Ord. 1593, 12/06/1988; Ord. 1979, 10/06/1998; Ord. 2000-14, Amended, 06/06/2000; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0440 RESERVED~~:~~

3-05-004-0444 HOTELS~~:~~

The tax rate shall be at an amount equal to FOUR AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (4.486%) ~~four and two hundred eighty-one thousandths percent (4.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or space furnished to any:

A. Transient.

B. Exclusions. The tax imposed by this section shall not include:

1. Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this state or any other state in a privately operated prison, jail or detention facility.

2. Gross proceeds of sales or gross income that is properly included in another business activity under this ~~article~~ DIVISION and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.

3. Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this ~~article~~ DIVISION.

4. Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under Section 3-05-004-0410 or 3-05-004-0475 due to an exclusion, exemption or deduction.

5. Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel. However, such commissions may be subject to tax under Section 3-05-004-0445 or 3-05-004-0450 as rental, leasing or licensing for use of real or tangible personal property.

6. Income from providing telephone, fax or Internet services to customers at an additional charge, that is separately stated to the customer and is separately maintained in the hotel's books and records. However, such gross proceeds of sales or gross income may be subject to tax under Section 3-05-004-0470 as telecommunication services.

(Ord. 1669, 07/17/1990; Ord. 1979, Amended, 10/06/1998; Ord. 2008, Amended, 11/02/1999; Ord. 2000-14, Amended, 06/06/2000; Ord. 2007-28, Amended, 05/01/2007; Ord. 2014-15, Amended, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0445 RENTAL, LEASING, AND LICENSING FOR USE OF REAL PROPERTY~~:~~ (REG. 445.1, REG. 445.3)

SEE ALSO REGULATION 3-5-445.1 AND REGULATION 3-5-445.3.

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of leasing or renting real property located within the City for a consideration, to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the City for a consideration including any improvements, rights, or interest in such property; provided further~~,~~ that:

1. Payments made by the lessee to, or on behalf of, the lessor for property taxes, repairs, or improvements are considered to be part of the taxable gross income.

2. Charges for such items as telecommunications, utilities, pet fees, or maintenance are considered to be part of the taxable gross income.

3. However, if the lessor engages in telecommunication activity, as evidenced by installing individual metering equipment and by billing each tenant based upon actual usage, such activity is taxable under Section 3-05-004-0470.

B. If individual utility meters have been installed for each tenant and the lessor separately charges each single tenant for the exact billing from the utility company, such charges are exempt.

C. Charges by a qualifying hospital, qualifying community health center or a qualifying health care organization to patients of such facilities for use of rooms or other real property during the course of their treatment by such facilities are exempt.

D. Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services OR THAT IS A CABLE OPERATOR, OR CHARGES FOR JOINT POLE USAGE to a~~nother~~ person engaged in the business of providing or furnishing utility or telecommunication services OR THAT IS A CABLE OPERATOR are exempt from the tax imposed by this section. "CABLE OPERATOR" HAS THE SAME MEANING AS PRESCRIBED BY A.R.S. SECTION 9-505.

E. Exempt from the tax imposed by this section is gross income derived from the rental, leasing, or licensing for use of real property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

F. (Reserved)

G. (Reserved)

H. The tax prescribed by this section shall not include gross income from the rental, leasing, or licensing of lodging or lodging space to an individual who resides therein.

I. (Reserved)

J. Exempt from the tax imposed by this Section is gross income derived from the activities taxable under Section 3-05-004-0444 OF THIS CODE.

K. (Reserved)

L. (Reserved)

M. (Reserved)

N. Notwithstanding the provisions of Section 3-05-002-0200(B), the fair market value of one (1) apartment, in an apartment complex provided rent free to an employee of the apartment complex is not subject to the tax imposed by this section. For an apartment complex with more than fifty (50) units, an additional apartment provided rent free to an employee for every additional fifty (50) units is not subject to the tax imposed by this section.

O. Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this state or any other state or a political subdivision of this state or any other state in a privately operated prison, jail or detention facility is exempt from the tax imposed by this section.

P. Charges by a hospital, any licensed nursing care institution, or any kidney dialysis facility to patients of such facilities for the use of rooms or any other real property during the course of their treatment by such facilities are exempt.

Q. Charges to patients receiving "personal care" or "directed care" by any licensed assisted living facility, licensed assisted living center or licensed assisted living home as defined and licensed pursuant to Chapter 4, Title 36 Arizona Revised Statutes and Title 9 of the Arizona Administrative Code are exempt.

R. ~~(Reserved)~~ INCOME RECEIVED FROM THE RENTAL OF ANY "LOW-INCOME UNIT" AS ESTABLISHED UNDER SECTION 42 OF THE INTERNAL REVENUE CODE, INCLUDING THE LOW-INCOME HOUSING CREDIT PROVIDED BY IRC SECTION 42, TO THE EXTENT THAT THE COLLECTION OF TAX ON RENTAL INCOME CAUSES THE "GROSS RENT" DEFINED BY IRC SECTION 42 TO EXCEED THE INCOME LIMITATION FOR THE LOW-INCOME UNIT IS EXEMPT. THIS EXEMPTION ALSO APPLIES TO INCOME RECEIVED FROM THE RENTAL OF INDIVIDUAL RENTAL UNITS SUBJECT TO STATUTORY OR REGULATORY "LOW-INCOME UNIT" RENT RESTRICTIONS SIMILAR TO IRC SECTION 42 TO THE EXTENT THAT THE COLLECTION OF TAX FROM THE TENANT CAUSES THE RENTAL RECEIPTS TO EXCEED A RENT RESTRICTION FOR THE LOW-INCOME UNIT. THIS SUBSECTION ALSO APPLIES TO RENT RECEIVED BY A PERSON OTHER THAN THE OWNER OR LESSOR OF THE LOW-INCOME UNIT, INCLUDING A BROKER. THIS SUBSECTION DOES NOT APPLY UNLESS A TAXPAYER MAINTAINS THE DOCUMENTATION TO SUPPORT THE QUALIFICATION OF A UNIT AS A LOW-INCOME UNIT, THE "GROSS RENT" LIMITATION FOR THE UNIT, AND THE RENT RECEIVED FROM THAT UNIT.

S. The gross proceeds of a commercial lease of real property between affiliated companies, businesses, persons or reciprocal insurers are exempt. For the purposes of this ~~subsection~~ PARAGRAPH:

1. "Affiliated companies, businesses, persons or reciprocal insurers" means the lessor holds a controlling interest in the lessee, the lessee holds a controlling interest in the lessor, an affiliated entity holds a controlling interest in both the lessor and the lessee or an unrelated person holds a controlling interest in both the lessor and lessee.

2. "Controlling interest" means direct or indirect ownership of at least eighty percent (80%) of the voting shares of a corporation or of the interests in a company, business or person other than a corporation.

3. "Reciprocal insurer" has the same meaning as prescribed in A.R.S. Section 20-762.

(Ord. 1851, 01/03/1995; Ord. 1979, 10/06/1998; Ord. 1989, Amended, 10/06/1998; Ord. 2008, Amended, 11/02/1999; Ord. 2000-14, Amended, 06/06/2000; Ord. 2004-25, Amended, 01/10/2005; Ord. 2006-16, Amended, 06/06/2006; Ord. 2011-21, Amended, 10/18/2011; Ord. 2013-26, Amended, 01/07/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0446 RESERVED~~:~~

3-05-004-0447 RESERVED~~:~~

3-05-004-0450 RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY~~:~~ (REG. 450.1, REG. 450.2, REG 450.3)

SEE ALSO REGULATION 3-5-450.1, REGULATION 3-5-450.2, AND REGULATION 3-5-450.3.

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the City as provided by regulation.

B. Special provisions relating to long-term motor vehicle leases. A lease transaction involving a motor vehicle for a minimum period of twenty-four (24) months shall be considered to have occurred at the location of the motor vehicle dealership, rather than the location of the place of business of the lessor, even if the lessor's interest in the lease and its proceeds are sold, transferred, or otherwise assigned to a lease financing institution; provided further that the city or town where such motor vehicle dealership is located levies a privilege tax or an equivalent excise tax upon the transaction.

C. Gross income derived from the following transactions shall be exempt from privilege taxes imposed by this section:

1. Rental, leasing, or licensing for use of tangible personal property to persons engaged or continuing in the business of leasing, licensing for use, or rental of such property.

2. Rental, leasing, or licensing for use of tangible personal property that is semi-permanently or permanently installed within another city or town that levies an equivalent excise tax on the transaction.

3. Rental, leasing, or licensing for use of film, tape, or slides to a theater or other person taxed under Section 3-05-004-0410, or to a radio station, television station, or subscription television system.

4. Rental, leasing, or licensing for use of the following:

a. Prosthetics.

b. Income-producing capital equipment.

c. Mining and metallurgical supplies.

These exemptions include the rental, leasing, or licensing for use of tangible personal property which, if it had been purchased instead of leased, rented, or licensed by the lessee or licensee, would qualify as income-producing capital equipment or mining and metallurgical supplies.

5. Rental, leasing, or licensing for use of tangible personal property to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property so rented, leased, or licensed is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or rental, leasing, or licensing for use of tangible personal property in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.

6. Separately billed charges for delivery, installation, repair, and/or maintenance as provided by regulation.

7. Charges for joint pole usage by a person engaged in the business of providing or furnishing utility or telecommunication services OR THAT IS A CABLE OPERATOR, OR CHARGES FOR JOINT POLE USAGE to a~~nother~~ person engaged in the business of providing or furnishing utility or

telecommunication services OR THAT IS A CABLE OPERATOR. "CABLE OPERATOR" HAS THE SAME MEANING AS PRESCRIBED BY A.R.S. SECTION 9-505.

8. The gross income from coin-operated washing, drying, and dry cleaning machines, or from coin-operated car washing machines. This exemption shall not apply to suppliers or distributors renting, leasing, or licensing for use of such equipment to persons engaged in the operation of coin-operated washing, drying, dry cleaning, or car washing establishments.

9. Rental, leasing, or licensing of aircraft that would qualify as aircraft acquired for use outside the State, as prescribed by regulation, if such rental, leasing, or licensing had been a sale.

10. Rental, leasing and licensing for use of an alternative fuel vehicle if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.

11. Rental, leasing, and licensing for use of solar energy devices, for taxable periods beginning from and after July 1, 2008. The lessor shall register with the Department of Revenue as a solar energy retailer. By registering, the lessor acknowledges that it will make its books and records relating to leases of solar energy devices available to the Department of Revenue and City, as applicable, for examination.

12. Leasing or renting certified ignition interlock devices installed pursuant to the requirements prescribed by A.R.S. Section 28-1461. For the purposes of this ~~subsection~~ PARAGRAPH, "certified ignition interlock device" has the same meaning prescribed in A.R.S. Section 28-1301.

(Ord. 1851, 01/03/1995; Ord. 1979, Amended, 10/06/1998; Ord. 2008, Amended, 11/02/1999; Ord. 2000-14, Amended, 06/06/2000; Ord. 2004-25, Amended, 01/10/2005; Ord. 2007-28, Amended, 05/01/2007; Ord. 2009-16, Amended 06/16/2009; Ord. 2013-26, Amended, 01/07/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0452 RESERVED~~:~~

3-05-004-0455 RESTAURANTS AND BARS~~:~~

A. The tax rate shall be at an amount equal to FOUR AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (4.486%) ~~four and two hundred eighty-one thousandths percent (4.281%)~~ of the gross income from

the business activity upon every person engaging or continuing in the business of preparing or serving food or beverages in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity.

B. Caterers and other taxpayers subject to the tax who deliver food and/or serve such food off premises shall also be allowed to exclude separately charged delivery, setup, and cleanup charges~~,~~; provided~~,~~ that the charges are also maintained separately in the books and records. When a taxpayer delivers food and/or serves such food off premises, his regular business location shall still be deemed the location of the transaction for the purposes of the tax imposed by this section.

C. The tax imposed by this section shall not apply to sales to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

D. The tax imposed by this section shall not apply to sales of food, beverages, condiments and accessories used for serving food and beverages to a commercial airline, as defined in A.R.S. Section 42-5061~~(a)(49)~~, that serves the food and beverages to its passengers, without additional charge, for consumption in flight.

E. The tax imposed by this section shall not apply to sales of prepared food, beverages, condiments or accessories to a public educational entity, pursuant to any of the provisions of A.R.S. Title 15 to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours.

F. THE TAX IMPOSED BY THIS SECTION SHALL NOT APPLY TO SALES OF LOW OR REDUCED COST ARTICLES OF FOOD OR DRINK TO ELIGIBLE ELDERLY OR HOMELESS PERSONS OR PERSONS WITH A DISABILITY BY A BUSINESS SUBJECT TO TAX UNDER A.R.S. SECTION 42-5074 THAT CONTRACTS WITH THE DEPARTMENT OF ECONOMIC SECURITY AND THAT IS APPROVED BY THE FOOD AND NUTRITION SERVICE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE PURSUANT TOTHE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ESTABLISHED BY THE FOOD AND NUTRITION ACT OF 2008 (P.L. 110-246; 122 STAT. 1651; 7 UNITED STATES CODE SECTIONS 2011 THROUGH 2036A), IF THE PURCHASES ARE MADE WITH THE BENEFITS ISSUED PURSUANT TO THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

G. THE TAX IMPOSED BY THIS SECTION SHALL NOT APPLY TO SALES BY A NONPROFIT ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3), 501(C)(4), OR 501(C)(6) OF THE INTERNAL REVENUE CODE IF THE ORGANIZATION IS ASSOCIATED WITH A MAJOR LEAGUE BASEBALL TEAM OR A NATIONAL TOURING PROFESSIONAL GOLFING ASSOCIATION AND NO PART OF THE ORGANIZATION'S NET EARNINGS INURES TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL. THIS PARAGRAPH DOES NOT APPLY TO AN ORGANIZATION THAT IS OWNED, MANAGED, OR CONTROLLED, IN WHOLE OR IN PART, BY A MAJOR LEAGUE BASEBALL TEAM, OR ITS OWNERS, OFFICERS, EMPLOYEES, OR AGENTS, OR BY A MAJOR LEAGUE BASEBALL ASSOCIATION OR PROFESSIONAL GOLFING ASSOCIATION, OR ITS OWNERS, OFFICERS, EMPLOYEES, OR AGENTS, UNLESS THE ORGANIZATION CONDUCTED OR OPERATED EXHIBITION EVENTS IN THIS STATE BEFORE JANUARY 1, 2018, THAT WERE EXEMPT FROM TAXATION UNDERA.R.S. SECTION 42-5073.

H. IF A CITY, TOWN, OR OTHER TAXING JURISDICTION IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE, OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, ON THE SALE OF FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED PURSUANT TO A.R.S. SECTION 42-5106 OR ITEMS PRESCRIBED BY A.R.S. SECTION 42-5106, SUBSECTION D, FOR CONSUMPTION ON THE PREMISES, THE TAX MUST BE APPLIED UNIFORMLY WITH RESPECT TO ALL FOOD ITEMS, AND AN ADDITIONAL TAX OR FEE DIFFERENTIAL MAY NOT BE ASSESSED OR APPLIED WITH RESPECT TO ANY SPECIFIC FOOD ITEM.

~~F~~I. For the purposes of this section, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

(Ord. 1593, Amended, 11/15/1988; Ord. 1979, Amended, 10/06/1998; Ord. 2000-14, Amended, 06/06/2000; Ord. 2007-28, Amended, 05/01/2007; Ord. 2014-15, Amended, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0460 RETAIL SALES~~:~~; MEASURE OF TAX~~:~~; BURDEN OF PROOF~~:~~; EXCLUSIONS~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail.

B. The burden of proving that a sale of tangible personal property is not a taxable retail sale shall be upon the person who made the sale.

C. Exclusions. For the purposes of this chapter, sales of tangible personal property shall not include:

1. Sales of stocks, bonds, options, or other similar materials.

2. Sales of lottery tickets or shares pursuant to Article I, Chapter 5, Title 5, Arizona Revised Statutes.

3. Sales of platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by regulation.

4. Gross income derived from the transfer of tangible personal property which is specifically included as the gross income of a business activity upon which another section of this ~~chapter~~ DIVISION imposes a tax shall be considered gross income of that business activity, and is not includable as gross income subject to the tax imposed by this section.

5. Sales by professional or personal service occupations where such sales are inconsequential elements of the service provided.

6. Sales of cash equivalents. The gross proceeds of sales or gross income derived from the redemption of any cash equivalent by the holder as a means of payment for goods or services that are taxable under this chapter are subject to the tax. "Cash equivalents" means items or intangibles, whether or not negotiable, that are sold to one (1) or more persons, through which a value denominated in money is purchased in advance and may be redeemed in full or in part for tangible personal property, intangibles or services. Cash equivalents include gift cards, stored value cards, gift certificates, vouchers, traveler's checks, money orders or other instruments, orders or electronic mechanisms, such as an electronic code, personal identification number or digital payment mechanism, or any other prepaid intangible right to acquire tangible personal property, intangibles or services in the future, whether from the seller of the cash equivalent or from another person. Cash equivalents do not include either of the following:

a. Items or intangibles that are sold to one or more persons, through which a value is not denominated in money.

b. Prepaid calling cards or prepaid authorization numbers for telecommunications services made taxable by subsection ~~(~~G~~)~~ of this section.

D. Reserved.

E. When this City and another Arizona city or town with an equivalent excise tax could claim nexus for taxing a retail sale, the city or town where the permanent business location of the seller at which the order was received shall be deemed to have precedence, and for the purposes of this chapter such city or town has sole and exclusive right to such tax.

F. The appropriate tax liability for any retail sale where the order is received at a permanent business location of the seller located in this City or in an Arizona city or town that levies an equivalent excise tax shall be at the tax rate of the city or town of such seller's location.

G. Retail sales of prepaid calling cards or prepaid authorization numbers for telecommunications services, including sales of reauthorization of a prepaid card or authorization number, are subject to tax under this section.

H. MEMBERSHIP, ADMISSION, OR OTHER FEES CHARGED BY LIMITED ACCESS RETAILERS ARE CONSIDERED PART OF TAXABLE GROSS INCOME OF THE BUSINESS ACTIVITY OF SELLING TANGIBLE PERSONAL PROPERTY AT RETAIL.

I. SALES OF MERCHANDISE ACQUIRED ON CONSIGNMENT ARE TAXABLE AS RETAIL SALES. IN CASES WHERE THE MERCHANT IS ACTING AS AN AGENT ON BEHALF OF ANOTHER DEALER, SALES OF THE CONSIGNED MERCHANDISE ARE TAXABLE TO THE PRINCIPAL, PROVIDED THE MERCHANT MAKES FULL DISCLOSURE TO CUSTOMERS THAT HE IS ACTING ONLY AS AN AGENT FOR THE NAMED PRINCIPAL. HOWEVER, WHEN THE PRINCIPAL IS NOT DEEMED TO BE A DEALER, SUCH SALES ARE CONSIDERED TO BE THOSE OF THE MERCHANT AND ARE TAXABLE TO HIM.

J. A PERSON WHO ENGAGES IN MANUFACTURING, BALING, CRATING, BOXING, BARRELING, CANNING, BOTTLING, SACKING, PRESERVING, PROCESSING, OR OTHERWISE PREPARING FOR SALE OR COMMERCIAL USE ANY LIVESTOCK, AGRICULTURAL OR HORTICULTURAL PRODUCT, OR ANY OTHER PRODUCT, ARTICLE, SUBSTANCE, OR COMMODITY AND WHO SELLS THE PRODUCT OF SUCH BUSINESS AT RETAIL IN THIS STATE IS DEEMED, AS TO SUCH SALES, TO BE ENGAGED IN BUSINESS CLASSIFIED UNDER THE RETAIL CLASSIFICATION. THIS SUBSECTION DOES NOT APPLY TO:

1. AGRICULTURAL PRODUCERS WHO ARE OWNERS, PROPRIETORS, OR TENANTS OF AGRICULTURAL LANDS, ORCHARDS, FARMS, OR GARDENS WHERE AGRICULTURAL

PRODUCTS ARE GROWN, RAISED, OR PREPARED FOR MARKET AND WHO ARE MARKETING THEIR OWN AGRICULTURAL PRODUCTS.

2. BUSINESSES CLASSIFIED UNDER THE:

(A) ADVERTISING CLASSIFICATION.

(B) CONSTRUCTION CONTRACTING CLASSIFICATIONS.

(C) JOB PRINTING CLASSIFICATION.

(D) MANUFACTURED BUILDINGS CLASSIFICATION.

(E) PUBLISHING AND PERIODICAL DISTRIBUTION CLASSIFICATION.

(F) RESTAURANTS AND BARS CLASSIFICATION.

(G) TELECOMMUNICATIONS CLASSIFICATION.

(H) TRANSPORTING FOR HIRE CLASSIFICATION.

(I) UTILITY SERVICES CLASSIFICATION.

(J) WASTEWATER REMOVAL SERVICES CLASSIFICATION.

(Ord. 1924, 01/07/1997; Ord. 2008, Amended, 11/02/1999; Ord. 2000-14, Amended, 06/06/2000; Ord. 2013-26, Amended, 01/07/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0462 RETAIL SALES:~~;~~ FOOD FOR HOME CONSUMPTION~~:~~

A. The tax rate shall be at an amount equal to zero percent (0%) of the gross income from the business activity upon every person engaging or continuing in the business of selling food for home consumption at retail.

B. For the purposes of this section only, the following definitions shall be applicable:

1. "Eligible grocery business" means an establishment ~~whose sales of food are such that it~~ THAT is DEEMED eligible to participate in the ~~food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 Stat. 958~~7 U.S.C. Section 2011 ~~et seq.), according to regulations in effect on January 1, 1979. An establishment is deemed eligible to participate in the food stamp program if it is authorized~~

~~to participate in the program by the United States Department of Agriculture Food and Nutrition Service field office on the effective date of this section, or if, prior to a reporting period for which the return is filed, such retailer proves to the satisfaction of the tax collector that the establishment, based on the nature of the retailer's food sales, could be eligible to participate in the food stamp program established by the Food Stamp Act of 1977 according to regulations in effect on January 1, 1979~~ SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ESTABLISHED BY THE FOOD AND NUTRITION ACT OF 2008 (P.L. 110-246; 122 STAT. 1651; 7 UNITED STATES CODE SECTIONS 2011 THROUGH 2036A) BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE OR AN ESTABLISHMENT THAT PROVES TO THE SATISFACTION OF THE DEPARTMENT OF REVENUE THAT, BASED ON THE NATURE OF THE ESTABLISHMENT'S FOOD SALES, COULD BE ELIGIBLE TO PARTICIPATE IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ESTABLISHED BY THE FOOD AND NUTRITION ACT OF 2008.

2. "Facilities for the consumption of food" means tables, chairs, benches, booths, stools, counters, and similar conveniences, trays, glasses, dishes, or other tableware and parking areas for the convenience of in-car consumption of food in or on the premises on which the retailer conducts business.

3. "Food for consumption on the premises" means any of the following:

a. "Hot prepared food" as defined ~~in subsection (B)(4) of this section~~ BELOW.

b. Hot or cold sandwiches.

c. Food served by an attendant to be eaten at tables, chairs, benches, booths, stools, counters, and similar conveniences and within parking areas for the convenience of in-car consumption of food.

d. Food served with trays, glasses, dishes, or other tableware.

e. Beverages sold in cups, glasses, or open containers.

f. Food sold by caterers.

g. Food sold within the premises of theaters, movies, operas, shows of any type or nature, exhibitions, concerts, carnivals, circuses, amusement parks, fairs, races, contests, games, athletic events, rodeos, billiard and pool parlors, bowling alleys, public dances, dance halls,

boxing, wrestling and other matches, and any business which charges admission, entrance, or cover fees for exhibition, amusement, entertainment, or instruction.

h. Any items contained in subsections (A)(3)(a) through (g) ~~of this section~~ ABOVE even though they are sold on a "take-out" or "to go" basis, and whether or not the item is packaged, wrapped, or is actually taken from the premises.

4. "Hot prepared food" means those products, items, or ingredients of food which are prepared and intended for consumption in a heated condition. "Hot prepared food" includes a combination of hot and cold food items or ingredients if a single price has been established.

5. "Premises" means the total space and facilities in or on which a vendor conducts business and which are owned or controlled, in whole or in part, by a vendor or which are made available for the use of customers of the vendor or group of vendors, including any building or part of a building, parking lot, or grounds.

6. "Food for home consumption" means all food, except food for consumption on the premises, if sold by any of the following:

a. An eligible grocery business.

b. A person who conducts a business whose primary business is not the sale of food but who sells food which is displayed, packaged, and sold in a similar manner as an eligible grocery business.

c. A person who sells food and does not provide or make available any facilities for the consumption of food on the premises.

d. A person who conducts a delicatessen business either from a counter which is separate from the place and cash register where taxable sales are made or from a counter which has two (2) cash registers and which are used to record taxable and tax exempt sales, or a retailer who conducts a delicatessen business who uses a cash register which has at least two (2) tax computing keys which are used to record taxable and tax exempt sales.

e. Vending machines and other types of automatic retailers.

f. A person's sales of food, drink and condiment for consumption within the premises of any prison, jail or other institution under the jurisdiction of the State Department of Corrections, the Department of Public Safety, the Department of Juvenile Corrections or a County Sheriff.

C. Income derived from the following sources is exempt from the tax imposed by this section:

1. Sales of food for home consumption to a person regularly engaged in the business of selling such property.

2. Out-of-City sales or out-of-State sales.

3. Charges for delivery or other "direct customer services" as prescribed ~~by regulation~~ IN SECTION 3-05-001-0100.2.

4. ~~Food purchased with food stamps provided through the food stamp program established by the Food Stamp Act of 1977 (P.L. 95-113; 91 Stat. 9587 U.S.C. Section 2011 et seq.) or purchased with food instruments issued under Section 17 of the Child Nutrition Act (P.L. 95-627; 92 Stat. 3603; and P.L. 99-669; Section 4302; 42 U.S.C. Section 1786) but only to the extent that food stamps or food instruments were actually used to purchase such food.~~ ITEMS PURCHASED WITH UNITED STATES DEPARTMENT OF AGRICULTURE COUPONS ISSUED UNDER THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM PURSUANT TO THE FOOD AND NUTRITION ACT OF 2008 (P.L. 88-525; 78 STAT 703; 7 UNITED STATES CODE SECTIONS 2011 THROUGH 2036B) BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE OR FOOD INSTRUMENTS ISSUED UNDER SECTION 17 OF THE CHILD NUTRITION ACT (P.L. 95-627; 92 STAT. 3603; P.L. 99-661, SECTION 4302; P.L. 111-296; 42 UNITED STATES CODE SECTION 1786).

5. Sales of food products by producers as provided for by A.R.S. Sections 3-561, 3-562 and 3-563.

6. Sales of food, beverages, condiments and accessories to a public educational entity, pursuant to any of the provisions of Title 15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve (12) or under which may be attended in substitution for a public school pursuant to A.R.S. 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

7. Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

D. Reporting. Such persons who sell food for home consumption shall, in conjunction with the return required pursuant to Section 3-05-005-0520, report to the tax collector in a manner prescribed by the tax collector all sales of food for home consumption exempted from taxes imposed by this chapter.

E. Recordkeeping.

1. Retailers shall maintain accurate, verifiable, and complete records of all purchases and sales of tangible personal property in order to verify exemptions from taxes imposed by this chapter. A retailer may use any method of reporting that properly reflects all purchases and sales of food for home consumption, as well as all purchases and sales of items subject to taxes imposed by this chapter; provided, that such records are maintained in accordance with Article III~~, Arizona Revised Statutes, and regulations of the tax collector~~.

2. Any person who fails to maintain records as provided herein shall be deemed to have had no sales of food for home consumption, and if upon request by the tax collector, a person cannot demonstrate to the tax collector that such records and reports do properly reflect all sales of food for home consumption, the tax collector may recompute the amount of tax to be paid as provided in Sections 3-05-003-0370 and 3-05-005-0545(B)~~(A)(1)~~.

F. IF A CITY, TOWN, OR OTHER TAXING JURISDICTION IMPOSES A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE, OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, ON THE SALE OF FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED PURSUANT TO A.R.S. SECTION 42-5106 OR ITEMS PRESCRIBED BY A.R.S. SECTION 42-5106, SUBSECTION D, FOR HOME CONSUMPTION, THE TAX MUST BE APPLIED UNIFORMLY WITH RESPECT TO ALL FOOD, AND AN ADDITIONAL TAX OR FEE DIFFERENTIAL MAY NOT BE ASSESSED OR APPLIED WITH RESPECT TO ANY SPECIFIC FOOD ITEM.

(Ord. 2013-26, Enacted, 01/07/2014)

3-05-004-0465 RETAIL SALES~~:~~; EXEMPTIONS~~:~~

Income derived from the following sources is exempt from the tax imposed by Section 3-05-004-0460:

A. Sales of tangible personal property to a person regularly engaged in the business of selling such property.

B. Out-of-City sales or out-of-State sales, INCLUDING TANGIBLE PERSONAL PROPERTY SOLD IN INTERSTATE OR FOREIGN COMMERCE IF PROHIBITED FROM BEING SO TAXED BY THE CONSTITUTION OF THE UNITED STATES OR THE CONSTITUTION OF THIS STATE.

C. Charges for delivery, installation, or other direct customer services as prescribed by ~~regulation~~ SECTION 3-05-001-0100.2.

D. Charges for repair services as prescribed by regulation, when separately charged and separately maintained in the books and records of the taxpayer.

E. Sales of warranty, maintenance, and service contracts, when separately charged and separately maintained in the books and records of the taxpayer.

F. Sales of prosthetics.

G. Sales of income-producing capital equipment.

H. ~~Sales of rental equipment and rental supplies~~ TANGIBLE PERSONAL PROPERTY SOLD TO A PERSON ENGAGED IN THE BUSINESS OF RENTING, LEASING, OR LICENSING FOR USE SUCH PROPERTY UNDER THE RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY CLASSIFICATION IF SUCH PROPERTY IS TO BE RENTED, LEASED, OR LICENSED FOR USE BY SUCH PERSON.

I. Sales of mining and metallurgical supplies.

J. Sales of:

1. motor vehicle fuel and use fuel which are subject to a tax imposed under the provisions of Article I or II, Chapter 16, Title 28, Arizona Revised Statutes.~~; or sales of~~

2. use fuel to a holder of a valid single trip use fuel tax permit issued under A.R.S. § 28-5739.~~, or sales of~~

3. natural gas or liquefied petroleum gas used to propel a motor vehicle.

4. MOTOR VEHICLE FUEL AND USE FUEL TO A QUALIFIED BUSINESS UNDER A.R.S. SECTION 41-1516 FOR OFF-ROAD USE IN HARVESTING, PROCESSING, OR TRANSPORTING QUALIFYING FOREST PRODUCTS REMOVED FROM QUALIFYING PROECTS AS DEFINED IN A.R.S. SECTION 41-1516.

5. REPAIR PARTS INSTALLED IN EQUIPMENT USED DIRECTLY BY A QUALIFIED BUSINESS UNDER A.R.S. SECTION 41-1516 IN HARVESTING, PROCESSING, OR TRANSPORTING QUALIFYING FOREST PRODUCTS REMOVED FROM QUALIFYING PROJECTS AS DEFINED IN A.R.S. SECTION 41-1516.

K. Sales of tangible personal property to:

1. a construction contractor who holds a valid privilege tax license for engaging or continuing in the business of construction contracting where the tangible personal property sold is incorporated into any structure or improvement to real property as part of construction contracting activity.

2. A PERSON THAT IS NOT SUBJECT TO TAX UNDER SECTION 3-05-004-0415(B)(12) AND THAT HAS BEEN PROVIDED A COPY OF A CERTIFICATE UNDER A.R.S. SECTION 42-5009, SUBSECTION L, IF THE PROPERTY SO SOLD IS INCORPORATED OR FABRICATED BY THE PERSON INTO THE REAL PROPERTY, STRUCTURE, PROJECT, DEVELOPMENT, OR IMPROVEMENT DESCRIBED IN THE CERTIFICATE.

L. Sales of motor vehicles to nonresidents of this State for use outside this State if the ~~vendor~~ MOTOR VEHICLE DEALER ships or delivers the motor vehicle to a destination outside this State.

M. Sales of tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines, or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

N. ~~Sales made directly to the Federal government to the extent of~~ THE FOLLOWING SHALL BE DEDUCTED FROM THE TAX BASE FOR THE RETAIL CLASSIFICATION:

~~1. One hundred percent (100%) of the gross income derived from retail sales made by a manufacturer, modifier, assembler, or repairer.~~

~~2. Fifty percent (50%) of the gross income derived from retail sales made by any other person.~~

1. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM SALES MADE DIRECTLY TO THE UNITED STATES GOVERNMENT OR ITS DEPARTMENTS OR AGENCIES BY A MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER.

2. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM SALES MADE DIRECTLY TO A MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER IF SUCH SALES ARE OF ANY INGREDIENT OR COMPONENT PART OF PRODUCTS SOLD DIRECTLY TO THE UNITED STATES GOVERNMENT OR ITS DEPARTMENTS OR AGENCIES BY THE MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER.

3. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM OVERHEAD MATERIALS OR OTHER TANGIBLE PERSONAL PROPERTY THAT IS USED IN PERFORMING A CONTRACT BETWEEN THE UNITED STATES GOVERNMENT AND A MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER, INCLUDING PROPERTY USED IN PERFORMING A SUBCONTRACT WITH A GOVERNMENT CONTRACTOR WHO IS A MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER, TO WHICH TITLE PASSES TO THE GOVERNMENT UNDER THE TERMS OF THE CONTRACT OR SUBCONTRACT.

4. THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM SALES OF OVERHEAD MATERIALS OR OTHER TANGIBLE PERSONAL PROPERTY TO A MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER IF THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THE PROPERTY BY THE MANUFACTURER, MODIFIER, ASSEMBLER, OR REPAIRER WILL BE EXEMPT UNDER PARAGRAPH 3 OF THIS SUBSECTION.

5. FIFTY PERCENT OF THE GROSS PROCEEDS OR GROSS INCOME FROM ANY SALE OF TANGIBLE PERSONAL PROPERTY MADE DIRECTLY TO THE UNITED STATES GOVERNMENT OR ITS DEPARTMENTS OR AGENCIES THAT IS NOT DEDUCTED UNDER PARAGRAPHS 1 THROUGH 4 OF THIS SUBSECTION.

6. FOR THE PURPOSES OF THIS SUBSECTION:

(A) "OVERHEAD MATERIALS" MEANS TANGIBLE PERSONAL PROPERTY, THE GROSS PROCEEDS OF SALES OR GROSS INCOME DERIVED FROM THAT WOULD OTHERWISE BE INCLUDED IN THE RETAIL CLASSIFICATION, AND THAT ARE USED OR

CONSUMED IN THE PERFORMANCE OF A CONTRACT, THE COST OF WHICH IS CHARGED TO AN OVERHEAD EXPENSE ACCOUNT AND ALLOCATED TO VARIOUS CONTRACTS BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND CONSISTENT WITH GOVERNMENT CONTRACT ACCOUNTING STANDARDS.

(B) "SUBCONTRACT" MEANS AN AGREEMENT BETWEEN A CONTRACTOR AND ANY PERSON WHO IS NOT AN EMPLOYEE OF THE CONTRACTOR FOR FURNISHING OF SUPPLIES OR SERVICES THAT, IN WHOLE OR IN PART, ARE NECESSARY TO THE PERFORMANCE OF ONE OR MORE GOVERNMENT CONTRACTS, OR UNDER WHICH ANY PORTION OF THE CONTRACTOR'S OBLIGATION UNDER ONE OR MORE GOVERNMENT CONTRACTS IS PERFORMED, UNDERTAKEN, OR ASSUMED AND THAT INCLUDES PROVISIONS CAUSING TITLE TO OVERHEAD MATERIALS OR OTHER TANGIBLE PERSONAL PROPERTY USED IN THE PERFORMANCE OF THE SUBCONTRACT TO PASS TO THE GOVERNMENT OR THAT INCLUDES PROVISIONS INCORPORATING SUCH TITLE PASSING CLAUSES IN A GOVERNMENT CONTRACT INTO THE SUBCONTRACT.

O. Sales to hotels, bars, restaurants, dining cars, lunchrooms, boarding houses, or similar establishments of articles consumed as food, drink, or condiment, whether simple, mixed, or compounded, where such articles are customarily prepared or served to patrons for consumption on or off the premises, where the purchaser is properly licensed and paying a tax under Section 3-05-004-0455 or the equivalent excise tax upon such income.

P. ~~Sales of tangible personal property to~~ TANGIBLE PERSONAL PROPERTY SOLD TO:

1. a qualifying hospital~~, qualifying community health center or a qualifying health care organization, except when the property sold is for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512 or sales of tangible personal property purchased in this State by a nonprofit charitable organization that has qualified under Section 501(c)(3) of the United States Internal Revenue Code and that engages in and uses such property exclusively for training, job placement or rehabilitation programs or testing for mentally or physically handicapped persons.~~;

2. A QUALIFYING HEALTH CARE ORGANIZATION IF THE TANGIBLE PERSONAL PROPERTY IS USED BY THE ORGANIZATION SOLELY TO PROVIDE HEALTH AND MEDICAL RELATED EDUCATIONAL AND CHARITABLE SERVICES;

3. A QUALIFYING HEALTH CARE ORGANIZATION IF THE ORGANIZATION IS DEDICATED TO PROVIDING EDUCATIONAL, THERAPEUTIC, REHABILITATIVE, AND FAMILY MEDICAL EDUCATION TRAINING FOR BLIND AND VISUALLY IMPAIRED CHILDREN AND CHILDREN WITH MULTIPLE DISABILITIES FROM THE TIME OF BIRTH TO AGE TWENTY-ONE;

4. A QUALIFYING COMMUNITY HEALTH CENTER;

5. A NONPROFIT CHARITABLE ORGANIZATION THAT HAS QUALIFIED UNDERSECTION 6 501(C)(3) OF THE INTERNAL REVENUE CODE AND THAT REGULARLY SERVES MEALS TO THE NEEDY AND INDIGENT ON A CONTINUING BASIS AT NO COST;

6. FOR TAXABLE PERIODS BEGINNING FROM AND AFTER JUNE 30, 2001, A NONPROFIT CHARITABLE ORGANIZATION THAT HAS QUALIFIED UNDERSECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND THAT PROVIDES RESIDENTIAL APARTMENT HOUSING FOR LOW INCOME PERSONS OVER SIXTY-TWO YEARS OF AGE IN A FACILITY THAT QUALIFIES FOR A FEDERAL HOUSING SUBSIDY, IF THE TANGIBLE PERSONAL PROPERTY IS USED BY THE ORGANIZATION SOLELY TO PROVIDE RESIDENTIAL APARTMENT HOUSING FOR LOW INCOME PERSONS OVER SIXTY-TWO YEARS OF AGE IN A FACILITY THAT QUALIFIES FOR A FEDERAL HOUSING SUBSIDY;

7. A QUALIFYING HEALTH SCIENCES EDUCATIONAL INSTITUTION;

8. ANY PERSON REPRESENTING OR WORKING ON BEHALF OF ANOTHER PERSON DESCRIBED IN SUBDIVISIONS 1 THROUGH 7 OF THIS PARAGRAPH IF THE TANGIBLE PERSONAL PROPERTY IS INCORPORATED OR FABRICATED INTO A PROJECT DESCRIBED IN A.R.S. SECTION 42-5075, SUBSECTION O.

Q. (Reserved)

R. ~~(Reserved)~~ SALES OF:

1. ~~(Reserved)~~ LIVESTOCK AND POULTRY TO PERSONS ENGAGING IN THE BUSINESS OF FARMING, RANCHING, OR PRODUCING LIVESTOCK OR POULTRY.

2. ~~(Reserved)~~ LIVESTOCK AND POULTRY FEED, SALTS, VITAMINS, AND OTHER ADDITIVES FOR LIVESTOCK OR POULTRY CONSUMPTION THAT ARE SOLD TO PERSONS FOR USE OF CONSUMPTION BY THEIR OWN LIVESTOCK OR POULTRY, FOR USE OR CONSUMPTION IN THE BUSINESSES OF FARMING, RANCHING, AND PRODUCING OR FEEDING LIVESTOCK, POULTRY, OR LIVESTOCK OR POULTRY PRODUCTS OR FOR USE OR CONSUMPTION IN NONCOMMERCIAL BOARDING OF LIVESTOCK. FOR THE PURPOSES OF THIS PARAGRAPH, "POULTRY" INCLUDES RATITES.

3. ~~(Reserved)~~ IMPLANTS USED AS GROWTH PROMOTANTS AND INJECTABLE MEDICINES, NOT ALREADY EXEMPT UNDER THE DEFINITION OF "PROSTHETIC," FOR LIVESTOCK, POULTRY, OR LIVESTOCK OR POULTRY PRODUCTS OR WHO ARE ENGAGED IN FEEDING LIVESTOCK OR POULTRY COMMERCIALLY. FOR THE PURPOSES OF THIS PARAGRAPH, "POULTRY" INCLUDES RATITES.

4. ~~(Reserved)~~ NEAT ANIMALS, HORSES, ASSES, SHEEP, RATITES, SWINE, OR GOATS USED OR TO BE USED AS BREEDING OR PRODUCTION STOCK, INCLUDING SALES OF BREEDINGS OR OWNERSHIP SHARES IN SUCH ANIMALS USED FOR BREEDING OR PRODUCTION.

S. Sales of groundwater measuring devices required by A.R.S. § 45-604.

T. (Reserved)

U. ~~Sales of aircraft acquired for use outside the State, as prescribed by regulation.~~ SEEDS, SEEDLINGS, ROOTS, BULBS, CUTTINGS, AND OTHER PROPAGATIVE MATERIAL TO PERSONS WHO USE THOSE ITEMS TO COMMERCIALLY PRODUCE AGRICULTURAL, HORTICULTURAL, VITICULTURAL, OR FLORICULTURAL CROPS IN THIS STATE.

V. Sales of food products by producers as provided for by A.R.S. §§ 3-561, 3-562 and 3-563. THIS INCLUDES SALES MADE DIRECTLY BY OWNERS, PROPRIETORS, OR TENANTS OF AGRICULTURAL LANDS OR FARMS WHO SELL LIVESTOCK OR POULTRY FEED THAT IS GROWN OR RAISED ON THEIR LANDS TO ANY OF THE FOLLOWING:

1. PERSONS WHO FEED THEIR OWN LIVESTOCK OR POULTRY.

2. PERSONS WHO ARE ENGAGED IN THE BUSINESS OF PRODUCING LIVESTOCK OR POULTRY COMMERCIALLY.

3. PERSONS WHO ARE ENGAGED IN THE BUSINESS OF FEEDING LIVESTOCK OR POULTRY COMMERCIALLY OR WHO BOARD LIVESTOCK NONCOMMERCIALLY.

W. (Reserved)

X. Sales of food and drink to a person who is engaged in business that is classified under the restaurant classification and that provides such food and drink without monetary charge to its employees for their own consumption on the premises during such employees' hours of employment.

Y. (Reserved)

Z. (Reserved)

AA. The sale of tangible personal property used in remediation contracting as defined in Section 3-05-001-0100 and ~~Regulation 3-5-100.5, Section 3-05-007-0001~~ SECTION 3-05-001-0100.5.

BB. Sales of materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, state university libraries or Federal, State, County or municipal libraries for use by the public as follows:

1. Printed or photographic materials.

2. Electronic or digital media materials.

CC. ~~Sales~~ TANGIBLE PERSONAL PROPERTY SOLD TO A COMMERCIAL AIRLINE AND CONSISTING of food, beverages~~,~~ AND condiments and accessories used for serving THE food and beverages, ~~to a commercial airline, as defined in A.R.S. § 42-5061(A)(49), that serves the food and beverages to its passengers,~~ IF THOSE ITEMS ARE TO BE PROVIDED without additional charge~~,~~ TO PASSENGERS for consumption in flight. For the purposes of this ~~subsection~~ PARAGRAPH, ~~"accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food~~ "COMMERCIAL AIRLINE" MEANS A PERSON HOLDING A FEDERAL CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY OR FOREIGN AIR CARRIER PERMIT FOR AIR TRANSPORTATION TO TRANSPORT PERSONS, PROPERTY, OR UNITED STATES MAIL IN INTRASTATE, INTERSTATE, OR FOREIGN COMMERCE.

DD. In computing the tax base in the case of the sale or transfer of wireless telecommunication equipment as an inducement to a customer to enter into or continue a contract for telecommunication services that are

taxable under Section 3-05-004-0470, gross proceeds of sales or gross income does not include any sales commissions or other compensation received by the retailer as a result of the customer entering into or continuing a contract for the telecommunications services.

EE. For the purposes of this section, a sale of wireless telecommunication equipment to a person who holds the equipment for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 3-05-004-0470 is considered to be a sale for resale in the regular course of business.

FF. Sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or A.R.S. § 49-480.

GG. Sales of food, beverages, condiments and accessories to a public educational entity~~,~~ pursuant to any of the provisions of Title 15, Arizona Revised Statutes, including a regularly organized private or parochial school that offers an educational program for grade twelve (12) or under which may be attended in substitution for a public school pursuant to A.R.S. § 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

HH. Sales of personal hygiene items to a person engaged in the business of and subject to tax under Section 3-05-004-0444 if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

II. For the purposes of this section, the diversion of gas from a pipeline by a person engaged in the business of:

1. operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

2. CONVERTING NATURAL GAS INTO LIQUEFIED NATURAL GAS, FOR THE SOLE PURPOSE OF FUELING COMPRESSOR EQUIPMENT USED IN THE CONVERSION PROCESS, IS NOT A SALE OF GAS TO THE OPERATOR OF THE COMPRESSOR EQUIPMENT.

JJ. Sales of food, beverages, condiments and accessories to a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

KK. Sales of ~~motor vehicles that use~~ alternative fuel VEHICLES if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. § 1-215.

LL. Sales of solar energy devices., ~~for taxable periods beginning from and after July 1, 2008.~~ The retailer shall register with the department of revenue as a solar energy retailer. By registering, the retailer acknowledges that it will make its books and records relating to sales of solar energy devices available to the Department ~~of Revenue and City, as applicable,~~ for examination.

MM. Sales or other transfers of renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this ~~subsection~~ PARAGRAPH, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

NN. Sales of magazines or other periodicals or other publications by this state to encourage tourist travel.

OO. Sales of paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.

~~PP. Sales of overhead materials or other tangible personal property that is used in performing a contract between the United States government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.~~

~~QQ~~PP. Sales of ~~coal,~~ petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. Section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This ~~subsection~~ PARAGRAPH

shall apply for twenty (20) full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

~~RR~~QQ. Sales or gross income derived from sales of machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. Section 41-1514.02. This subsection applies for ten (10) full consecutive calendar or fiscal years after the start of initial construction.

RR. THE TRANSFER OF TITLE OR POSSESSION OF COAL BACK AND FORTH BETWEEN AN OWNER OR OPERATOR OF A POWER PLANT AND A PERSON WHO IS RESPONSIBLE FOR REFINING COAL IF BOTH OF THE FOLLOWING APPLY:

1. THE TRANSFER OF TITLE OR POSSESSION OF THE COAL IS FOR THE PURPOSE OF REFINING THE COAL; AND

2. THE TITLE OR POSSESSION OF THE COAL IS TRANSFERRED BACK TO THE OWNER OR OPERATOR OF THE POWER PLANT AFTER COMPLETION OF THE COAL REFINING PROCESS. FOR THE PURPOSES OF THIS SUBDIVISION, "COAL REFINING PROCESS" MEANS THE APPLICATION OF A COAL ADDITIVE SYSTEM THAT AIDS THE REDUCTION OF POWER PLANT EMISSIONS DURING THE COMBUSTION OF COAL AND THE TREATMENT OF FLUE GAS.

SS. (RESERVED)

TT. COMPUTER DATA CENTER EQUIPMENT SOLD TO THE OWNER, OPERATOR, OR QUALIFIED COLOCATION TENANT OF A COMPUTER DATA CENTER THAT IS CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY UNDER A.R.S. SECTION 41-1519 OR AN AUTHORIZED AGENT OF THE OWNER, OPERATOR, OR QUALIFIED COLOCATION TENANT DURING THE QUALIFICATION PERIOD FOR USE IN THE QUALIFIED COMPUTER DATA CENTER. FOR THE PURPOSES OF THIS PARAGRAPH, "COMPUTER DATA CENTER," "COMPUTER DATA CENTER EQUIPMENT," "QUALIFICATION PERIOD," AND "QUALIFIED COLOCATION TENANT" HAVE THE SAME MEANINGS PRESCRIBED IN A.R.S. SECTION 41-1519.

UU. THE SALE, MANUFACTURE, WHOLESALE, OR DISTRIBUTION TO OR AMONG ANY WHOLESALERS, DISTRIBUTORS, OR RETAILERS, OF FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS

DEFINED BY RULE ADOPTED PURSUANT TO A.R.S. SECTION 42-5106 OR ITEMS PRESCRIBED BY A.R.S. SECTION 42-5106, SUBSECTION D, FOR HOME CONSUMPTION OR FOR CONSUMPTION ON THE PREMISES.

VV. THE SALE OF ANY CONTAINER OR PACKAGING USED EXCLUSIVELY FOR TRANSPORTING, PROTECTING, OR CONSUMING FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED PURSUANT TO A.R.S. SECTION 42-5106 OR ITEMS PRESCRIBED BY A.R.S. SECTION 42-5106, SUBSECTION D, FOR HOME CONSUMPTION OR FOR CONSUMPTION ON THE PREMISES.

WW. MACHINERY, EQUIPMENT, TECHNOLOGY, OR RELATED SUPPLIES THAT ARE ONLY USEFUL TO ASSIST A PERSON WITH A PHYSICAL DISABILITY AS DEFINED IN A.R.S. SECTION 46-191 OR A PERSON WHO HAS A DEVELOPMENTAL DISABILITY AS DEFINED IN A.R.S. SECTION 36-551 OR HAS A HEAD INJURY AS DEFINED IN A.R.S. SECTION 41-3201 TO BE MORE INDEPENDENT AND FUNCTIONAL.

XX. APPLICATION SERVICES THAT ARE DESIGNED TO ASSESS OR TEST STUDENT LEARNING OR TO PROMOTE CURRICULUM DESIGN OR ENHANCEMENT PURCHASED BY OR FOR ANY SCHOOL DISTRICT, CHARTER SCHOOL, COMMUNITY COLLEGE, OR STATE UNIVERSITY. FOR THE PURPOSES OF THIS PARAGRAPH:

1. "APPLICATION SERVICES" MEANS SOFTWARE APPLICATIONS PROVIDED REMOTELY USING HYPERTEXT TRANSFER PROTOCOL OR ANOTHER NETWORK PROTOCOL.

2. "CURRICULUM DESIGN OR ENHANCEMENT" MEANS PLANNING, IMPLEMENTING, OR REPORTING ON COURSES OF STUDY, LESSONS, ASSIGNMENTS, OR OTHER LEARNING ACTIVITIES.

YY. SALES OF COAL.

(Ord. 1924, 01/07/1997; Ord. 1979, Amended, 10/06/1998; Ord. 2008, Amended, 11/02/1999; Ord. 2000-29, Amended, 11/21/2000; Ord. 2001-04, Amended, 01/16/2001; Ord. 2004-25, Amended, 01/10/2005; Ord. 2007-28, Amended, 05/01/2007; Ord. 2009-16, Amended, 06/16/2009; Ord. 2013-26, Amended, 01/07/2014)

3-05-004-0470 TELECOMMUNICATION SERVICES (REG. 470.1):

SEE ALSO REGULATION 3-5-470.1.

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of providing telecommunication services to consumers within this City.

1. Telecommunication services shall include:

a. Two-way voice, sound and/or video communication over a communications channel.

b. One-way voice, sound, and/or video transmission or relay over a communications channel.

c. Facsimile transmissions.

d. Providing relay or repeater service.

e. Providing computer interface services over a communications channel.

f. Time-sharing activities with a computer accomplished through the use of a communications channel.

2. Gross income from the business activity of providing telecommunication services to consumers within this City shall include:

a. All fees for connection to a telecommunication system.

b. Toll charges, charges for transmissions, and charges for other telecommunications services; provided, that such charges relate to transmissions originating in the City and terminating in this State.

c. Fees charged for access to or subscription to or membership in a telecommunication system or network.

~~d. Charges for monitoring services relating to a security or burglar alarm system located within the City where such system transmits or receives signals or data over a communications channel.~~

eD. Charges for telephone, fax or Internet access services provided at an additional charge by a hotel business subject to taxation under Section 3-05-004-0444.

B. Resale Telecommunication Services. Gross income from sales of telecommunication services to another provider of telecommunication services for the purpose of providing the purchaser's customers with such service shall be exempt from the tax imposed by this section; provided, however, that such purchaser is properly licensed by the City to engage in such business.

C. Interstate Transmissions. Charges by a provider of telecommunication services for transmissions originating in the City and terminating outside the State are exempt from the tax imposed by this section.

~~D. (Reserved)~~

D. TAX CREDIT OFFSET FOR FRANCHISE FEES. THERE SHALL BE ALLOWED AS AN OFFSET, UP TO THE AMOUNT OF TAX DUE, ANY AMOUNTS PAID TO THE CITY FOR LICENSE FEES OR FRANCHISE FEES, BUT SUCH OFFSET SHALL NOT BE ALLOWED AGAINST TAXES IMPOSED BY ANY OTHER SECTION OF THIS CHAPTER. SUCH OFFSET SHALL NOT BE DEEMED IN CONFLICT WITH OR VIOLATION OF SUBSECTION 3-05-004-0400(B).

E. However, gross income from the providing of telecommunication services by a cable television system, as such system is defined in A.R.S. Section 9-505, shall be exempt from the tax imposed by this section.

F. Prepaid Calling Cards. Telecommunications services purchased with a prepaid calling card that are taxable under Section 3-05-004-0460 are exempt from the tax imposed under this section.

G. Internet Access Services. The gross income subject to tax under this section shall not include sales of internet access services to the person's subscribers and customers. For the purposes of this subsection:

1. "Internet" means the computer and telecommunications facilities that comprise the interconnected worldwide network of networks that employ the transmission control protocol or Internet protocol, or any predecessor or successor protocol, to communicate information of all kinds by wire or radio.

2. "Internet access" means a service that enables users to access content, information, electronic mail or other services over the Internet. Internet access does not include telecommunication services provided by a common carrier.

H. ALARM MONITORING SERVICES. THE GROSS INCOME SUBJECT TO TAX UNDER THIS SECTION SHALL NOT INCLUDE SALES OF MONITORING SERVICES RELATING TO AN ALARM SYSTEM AS DEFINED IN A.R.S. SECTION 32-101.

(Ord. 2000-14, Amended, 06/06/2000; Ord. 2008, Amended, 11/02/1999; Ord. 2004-25, Amended, 01/10/05; Ord. 2006-16, Amended 06/06/2006; Ord. 2007-28, Amended, 05/01/2007; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0475 TRANSPORTING FOR HIRE (REG. 475.1)~~:~~

SEE ALSO REGULATION 3-5-475.1.

The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this City to another point within the State:

A. Transporting of persons or property by railroad; provided, however, that the tax imposed by this subsection shall not apply to transporting freight or property for hire by a railroad operating exclusively in this State if the transportation comprises a portion of a single shipment of freight or property, involving more than one (1) railroad, either from a point in this State to a point outside this State or from a point outside this State to a point in this State. For purposes of this ~~subsection~~ PARAGRAPH, "a single shipment" means the transportation that begins at the point at which one (1) of the railroads first takes possession of the freight or property and continues until the point at which one (1) of the railroads relinquishes possession of the freight or property to a party other than one (1) of the railroads.

B. Transporting of oil or natural or artificial gas through pipe or conduit.

C. Transporting of property by aircraft.

D. Transporting of persons or property by motor vehicle, including towing and the operation of private car ~~lines~~ COMPANIES, as such are defined in ~~Article III, Chapter 4~~ ARTICLE VII, CHAPTER 14, Title 42, A.R.S.; provided, however, that the tax imposed by this subsection shall not apply to:

1. Gross income subject to the tax imposed by ~~Article VI, Chapter 9~~ ARTICLE IV, CHAPTER 16, Title 28, A.R.S.

2. Gross income derived from the operation of a governmentally adopted and controlled program to provide urban mass transportation.

3. Reserved

4. Reserved

E. Reserved

F. Deductions or Exemptions. The gross proceeds of sales or gross income derived from the following sources is exempt from the tax imposed by this section:

1. Income that is specifically included as the gross income of a business activity upon which another section of this division ~~(Article IV of the City Tax Code)~~ imposes a tax that is separately stated to the customer and is taxable to the person engaged in that classification not to exceed consideration paid to the person conducting the activity.

2. Income from arranging amusement or transportation when the amusement or transportation is conducted by another person not to exceed consideration paid to the amusement or transportation business.

3. ANY AMOUNT ATTRIBUTABLE TO FEES COLLECTED BY TRANSPORTATION NETWORK COMPANIES ISSUED A PERMIT PURSUANT TO A.R.S. SECTION 28-9552.

4. TRANSPORTING FOR HIRE PERSONS BY TRANSPORTATION NETWORK COMPANY DRIVERS ON TRANSACTIONS INVOLVING TRANSPORTATION NETWORK SERVICES AS DEFINED IN A.R.S. SECTION 28-9551.

5. TRANSPORTING FOR HIRE PERSONS BY VEHICLE FOR HIRE COMPANIES ISSUED A PERMIT PURSUANT TO A.R.S. SECTION 28-9503.

6. TRANSPORTING FOR HIRE PERSONS BY VEHICLE FOR HIRE DRIVERS ON TRANSACTIONS INVOLVING VEHICLE FOR HIRE SERVICES AS DEFINED IN A.R.S. SECTION 28-9501.

G. The tax imposed by this section shall not include arranging transportation as a convenience to a person's customers if that person is not otherwise engaged in the business of transporting persons, freight or property

for hire. This exception does not apply to businesses that dispatch vehicles pursuant to customer orders and send the billings and receive the payments associated with that activity, including when the transportation is performed by third party independent contractors. For the purposes of this ~~subsection~~ PARAGRAPH, "arranging" includes billing for or collecting transportation charges from a person's customers on behalf of the persons providing the transportation.

(Ord. 2000-14, Amended, 06/06/2000; Ord. 2007-28, Amended, 05/01/2007; Ord. 2013-02, Amended, 04/02/2013; Ord. 2014-34, Amended, 01/06/2015; Ord. 2015-05, Amended, 05/19/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0480 UTILITY SERVICES~~:~~

A. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the gross income from the business activity upon every person engaging or continuing in the business of producing, providing, or furnishing utility services, including electricity, electric lights, current, power, gas (natural or artificial), or water to:

1. Consumers or ratepayers who reside within the City.

2. Consumers or ratepayers of this City, whether within the City or without, to the extent that this City provides such persons utility services, excluding consumers or ratepayers who are residents of another city or town which levies an equivalent excise tax upon this City for providing such utility services to such persons.

B. Exclusion of Certain Sales of Natural Gas to a Public Utility. Notwithstanding the provisions of subsection ~~(A) of this section~~ A ABOVE, the gross income derived from the sale of natural gas to a public utility for the purpose of generation of power to be transferred by the utility to its ratepayers shall be considered a retail sale of tangible personal property subject to Sections 3-5-004-0460 and 3-5-004-0465, and not considered gross income taxable under this section.

C. Resale Utility Services. Sales of utility services to another provider of the same utility services for the purpose of providing such utility services either to another properly licensed utility provider or directly to such purchaser's customers or ratepayers shall be exempt and deductible from the gross income subject to the tax imposed by this section, provided that the purchaser is properly licensed by all applicable taxing jurisdictions to

engage or continue in the business of providing utility services, and further provided that the seller maintains proper documentation, in a manner similar to that for sales for resale, of such transactions.

D. (Reserved)

E. The tax imposed by this section shall not apply to sales of utility services to a qualifying hospital, qualifying community health center or a qualifying health care organization, except when sold for use in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.

F. The tax imposed by this section shall not apply to sales of natural gas or liquefied petroleum gas used to propel a motor vehicle.

G. The tax imposed by this section shall not apply to:

1. Revenues received by a municipally owned utility in the form of fees charged to persons constructing residential, commercial or industrial developments or connecting residential, commercial or industrial developments to a municipal utility system or systems if the fees are segregated and used only for capital expansion, system enlargement or debt service of the utility system or systems.

2. Revenues received by any person or persons owning a utility system in the form of reimbursement or contribution compensation for property and equipment installed to provide utility access to, on or across the land of an actual utility consumer if the property and equipment become the property of the utility. This exclusion shall not exceed the value of such property and equipment.

H. The tax imposed by this section shall not apply to sales of alternative fuel as defined in A.R.S. § 1-215, to a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. § 49-426 or A.R.S. § 49-480.

I. The tax imposed by this section shall not apply to sales or other transfers of renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this ~~subsection~~ PARAGRAPH, "renewable energy credit" means a unit created administratively by the corporation commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

J. The tax imposed by this section shall not apply to the portion of gross proceeds of sales or gross income attributable to transfers of electricity by any retail electric customer owning a solar photovoltaic energy

generating system to an electric distribution system, if the electricity transferred is generated by the customer's system.

K. RESERVED.

(Ord. 1924, 01/07/1997; Ord. 1979, Amended, 10/06/1998; Ord. 2000-14, Amended, 06/06/2000; Ord. 2006-16, Amended, 06/06/2006; Ord. 2013-26, Amended, 01/07/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019)

3-05-004-0485 WASTEWATER REMOVAL SERVICES

A. The tax rate shall be an amount equal to zero percent (0%) of the gross income from the business activity upon every person engaging or continuing in the business of providing wastewater removal services by means of sewer lines or similar pipelines to:

1. Consumers or ratepayers who reside within the City.

2. Consumers or ratepayers of this City, whether within the City or without, to the extent that this City provides such persons wastewater removal services, excluding consumers or ratepayers who are residents of another city or town which levies an equivalent excise tax upon this City for providing such wastewater removal services to such persons.

B. The tax imposed by this section shall not apply to gross income relating to the providing of wastewater removal services from a qualifying hospital, qualifying community health center or a qualifying health care organization.

(Ord. 2013-26, Enacted, 01/07/2014)

3-05-004-0490 RESERVED:

DIVISION 3-05-005

ADMINISTRATION

SECTIONS:

3-05-005-0500 ADMINISTRATION OF THIS CHAPTER; RULE MAKING~~:~~

3-05-005-0510 DIVULGING OF INFORMATION PROHIBITED; EXCEPTIONS ALLOWING DISCLOSURE~~:~~

3-05-005-0515 DUTIES OF THE TAXPAYER PROBLEM RESOLUTION OFFICER~~:~~

3-05-005-0516 TAXPAYER ASSISTANCE ORDERS~~:~~

3-05-005-0517 BASIS FOR EVALUATING EMPLOYEE PERFORMANCE~~:~~

3-05-005-0520 REPORTING AND PAYMENT OF TAX~~:~~

3-05-005-0530 WHEN TAX DUE; WHEN DELINQUENT; VERIFICATION OF RETURN; EXTENSIONS~~:~~

3-05-005-0540 INTEREST AND CIVIL PENALTIES~~:~~

3-05-005-0541 ERRONEOUS ADVICE OR MISLEADING STATEMENTS BY THE TAX COLLECTOR; ABATEMENT OF PENALTIES AND INTEREST; DEFINITION~~:~~

3-05-005-0542 PROSPECTIVE APPLICATION OF NEW LAW OR INTERPRETATION OR APPLICATION OF LAW

3-05-005-0545 DEFICIENCIES; WHEN INACCURATE RETURN IS FILED; WHEN NO RETURN IS FILED; ESTIMATES~~:~~

3-05-005-0546 CLOSING AGREEMENTS IN CASES OF EXTENSIVE TAXPAYER MISUNDERSTANDING OR MISAPPLICATION; ~~CITY ATTORNEY~~ APPROVAL; RULES~~:~~

3-05-005-0550 LIMITATION PERIODS~~:~~

3-05-005-0553 EXAMINATION OF TAXPAYER RECORDS; JOINT AUDITS

3-05-005-0555 TAX COLLECTOR MAY EXAMINE BOOKS AND OTHER RECORDS; FAILURE TO PROVIDE RECORDS~~:~~

3-05-005-0556 NO ADDITIONAL AUDITS OR PROPOSED ASSESSMENTS; EXCEPTIONS~~:~~

3-05-005-0560 ERRONEOUS PAYMENT OF TAX; CREDITS AND REFUNDS; LIMITATIONS~~:~~

3-05-005-0565 PAYMENT OF TAX BY THE INCORRECT TAXPAYER OR TO THE INCORRECT ARIZONA CITY OR TOWN~~:~~

3-05-005-0567 RESERVED~~:~~

3-05-005-0570 ADMINISTRATIVE REVIEW; PETITION FOR HEARING OR FOR REDETERMINATION; FINALITY OF ORDER~~:~~

3-05-005-0571 JEOPARDY ASSESSMENTS (REG. 571.1):
3-05-005-0572 EXPEDITED REVIEW OF JEOPARDY ASSESSMENTS:
3-05-005-0575 JUDICIAL REVIEW:
3-05-005-0577 REFUNDS OF TAXES PAID UNDER PROTEST:
3-05-005-0578 REIMBURSEMENT OF FEES AND OTHER COSTS; DEFINITIONS:
3-05-005-0580 CRIMINAL PENALTIES:
3-05-005-0590 CIVIL ACTIONS:
3-05-005-0595 COLLECTION OF TAXES WHEN THERE IS SUCCESSION IN AND/OR CESSATION OF BUSINESS:
3-05-005-0596 AGREEMENT FOR INSTALLMENT PAYMENTS OF TAX
3-05-005-0597 PRIVATE TAXPAYER RULINGS; REQUEST; REVOCATION OR MODIFICATION; DEFINITION:

3-05-005-0500 ADMINISTRATION OF THIS CHAPTER; RULE MAKING:

A. The administration of this chapter is vested in the Tax Collector, except as otherwise specifically provided, and all payments shall be made to the Tax Collector.

B. The Tax Collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this chapter.

C. Except as provided in this section, no rule or regulation shall be adopted until approved by formal action of the City Council.

D. Reserved.

D. TAXPAYERS SHALL BE SUBJECT TO THE STATE TAXPAYER BILL OF RIGHTS (A.R.S. SECTION 42-2051 ET. SEQ).

E. The Unified Audit Committee shall publish uniform guidelines that interpret the Model City Tax Code and that apply to all cities and towns that have adopted the Model City Tax Code as provided by A.R.S. Section 42-6005.

(1) Prior to finalization of Uniform Guidelines that interpret the Model City Tax Code, the Unified Audit Committee shall disseminate draft guidelines for public comment.

(2) Pursuant to A.R.S. Section 42-6005(D), when the State statutes and Model City Tax Code are the same and where the Arizona Department of Revenue has ISSUED written guidance, the Department's interpretation is binding on cities and towns.

(Ord. 1924, 01/07/1997; Ord. No. 2004-25, Amended, 01/10/05)

3-05-005-0510 DIVULGING OF INFORMATION PROHIBITED; EXCEPTIONS ALLOWING DISCLOSURE:

A. Except as specifically provided, it shall be unlawful for any official or employee of the City to make known information obtained pursuant to this chapter concerning the business financial affairs or operations of any person.

B. The City Council may authorize an examination of any return or audit of a specific taxpayer made pursuant to this chapter by authorized agents of the Federal government, the State of Arizona, or any political subdivisions.

C. The Tax Collector may provide to an Arizona county, city, or town any information concerning any taxes imposed in this chapter relative to the taxing ordinances of that county, city, or town.

D. Successors, receivers, trustees, personal representatives, executors, guardians, administrators, and assignees, if directly interested, may be given information by the Tax Collector as to the items included in the measure and amounts of any unpaid tax, interest, and penalties required to be paid.

E. Upon a written direction by the City Attorney or other legal advisor to the City designated by the City Council, officials or employees of the City may divulge the amount and source of income, profits, leases, or expenditures disclosed in any return or report, and the amount of such delinquent and unpaid tax, penalty, or interest, to a private collection agency having a written collection agreement with the City.

F. The Tax Collector shall provide information to appropriate representatives of any Arizona city or town to comply with the provisions of Arizona Revised Statutes Section 42-6003, A.R.S. Section 42-6005 and A.R.S. Section 42-6056.

G. The Tax Collector may provide information to authorized agents of any other Arizona governmental agency involving the allocation of taxes imposed by Section 3-05-004-0435 upon publishing and distribution of periodicals.

H. The Tax Collector shall provide information regarding the enforcement and collection of taxes imposed by this Chapter to any governmental agency with which the City has an agreement.

(Ord. No. 2004-25, Amended, 01/10/05)

3-05-005-0515 DUTIES OF THE TAXPAYER PROBLEM RESOLUTION OFFICER~~R~~

A. The Taxpayer Problem Resolution Officer shall assist taxpayers in:

1. Obtaining easily understandable tax information and information on audits, corrections and appeals procedures of the City.

2. Answering questions regarding preparing and filing the returns required under this Chapter.

3. Locating documents filed with or payments submitted to the Tax Collector by the taxpayer.

B. The Taxpayer Problem Resolution Officer shall also:

1. Receive and evaluate complaints of improper, abusive or inefficient service by the Tax Collector or any of his designees, employees, or agents and recommend to the City Manager or, for a city without a city manager, the chief administrative officer appropriate action to correct such service.

2. Identify policies and practices of the Tax Collector or any of his designees, employees, or agents that might be barriers to the equitable treatment of taxpayers and recommend alternatives to the City Manager or, for a city without a city manager, the chief administrative officer.

3. Provide expeditious service to taxpayers whose problems are not resolved through normal channels.

4. Negotiate with the Tax Collector, his designees, employees, or agents to resolve the most complex and sensitive taxpayer problems.

5. Take action to stop or prohibit the tax collector from taking an action against a taxpayer.

6. Participate and present taxpayers' interests and concerns in meetings formulating the City's policies and procedures under and interpretation of this Chapter.

7. Compile data each year on the number and type of taxpayer complaints and evaluate the actions taken to resolve those complaints.

8. Survey taxpayers each year to obtain their evaluation of the quality of service provided by the Tax Collector, his designees, employees, and agents.

9. Perform other functions which relate to taxpayer assistance as prescribed by the City Manager or, for a city without a city manager, the chief administrative officer.

C. Actions taken by the Taxpayer Problem Resolution Officer may be reviewed and/or modified only by the City Manager or, for a city without a city manager, the chief administrative officer upon request of the Tax Collector or a taxpayer.

D. The Mayor and Council of the City shall be provided with a report quarterly which identifies:

1. Any complaints of improper, abusive or inefficient service received by the Taxpayer Problem Resolution Officer since the date of the last report.

2. Any recommendations made, action taken or surveys obtained by the Taxpayer Problem Resolution Officer pursuant to subsection B.1.-9., above, since the date of the last report.

(Ord. 1924, 01/07/97)

3-05-005-0516 TAXPAYER ASSISTANCE ORDERS

A. The Taxpayer Problem Resolution Officer, with or without a formal written request from a taxpayer, may issue a taxpayer assistance order that suspends or stays an action or proposed action by the Tax Collector if, in the problem resolution officer's determination, a taxpayer is suffering or will suffer a significant hardship due to the manner in which the Tax Collector is administering the tax laws.

B. A taxpayer assistance order may require the Tax Collector to release any lien perfected under this Chapter, or cease any action or refrain from taking any action to enforce against the taxpayer any section of this Chapter pending resolution of the issue giving rise to the taxpayer assistance order.

C. The Taxpayer Problem Resolution Officer, City Manager or, for a city without a city manager, the chief administrative officer may modify, reverse or rescind a taxpayer assistance order. A taxpayer assistance order is binding on the Tax Collector until it is reversed or rescinded.

D. The running of the applicable statute of limitations for any action that is the subject of a taxpayer assistance order is suspended from the date the taxpayer applies for the order or the date the order is issued, whichever is earlier, until the order's expiration date, modification date or recision date, if any. Interest that

would otherwise accrue on an outstanding tax obligation is not affected by the issuance of a taxpayer assistance order.

E. A taxpayer assistance order may not be used:

1. To contest the merits of a tax liability.

2. To substitute for informal protest procedures or administrative or judicial proceedings to review a deficiency assessment, collection action or denial of a refund claim.

(Ord. 1924, 01.07/97)

3-05-005-0517 BASIS FOR EVALUATING EMPLOYEE PERFORMANCE.

A. The Tax Collector shall solicit evaluations from taxpayers and include such evaluations in the performance appraisals of his employees, where applicable.

B. The Tax Collector shall not evaluate an employee on the basis of taxes assessed or collected by that employee.

(Ord. 1924, 01/07/97)

3-05-005-0520 REPORTING AND PAYMENT OF TAX.

A. Returns: The returns required under this Chapter shall be made upon forms prescribed or approved by the Tax Collector, and shall be considered filed only when the accuracy of the return has been attested to, by signature upon the form, by an authorized agent of the taxpayer, and when such form has been received by the Tax Collector.

B. Payment: If payment is made in any form other than United States legal tender, the tax obligation shall not be satisfied until the payment has been honored in funds.

C. Requirement of Security: If a taxpayer has remitted payment in the form of a check or other form of draw upon a bank or third party and such remittance has not been honored in funds, the Tax Collector may demand security for future payments.

D. Method of Reporting: Each taxpayer shall elect to report on either a cash receipts basis or an accrual basis and shall indicate the choice on the privilege license application. A taxpayer shall not change his reporting method without receiving prior written approval by the Tax Collector.

1. Taxpayers must report all gross income subject to the tax using the same basis of reporting.

2. Taxes imposed upon construction contracting shall be reported as follows:

    a. Construction contractors shall report on either a progressive billing ("accrual") basis or cash receipts basis.

    b. Speculative builders shall report the gross income derived from sale of improved real property at close of escrow or at transfer of title or possession, whichever occurs earlier.

    c. Owner-builders who are not speculative builders shall report taxable amounts as provided in Section 3-05-004-0417.

3-05-005-0530 WHEN TAX DUE; WHEN DELINQUENT; VERIFICATION OF RETURN; EXTENSIONS~~:~~

A. Except as provided elsewhere in this Section, the taxes shall be due and payable monthly on or before the twentieth (20th) day of the month next succeeding the month in which the tax accrues.

~~1. Quarterly returns. The Tax Collector may authorize a taxpayer whose reporting history indicates an estimated annual City privilege and use tax liability on taxable gross income in excess of five thousand dollars ($5,000.00) but less than fifty thousand dollars ($50,000.00) to file returns on a calendar-quarterly basis.~~

~~The taxes for each calendar quarter shall be due and payable on or before the twentieth (20th) day of the month next succeeding the end of each calendar quarter.~~

~~2. Annual returns. The Tax Collector may authorize a taxpayer whose reporting history indicates an estimated annual City privilege and use tax liability on taxable gross income of not more than five thousand dollars ($5,000.00) to file returns for such taxes on a calendar-annual basis. The taxes for each calendar year shall be due and payable on or before January 20 of the following year.~~

~~B. Special Requirements of Taxpayers Filing Quarterly or Annual Returns: No taxpayer may report on a quarterly or annual basis until he has established, to the Tax Collector's satisfaction, six (6) months reporting history. It is the taxpayer's responsibility to notify the Tax Collector and increase his reporting frequency (to quarterly or monthly as applicable) when his taxable income or tax due exceeds the maximum limits for his current reporting frequency. Failure to do so may be deemed negligence or evasion, and penalties may apply.~~

~~Failure to file returns timely, without good cause shown to the satisfaction of the Tax Collector, is sufficient cause for the Tax Collector to deny future filings by the taxpayer on a quarterly or annual basis.~~

B. ANY PERSON WHO IS ENGAGED IN OR CONDUCTING BUSINESS IN TWO OR MORE LOCATIONS OR UNDER TWO OR MORE BUSINESS NAMES SHALL FILE THE RETURN REQUIRED UNDER THIS CHAPTER BY ELECTRONIC MEANS.

~~C. Delinquency Date: Except as provided in subsection D. below, all returns and remittances received within the Tax Collector's office on or before the last business day of the month when due shall be regarded as timely filed. The start of business of the first business day following the month when due shall be the delinquency date. It shall be the taxpayer's responsibility to cause his return and remittance to be timely received. Mailing the return or remittance on or before the due date or delinquency date does not relieve the taxpayer of the responsibility of causing his return or remittance to be received by the last business day of the month when due.~~

C. THE DEPARTMENT, FOR ANY TAXPAYER WHOSE ESTIMATED ANNUAL LIABILITY FOR TAXES IMPOSED OR ADMINISTERED BY A.R.S. TITLE 42, CHAPTER 5, ARTICLE 1, OR A.R.S TITLE 42, CHAPTER 6, IS BETWEEN TWO THOUSAND DOLLARS AND EIGHT THOUSAND DOLLARS, SHALL AUTHORIZE SUCH TAXPAYER TO PAY SUCH TAXES ON A QUARTERLY BASIS. THE DEPARTMENT, FOR ANY TAXPAYER WHOSE ESTIMATED ANNUAL LIABILITY FOR TAXES IMPOSED OR ADMINISTERED BY A.R.S. TITLE 42, CHAPTER 5, ARTICLE 1, OR A.R.S. TITLE 42, CHAPTER 6, IS LESS THAN TWO THOUSAND DOLLARS SHALL AUTHORIZE SUCH TAXPAYER TO PAY SUCH TAXES ON AN ANNUAL BASIS.

D. DELINQUENCY DATE: THE TAXES LEVIED UNDER THIS CHAPTER WILL BE CONSIDERED DELINQUENT IN ACCORDANCE WITH A.R.S. SECTION 42-5014, AS FOLLOWS:

1. FOR TAXPAYERS THAT ARE REQUIRED OR ELECT TO FILE AND PAY ELECTRONICALLY IN ANY MONTH, IF NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE THE LAST BUSINESS DAY OF THE MONTH.

2. FOR ALL OTHER TAXPAYERS, IF NOT RECEIVED BY THE DEPARTMENT ON OR BEFORE THE BUSINESS DAY PRECEDING THE LAST BUSINESS DAY OF THE MONTH.

~~D~~E. Jeopardy Reporting: If the Tax Collector determines that the collection of any tax due to the City is in jeopardy, the Tax Collector may direct the taxpayer to file his return and remit the tax on a weekly, daily, or transaction-by-transaction basis. Such return and remittance shall be due upon the date fixed by the Tax Collector, and the "delinquency date" shall be the following day.

~~E~~F. Extensions: The Tax Collector may extend the time for filing a return, for good cause shown, and only when requested in writing and received by the Tax Collector prior to the tax due date. However, the time for filing such return shall not be extended beyond the last business day of the month next succeeding the due date of such return. In such cases, only the penalties for late filing and late payment may be waived by the Tax Collector for filing and payment within the extension period. Notwithstanding the granting of an extension, the interest payable for late payment of taxes shall be paid for the period commencing upon the original delinquency date and ending on the date the tax is paid. The interest may not be waived by the Tax Collector.

(Ord. 1851, 01/03/95) (Revised, Ordinance No. 2006-19, 08/01/2006)

3-05-005-0540 INTEREST AND CIVIL PENALTIES~~:~~

A. Any taxpayer who failed to pay any of the taxes imposed by this Chapter which were due or found to be due before the delinquency date shall be subject to and shall pay interest upon such tax, until paid. From and after October 1, 2005, the interest rate shall be determined in the same manner and at the same times as prescribed by Section 6621 of the United States Internal Revenue Code and compounded annually under the method described in Subsection 1 below. The rate of interest for both overpayments and underpayments for all taxpayers is the federal short-term rate, determined pursuant to Section 6621(b) of the Internal Revenue code, plus three percentage points. The interest rate prior to October 1, 2005 shall be one percent (1.0%) per month. Said interest may be neither waived by the Tax Collector nor abated by the Hearing Officer except as it might relate to a tax abated as provided by Section 3-05-005-0570.

1. On January 1 of each year any interest outstanding as of that date that was accrued from and after October 1, 2005 is thereafter considered a part of the principal amount of the tax and accrues interest pursuant to this section.

2. Interest accrued prior to October 1, 2005 shall not be added to the principal.

B. In addition to interest assessed under subsection A. above, any taxpayer who failed to pay any of the taxes imposed by this Chapter which were due or found to be due before the delinquency date shall be subject

to and shall pay any or all of the following civil penalties, in addition to any other penalties prescribed by this Chapter:

1. A taxpayer who fails to timely file a return for a tax imposed by this Chapter shall pay a penalty of five percent (5%) of the tax for each month or fraction of a month elapsing between the delinquency date of the return and the date on which it is filed, unless the taxpayer shows that the failure to timely file is due to reasonable cause and not due to wilful neglect. This penalty shall not exceed twenty-five percent (25%) of the tax due.

2. A taxpayer who fails to pay the tax within the time prescribed shall pay a penalty of ten percent (10%) of the unpaid tax, unless the taxpayer shows that the failure to timely pay is due to reasonable cause and not due to wilful neglect. If the taxpayer is also subject to a penalty under subsection B.1. above for the same period, the total penalties under subsection B.1.and this subsection shall not exceed twenty five percent (25%) of the tax due.

3. A taxpayer who fails or refuses to file a return within thirty (30) days of having received a written notice and demand from the Tax Collector shall pay a penalty of twenty five percent (25%) of the tax, unless the taxpayer shows that the failure is due to reasonable cause and not due to wilful neglect or the Tax Collector agrees to a longer time period.

4. If the cause of a tax deficiency is determined by the Tax Collector to be due to negligence, but without regard for intent to defraud, the taxpayer shall pay a penalty of ten percent (10%) of the amount of deficiency. If the taxpayer is also subject to a penalty under subsection B.1. or B.2. above for the same tax period, the total penalties imposed under subsection B.1., B.2. and this subsection shall not exceed twenty-five percent (25%) of the tax due.

5. If the cause of a tax deficiency is determined by the Tax Collector to be due to civil fraud or evasion of the tax, the taxpayer shall pay a penalty of fifty percent (50%) of the amount of deficiency.

C. Penalties and interest imposed by this Section are due and payable upon notice by the Tax Collector.

D. If, following an audit, penalties attributable to the audit period are to be assessed pursuant to subsection B.1. or B.2. above, the Tax Collector, before assessing such penalties, must take into consideration any information or explanations provided by the taxpayer as to why the return was not timely filed and/or the tax was not timely paid. If such information and/or explanations are provided by the taxpayer, and the Tax Collector ~~never the less~~ NEVERTHELESS decides to assess penalties pursuant to subsection B.1. ~~and~~ OR B.2. above,

then, at the time the penalties are assessed, the Tax Collector must provide the taxpayer with a detailed written explanation of the basis for the Tax Collector's determination that the information and/or explanations provided by the taxpayer did not constitute reasonable cause.

E. The assessment of the penalties prescribed by subsection B.3. through B.5. above must be approved on a case-by-case basis by the Tax Collector prior to such assessment. In addition, any assessment which includes penalties based upon subsection B.3., B.4., or B.5. above must be accompanied by a statement signed by the Tax Collector setting forth in detail the basis for the Tax Collector's determination that the penalties are warranted under the circumstances.

F. The Tax Collector shall waive or adjust penalties imposed by subsections B.1. and B.2. above upon a finding that:

1. In the past, the taxpayer has consistently filed and paid the taxes imposed by this Chapter in a timely manner; or

2. The amount of the penalty is greatly disproportionate to the amount of the tax; or

3. The failure of a taxpayer to file a return and/or pay any tax by the delinquency date was caused by any of the following circumstances which must occur prior to the delinquency date of the return or payment in question:

a. The return was timely filed but was inadvertently forwarded to another taxing jurisdiction.

b. Erroneous or insufficient information was furnished the taxpayer by the Tax Collector or his employee or agent.

c. Death or serious illness of the taxpayer, member of his immediate family, or the preparer of the reports immediately prior to the due date.

d. Unavoidable absence of the taxpayer immediately prior to the due date.

e. Destruction, by fire or other casualty, of the taxpayer's place of business or records.

f. Prior to the due date, the taxpayer made application for proper forms which could not be furnished in sufficient time to permit a timely filing.

g. The taxpayer was in the process of pursuing an active protest of the tax in question in another taxing jurisdiction at the time the tax and/or return was due.

h. The taxpayer establishes through competent evidence that the taxpayer contacted a tax advisor who is competent on the specific tax matter and, after furnishing necessary and relevant information, the taxpayer was incorrectly advised that no tax was owed and/or the filing of a return was not required.

i. The taxpayer has never been audited by a city for the tax or on the issue in question and relied, in good faith, on a State exemption or interpretation.

j. The taxpayer can provide some public record (court case, report in a periodical, professional journal or publication, etc.) stating that the transaction is not subject to tax.

k. The Arizona Department of Revenue, based upon the same facts and circumstances, abated penalties for the same filing period.

A taxpayer may also request a waiver or adjustment of penalty for a reason thought to be equally substantive to those reasons itemized above. All requests for waiver or adjustment of penalty must be in writing and shall contain all pertinent facts and other reliable and substantive evidence to support the request. In all cases, the burden of proof is upon the taxpayer.

G. No request for waiver of penalty under subsection F. above may be granted unless written request for waiver is received by the Tax Collector within forty-five (45) days following the imposition of penalty. Any taxpayer aggrieved by the refusal to grant a waiver under subsection F. above may appeal under the provisions of Section 3-05-005-0570 provided that a petition of appeal or request for an extension is submitted to the Tax Collector within forty-five (45) days of the taxpayer's receipt of notice by the City that waiver has been denied.

H. For the purpose of this Section, "reasonable cause" shall mean that the taxpayer exercised ordinary business care and prudence, i.e., had a reasonable basis for believing that the tax did not apply to the business activity or the storage or use of the taxpayer's tangible personal property in this City.

I. For the purpose of this Section, "negligence" shall be characterized chiefly by inadvertence, thoughtlessness, inattention, or the like, rather than an "honest mistake". Examples of negligence include:

1. The taxpayer's failure to maintain records in accordance with Division 3-05-003 of this Chapter.

2. Repeated failures to timely file returns; or

3. Gross ignorance of the law.

(Ord. 1924, 01/07/97) (Revised, Ordinance No. 2006-19, 08/01/2006)

3-05-005-0541 ERRONEOUS ADVICE OR MISLEADING STATEMENTS BY THE TAX COLLECTOR; ABATEMENT OF PENALTIES AND INTEREST; DEFINITION

A. Notwithstanding Section 3-05-005-0540 A., no interest or penalty may be assessed on an amount assessed as a deficiency if either:

1. The deficiency assessed is directly attributable to erroneous written advice furnished to the taxpayer by an employee of the City acting in an official capacity in response to a specific request from the taxpayer and not from the taxpayer's failure to provide adequate or accurate information.

2. All of the following are true:

a. A tax return form prepared by the Tax Collector contains a statement that, if followed by a taxpayer, would cause the taxpayer to misapply this Chapter.

b. The taxpayer reasonably relies on the statement.

c. The taxpayer's underpayment directly results from this reliance.

B. Each employee of the Tax Collector, at the time any oral advice is given to any person, shall inform the person that the Tax Collector is not bound by such oral advice.

C. For purposes of this Section "tax return form" includes the instructions that the Tax Collector prepares for use with the tax return form.

(Ord. 1924, 01/07/97)

3-05-005-0542 PROSPECTIVE APPLICATION OF NEW LAW OR INTERPRETATION OR APPLICATION OF LAW

A. Unless expressly authorized by law, the tax collector shall not apply any newly enacted legislation retroactively or in a manner that will penalize a taxpayer for complying with prior law.

B. If the tax collector adopts a new interpretation or application of any provision of this chapter or determines that any provision applies to a new or additional category or type of business and the change in interpretation or application is not due to a change in the law:

(1) The change in interpretation or application applies prospectively only unless it is favorable to taxpayers.

(2) The tax collector shall not assess any tax, penalty or interest retroactively based on the change in interpretation or application.

C. For purposes of subsection Subsection B, "New Interpretation or Application" includes policies and procedures which differ from established interpretations of this chapter.

D. Reserved.

(Ord. No. 2004-25, Amended, 01/10/05); (Amended, Ordinance No. 2006-19, 08/01/2006)

3-05-005-0545 DEFICIENCIES; WHEN INACCURATE RETURN IS FILED; WHEN NO RETURN IS FILED; ESTIMATES~~:~~

A. If the taxpayer has failed to file a return, or if the Tax Collector is not satisfied with the return and payment of the amount of tax required, and additional taxes are determined by the Tax Collector to be due, the Tax Collector shall deliver written notice of his determination of a deficiency to the taxpayer, and such deficiency, plus penalties and interest, shall be due and payable forty-five (45) days after receipt of the notice and demand. Such additional taxes shall bear any applicable civil penalties and interest as provided in Section 3-05-005-0540, and every such notice of a determination of an additional amount due shall be assessed within the limitation period provided in Section 3-05-005-0550.

1. When a return is filed. If the Tax Collector is not satisfied with a return and payment of the amount of tax required by this Chapter to be paid to the City, he may examine the return or examine the records of the taxpayer, and redetermine the amount of tax, penalties, and interest required to be paid, for any periods available to the Tax Collector under Section 3-05-005-0550, based upon the information contained in the return or records or based upon any information within his possession or which comes into his possession.

2. When no return is filed. If any person fails to make a return, the Tax Collector may make an estimate of the amount of tax due under this Chapter and compute any applicable penalties and interest due, based upon any information within his possession or which comes into his possession.

B. Estimates by the Tax Collector. Any estimate made by the Tax Collector is to be made on a reasonable basis. The existence of another reasonable basis of estimation does not, in any way, invalidate the Tax Collector's estimate. It is the responsibility of the taxpayer to prove that the Tax Collector's estimate is not reasonable and correct, by providing sufficient documentation of the type and form required by this chapter or satisfactory to the Tax Collector.

(Ord. 1491, 06/16/1987)

3-05-005-0546 CLOSING AGREEMENTS IN CASES OF EXTENSIVE TAXPAYER MISUNDERSTANDING OR MISAPPLICATION; ~~CITY ATTORNEY~~ APPROVAL; RULES~~:~~

A. If the Tax Collector determines that noncompliance with tax obligations results from extensive misunderstanding or misapplication of provisions of this Chapter it may enter into closing agreements with those taxpayers under the following terms and conditions:

1. Extensive misunderstanding or misapplication of the tax laws occurs if the Tax Collector determines that more than sixty percent (60%) of the persons in the affected class have failed to properly account for their taxes owing to the same misunderstanding or misapplication of the tax laws.

2. The Tax Collector shall publicly declare the nature of the possible misapplication and the proposed definition of the class of affected taxpayers and shall conduct a public hearing to hear testimony regarding the extent of the misapplication and the definition of the affected class.

3. If, after the public hearing, the Tax Collector determines that a class of affected taxpayers has failed to comply with their tax obligations because of extensive misunderstanding or misapplication of the tax laws it shall issue a tax ruling announcing that finding and publish the ruling in a newspaper of general circulation in the City and through the next two model city tax code updates.

4. A closing agreement under this Section may abate some or all of the penalties, interest and tax that taxpayers have failed to remit, or the agreement may provide for the prospective treatment of the matter as to the class of affected taxpayers. All taxpayers in the class shall be offered the opportunity to enter into a similar agreement for the same tax periods.

5. Taxpayers in the affected class who have properly accounted for their tax obligations for these tax periods shall be offered the opportunity to enter into an equivalent closing agreement providing for a pro rata credit or refund of their taxes previously paid.

6. The closing agreement shall require the taxpayers to properly account for and pay such taxes in the future. If a taxpayer fails to adhere to such a requirement, the closing agreement is voidable by the Tax Collector and he may assess the taxpayer for the delinquent taxes. The Tax Collector may issue such a proposed assessment within six months after the date that he declares that closing agreement void or within the period prescribed by section 3-05-005-0550 of this Chapter.

B. Before entering into closing agreements pursuant to this Section, the Tax Collector shall secure such approval as required by charter, ordinance or administrative regulation.

C. After a closing agreement has been signed pursuant to this Section, it is final and conclusive except on a showing of fraud, malfeasance or misrepresentation of a material fact. The case shall not be reopened as to the matters agreed upon or the agreement shall not be modified by any officer, employee or agent of the City. The agreement or any determination, assessment, collection, payment abatement, refund or credit made pursuant to the agreement shall not be annulled, modified, set aside or disregarded in any suit, action or proceeding.

D. The Tax Collector shall report in writing its activities under this Section to the Mayor and City Council on or before February 1 of each year.

(Ord. 1924, 01/07/97)

3-05-005-0550 LIMITATION PERIODS:

A. Limitation when a return has been filed:

1. Except as provided elsewhere in this Section, the Tax Collector may assess additional tax due at any time within four (4) years after the date on which the return is required to be filed, or within four (4) years after the date on which the return is filed, whichever period expires later.

2. However, if a taxpayer does not report an amount properly reportable which is in excess of twenty-five percent (25%) of the taxable amount stated on the return, the Tax Collector may assess additional tax due at any time within six (6) years after the date on which the return was filed.

3. Any delay in commencement or completion of any examination by the Tax Collector, which is requested or agreed to in writing by the taxpayer, shall be excluded from the computation of any limitation period prescribed by this Section, and the Tax Collector shall be entitled to make a determination for taxes due without exclusion of any such time period, and any limitation period shall be extended for a length of time equivalent to the period of the agreed upon delay.

4. Any assessment of additional tax due by the Tax Collector shall be deemed to have been made by mailing a copy of a notice of audit assessment by certified mail to the taxpayer's address of record with the Tax Collector or by personal delivery of a copy of a notice of audit assessment to the taxpayer or his authorized agent.

B. Suspension of Limitation Period: The limitation period on assessment shall be suspended for any period:

1. The assets of the taxpayer are in the control or custody of the court in any proceeding before any court of jurisdiction within the United States of America, and for one hundred eighty (180) calendar days thereafter; or

2. Which the taxpayer and the Tax Collector agree upon in writing.

C. When No Return Filed; Fraudulent Return: In the case of a fraudulent return with the intent to evade tax, or the failure or refusal to file a return for any month, the Tax Collector may assess the amount of taxes payable for that month at any time, without any reliance by the taxpayer upon any time limitation provided elsewhere in this Chapter.

D. Special Provisions Relating to Owner-Builders: The limitation for an owner-builder subject to the tax as prescribed in Section 3-05-004-0417 shall be based upon the date such tax liability is reportable or was reported, as provided in Section 3-05-004-0417.

(Ord. 1924, 01/07/97)

3-05-005-0553 EXAMINATION OF TAXPAYER RECORDS; JOINT AUDITS

A. Waiver of joint audit. A taxpayer that does not authorize a joint audit to be conducted for a tax jurisdiction is subject to audit by that tax jurisdiction at any time subject to the limitation provisions provided in Section 03-05-005-0550.

B. Tax jurisdiction acceptance of joint audit. If the Arizona Department of Revenue intends to conduct an audit of a taxpayer, the cities or towns for whom a joint audit is being conducted may accept the audit by the Arizona Department of Revenue or may elect to have a representative participate, provided that no more than two city or town representatives in total may participate.

(1) If a city or town does not accept the audit as a joint audit, the city or town may not conduct an audit of the taxpayer for forty-two months from the close of the last tax period covered by the audit unless an exception applies to that taxpayer pursuant to A.R.S. Section 42-2059.

(2) If a joint audit is performed by a city or town, the Arizona Department of Revenue is not prohibited from conducting an audit that does not violate the provisions of A.R.S. Section 42-2059.

(Ord. No. 2004-25, Amended, 01/10/05)

3-05-005-0555 TAX COLLECTOR MAY EXAMINE BOOKS AND OTHER RECORDS; FAILURE TO PROVIDE RECORDS:

A. The Tax Collector may require the taxpayer to provide and may examine any books, records, or other documents of any person who, in the opinion of the Tax Collector, might be liable for any tax under this Chapter, for any periods available to him under Section 3-05-005-0550.

B. In order to perform any examination authorized by this Chapter, the Tax Collector may issue an administrative request for the attendance of witnesses or for the production of documents, as provided by regulation.

C. If within sixty (60) days of receiving a written request for information in the possession of the taxpayer, the taxpayer fails or refuses to furnish the requested information the Tax Collector may, in addition to penalties prescribed under Section 3-05-005-0540, impose an additional penalty of twenty-five percent (25%) of the amount of any tax deficiency which is attributable to the information which the taxpayer failed to provide, unless the taxpayer shows that the failure is due to reasonable cause and not due to wilful neglect.

D. The Tax Collector may use any generally accepted auditing procedures, including sampling techniques, to determine the correct tax liability of any taxpayer. The Tax Collector shall ensure that the procedures used are in accordance with generally accepted auditing standards.

E. The fact that the taxpayer has not maintained or provided such books and records which the Tax Collector considers necessary to determine the tax liability of any person does not preclude the Tax Collector from

making any assessment. In such cases, the Tax Collector is authorized to use estimates, projections, or samplings, to determine the correct tax. The provisions of Section 3-05-005-0545 B., concerning estimates, shall apply.

F. The Tax Collector shall give the taxpayer written notice of his determination of a deficiency by certified mail to the taxpayer's address of record with the Tax Collector, and the tax deficiency, plus interest and penalties, is final forty-five (45) days from the date of receipt of the notice by the taxpayer, unless an appeal is taken pursuant to the provisions of Section 3-05-005-0570 through 3-05-005-0575.

(Ord. 1924, 01/07/97)

3-05-005-0556 NO ADDITIONAL AUDITS OR PROPOSED ASSESSMENTS; EXCEPTIONS~~:~~

(a) Once the Tax Collector completes an examination authorized by Section ~~3-5-555~~ 3-05-005-555 and a written notice of the determination of a deficiency has been issued to the taxpayer pursuant to Section ~~3-5-545(a) or 3-5-555(f)~~ 3-05-005-0545(A) OR 3-05-005-0555(F), the taxpayer's liability for the time period subjected to the examination is fixed and determined, and no additional audit or examination may be conducted by the Tax Collector with respect to such time period except under the following circumstances.

(1) if a taxpayer files a claim for refund under Section ~~3-5-560~~ 3-05-005-0560, the Tax Collector may conduct an examination limited to the issues presented in the refund claim.

(2) if the taxpayer failed to disclose material information during the initial examination, falsified books or records, or otherwise engaged in conduct which prevented the Tax Collector from conducting an accurate examination. The applicability of this subsection, and the Tax Collector's right to proceed thereunder, may be raised and contested by the taxpayer in a subsequent administrative review brought pursuant to Section ~~3-5-570~~ 3-05-005-0570.

(b) An audit or examination conducted by any other taxing jurisdiction will not preclude the Tax Collector from conducting an audit or examination for the same time period.

(c) If the Tax Collector issues a notice of deficiency pursuant to either Section ~~3-5-545(a)~~ 3-05-005-0545(A) or Section ~~3-5-555(f)~~ 3-05-005-0555(F), the Tax Collector may not increase the proposed deficiency except in one or more of the following circumstances:

(1) the taxpayer made a material misrepresentation of fact.

(2) the taxpayer failed to disclose a material fact.

(3) the Tax Collector submitted a written request for information prior to issuance of the assessment, and the taxpayer, despite possessing or having access to such information, failed to provide it within 60 days as required by Section ~~3-5-555(c)~~ 3-05-005-0555(C).

(4) after issuing the notice of determination of deficiency but before the deficiency became final, the Arizona Tax Court, Court of Appeals or Supreme Court issued a decision, the applicability of which causes the deficiency initially proposed to increase.

(Ord. 1924, 01/07/97; Ord. 1979, 10/06/98); (Ord. No. 1979, Amended, 10/06/98)

3-05-005-0560 ERRONEOUS PAYMENT OF TAX; CREDITS AND REFUNDS; LIMITATIONS

A. The Tax Collector may authorize either credits or payments of refunds for any taxes, penalties or interest paid in excess of the amount actually due. Any credit authorized by the Tax Collector shall be cancelled from the accounts of the City if no timely filed request for credit or refund is made by the claimant claiming same within one (1) year following the date of determination and notice by the Tax Collector of the excess payment. For purposes of this section, "claimant" means a taxpayer that has paid a tax imposed under this ~~article~~ DIVISION and has submitted a credit or refund claim under this Section. Except where the taxpayer has granted a customer a power of attorney to pursue a credit or refund claim on the taxpayer's behalf, claimant does not include any customer of such taxpayer, whether or not the claimant collected the tax from customers by separately stated itemization.

B. No credit shall be allowed or refund paid except under one of the following conditions:

1. As provided in Section 3-05-005-0565.

2. Upon examination of filed returns for any period not excluded by Section 3-05-005-0550, and not to exceed the tax, penalty, or interest actually paid with such returns.

3. Upon audit or other examination of the books and records of the taxpayer, but only for periods as provided in Section 3-05-005-0550. In the case of an examination performed at the taxpayer's request, credit shall be allowed or refund paid only for any excess taxes, penalties, or interest taxes actually paid within the limitation period provided in Section 3-05-005-0550, such period to be calculated from the date of receipt of the taxpayer's request by the Tax Collector. Requests by taxpayers for audits to

authorize credits shall be honored unless, in the opinion of the Tax Collector, the taxpayer has made excessive requests for audits.

4. Upon the claimant's submission of a written claim for credit or refund of any taxes, penalties, or interest paid to the City by the claimant.

C. A credit or refund claim submitted by a claimant pursuant to subsection ~~(b)(4)~~ B.4. of this section must:

1. Identify the name, address and city tax identification number of the taxpayer; and

2. Identify the dollar amount of the credit or refund requested; and

3. Identify the specific tax period involved; and

4. Identify the specific grounds upon which the claim is based.

D. When a written claim for credit or refund is submitted pursuant to subsection ~~(b)(4)~~ B.4. of this section, no credit shall be allowed or refund paid except for those taxes, penalties, or interest paid in excess of the amount due within the limitation period provided in Section ~~3-5-550~~ 3-05-005-0550. The credit or refund limitation period shall be calculated from the date the Tax Collector receives the claimant's written claim meeting the requirements of subsection ~~(c)~~ C of this Section.

E. The following additional requirements apply to the Tax Collector and the claimant for claims for credit or refund submitted pursuant to subsection ~~(b)(4)~~ B.4. of this Section:

1. The Tax Collector shall notify the claimant that the claim for credit or refund has been received and shall indicate whether the claim meets the requirements of subsection ~~(c)~~ C of this Section. If the claim does not meet the requirements of subsection ~~(c)~~ C of this Section, the Tax Collector shall identify the deficiency in writing. Any claim that does not meet the requirements of subsection ~~(c)~~ C of this Section shall not secure the limitation period pursuant to Section ~~3-5-550~~ 3-05-005-0550.

2. The Tax Collector may request, in writing, additional information or documentation from the claimant to support the requested credit or refund. Such information or documentation must be reasonably related to the claim and required to be maintained under this Chapter in the normal course of business.

a. The claimant may request in writing one or more extensions to supply the requested information or documentation. The Tax Collector may reject an extension request only by denying the claim in whole or in part, subject to appeal by the claimant pursuant to Section ~~3-5-570~~ 3-05-005-0570.

b. A claimant aggrieved by a request for information or documentation under this subsection may file an appeal in the manner provided for in Section ~~3-5-570~~ 3-05-005-0570 regarding the scope of the request for information or documentation. Such petition must be filed no later than the last day by which requested information or documentation must be provided to the Tax Collector, including any extensions. The decision of the Hearing Officer regarding a request for information or documentation may not be appealed by either party until the claim has been approved or denied, in whole or in part, under subsection ~~(h)~~ H of this Section or through subsubsections ~~(e)(3)~~ E.3. or ~~(e)(4)~~ E.4. of this Section. A claimant shall not be barred from raising the issue of the reasonableness of the Tax Collector's information or documentation request in an appeal filed under subsection ~~(h)~~ H of this Section or through subsubsections ~~(e)(3)~~ E.3. or ~~(e)(4)~~ E.4. of this Section through a lack of filing a petition under this subsubsection.

3. If the Tax Collector fails to request additional information or documentation pursuant to this Section and fails to issue a determination on any claim for credit or refund within six (6) months after the claim is filed, the claimant may consider the claim denied and may file an appeal pursuant to Section ~~3-5-570~~ 3-05-005-0570.

4. If the Tax Collector fails to issue a determination within six (6) months of receiving all requested additional information or documentation, the claimant may consider the claim for credit or refund denied and may file an appeal pursuant to Section ~~3-5-570~~ 3-05-005-0570.

5. The burden of proof to show that a notice, request, determination or other communication was received by the Claimant in this Section is on the Tax Collector, and will be satisfied by receipt of notice. The burden of proof to show that a claim or additional information or documentation was received by the Tax Collector is on the claimant and will be satisfied by receipt of notice.

F. Interest shall be allowed on the overpayment of tax for any credit or refund authorized pursuant to ~~subsections (b)(3) or (b)(4) of~~ this Section at the rate and in the manner set forth in Section ~~3-5-540(a) as follows:~~ 3-05-005-0540(A). INTEREST SHALL BE CALCULATED FROM THE DATE THE TAX COLLECTOR

RECEIVES THE CLAIMANT'S WRITTEN CLAIM MEETING THE REQUIREMENTS OF SUBSECTION C OF THIS SECTION.

~~1. For credits or refunds authorized pursuant to subsection (b)(3) of this Section, interest shall be calculated from the date the Tax Collector receives the claimant's written claim following the date of notice to the claimant authorizing the credit or refund.~~

~~2. For credits or refunds authorized pursuant to subsection (b)(4) of this Section, interest shall be calculated from the date the Tax Collector receives the claimant's written claim meeting the requirements of subsection (c) of this Section.~~

G. The Tax Collector shall give the claimant a written notice of determination for a claim made under subsection ~~(b)~~ B of this Section. If the determination is a denial of a claim, in whole or in part, the determination must state that the claim for credit or refund has been denied in whole or in part, with the reason for denial, and must include the claimant's rights of appeal pursuant to Section ~~3-5-570~~ 3-05-005-0570.

H. A determination by the Tax Collector under this section, whether an approval of a claim or a denial of a claim, in whole or in part, shall become final forty-five (45) days from the date of receipt of the notice by the claimant, unless an appeal is made pursuant to Section 3-05-005-0570. If the claimant is the prevailing party in an appeal of a determination under this section, Section 3-05-005-0578 shall apply, except that reasonable fees and other costs may be awarded either by the Hearing Officer or court and are not subject to the monetary limitations of ~~Section~~ SUBSECTION 3-05-005-0578(E) if the Tax Collector's position was not substantially justified or was brought for the purpose of harassing the claimant, frustrating the credit or refund process or delaying the credit or refund. For the purposes of this section, "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, not to exceed the amounts actually paid for expert witnesses, the cost of any study, analysis, report, test, project or computer program that is found to be necessary to prepare the claimant's case and necessary fees for attorneys or other representatives.

I. The amendments to this section as enacted in Ordinance No. 2006-19 shall be effective as follows:

1. For any claim for refund or credit received by the Tax Collector before October 1, 2005,

a. The provisions of this section as it existed prior to the adoption of Ordinance No. 2006-19 shall apply, except that interest shall be allowed from and after October 1, 2005 as provided in subsection ~~(~~F~~)~~ of this section as enacted by Ordinance No. 2006-19.

b. Except as noted in subsection ~~(I)(1)(a) of this section~~ I.1.A. ABOVE, the amendments to this section as enacted in Ordinance No. 2006-19 shall not be cited or considered in the construction or the interpretation of the City tax refund or credit provisions, interest provisions, or appeal provisions in effect prior to October 1, 2005.

2. The provisions of this section enacted by Ordinance No. 2006-19 shall apply to all claims for refund or credit, for any periods as determined by subsection ~~(~~D~~)~~ or ~~(~~E~~)~~ of this section, received by the Tax Collector from and after October 1, 2005, except for claims that, in whole or in part, had been received by the Tax Collector prior to October 1, 2005.

J. Any refund paid under the provisions of this section shall be paid from the Privilege Tax revenue accounts.

(Ord. 1924, 01/07/1997; Ord. 2006-18, Amended, 08/01/2006)

3-05-005-0565 PAYMENT OF TAX BY THE INCORRECT TAXPAYER OR TO THE INCORRECT ARIZONA CITY OR TOWN~~:~~

A. When it is determined that taxes have been reported and paid to the City by the wrong taxpayer, any taxes erroneously paid shall be transferred by the City to the privilege tax account of the person who actually owes and should have paid such taxes; provided, that the City receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax.

B. An assignment and waiver provided under this section must:

1. Identify the name and City privilege license number of the person who erroneously paid the tax and the person who should have paid the tax.

2. Provide that the person who erroneously paid the tax waives any right such person may have to a refund of the taxes erroneously paid.

3. Authorize the City Treasurer to transfer the erroneously paid tax to the privilege tax account of the person who should have paid the tax.

C. When it is determined that taxes have been reported and paid to the wrong Arizona city or town, such taxes shall be remitted to the correct city or town, provided that the city or town to whom the taxes were erroneously paid receives an assignment and waiver signed by both the person who actually paid the tax and the person who should have paid the tax. Where the person who actually paid the tax and the person who

should have paid the tax are one and the same, no assignment and waiver need be provided. The City shall neither pay nor charge any interest or penalty on any overpayment or underpayment except such interest and penalty actually paid by the taxpayer relating to such tax.

D. This section in no way limits or restricts the applicability of any remedies which may otherwise be available under A.R.S. Section 42-6003. The limitations and procedures set forth in A.R.S. Section 42-6003 shall apply to all payments under this section.

E. When reference is made in this section to this City or an Arizona city or town, and payments made to or requested from this City or an Arizona city or town, the provisions shall be applicable to the Arizona Department of Revenue when it is acting for or on behalf of this City or an Arizona city or town.

(Ord. 1924, 01/07/1997; Ord. 2007-28, Amended, 05/01/2007)

3-05-005-0567 RESERVED~~:~~

3-05-005-0570 ADMINISTRATIVE REVIEW; PETITION FOR HEARING OR FOR REDETERMINATION; FINALITY OF ORDER

For the purposes of this section, "Municipal Tax Hearing Office" means the administrative offices of the Municipal Tax Hearing Officer.

A. Informal Conference. A taxpayer shall have the right to discuss any proposed assessment with the auditor prior to the issuance of any assessment, but any such informal conference is not required for the taxpayer to file a petition for administrative review.

B. Administrative Review.

1. Filing a Petition. Other than in the case of a jeopardy assessment, a taxpayer may contest the applicability or amount of any tax, penalty, or interest imposed upon or paid by him pursuant to this chapter by filing a petition for a hearing or for redetermination with the Tax Collector as set forth below:

a. Within forty-five (45) days of receipt by the taxpayer of notice of a determination by the Tax Collector that a tax, penalty, or interest amount is due, or that a request for refund or credit has been denied; or

b. By voluntary payment of any contested amount when accompanied by a timely filed return and a petition requesting a refund of the protested portion of said payment; or

c. By petition accompanying a timely filed return contesting an amount reported but not paid; or

d. By petition requesting review of denial of waiver of penalty as provided in Section 3-05-005-0540(G).

2. Extension to file a petition. In all cases, the taxpayer may request an extension from the Tax Collector. Such request must be in writing, state the reasons for the requested delay and must be filed with the Tax Collector within the period allowed above for originally filing a petition. The Tax Collector shall allow a forty-five (45) day extension to file a petition, when such written request has been properly and timely made by the taxpayer The Tax Collector may grant an additional extension and may determine the corresponding time of any such extension at his sole discretion.

3. Requirements for petition.

a. The petition shall be in writing and shall set forth the reasons why any correction, abatement, or refund should be granted, and the amount of reduction or refund requested. The petition may be amended at any time prior to the time the taxpayer rests his case at the hearing or such time as the Hearing Officer allows for submitting of amendments in cases of redeterminations without hearings. The Hearing Officer may require that amendments be in writing, and in that case, he shall provide a reasonable period of time to file the amendment. The Hearing Officer shall provide a reasonable period of time for the Tax Collector to review and respond to the petition and to any written amendments.

b. The taxpayer, as part of the petition, may request a hearing which shall be granted by the Hearing Officer. If no request for hearing is made the petition shall be considered to be submitted for decision by the Hearing Officer on the matters contained in the petition and in any reply made by the Tax Collector.

~~d~~C. The provisions of this section are exclusive, and no petition seeking any correction, abatement, or refund shall be considered unless the petition is timely and properly filed under this Section.

4. Transmittal to Hearing Officer. The city/TOWN shall designate a Hearing Officer, who may be other than an employee of the City. The Tax Collector, if designated to receive petitions, shall forward any petition to the Municipal Tax Hearing ~~Office (MTHO)~~ OFFICER within twenty (20) days after receipt,

accompanied by documentation as to timeliness. In cases where the Hearing Officer determines that the petition is not timely or not in proper form, he shall notify both the taxpayer and the Tax Collector; and in cases of petitions not in proper form only, the Hearing Officer shall provide the taxpayer with an extension up to forty-five (45) days to correct the petition.

5. Hearings shall be conducted by a Hearing Officer and shall be continuous until the Hearing Officer closes the record. The taxpayer may be heard in person or by his authorized representative at such hearing. Hearings shall be conducted informally as to the order of proceeding and presentation of evidence. The Hearing Officer shall admit evidence over hearsay objections where the offered evidence has substantial probative value and reliability. Further, copies of records and documents prepared in the ordinary course of business may be admitted, without objection as to foundation, but subject to argument as to weight, admissibility, and authenticity. Summary accounting records may be admitted subject to satisfactory proof of the reliability of the summaries. In all cases, the decision of the Hearing Officer shall be made solely upon substantial and reliable evidence. All expenses incurred in the hearing shall be paid by the party incurring the same.

6. Redeterminations upon a "petition for redetermination" shall follow the same conditions, except that no oral hearing shall be held.

7. Hearing Ruling. In either case, the Hearing Officer shall issue his ruling not later than forty-five (45) days after the close of the record by the Hearing Officer.

8. Notice of Refund or Adjusted Assessment. Within sixty (60) days of the issuance of the Hearing Officer’s decision, the Tax Collector shall issue to the taxpayer either a notice of refund or an adjusted assessment recalculated to conform to the Hearing Officer’s decision.

C. Stipulations that future tax is also protested. A taxpayer may enter into a stipulation with the Tax Collector that future taxes of similar nature are also at issue in any protest or appeal. However, unless such stipulation is made, it is presumed that the protest or appeal deals solely and exclusively with the tax specifically protested and no other. When a taxpayer enters into such a stipulation with the Tax Collector that future taxes of similar nature will be included in any redetermination, hearing, or court case, it is the burden of that taxpayer to identify, segregate, and keep record of such income or protested taxable amount in his books and records in the same manner as the taxpayer is required to segregate exempt income.

D. When an assessment is final.

1. If a request for administrative review and petition for hearing or redetermination of an assessment made by the Tax Collector is not filed within the period required by subsection (b) above, such person shall be deemed to have waived and abandoned the right to question the amount determined to be due and any tax, interest, or penalty determined to be due shall be final as provided in subsections ~~3-5-545(a) and 3-5-555(f)~~ 3-05-005-0545(A) AND 3-05-05-0555(F).

2. The decision made by the Hearing Officer upon administrative review by hearing or redetermination shall become final thirty (30) days after the taxpayer receives the notice of refund or adjusted assessment required by subsection (b)(8) above, unless the taxpayer appeals the order or decision in the manner provided in Section ~~3-5-575~~ 3-05-005-0575.

~~E. Reserved~~

E. TAXPAYERS SHALL BE SUBJECT TO THE STATE TAXPAYER BILL OF RIGHTS (A.R.S. SECTION 42-2051 ET. SEQ).

(Ord. 1924, 01/07/97; Ord. 1979, 10/06/98); (Ord. No. 1979, Amended, 10/06/98) (Ord. 2000-29, Amended, 11/21/00) (Ord. 2001-04, Amended, 01/16/2001; Ord. 2000-29, Amended, 11/21/2000; Ord. 2008, Amended, 11/02/1999); (Ord. No. 2004-25, Amended, 01/10/05; Ord. 2009-16, Amended, 06/16/09)

3-05-005-0571 JEOPARDY ASSESSMENTS (REG. 571.1)

SEE ALSO REGULATION 3-5-571.1.

A. If the Tax Collector believes that the collection of any assessment or deficiency of any amounts imposed by this Chapter will be jeopardized by delay, he shall deliver to the taxpayer a notice of such finding and demand immediate payment of the tax or deficiency declared to be in jeopardy, including interest, penalties, and additions.

B. Jeopardy assessments are immediately due and payable, and the Tax Collector may immediately begin proceedings for collection. The taxpayer, however, may stay collection by filing, within ten (10) days after receipt of notice of jeopardy assessment, or within such additional time as the Tax Collector may allow, by bond or collateral in favor of the City in the amount Tax Collector declared to be in jeopardy in his notice.

C. "Bond or Collateral", as required by this Section,

1. Shall mean either:

a. A bond issued in favor of the City by a surety company authorized to transact business in this State and approved by the Director of Insurance as to solvency and responsibility, or

b. Collateral composed of securities or cash which are deposited with, and kept in the custody of, the Tax Collector.

2. Shall be of such form that it may, at any time without notice, be applied to any tax, penalties, or interest due and payable for the purposes of this Chapter. Securities held as collateral by the Tax Collector must be of a nature that they may be sold at public or private sale without notice to the taxpayer.

D. If bond or collateral is not filed within the period prescribed by subsection B. above, the tax collector may treat the assessment as final for purposes of any collection proceedings. The taxpayer nevertheless shall be afforded the appeal rights provided in Sections 3-05-005-0570 and 3-05-005-0575. The filing of a petition by the taxpayer under Section 3-05-005-0570, however, shall not stay the tax collector's rights to pursue any collection proceedings.

E. If the taxpayer timely files sufficient bond or collateral, the jeopardy requirements are deemed satisfied, and the taxpayer may avail himself of the provisions of Section 3-05-005-0570, including requests for additional time to file a petition.

(Ord. 1593, 12/06/88)

3-05-005-0572 EXPEDITED REVIEW OF JEOPARDY ASSESSMENTS:

A. Within thirty (30) days after the day on which the Tax Collector furnishes the written notice required by Section 3-05-005-0571 A., the taxpayer, pursuant to Section 3-05-005-0570, may request the Tax Collector to review the action taken. Within fifteen (15) days after the request for review, the Tax Collector shall determine whether both the jeopardy determination and the amount assessed are reasonable.

B. Within thirty (30) days after the Tax Collector notifies the taxpayer of the determination he reached pursuant to subsection A. above, the taxpayer may bring a civil action in the appropriate court. If the taxpayer so requests, the City shall stipulate to an accelerated and expedited resolution of the civil action. If the court determines that either the jeopardy determination or the amount assessed is unreasonable, the court may order the Tax Collector to abate the assessment, to redetermine any part of the amount assessed or to take such other action as the court finds to be appropriate. A determination made by the court under this subsection is final except as provided in Arizona Revised Statutes Section 12-170.

(Ord. 1924, 01/07/97)

3-05-005-0575 JUDICIAL REVIEW~~:~~

(a) A taxpayer may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action against the City in the appropriate court of this County. A taxpayer is not required to pay any tax, penalty, or interest upheld by the Hearing Officer before seeking such judicial review.

(b) The Tax Collector may seek judicial review of all or any part of a Hearing Officer's decision by initiating an action in the appropriate court of this County.

(c) An action for judicial review cannot be commenced by either the taxpayer or the Tax Collector more than thirty (30) days after receipt by the taxpayer of notice of any refund or assessment recalculated or reduced to conform to the Hearing Officer's decision, unless the time to commence such an action is extended in writing signed by both the taxpayer and the Tax Collector. Failure to bring the action within thirty (30) days or such other time as is agreed upon in writing shall constitute a waiver of any right to judicial review, except as provided in subsection ~~F.~~ G below.

(d) The court shall hear and determine the appeal as a trial de novo; however, the Tax Collector cannot raise in the court any grounds or basis for the assessment not asserted before the Hearing Officer. Nothing in this subsection, however, shall preclude the Tax Collector from responding to any arguments which are raised by the taxpayer in the appeal.

(e) The City has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirements of this chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:

(1) The taxpayer asserts a reasonable dispute regarding the issue.

(2) The taxpayer has fully cooperated with the Tax Collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonable requested by the Tax Collector.

(3) The taxpayer has kept and maintained records as required by the City.

(f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or the Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.

(g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

(Ord. 1924, 01/07/97)

(Ord. 2008, Amended, 11/02/1999)

3-05-005-0577 REFUNDS OF TAXES PAID UNDER PROTEST:

In the event the Hearing Officer's decision or a final judgment by the court is rendered in favor of the taxpayer to recover protested taxes, it shall be the duty of the Tax Collector, upon receipt of such decision or of a certified copy of such final judgment, to authorize a warrant in favor of the taxpayer in an amount equal to the amount of the tax found by such decision or by the final judgment to have been paid under protest, and such warrant shall include the amount of interest or other cost that may have been recovered against the city by the final judgment in such action in the courts, to be paid from the privilege tax revenue accounts.

3-05-005-0578 REIMBURSEMENT OF FEES AND OTHER COSTS; DEFINITIONS:

A. A taxpayer who is a prevailing party may be reimbursed for reasonable fees and other costs related to any administrative proceeding brought by the taxpayer pursuant to Section 3-05-005-0570 B. For purposes of this Section, a taxpayer is considered to be the prevailing party only if both of the following are true:

1. The Tax Collector's position was not substantially justified.

2. The taxpayer prevails as to the most significant issue or set of issues.

B. Reimbursement under this Section may be denied if any of the following circumstances apply:

1. During the course of the proceeding the taxpayer unduly and unreasonably protracted the final resolution of the matter.

2. The reason that the taxpayer prevailed is due to an intervening change in the applicable law.

C. The taxpayer shall present an itemization of the reasonable fees and other costs to the Taxpayer Problem Resolution Officer within thirty (30) days after receipt by the taxpayer of a notice of refund or recalculated assessment issued by the Tax Collector pursuant to Section 3-05-005-0570 B.8. The Taxpayer Problem Resolution Officer shall determine the validity of the fees and other costs within thirty (30) days after receiving the itemization. The Taxpayer Problem Resolution Officer's decision is considered a final decision. Either the taxpayer or the Tax Collector may seek judicial review of the Taxpayer Problem Resolution Officer's decision. An action for judicial review, however, shall not be commenced more than thirty (30) days after receipt of the resolution officer's decision.

D. In the event judicial review is not sought pursuant to subsection C. above, the City shall pay the fees and other costs awarded as provided in this Section within thirty days after demand by a person who has received an award pursuant to this Section.

E. Reimbursement to a taxpayer under this Section shall not exceed twenty thousand dollars or actual monies spent, whichever is less. The reimbursable attorney or representative fees shall not exceed one hundred dollars per hour or actual monies spent, whichever is less, unless the Taxpayer Problem Resolution Officer determines that an increase in the cost of living or a special factor such as the limited availability of qualified attorneys or representatives for the proceeding involved justifies a higher fee.

F. For purposes of this Section "reasonable fees and other costs" means fees and other costs that are based on prevailing market rates for the kind and quality of the furnished services, but not exceeding the amounts actually spent for expert witnesses, the cost of any study, analysis, report, test or project that is found to be necessary to prepare the party's case and necessary fees for attorneys or other representatives.

(Ord. 1924, 01/07/97)

3-05-005-0580 CRIMINAL PENALTIES.

A. It is unlawful for any person to knowingly or wilfully:

1. Fail or refuse to make any return required by this chapter.

2. Fail to remit as and when due the full amount of any tax or additional tax or penalty and interest thereon.

3. Make or cause to be made a false or fraudulent return.

4. Make or cause to be made a false or fraudulent statement in a return, in written support of a return, or to demonstrate or support entitlement to a deduction, exclusion, or credit or to entitle the person to an allocation or apportionment or receipts subject to tax.

5. Fail or refuse to permit any lawful examination of any book, account, record, or other memorandum by the Tax Collector.

6. Fail or refuse to remit any tax collected by such person from his customer to the Tax Collector before the delinquency date next following such collection.

7. Advertise or hold out to the public in any manner, directly or indirectly, that any tax imposed by this chapter, as provided in this chapter, is not considered as an element in the price to the consumer.

8. Fail or refuse to obtain a privilege license or to aid or abet another in any attempt to intentionally refuse to obtain such a license or evade the license fee.

9. Reproduce, forge, falsify, fraudulently obtain or secure, or aid or abet another in any attempt to reproduce, forge, falsify, or fraudulently obtain or secure, an exemption from taxes imposed by this chapter.

B. The violation of any provision of subsection ~~(A) of this section~~ A ABOVE shall constitute a class one misdemeanor.

C. In addition to the foregoing penalties, any person who shall knowingly swear to or verify any false or fraudulent statement, with the intent aforesaid, shall be guilty of the offense of perjury and on conviction thereof shall be punished in the manner provided by law.

(Ord. 2013-26, Amended, 01/07/2014)

3-05-005-0590 CIVIL ACTIONS~~:~~

A. Liens:

1. Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the County

Recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City Council and further stating that the City claims a lien therefor.

2. The notice of claim of lien shall be signed by the ~~Administrative Services Director~~ CITY TREASURER under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the County Recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the taxpayer within the State, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

3. Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection B. below.

4. Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, and interest, recording costs and lien processing fees referred to above and lien release fees imposed by the County Recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the City.

B. Actions to Recover Tax: An action may be brought by the City Attorney or other legal advisor to the City designated by the City Council, at the request of the Tax Collector, in the name of the City, to recover the amount of any taxes, penalties, interest, recording costs, lien processing fees and lien release fees due under this Chapter; provided that:

1. No action or proceeding may be taken or commenced to collect any taxes levied by this Chapter until the amount thereof has been established by assessment, correction, or reassessment; and

2. Such collection effort is made or the proceedings begun:

a. Within six (6) years after the assessment of the tax; or

b. Prior to the expiration of any period of collection agreed upon in writing by the Tax Collector and the taxpayer before the expiration of such six (6) year period, or any extensions thereof; or

c. At any time for the collection of tax arising by reason of a tax lien perfected, recorded, or possessed by the City under this Section.

(Ord. 1851, 01/03/95)

3-05-005-0595 COLLECTION OF TAXES WHEN THERE IS SUCCESSION IN AND/OR CESSATION OF BUSINESS:

A. In addition to any remedy provided elsewhere in this City Code that may apply, the Tax Collector may apply the provisions of subsections B through D below concerning the collection of taxes when there is succession in and/or cessation of business.

B. The taxes imposed by this chapter are a lien on the property of any person subject to this chapter who sells his business or stock of goods, or quits his business, if the person fails to make a final return and payment of the tax within fifteen (15) days after selling or quitting his business.

C. Any person who purchases, or who acquires by foreclosure, by sale under trust deed or warranty deed in lieu of foreclosure, or by any other method, improved real property or a portion of improved real property for which the privilege tax imposed by this Chapter has not been paid shall be responsible for payment of such tax as a speculative builder or owner-builder, as provided in Sections 3-05-004-0416 and 3-05-004-0417.

(1) any person who is a creditor or an affiliate of creditor, who acquires improved real property directly or indirectly from the creditor's debtor by any means set forth in this subsection, shall pay the tax based on the amount received by the creditor or its affiliate in a subsequent sale of such improved real property to a party unrelated to the creditor, regardless of when such subsequent sale takes place. Such tax shall be due in the month following the month in which the sale of the improved real property by the creditor or its affiliate occurs. Notwithstanding the foregoing, if the real property meets the definition of partially improved residential real property in Section 3-05-004-0416(a)(4) and all of the requirements of Section 3-05-004-0416(b)(4) are met by the parties to the subsequent sale transaction, then the tax shall not apply to the subsequent sale.

(2) In the event a creditor or its affiliate uses the acquired improved real property for any business purpose, other than operating the property in the manner in which it was operated, or was intended to

be operated, before the acquisition or in any other manner unrelated to selling the property, the tax shall be due. The gross income upon which the tax shall be determined pursuant to Sections 3-05-004-0416 and 3-05-004-0417 shall be the fair market value of the improved real property as of the date of acquisition. The tax shall be due in the month following the month in which such first business use occurs. When applicable, the credit bid shall be deemed to be the fair market value of the property as of the date of acquisition.

(3) Once the subsequent sale by the creditor or its affiliate has occurred and the creditor or its affiliate has paid the tax due from it pursuant to this subsection, neither the creditor nor its affiliate, nor any future owner, shall be liable for any outstanding tax, penalties or interest that may continue to be due from the debtor based on the transfer from the debtor to the creditor or its affiliate.

(4) If the tax liability imposed by either Section 3-05-004-0416 or Section 3-05-004-0417 on the transfer of the improved real property to the creditor or its affiliate, or any part thereof, is paid to the tax collector by the debtor subsequent to payment of the tax by the creditor or its affiliate, the amount so paid may constitute a credit, as equitably determined by the tax collector in good faith, against the tax imposed on the creditor or its affiliate by either paragraph 1 or paragraph 2 of this subsection.

(5) Notwithstanding anything in this chapter to the contrary, if a creditor or its affiliate is subject to tax as described in paragraph 1 or paragraph 2 of this subsection and such creditor or affiliate has not previously been required to be licensed, such creditor or affiliate shall become licensed no later than the date on which the tax is due.

(Ord. 2011-21, Amended, 10/18/2011)

D. A person's successors or assignees shall withhold from the purchase money an amount sufficient to cover the taxes required to be paid, and interest or penalties due and payable, until the former owner produces a receipt from the Tax Collector showing that all City tax has been paid or a certificate stating that no amount is due as then shown by the records of the Tax Collector. The tax collector shall respond to a request from the seller for a certificate within fifteen (15) days by either providing the certificate or a written notice stating why the certificate cannot be issued.

1. If a subsequent audit shows a deficiency arising before the sale of the business, the deficiency is an obligation of the seller and does not constitute a liability against a buyer who has received a certificate from the Tax Collector.

2. If the purchaser of a business or stock of goods fails to obtain a certificate as provided by this Section, he is personally liable for payment of the amount of taxes required to be paid by the former owner on account of the business so purchased, with interest and penalties accrued by the former owner or assignees.

(Ord. 1593, 12/06/88)

(Ord. 2011-21, Amended, 10/18/2011)

3-05-005-0596 AGREEMENT FOR INSTALLMENT PAYMENTS OF TAX

A. The City may enter into an agreement with a taxpayer to allow the taxpayer to satisfy a liability for any tax imposed by this Chapter by means of installment payments. The Tax Collector may require a taxpayer who requests an installment payment agreement to complete a financial report in such form and manner as the Tax Collector may prescribe.

B. The Tax Collector, without notice, may alter, modify or terminate an installment payment agreement if the taxpayer:

1. Fails to pay an installment at the time the installment payment is due under the agreement.

2. Fails to pay any other tax liability at the time the liability is due.

3. Fails to file any tax report or return at the time the report or return is due.

4. Fails to furnish any information requested by the Tax Collector within thirty days after receiving a written request for such information.

5. Fails to notify the Tax Collector of a material improvement in the taxpayer's financial condition above the income previously reported in the most recent income statement within thirty days after the material improvement.

6. Provides inaccurate, false or incomplete information to the Tax Collector.

C. Notwithstanding any installment payment agreement, the Tax Collector may offset any tax refunds against the liabilities provided for in the installment payment agreement, may file and perfect any tax liens and, in the event the taxpayer breaches any term or provision of the installment payment agreement, may engage in collection activities.

D. The Tax Collector, without notice, may terminate an installment payment agreement if the Tax Collector believes that the collection of tax to which the payment agreement pertains is in jeopardy.

E. If the Tax Collector determines that the financial condition of a taxpayer has improved, the Tax Collector may alter, modify or terminate the agreement by providing notice to the taxpayer at least thirty days before the effective date of the action. The notice shall include the reasons why the tax collector believes the alteration, modification or termination is appropriate.

F. An installment payment agreement shall remain in effect for the term of the agreement except as otherwise provided in this Section.

G. A taxpayer who is aggrieved by a decision of the Tax Collector to refuse to enter into an installment payment agreement or to alter, modify or terminate an agreement entered into pursuant to this Section may petition the Taxpayer Problem Resolution Officer to review that determination. The taxpayer problem resolution officer may stay such alteration, modification or termination pending its review and may modify or nullify the determination.

H. The City and the taxpayer may modify any installment payment agreement at any time by entering into a new or modified agreement.

(Ord. 1924, 01/07/97)

3-05-005-0597 PRIVATE TAXPAYER RULINGS; REQUEST; REVOCATION OR MODIFICATION; DEFINITION~~:~~

A. The Tax Collector shall issue private taxpayer rulings to taxpayers and potential taxpayers on request. Each request shall be in writing and shall:

1. State the name, address and, if applicable, taxpayer identifying number of the taxpayer or potential taxpayer who requests the ruling.

2. Describe all facts that are relevant to the requested ruling.

3. State whether, to the best knowledge of the taxpayer or potential taxpayer, the issue or related issues are being considered by the Tax Collector or any other taxing jurisdiction in connection with an active audit, protest or appeal that involves the taxpayer or potential taxpayer and whether the same request has been or is being submitted to another taxing jurisdiction for a ruling.

4. Be signed by the taxpayer or potential taxpayer who makes the request or by an authorized representative of the taxpayer or potential taxpayer.

B. A private taxpayer ruling may be revoked or modified by either:

1. A change or clarification in the law that was applicable at the time the ruling was issued, including changes or clarifications caused by regulations and court decisions.

2. Actual written notice by the Tax Collector to the last known address of the taxpayer or potential taxpayer of the revocation or modification of the private taxpayer ruling.

C. With respect to the taxpayer or prospective taxpayer to whom a private taxpayer ruling is issued, the revocation or modification of a private taxpayer ruling shall not be applied retroactively to tax periods or tax years before the effective date of the revocation or modification and the Tax Collector shall not assess any penalty or tax attributable to erroneous advice that is furnished to the taxpayer or potential taxpayer in the private taxpayer ruling if:

1. The taxpayer reasonably relied on the private taxpayer ruling.

2. The penalty or tax did not result either from a failure by the taxpayer to provide adequate or accurate information or from a change in the information.

D. A private taxpayer ruling may not be relied upon, cited nor introduced into evidence in any proceeding by any taxpayer other than the taxpayer who received the ruling.

E. A taxpayer may appeal the propriety of a retroactive application of a revoked or modified private taxpayer ruling by filing a written petition with the tax collector pursuant to Section 3-05-005-0570 within forty-five (45) days after receiving written notice of the intent to retroactively apply a revoked or modified private taxpayer ruling.

F. A private taxpayer ruling constitutes the Tax Collector's interpretation of the sections of this chapter only as they apply to the taxpayer making, and the particular facts contained in, the request.

G. A private taxpayer ruling which addresses a taxpayer's ongoing business activities will apply only to transactions that occur or tax liabilities that accrue from and after the date of the taxpayer's ruling request.

H. The Tax Collector shall attempt to issue private taxpayer rulings within forty-five (45) days after receiving the written request and on receiving the facts that are relevant to the ruling. If the ruling is expected to be delayed beyond the forty-five (45) days, the Tax Collector shall notify the requestor of the delay and the proposed date of issuance.

I. Within thirty (30) days after being issued, the Tax Collector shall maintain the private taxpayer ruling as a public record and make it available at a reasonable cost for public inspection and copying. The text of private taxpayer rulings is open to public inspection subject to the confidentiality requirements prescribed by Section 3-05-005-0510.

J. In this section, "private taxpayer ruling" means a written determination by the Tax Collector issued pursuant to this section that interprets and applies one or more sections contained in this chapter and any applicable regulations.

K. A private taxpayer ruling issued by the Arizona Department of Revenue pursuant to A.R.S. Section 42-2101 may be relied upon by the taxpayer to whom the ruling was issued and must be recognized and followed by any city in which such taxpayer has obtained a privilege license if the City has not issued a ruling addressing the facts described in the taxpayer's ruling request and the statute at issue in the taxpayer's ruling request is, in essence, worded and written the same as the applicable section hereunder.

(Ord. 1924, 01/07/97; Ord. 2007-28, Amended, 05/01/2007)

DIVISION 3-05-006

USE TAX

SECTIONS:

3-05-006-0600 USE TAX: DEFINITIONS

3-05-006-0601 RESERVED

3-05-006-0602 RESERVED

3-05-006-0610 USE TAX: IMPOSITION OF TAX; PRESUMPTION

3-05-006-0620 USE TAX: LIABILITY FOR TAX

3-05-006-0630 USE TAX: RECORDKEEPING REQUIREMENTS

3-05-006-0640 USE TAX: CREDIT FOR EQUIVALENT EXCISE TAXES PAID ANOTHER JURISDICTION

3-05-006-0650 USE TAX: EXCLUSION WHEN ACQUISITION SUBJECT TO USE TAX IS TAXED OR TAXABLE ELSEWHERE IN THIS CHAPTER; LIMITATION

3-05-006-0660 USE TAX: EXEMPTIONS

3-05-006-0600 USE TAX: DEFINITIONS

For the purposes of this division only, the following definitions shall apply, in addition to the definitions provided in Division 3-05-001:

"Acquire (for storage or use)" means purchase, rent, lease, or license for storage or use.

"Retailer" also means any person selling, renting, licensing for use, or leasing tangible personal property under circumstances which would render such transactions subject to the taxes imposed in Division 3-05-004, if such transactions had occurred within this City.

"Storage (within the City)" means the keeping or retaining of tangible personal property at a place within the City for any purpose, except for those items acquired specifically and solely for the purpose of sale, rental, lease, or license for use in the regular course of business or for the purpose of subsequent use solely outside the City.

"Use (of tangible personal property)" means consumption or exercise of any other right or power over tangible personal property incident to the ownership thereof except the holding for the sale, rental, lease, or license for use of such property in the regular course of business.

(Ord. 2014-16, Enacted, 07/15/2014)

3-05-006-0601 RESERVED

3-05-006-0602 RESERVED

3-05-006-0610 USE TAX: IMPOSITION OF TAX; PRESUMPTION

A. There is hereby levied and imposed, subject to all other provisions of this chapter, an excise tax on the storage or use in the City of tangible personal property, for the purpose of raising revenue to be used in defraying the necessary expenses of the City, such taxes to be collected by the Tax Collector.

B. The tax rate shall be at an amount equal to TWO AND FOUR-HUNDRED EIGHTY-SIX THOUSANDTHS PERCENT (2.486%) ~~two and two hundred eighty-one thousandths percent (2.281%)~~ of the:

1. Cost of tangible personal property acquired from a retailer, upon every person storing or using such property in this City.

2. Gross income from the business activity upon every person meeting the requirements of Section 3-05-006-0620(B) or (C) who is engaged or continuing in the business activity of sales, rentals, leases, or licenses of tangible personal property to persons within the City for storage or use within the City, to the extent that tax has been collected upon such transaction.

3. Cost of the tangible personal property provided under the conditions of a warranty, maintenance, or service contract.

4. Cost of complimentary items provided to patrons without itemized charge by a restaurant, hotel, or other business.

5. Reserved.

C. It shall be presumed that all tangible personal property acquired by any person who at the time of such acquisition resides in the City is acquired for storage or use in this City, until the contrary is established by the taxpayer.

D. Exclusions. For the purposes of this division, the acquisition of the following shall not be deemed to be the purchase, rental, lease, or license of tangible personal property for storage or use within the City:

1. Stocks, bonds, options, or other similar materials.

2. Lottery tickets or shares sold pursuant to A.R.S. Title 5, Chapter 5, Article I.

3. Platinum, bullion, or monetized bullion, except minted or manufactured coins transferred or acquired primarily for their numismatic value as prescribed by regulation.

E. Reserved.

F. Reserved.

(Ord. 2014-16, Enacted, 07/15/2014; Ord. 2019-13, Amended, 07/02/2019)

3-05-006-0620 USE TAX: LIABILITY FOR TAX

The following persons shall be deemed liable for the tax imposed by this division; and such liability shall not be extinguished until the tax has been paid to this City, except that a receipt from a retailer separately charging the tax imposed by this chapter is sufficient to relieve the person acquiring such property from further liability for the tax to which the receipt refers:

A. Any person who acquires tangible personal property from a retailer, whether or not such retailer is located in this City, when such person stores or uses said property within the City.

B. Any retailer not located within the City, selling, renting, leasing, or licensing tangible personal property for storage or use of such property within the City, may obtain a license from the Tax Collector and collect the use tax on such transactions. Such retailer shall be liable for the use tax to the extent such use tax is collected from his customers.

C. Every agent within the City of any retailer not maintaining an office or place of business in this City, when such person sells, rents, leases, or licenses tangible personal property for storage or use in this City, shall, at the time of such transaction, collect and be liable for the tax imposed by this division upon the storage or use of the property so transferred, unless such retailer or agent is liable for an equivalent excise tax upon the transaction.

D. Any person who acquires tangible personal property from a retailer located in the City and such person claims to be exempt from the City privilege or use tax at the time of the transaction, and upon which no City privilege tax was charged or paid, when such claim is not sustainable.

E. Every person storing or using tangible personal property under the conditions of a warranty, maintenance, or service contract.

(Ord. 2014-16, Enacted, 07/15/2014)

3-05-006-0630 USE TAX: RECORDKEEPING REQUIREMENTS

All deductions, exclusions, exemptions, and credits provided in this division are conditional upon adequate proof of documentation as required by Division 3-05-003 or elsewhere in this chapter.

(Ord. 2014-16, Enacted, 07/15/2014)

3-05-006-0640 USE TAX: CREDIT FOR EQUIVALENT EXCISE TAXES PAID ANOTHER JURISDICTION

In the event that an equivalent excise tax has been levied and paid upon tangible personal property which is acquired to be stored or used within this City, full credit for any and all such taxes so paid shall be allowed by the Tax Collector but only to the extent use tax is imposed upon that transaction by this division.

(Ord. 2014-16, Enacted, 07/15/2014)

3-05-006-0650 USE TAX: EXCLUSION WHEN ACQUISITION SUBJECT TO USE TAX IS TAXED OR TAXABLE ELSEWHERE IN THIS CHAPTER; LIMITATION

The tax levied by this division does not apply to the storage or use in this City of tangible personal property acquired in this City, the gross income from the sale, rental, lease, or license of which were included in the measure of the tax imposed by Division 3-05-004 of this chapter; provided, however, that any person who has acquired tangible personal property from a vendor in this City without paying the City privilege tax because of a representation to the vendor that the property was not subject to such tax, when such claim is not sustainable, may not claim the exclusion from such use tax provided by this section.

(Ord. 2014-16, Enacted, 07/15/2014)

3-05-006-0660 USE TAX: EXEMPTIONS

The storage or use in this City of the following tangible personal property is exempt from the use tax imposed by this division:

A. Tangible personal property brought into the City by an individual who was not a resident of the City at the time the property was acquired for his own use, if the first actual use of such property was outside the City, unless such property is used in conducting a business in this City.

B. Tangible personal property~~, the value of which does not exceed the amount of one thousand dollars ($1,000.00) per item, acquired by an individual outside the limits of the City for his personal use and enjoyment~~

NOT EXCEEDING TWO HUNDRED DOLLARS IN ANY ONE MONTH PURCHASED BY AN INDIVIDUAL AT RETAIL OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES FOR THE INDIVIDUAL'S OWN PERSONAL USE AND ENJOYMENT.

C. Charges for delivery, installation, or other customer services, as prescribed by ~~regulation~~ SECTION 3-05-001-0100.2.

D. Charges for repair services, as prescribed by regulation.

E. Separately itemized charges for warranty, maintenance, and service contracts.

F. Prosthetics.

G. Income-producing capital equipment.

H. ~~Rental equipment and rental supplies.~~ TANGIBLE PERSONAL PROPERTY ACQUIRED BY A PERSON ENGAGED IN THE BUSINESS OF RENTING, LEASING, OR LICENSING FOR USE SUCH PROPERTY UNDER THE RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY CLASSIFICATION IF SUCH PROPERTY IS TO BE RENTED, LEASED, OR LICENSED FOR USE BY SUCH PERSON.

I. Mining and metallurgical supplies.

J. PURCHASES OF:

1. Motor vehicle fuel and use fuel which are used upon the highways of this State and upon which a tax has been imposed under the provisions of A.R.S. Title 28, Chapter 16, Article I or II;~~.~~

2. USE FUEL TO A HOLDER OF A VALID SINGLE TRIP USE FUEL TAX PERMIT ISSUED UNDER A.R.S. SECTION 28-5739;

3. NATURAL GAS OR LIQUEFIED PETROLEUM GAS USED TO PROPEL A MOTOR VEHICLE;

4. MOTOR VEHICLE FUEL AND USE FUEL TO A QUALIFIED BUSINESS UNDER A.R.S. SECTION 41-1516 FOR OFF-ROAD USE IN HARVESTING, PROCESSING, OR TRANSPORTING QUALIFYING FOREST PRODUCTS REMOVED FROM QUALIFYING PROJECTS AS DEFINED IN A.R.S. SECTION 41-1516;

5. REPAIR PARTS INSTALLED IN EQUIPMENT USED DIRECTLY BY A QUALIFIED BUSINESS UNDER A.R.S. SECTION 41-1516 IN HARVESTING, PROCESSING, OR TRANSPORTING QUALIFYING FOREST PRODUCTS REMOVED FROM QUALIFYING PROJECTS AS DEFINED IN A.R.S. SECTION 41-1516.

K. Tangible personal property purchased by:

1. a construction contractor, but not an owner-builder, when such person holds a valid privilege license for engaging or continuing in the business of construction contracting, and where the property acquired is incorporated into any structure or improvement to real property in fulfillment of a construction contract.

2. A PERSON THAT IS NOT SUBJECT TO TAX UNDER SECTION 3-05-004-0415(B)(12) AND THAT HAS BEEN PROVIDED A COPY OF A CERTIFICATE UNDER A.R.S. SECTION 42-5009, SUBSECTION L, IF THE PROPERTY SO SOLD IS INCORPORATED OR FABRICATED BY THE PERSON INTO THE REAL PROPERTY, STRUCTURE, PROJECT, DEVELOPMENT, OR IMPROVEMENT DESCRIBED IN THE CERTIFICATE.

L. Sales of motor vehicles to nonresidents of this State for use outside this State if the vendor ships or delivers the motor vehicle to a destination outside this State.

M. Tangible personal property which directly enters into and becomes an ingredient or component part of a product sold in the regular course of the business of job printing, manufacturing, or publication of newspapers, magazines or other periodicals. Tangible personal property which is consumed or used up in a manufacturing, job printing, publishing, or production process is not an ingredient nor component part of a product.

N. Rental, leasing, or licensing for use of film, tape, or slides by a theater or other person taxed under Section 3-05-004-0410, or by a radio station, television station, or subscription television system.

O. Food served to patrons for a consideration by any person engaged in a business properly licensed and taxed under Section 3-05-004-0455, but not food consumed by owners, agents, or employees of such business.

P. Tangible personal property~~acquired by a qualifying hospital, qualifying community health center or a qualifying health care organization, except when the property is in fact used in activities resulting in gross income from unrelated business income as that term is defined in 26 U.S.C. Section 512.~~ PURCHASED BY:

1. A QUALIFYING HOSPITAL;

2. A QUALIFYING HEALTH CARE ORGANIZATION IF THE TANGIBLE PERSONAL PROPERTY IS USED BY THE ORGANIZATION SOLELY TO PROVIDE HEALTH AND MEDICAL RELATED EDUCATIONAL AND CHARITABLE SERVICES;

3. A QUALIFYING HEALTH CARE ORGANIZATION IF THE ORGANIZATION IS DEDICATED TO PROVIDING EDUCATIONAL, THERAPEUTIC, REHABILITATIVE, AND FAMILY MEDICAL EDUCATION TRAINING FOR BLIND AND VISUALLY IMPAIRED CHILDREN AND CHILDREN WITH MULTIPLE DISABILITIES FROM THE TIME OF BIRTH TO AGE TWENTY-ONE;

4. A QUALIFYING COMMUNITY HEALTH CENTER;

5. A NONPROFIT CHARITABLE ORGANIZATION THAT HAS QUALIFIED UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND THAT REGULARLY SERVES MEALS TO THE NEEDY AND INDIGENT ON A CONTINUING BASIS AT NO COST;

6. FOR TAXABLE PERIODS BEGINNING FROM AND AFTER JUNE 30, 2001, A NONPROFIT CHARITABLE ORGANIZATION THAT HAS QUALIFIED UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND THAT PROVIDES RESIDENTIAL APARTMENT HOUSING FOR LOW INCOME PERSONS OVER SIXTY-TWO YEARS OF AGE IN A FACILITY THAT QUALIFIES FOR A FEDERAL HOUSING SUBSIDY, IF THE TANGIBLE PERSONAL PROPERTY IS USED BY THE ORGANIZATION SOLELY TO PROVIDE RESIDENTIAL APARTMENT HOUSING FOR LOW INCOME PERSONS OVER SIXTY-TWO YEARS OF AGE IN A FACILITY THAT QUALIFIES FOR A FEDERAL HOUSING SUBSIDY;

7. A QUALIFYING HEALTH SCIENCES EDUCATIONAL INSTITUTION;

8. ANY PERSON REPRESENTING OR WORKING ON BEHALF OF ANOTHER PERSON DESCRIBED IN SUBDIVISIONS 1 THROUGH 7 OF THIS PARAGRAPH IF THE TANGIBLE PERSONAL PROPERTY IS INCORPORATED OR FABRICATED INTO A PROJECT DESCRIBED IN A.R.S. SECTION 42-5075, SUBSECTION O.

Q. Reserved.

~~R. Reserved.~~

~~1. Reserved.~~

~~2. Reserved.~~

~~3. Reserved.~~

~~4. Reserved.~~

R. PURCHASES OF:

1. LIVESTOCK AND POULTRY TO PERSONS ENGAGING IN THE BUSINESSES OF FARMING, RANCHING, OR PRODUCING LIVESTOCK OR POULTRY.

2. LIVESTOCK AND POULTRY FEED, SALTS, VITAMINS, AND OTHER ADDITIVES SOLD TO PERSONS FOR USE OR CONSUMPTION IN THE BUSINESSES OF FARMING, RANCHING, AND PRODUCING OR FEEDING LIVESTOCK OR POULTRY OR FOR USE OR CONSUMPTION IN NONCOMMERCIAL BOARDING OF LIVESTOCK. FOR THE PURPOSES OF THIS PARAGRAPH, "POULTRY" INCLUDES RATITES.

3. IMPLANTS USED AS GROWTH PROMOTANTS AND INJECTABLE MEDICINES, NOT ALREADY EXEMPT UNDER THE DEFINITION OF “PROSTHETIC.” FOR LIVESTOCK AND POULTRY OWNED BY, OR IN POSSESSION OF, PERSONS WHO ARE ENGAGED IN PRODUCING LIVESTOCK, POULTRY, OR LIVESTOCK OR POULTRY PRODUCTS, OR WHO ARE ENGAGED IN FEEDING LIVESTOCK OR POULTRY COMMERCIALLY. FOR THE PURPOSES OF THIS PARAGRAPH, "POULTRY" INCLUDES RATITES.

4. NEAT ANIMALS, HORSES, ASSES, SHEEP, RATITES, SWINE, OR GOATS USED OR TO BE USED AS BREEDING OR PRODUCTION STOCK, INCLUDING SALES OF BREEDINGS OR OWNERSHIP SHARES IN SUCH ANIMALS USED FOR BREEDING OR PRODUCTION.

S. Groundwater measuring devices required by A.R.S. Section 45-604.

T. Reserved.

U. ~~Aircraft acquired for use outside the State, as prescribed by regulation.~~ SEEDS, SEEDLINGS, ROOTS, BULBS, CUTTINGS, AND OTHER PROPAGATIVE MATERIAL FOR USE IN COMMERCIALLY PRODUCING AGRICULTURAL, HORTICULTURAL, VITICULTURAL, OR FLORICULTURAL CROPS IN THIS STATE.

V. ~~Sales of f~~Food products SOLD by FOOD producers as provided for by A.R.S. Sections 3-561, 3-562 and 3 -563.

W. Reserved.

X. Food and drink provided by a person who is engaged in business that is classified under the restaurant classification without monetary charge to its employees for their own consumption on the premises during such employees' hours of employment.

Y. Tangible personal property donated to an organization or entity qualifying as an exempt organization under 26 U.S.C Section 501(c)(3); if and only if:

1. The donor is engaged or continuing in a business activity subject to a tax imposed by Division 3-05-004; and

2. The donor originally purchased the donated property for resale in the ordinary course of the donor's business; and

3. The donor obtained from the donee a letter or other evidence satisfactory to the Tax Collector of qualification under 26 U.S.C. Section 501(c)(3) from the Internal Revenue Service or other appropriate Federal agency; and

4. The donor maintains, and provides upon demand, such evidence to the Tax Collector, in a manner similar to other documentation required under Division 3-05-003.

Z. Reserved.

AA. Tangible personal property used in remediation contracting as defined in Section 3-05-001-0100 and ~~Regulation 3-5-100.5~~ SECTION 3-05-001-0100.5.

BB. Materials that are purchased by or for publicly funded libraries including school district libraries, charter school libraries, community college libraries, State university libraries or Federal, State, County or municipal libraries for use by the public as follows:

1. Printed or photographic materials.

2. Electronic or digital media materials.

CC. Food, beverages, condiments and accessories used for serving food and beverages by a commercial airline, as defined in A.R.S. Section 42-5061~~(A)(49)~~, that serves the food and beverages to its passengers, without additional charge, for consumption in flight. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

DD. Wireless telecommunication equipment that is held for sale or transfer to a customer as an inducement to enter into or continue a contract for telecommunication services that are taxable under Section 3-05-004-0470.

EE. Reserved.

FF. Alternative fuel as defined in A.R.S. Section 1-215, by a used oil fuel burner who has received a Department of Environmental Quality permit to burn used oil or used oil fuel under A.R.S. Section 49-426 or A.R.S. SECTION 49-480.

GG. Food, beverages, condiments and accessories purchased by or for a public educational entity, pursuant to any of the provisions of A.R.S. Title 15, including a regularly organized private or parochial school that offers an educational program for grade twelve (12) or under which may be attended in substitution for a public school pursuant to A.R.S. Section 15-802; to the extent such items are to be prepared or served to individuals for consumption on the premises of a public educational entity during school hours. For the purposes of this subsection, "accessories" means paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

HH. Personal hygiene items purchased by a person engaged in the business of and subject to tax under Section 3-05-004-0444 of this code if the tangible personal property is furnished without additional charge to and intended to be consumed by the person during his occupancy.

II. The diversion of gas from a pipeline by a person engaged in the business of operating a natural or artificial gas pipeline, for the sole purpose of fueling compressor equipment to pressurize the pipeline, is not a sale of the gas to the operator of the pipeline.

JJ. Food, beverages, condiments and accessories purchased by or for a nonprofit charitable organization that has qualified as an exempt organization under 26 U.S.C. Section 501(c)(3) and regularly serves meals to the needy and indigent on a continuing basis at no cost. For the purposes of this subsection, "accessories" means

paper plates, plastic eating utensils, napkins, paper cups, drinking straws, paper sacks or other disposable containers, or other items which facilitate the consumption of the food.

KK. Sales of motor vehicles that use alternative fuel if such vehicle was manufactured as a diesel fuel vehicle and converted to operate on alternative fuel and sales of equipment that is installed in a conventional diesel fuel motor vehicle to convert the vehicle to operate on an alternative fuel, as defined in A.R.S. Section 1-215.

LL. The storage, use or consumption of tangible personal property in the City or town by a school district or charter school.

MM. Renewable energy credits or any other unit created to track energy derived from renewable energy resources. For the purposes of this ~~subsection~~ PARAGRAPH, "renewable energy credit" means a unit created administratively by the Corporation Commission or governing body of a public power utility to track kilowatt hours of electricity derived from a renewable energy resource or the kilowatt hour equivalent of conventional energy resources displaced by distributed renewable energy resources.

NN. Magazines or other periodicals or other publications by this State to encourage tourist travel.

OO. Paper machine clothing, such as forming fabrics and dryer felts, sold to a paper manufacturer and directly used or consumed in paper manufacturing.

PP. Overhead materials or other tangible personal property that is used in performing a contract between the United States government and a manufacturer, modifier, assembler or repairer, including property used in performing a subcontract with a government contractor who is a manufacturer, modifier, assembler or repairer, to which title passes to the government under the terms of the contract or subcontract.

QQ. Coal, petroleum, coke, natural gas, virgin fuel oil and electricity sold to a qualified environmental technology manufacturer, producer or processor as defined in A.R.S. Section 41-1514.02 and directly used or consumed in the generation or provision of on-site power or energy solely for environmental technology manufacturing, producing or processing or environmental protection. This ~~subsection~~ PARAGRAPH shall apply for twenty (20) full consecutive calendar or fiscal years from the date the first paper manufacturing machine is placed in service. In the case of an environmental technology manufacturer, producer or processor who does not manufacture paper, the time period shall begin with the date the first manufacturing, processing or production equipment is placed in service.

RR. Machinery, equipment, materials and other tangible personal property used directly and predominantly to construct a qualified environmental technology manufacturing, producing or processing facility as described in A.R.S. Section 41-1514.02. This subsection applies for ten (10) full consecutive calendar or fiscal years after the start of initial construction.

SS. RESERVED.

TT. THE TRANSFER OF TITLE OR POSSESSION OF COAL BACK AND FORTH BETWEEN AN OWNER OR OPERATOR OF A POWER PLANT AND A PERSON WHO IS RESPONSIBLE FOR REFINING COAL IF BOTH OF THE FOLLOWING APPLY:

1. THE TRANSFER OF TITLE OR POSSESSION OF THE COAL IS FOR THE PURPOSE OF REFINING THE COAL; AND

2. THE TITLE OR POSSESSION OF THE COAL IS TRANSFERRED BACK TO THE OWNER OR OPERATOR OF THE POWER PLANT AFTER COMPLETION OF THE COAL REFINING PROCESS. FOR THE PURPOSES OF THIS SUBDIVISION, "COAL REFINING PROCESS" MEANS THE APPLICATION OF A COAL ADDITIVE SYSTEM THAT AIDS THE REDUCTION OF POWER PLANT EMISSIONS DURING THE COMBUSTION OF COAL AND THE TREATMENT OF FLUE GAS.

UU. COMPUTER DATA CENTER EQUIPMENT PURCHASED BY THE OWNER, OPERATOR, OR QUALIFIED COLOCATION TENANT OF A COMPUTER DATA CENTER THAT IS CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY UNDER A.R.S. SECTION 41-1519 OR AN AUTHORIZED AGENT OF THE OWNER, OPERATOR OR QUALIFIED COLOCATION TENANT DURING THE QUALIFICATION PERIOD FOR USE IN THE QUALIFIED COMPUTER DATA CENTER. FOR THE PURPOSES OF THIS PARAGRAPH, "COMPUTER DATA CENTER," "COMPUTER DATA CENTER EQUIPMENT," "QUALIFICATION PERIOD," AND "QUALIFIED COLOCATION TENANT" HAVE THE SAME MEANINGS PRESCRIBED PRESCRIBED IN A.R.S. SECTION 41-1519.

VV. RESERVED.

WW. THE PURCHASE MANUFACTURE, WHOLESALE, OR DISTRIBUTION TO OR AMONG ANY WHOLESALERS, DISTRIBUTORS, OR RETAILERS, OF FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED PURSUANT TO A.R.S. SECTION 42-5106 OR ITEMS PRESCRIBED BY A.R.S. SECTION 42-5106, SUBSECTION D, FOR HOME CONSUMPTION OR FOR CONSUMPTION ON THE PREMISES.

XX. ANY CONTAINER OR PACKAGING USED EXCLUSIVELY FOR TRANSPORTING, PROTECTING, OR CONSUMING FOOD ITEMS INTENDED FOR HUMAN CONSUMPTION AS DEFINED BY RULE ADOPTED PURSUANT TO A.R.S. SECTION 42-5106 OR ITEMS PRESCRIBED BY A.R.S. SECTION 42-5106, SUBSECTION D, FOR HOME CONSUMPTION OR FOR CONSUMPTION ON THE PREMISES.

YY. MACHINERY, EQUIPMENT, TECHNOLOGY, OR RELATED SUPPLIES THAT ARE ONLY USEFUL TO ASSIST A PERSON WITH A PHYSICAL DISABILITY AS DEFINED IN A.R.S. SECTION 46-191 OR A PERSON WHO HAS A DEVELOPMENTAL DISABILITY AS DEFINED IN A.R.S. SECTION 36-551 OR HAS A HEAD INJURY AS DEFINED IN A.R.S. SECTION 41-3201 TO BE MORE INDEPENDENT AND FUNCTIONAL.

ZZ. APPLICATION SERVICES THAT ARE DESIGNED TO ASSESS OR TEST STUDENT LEARNING OR TO PROMOTE CURRICULUM DESIGN OR ENHANCEMENT PURCHASED BY OR FOR ANY SCHOOL DISTRICT, CHARTER SCHOOL, COMMUNITY COLLEGE OR STATE UNIVERSITY. FOR THE PURPOSES OF THIS PARAGRAPH:

1. "APPLICATION SERVICES" MEANS SOFTWARE APPLICATIONS PROVIDED REMOTELY USING HYPERTEXT TRANSFER PROTOCOL OR ANOTHER NETWORK PROTOCOL.

2. "CURRICULUM DESIGN OR ENHANCEMENT" MEANS PLANNING, IMPLEMENTING, OR REPORTING ON COURSES OF STUDY, LESSONS, ASSIGNMENTS, OR OTHER LEARNING ACTIVITIES.

(Ord. 2014-16, Enacted, 07/15/2014)

DIVISION 3-05-007

REGULATIONS-PRIVILEGE AND EXCISE TAXES

SECTIONS:

3-05-007-0001 REGULATIONS-PRIVILEGE AND EXCISE TAXES~~:~~

3-05-007-0001 REGULATIONS-PRIVILEGE AND EXCISE TAXES~~:~~

Reg. 3-5-100.1. BROKERS~~:~~

SECTION 3-05-001-0100.1 REPLACES REGULATION 3-5-100.1 BROKERS WITH AN EFFECTIVE DATE OF OCTOBER 1, 2019.

~~(a) For the purposes of proper administration of this Chapter and to prevent evasion of taxes imposed, brokers shall be wherever necessary treated as taxpayers for all purposes, and shall file a return and remit the tax imposed on the activity on behalf of the principal. No deduction shall be allowed for any commissions or fees retained by such broker, except as provided in Section 3-05-004-0405, relating to advertising commissions.~~

~~(b) Brokers for vendors. A broker acting for a seller, lessor, or other similar person deriving gross income in a category upon which this Chapter imposes a tax shall be liable for such tax, even if his principal would not be subject to the tax if he conducted such activity in his own behalf, by reason of the activity being deemed a "casual" one. For example:~~

~~(1) An auctioneer or other sales agent of tangible personal property is subject to the tax imposed upon retail sales, even if such sales would be deemed "casual" if his principal had sold such items himself.~~

~~(2) A property manager is subject to the tax imposed upon rental, leasing, or licensing of real property, even if such rental, leasing, or licensing would be deemed "casual" if his principal managed such real property himself.~~

~~(c) Brokers for vendees. A broker acting solely for a buyer, lessee, tenant, or other similar person who is a party to a transaction which may be subject to the tax, shall be liable for such tax and for filing a return in connection with such tax only to the extent his principal is subject to the tax.~~

(d) The liability of a broker does not relieve the principal of liability except upon presentation to the Tax Collector of proof of payment of the tax, and only to the extent of the correct payment. The broker shall be relieved of the responsibility to file and pay taxes upon the filing and correct payment of such taxes by the principal.

(e) Reserved.

(f) Location of Business. Retail sales by brokers acting for another person shall be deemed to have occurred at the regular business location of the broker, in a manner similar to that used to determine "out-of-City sales"; provided, however, that an auctioneer is deemed to be engaged in business at the site of each auction.

Reg. 3-5-100.2. DELIVERY, INSTALLATION, OR OTHER DIRECT CUSTOMER SERVICES:

(a) "Delivery Charges" exist only when the total charges to the ultimate customer or consumer include, as separately charged to the ultimate customer, charges for delivery to the ultimate consumer, whether the place of delivery is within or without the City, and when the taxpayer's books and records show the separate delivery charges.

(1) Identification to the customer or consumer that the listed price has "delivery included" or other similar expression is insufficient to show the delivery as a separate charge. Only the separately stated charge for the delivery shall be deemed a "delivery charge".

(2) Freight in. Charges for delivery from place of production or the manufacturer to the vendor either directly or through a chain of wholesalers or jobbers or other middlemen are deemed "freight-in" and are not considered delivery.

(b) "Installation", as used in this definition, relates only to tangible personal property. installation to real property is deemed construction contracting in this Chapter. Examples of installation relating to tangible personal property are: installing a radio in an automobile; applying sun screens on the windows of a boat; installing cabinets, carpeting, or "built-in appliances" to a camper or motorized recreational vehicle.

(c) Repair of tangible personal property is not included in this definition. See Regulation 3-5-465.(1)

(d) "Direct Customer Services" means services other than repair rendered directly to the customer. Services or labor provided by any person prior to the transfer of tangible personal property to the customer or consumer are not included in this definition. In the following examples, the requirements of subsection (e) below are referred to by the words "identify" or "identification."

(1) A retailer sells a customer a $100 "plug-in" appliance, with a $25 delivery and installation charge. If the retailer identifies the $25 delivery and installation charge, it is a charge for direct customer services.

(2) A caterer charges his customer $1,000 for the food and drink served, $300 for setup and site cleanup, and $500 for bartender and waiters. If all charges are properly identified, only the $300 for set up and cleanup is a charge for direct customer services, and the $1,500 for food and service is restauranting gross income.

(3) Persons engaged in engraving on wood, metal, stone, etc. or persons engaged in retouching photographs or paintings may consider such charges for labor as direct customer services.

(4) All charges by a photographer resulting in the sale of a photograph (sitting charges, developing, making enlargements, retouching, etc.) for services that occur prior to transfer of tangible personal property are not direct customer services.

(5) An equipment rental company charging $25 for delivery may consider such delivery charge as a charge for direct customer service only if such charge is properly identified.

(6) Even if identified, charges for labor incurred in the production of any manufactured article or of a custom-made article (jewelry, artwork, tailoring, draperies, etc.) are not included in this definition, as such labor occurs prior to the transfer of property.

(e) Recordkeeping requirements.

(1) Any person who engages in transactions involving these services must:

(A) Separately bill, invoice, or charge the customer for such services in a manner by which the customer or consumer may readily identify the specific dollar amount of the service charge; and

(B) Maintain business books and records in a manner in which the separate charge for such services can be clearly identified, to the satisfaction of the Tax Collector.

(2) Rendering a statement to a customer for a transaction involving such services and the transfer of tangible personal property which only indicates the total amount of the charges with words such as

~~"services included" or "charge includes labor and parts" or similar a expression does not satisfy the requirements of this subsection.~~

Reg. 3-5-100.3. RETAILERS~~:~~

SECTION 3-05-001-100.3 RETAILERS REPLACES REGULATION 3-5-100.3 RETAILERS WITH AN EFFECTIVE DATE OF OCTOBER 1, 2019.

~~When in the opinion of the Tax Collector it is necessary for efficient administration of this Chapter, he may regard any salesman, representative, peddler, canvasser, or agent of any dealer, distributor, supervisor, or employer under whom he operates or from whom he obtains tangible personal property for sale, rental, lease, or license as a retailer for the purposes of this Chapter, irrespective of whether he is making sales, rentals, leases, or licenses on his own behalf or on behalf of others. The Tax Collector may also regard such dealer, distributor, supervisor, or employer as a retailer for the purposes of this Chapter.~~

Reg. 3-5-100.4. OUT-OF-CITY/OUT-OF-STATE SALES: SALES TO NATIVE AMERICANS~~:~~

SECTION 3-05-001-0100.4 OUT-OF-CITY/OUT-OF-STATE SALES: SALES TO NATIVE AMERICANS REPLACES REGULATION 3-5-100.4 OUT-OF-CITY/OUT-OF-STATE SALES: SALES TO NATIVE AMERICANS WITH AN EFFECTIVE DATE OF OCTOBER 1, 2019.

~~(a) Sales to Native Americans or tribal councils by vendors located within the City shall be deemed sales within the City, unless all of the following conditions exist:~~

~~(1) The vendor has properly accounted for such sales, in a manner similar to the recordkeeping requirements for out-of-City sales; and,~~

~~(2) All of the following elements of the sale exist:~~

~~(A) Solicitation and placement of the order occurs on the reservation; and~~

~~(B) Delivery is made to the reservation; and~~

~~(C) Payment originates from the reservation.~~

Reg. 3-5-100.5. REMEDIATION CONTRACTING~~.~~

SECTION 3-05-001-0100.5 REMEDIATION CONTRACTING REPLACES REGULATION 3-5-100.5 REMEDIATION CONTRACTING WITH AN EFFECTIVE DATE OF OCTOBER 1, 2019.

~~The following activities are considered remediation contracting and are exempt:~~

~~(1) Excavation, transportation, treatment, and/or disposal of contaminated soil for purposes of site remediation (rather than characterization);~~

~~(2) Installation of groundwater extraction and/or injection wells for purposes of groundwater remediation;~~

~~(3) Installation of pumps and piping into groundwater extraction wells for remediation purposes;~~

~~(4) Installation of vapor extraction wells for the purpose of soil or groundwater remediation;~~

~~(5) Construction of remediation systems, such as groundwater treatment plants, vapor extraction systems, or air injection systems;~~

~~(6) Connection of remediation systems to utilities;~~

~~(7) Abandonment of groundwater or vapor extraction wells;~~

~~(8) Removal/demolition of remediation systems;~~

~~(9) Capping/closure construction activities; and~~

~~(10) Service or handling charges for subcontracted remediation contracting activities.~~

Reg. 3-5-115.1. COMPUTER HARDWARE, SOFTWARE, AND DATA SERVICES~~S~~

A. Definitions.

1. "Computer hardware" (also called "computer equipment" or "peripherals") is the components and accessories which constitute the physical computer assembly, including but not limited to: central processing unit, keyboard, console, monitor, memory unit, disk drive, tape drive or reader, terminal, printer, plotter, modem, document sorter, optical reader and/or digitizer, and network.

2. "Computer software" (also called "computer program") is tangible personal property, and includes:

a. "Operating program (software)" (also called "executive program (software)"), which is the programming system or technical language upon which or by means of which the basic operating procedures of the computer are recorded. The operating program serves as an interface with user applied programs and allows the user to access the computer's processing capabilities.

b. "Applied program (software)," which is the programming system or technical language (including the tape, disk, cards, or other medium upon which such language or program is recorded) designed either for application in a specialized use, or upon which or by means of which a plan for the solution of a particular problem is based. Typically, applied programs can be transferred from one (1) computer to another via storage media. Examples of applied programs include: payroll processing, general ledger, sales data, spreadsheet, word processing, and data management programs.

3. "Storage medium" is any hard disk, compact disk, floppy disk, diskette, disk pack, magnetic tape, cards, or other medium used for storage of information in a form readable by a computer, but not including the memory of the computer itself.

4. A "terminal arrangement" (also called "'online' arrangement") is any agreement allowing access to a remote central processing unit through telecommunications via hardware.

5. A "computer services agreement" (also called "data services agreement") is an agreement allowing access to a computer through a third-party operator.

B. For the purposes of this chapter, transfer of title and possession of the following are deemed sales of tangible personal property and any other transfer of title, possession, or right to use for a consideration of the following is deemed rental, leasing, or licensing of tangible personal property:

1. Computer hardware or storage media. Rental, leasing, or licensing for use of computer hardware or storage media includes the lessee's use of such hardware or storage media on the lessor's premises.

2. Computer software which is not custom computer programming. Such prewritten ("canned") programs may be transferred to a customer in the form of punched cards, magnetic tape, or other storage medium, or by listing the program instructions on coding sheets. Transfer is deemed to have occurred whether title to the storage medium upon which the program is recorded, coded, or punched

passes to the customer or the program is recorded, coded, or punched on storage medium furnished by the customer. Gross income from the transfer of such prewritten programs includes:

a. The entire amount charged to the customer for the sale, rental, lease, or license for use of the storage medium or coding sheets on which or into which the prewritten program has been recorded, coded, or punched.

b. The entire amount charged for the temporary transfer or possession of a prewritten program to be directly used or to be recorded, coded, or punched by the customer on the customer's premises.

c. License fees, royalty fees, or program design fees; any fee present or future, whether for a period of minimum use or of use for extended periods, relating to the use of a prewritten program.

d. The entire amount charged for transfer of a prewritten ("canned") program by remote telecommunications from the transferor's place of business to or through the customer's computer.

e. Any charge for the purchase of a maintenance contract which entitles the customer to receive storage media on which prewritten program improvements or error corrections have been recorded or to receive telephone or on-site consultation services; provided, that:

(1) If such maintenance contract is not optional with the customer, then the charges for the maintenance contract, including the consultation services, are deemed gross income from the transfer of the prewritten program.

(2) If such maintenance contract is optional with the customer but the customer does not have the option to purchase the consultation services separately from the storage media containing the improvements or error corrections, then the charges for the maintenance contract, including the consultation services, are deemed gross income from the transfer of the prewritten program.

(3) If such maintenance contract is optional with the customer and the customer may purchase the consultation services separately from the storage media containing the improvements or error corrections, then only the charges for such improvements

or error corrections are deemed gross income from the transfer of a prewritten program and charges for consultation are deemed to be charges for professional services.

C. Producing the following by means of computer hardware is deemed to be the activity of job printing for the purposes of this chapter:

1. Statistical reports, graphs, diagrams, microfilm, microfiche, photorecordings, or any other information produced or compiled by a computer; except as provided in subsection ~~(E) of this section~~ E BELOW.

2. Additional copies of records, reports, manuals, tabulations, etc. "Additional copies" are any copies in excess to those produced simultaneously with the production of the original and on the same printer, whether such copies are prepared by running the same program, by using multiple printers, by looping the program, by using different programs to produce the same output, or by other means.

D. Charges for the use of communications channel in conjunction with a terminal arrangement or data services agreement are deemed gross income from the activity of providing telecommunication services.

E. The following transactions are deemed direct customer services; provided, that charges for such services are separately stated and maintained as provided by Regulation 3-5-100.2(e):

1. "Custom (computer) programming," which is any computer software which is written or prepared for a single customer, including those services represented by separately stated charges for the modification of existing prewritten programs.

a. Customer computer programming is deemed a professional service regardless of the form in which the programming is transferred.

b. Custom programming includes such programming performed in connection with the sale, rental, lease, or license for use of computer hardware; provided, that the charges for such are separately stated from the charges for the hardware.

c. Custom computer programming includes a program prepared to the special order of a customer who will use the program to produce copies of the program for sale, rental, lease, or license. The subsequent sale, rental, lease, or license of such a program is deemed the sale, rental, lease, or license of a prewritten program.

2. Training services related to computer hardware or software; provided further, that:

a. The provider of such training services is deemed the ultimate consumer of all tangible personal property used in training others or provided to such trainees without separately itemized charge for the materials provided.

b. Training deemed a direct customer service does not include:

(1) Training materials, books, manuals, etc., furnished to customers for a charge separate from the charge for training services.

(2) Training provided to customers without separate charge as part of the sale, rental, lease, or license of computer hardware or software, or as part of a terminal arrangement or data services agreement.

3. The use of computer time through the use of a terminal arrangement or a data service agreement, but not charges for computer hardware located at the customer's place of business (for example, the terminal, a printer attached to the terminal, a modem used to communicate with the remote central processing unit over a telephone line).

4. Compiling and producing, as part of a terminal arrangement or computer services agreement, original copies of statistical reports, graphs, diagrams, microfilm, microfiche, photorecordings, or other information for the same person who supplied the raw data used to create such reports.

F. The purchase, rental, lease, or license for use of computer hardware, storage media, or computer software which is not deemed custom programming is deemed the use or storage of tangible personal property for the purpose of this chapter, and the amount which may be subject to use tax shall be determined in the same manner as the determination of the gross income from the sale, rental, lease, or license for use of such.

(Ord. 2014-16, Amended, 07/15/2014)

Reg. 3-5-120.1. Repealed by Ord. 2013-26.

Reg. 3-5-200.1. WHEN DEPOSITS ARE INCLUDABLE IN GROSS INCOME~~:~~

(a) Refundable deposits shall be includable as gross income of the taxpayer for the month in which the deposits are forfeited by the lessee.

(b) Reserved.

Reg. 3-5-250.1. EXCESS TAX COLLECTED:

If a taxpayer collects taxes in excess of the combined tax from any customer in any transaction, all such excess tax shall be paid to the taxing jurisdictions in proportion to their effective rates. The right of the taxpayer to charge his customer for his own liability for tax does not allow the taxpayer to enrich himself at the cost of his customers. Tax paid on an activity that is not subject to tax or that qualifies for an exemption, deduction, exclusion or credit is not excess tax collected.

Reg. 3-5-270.1. PROPRIETARY ACTIVITIES OF MUNICIPALITIES ARE NOT CONSIDERED ACTIVITIES OF A GOVERNMENTAL ENTITY:

The following activities, when performed by a municipality, are considered to be activities of a person engaged in business for the purposes of this Chapter, and not excludable by reason of Section 3-05-002-0270:

A. Rental, leasing, or licensing for use of real property to other than another department or agency of the municipality.

B. Producing, providing, or furnishing electricity, electric lights, current, power, gas (natural or artificial), or water to consumers or ratepayers.

C. Sale of tangible personal property to the public, when similar tangible personal property is available for sale by other persons, as, for example, at police or surplus auctions.

D. Providing wastewater removal services to consumers or ratepayers by means of sewer lines or similar pipelines.

Reg. 3-5-270.2. PROPRIETARY CLUBS:

(a) Equity requirements. In order to qualify for exclusion under Section 3-05-002-0270, a proprietary club must actually be owned by the members. For the purposes of qualification, a club will be deemed to be member-owned if at least eighty-five percent (85%) of the equity of the total amount of club-owned property is owned by bona fide individual members whose membership is represented in the form of shares, certificates, bonds, or other indicia of capital interest. A corporation may be considered an individual owner provided that it owns a membership solely for the benefit of one or more of its employees and it is not engaged in any business activity connected with the operation of the club.

(b) Gross revenue requirements. In computing gross revenue for the computation of this fifteen percent (15%) rule of subsection 3-05-002-0270 (c)(1),

(1) The following shall be excluded:

(A) Membership dues.

(B) Membership fees which relate to the general admission to the club on a periodic (or perpetual) basis.

(C) Assessments.

(D) Special fund raising events, raffles, etc.

(E) Donations, gifts, or bequests.

(F) Gate receipts, admissions, and program advertising for not more than one tournament in any calendar year.

(2) The following must be included:

(A) Green fees, court use fees, and similar charges for the actual use of a facility or part thereof.

(B) Pro shop sales if the shop is owned by the club.

(C) Golf cart rental if the carts are owned by the club.

(D) Rentals, percentages, or commissions received for permitting the use of the premises or any portion thereof by a caterer, concessionaire, professional, or any other person for sales, rental, leasing, licensing, catering, food or beverage service, or instruction.

(E) All receipts from food or beverage sales, room use or rental charge, corkage and catering charges, and similar receipts.

(F) Locker and locker room fees and attendants charges if paid to the club.

(G) Tournament entry fees other than entry fees for the one annual tournament exempt under subsection (b)(1)(f). above.

Reg. 3-5-405.1. LOCAL ADVERTISING EXAMPLES:

For the purposes of illustration only, and not by way of limitation, the following are provided as examples of local advertising subject to the tax:

(1) Retail sales and rental establishments doing business within the State when only one commonly designated business entity is identified by name in the advertisement.

(2) Financial institutions doing business within the State whether part of a national chain or local business only.

(3) Sales of real estate located within the State.

(4) Health care facilities located within the State.

(5) Hotels, motels, and apartments, whether a national chain or local so long as the advertisement identifies any location within the State.

(6) Brokers doing business within the State whether stockbrokers, real estate brokers, insurance brokers, etc.

(7) Nonprofit organizations, which even though tax exempt, have an office, whether national, local, or branch, within the State.

(8) Political activity, except United States Presidential and Vice Presidential candidates.

(9) Restaurants or food service establishments which have one or more branches, outlets, or franchises within the State even though the local franchisee or licensee may not be responsible for the placement of the advertisement.

(10) Services provided by individuals or entities within the State such as doctors, lawyers, architects, hairdressers, auto repair shops, counseling services, utilities, contractors, auction houses, etc.

(11) Coupons redeemable only at a single commonly designated business entity within the State.

(12) Theater, sports, and other entertainment events held at locations within the State.

Reg. 3-5-405.2. ADVERTISING ACTIVITY WITHIN THE CITY:

(a) In General. Except as provided elsewhere in this regulation, a person engaged in advertising activity shall be considered to be doing business entirely within the City if all or a major portion of the dissemination facilities such as broadcasting studios, printing plants, or distribution centers are located within the City limits. Remote studios patched to an in-City studio and subject to engineering modulation or control at the in-City studio are considered studios doing business in the City.

(b) Billboards and other outdoor advertising companies shall be considered to be doing business within the City to the extent they have billboards or similar displays within the City.

(c) Publishers and distributors of newspaper and other periodicals shall be subject to the tax upon advertising imposed by Section 3-05-004-0405 and such tax shall be allocated in the manner prescribed by subsection (e) of Section 3-05-005-0435.

Reg. 3-5-407.1. RESERVED~~:~~

Reg. 3-5-415.1. DISTINCTION BETWEEN THE CATEGORIES OF CONSTRUCTION CONTRACTING:

For the purposes of this Chapter, transactions involving improvements to, or sales of, real property are designated into one of the following categories, and these categorizations shall apply, whether or not a person designates himself as a contractor, construction manager, developer, or otherwise:

(a) A person performing improvements to real property is one of the following:

(1) An "Owner-Builder" when the work is performed by the owner or lessor or lessee-in-possession. An "owner-builder" may also be a "speculative builder".

(2) A "Construction Contractor" when performing work for the owner or lessor or lessee-in-possession of the real property, unless that person has provided a written declaration stating that:

(A) The owner-builder is improving the property for sale; and

(B) The owner-builder is liable for the tax for such construction contracting activity; and

(C) The owner-builder has provided the contractor his city Privilege License number.

(3) A "Subcontractor" as provided in Section 3-05-004-0415 (c)

(b) An owner or lessor ("owner-builder") of improved real property is one of the following:

(1) A "Speculative Builder" as provided in Section 3-05-001-0100; or

(2) An "owner-builder who is not a speculative builder" in all other cases.

(c) The terms "owner", "lessor", and "lessee-in-possession" shall be deemed to include any authorized agent for such person.

Reg. 3-5-415.2. DISTINCTION BETWEEN CONSTRUCTION CONTRACTING AND CERTAIN RELATED ACTIVITIES:

(a) Certain rentals, leases, and licenses for use in connection with construction contracting. Rental, leasing, or licensing of earthmoving equipment with an operator shall be deemed construction contracting activity. Rental, leasing, or licensing of any other tangible personal property (with or without an operator) or of earthmoving equipment without an operator shall be deemed rental, leasing, or licensing of tangible personal property. For example:

(1) Rental of a backhoe, bulldozer, or similar earthmoving equipment with operator is construction contracting. Rental of these items without an operator is rental of tangible personal property.

(2) Rental of scaffolding, temporary fences, or barricades is rental of tangible personal property.

(3) Rental of pumps or cranes is rental of tangible personal property, whether or not an operator is provided with the equipment rented.

(b) Distinction between construction contracting, retail, and certain direct customer service activities.

(1) When an item is attached or installed on real property, it is a construction contracting activity and any subsequent repair, removal, or replacement of that item is construction contracting.

(2) Items attached or installed on tangible personal property are retail sales.

(3) Transactions where no tangible personal property is attached or installed are considered direct customer service activities (for example: carpet cleaning, lawn mowing, landscaping maintenance).

(4) Demolition, earth moving, and wrecking activities are considered construction contracting.

(c) Sale of consumable goods incorporated into or applied to real property is considered a retail sale and not construction contracting. Examples of consumable goods are lubricants, faucet washers, and air conditioning coolant, but not paint.

(d) Installation or removal of tangible personal property which has independent functional utility is considered a retail activity.

(1) "Tangible personal property which has independent functional utility" must be able to substantially perform its function(s) without attachment to real property. "Attachment to real property" must include more than connection to water, power, gas, communication, or other service.

(2) Examples of tangible personal property which has independent functional utility include artwork, furnishings, "plug-in" kitchen equipment, or similar items installed by bolts or similar fastenings.

(3) Examples of tangible personal property which does not have independent functional utility include wall-to-wall carpeting, flooring, wallpaper, kitchen cabinets, or "built-in" dishwashers or ranges.

(4) The installation of window coverings (drapes, mini-blinds, etc.) is always a retail activity.

Reg. 3-5-0415.3 CONSTRUCTION CONTRACTING; TAX RATE EFFECTIVE DATE.

A. In the event of a tax rate change, the rate imposed on gross income from construction contracting shall be computed based upon the rate in effect when the contract was executed, subject to the "enactment date" as defined in this section. Gross income from a contract executed prior to the enactment date shall not be subject to the tax rate change, provided the contract contains no provision that entitles the construction contractor to recover the amount of the tax.

B. In the event of a rate increase, in order to qualify for the lower rate, the construction contractor shall, upon request, provide sufficient documentation, in a manner and form prescribed by the tax collector, to verify that a contract was entered into before the enactment date.

C. For the purposes of this section, "enactment date" shall be:

(1) In the event an election is held, the date of election.

(2) In the event no election is held, the date of final adoption by the Mayor and Council.

(3) Notwithstanding the above, nothing in this section shall be construed to prevent the City from establishing a later enactment date.

Reg. 3-5-416.1. SPECULATIVE BUILDERS: HOMEOWNER'S BONA FIDE NON-BUSINESS SALE OF A FAMILY RESIDENCE:

SECTION 3-05-004-416.1 SPECULATIVE BUILDERS: HOMEOWNER'S BONA FIDE NON-BUSINESS SALE OF A FAMILY RESIDENCE REPLACES REGULATION 3-5-416.1 SPECULATIVE BUILDERS: HOMEOWNER'S BONA FIDE NON-BUSINESS SALE OF A FAMILY RESIDENCE WITH AN EFFECTIVE DATE OF OCTOBER 1, 2019.

~~(a) A sale of a custom home, regardless of the stage of completion of such home shall be considered a "homeowner's bona fide non-business sale" and not subject to the tax on speculative builders if:~~

~~(1) The property was actually used as the principal place of family residence or vacation residence by the immediate family of the seller for the six (6) months next prior to the offer for sale; and~~

~~(2) The seller has not sold more than two (2) such residences (or, if the residence is a vacation residence, two (2) such vacation residences) within the thirty-six (36) months immediately prior to the offer for sale; and~~

~~(3) The seller has not licensed, leased, or rented the sold premises for any period within twenty-four (24) months prior to the offer for sale.~~

~~(b) In the event that a homeowner of a family residence contracts with a licensed construction contractor for improvements to a residence, the construction contracting on a family residence shall be presumed to be for an owner's bona fide non-business purpose and all construction contractors shall be required to report and pay the tax imposed on all such improvements.~~

~~(c) Purchases by a homeowner of tangible personal property for inclusion in any construction, alteration, or repair of his residence shall be subject to tax as retail sales to the ultimate consumer.~~

~~(d) "Owner" and "Homeowner" as used in this Regulation shall only mean an individual, and no other entity, association, or representative shall qualify; except that an administrator, executor, personal representative, or guardian in guardianship or probate proceedings, for the estate of a deceased or incompetent person or a minor, may claim "homeowner" status for such person if such person would have otherwise qualified with respect to the specific property involved.~~

Reg. 3-5-416.2. RECONSTRUCTION CONTRACTING:

SECTION 3-05-004-416.2 RECONSTRUCTION CONTRACTING REPLACES REGULATION 3-5-416.2 RECONSTRUCTION CONTRACTING WITH AN EFFECTIVE DATE OF OCTOBER 1, 2019.

~~(a) "Reconstruction (of Real Property)" shall mean the subdividing of real property and, in addition, all construction contracting activities performed upon said real property; provided, however, that each of the following conditions are met:~~

~~(1) A structure existed on said real property prior to the reconstruction activity; and~~

~~(2) The "prior value" of said structure exceeds fifteen percent (15%) of the "prior value" of the integrated property (land, improvements, and structure); and~~

~~(3) The total cost of all construction contracting activities performed on said real property in the twenty-four (24) month period prior to the sale of any part of the real property exceeds fifteen percent (15%) of the "prior value" of the real property; and~~

~~(4) The structure which existed on the real property prior to the reconstruction activity still exists in some form upon the property, and is included, in whole or in part, in the property sold.~~

~~(b) Except as provided in subsection (c) below, "prior value" means the value of the total integrated property, with improvements, as existing immediately prior to any reconstruction activity. where, according to Title 42 of the Arizona Revised Statutes, a property's full cash value for secondary tax purposes is intended to represent the property's fair market value, "prior value" shall be the property's full cash value for secondary property tax purposes as determined by the County Assessor in the year immediately preceding the year in which the reconstruction improvement(s) are or could have been included in the County Assessor's valuation. If the County Assessor's valuation is contested or appealed, the final determination at either the administrative or judicial level shall apply. Where, according to Title 42 of the Arizona Revised Statutes, a property's full cash value for secondary property tax purposes is not intended to represent the property's fair market value, "prior value" shall be the property's fair market value prior to the reconstruction improvement(s).~~

~~(c) "Alternative Prior Value" shall mean that as an alternative to the "prior value" defined above, the taxpayer may use his actual cost of the reconstructed property prior to reconstruction, provided that evidence of such cost is presented to the Tax Collector and is determined by the Tax Collector, in his sole discretion, to be satisfactory. Such evidence shall consist, at a minimum, of proof of the actual, arms-length acquisition price,~~

~~accompanied by a full appraisal of all property involved which appraisal shall have been performed by a real estate broker or MAI appraiser specifically for the purpose of assisting in the acquisition and further shall have been performed on behalf of the seller or a lending institution which has lent at least sixty-five percent (65%) of the acquisition price. (Only long term lending - not interim or construction financing will be considered.) This alternative value shall be used only if the property was acquired by the reconstruction taxpayer not more than thirty-six (36) months prior to a "sale" as defined below.~~

~~(d) A "sale" for the purpose of determining "alternative prior value" or "reconstruction" only shall be deemed to have occurred as of the date of the execution of a contract of sale or a deed (joint tenancy or warranty) whichever is earlier, to a purchaser or grantee of any single residential or other occupancy unit. In addition to the foregoing, a lease with option to purchase a single residential unit shall be considered a "sale" at the date of execution of such lease if said option is exercisable by the lessee in not later than nine (9) months. Further in the case of cooperative apartments, the sale date shall be the date of execution of the contract selling (subject or not to encumbrances, liens or security interests) of a share, or a sufficient number of shares which entitle the purchaser to the occupancy of a residential unit. In all cases a person shall include a husband and wife as a community, or any co-occupants of a single unit as joint tenants.~~

Reg. 3-5-425.1. DISTINCTION BETWEEN JOB PRINTING AND CERTAIN RELATED ACTIVITIES~~:~~

(a) Computerized Printing. Computerized versions of all items which would be taxable under Section 3-05-004-0425 if performed without computerized assistance are considered taxable under that Section, and therefore, are not exempt services.

(b) Book publishing. The printing of books shall be deemed job printing. Sales of books shall be deemed retail sales.

(c) Publication of newspapers, magazines, or other periodicals shall not be considered job printing for the purposes of this Chapter.

Reg. 3-5-435.1. DISTINCTION BETWEEN PUBLISHING OF PERIODICALS AND CERTAIN RELATED ACTIVITIES~~:~~

(a) Book publishing shall not be considered publication of newspapers, magazines, or other periodicals for purposes of this Chapter. Sales of books shall be deemed retail sales. The printing of books shall be deemed job printing.

(b) Publication of newspapers, magazines, or other periodicals shall not be considered job printing for the purposes of this chapter.

Reg. 3-5-435.2. ADVERTISING INCOME OF PUBLISHERS AND DISTRIBUTORS OF NEWSPAPERS AND OTHER PERIODICALS:

Publishers and distributors of newspapers and other periodicals shall be subject to the tax upon advertising imposed by Section 3-05-004-0405 and such tax shall be allocated in the manner prescribed by subsection (e) of Section 3-05-004-0435.

Reg. 3-5-445.1. WHEN THE RENTAL, LEASING, AND LICENSING OF REAL PROPERTY IS EXEMPT AS "CASUAL":

Reg. 3-5-445.1. When the rental, leasing, and licensing of real property is exempt as "casual".

(a) (Reserved)

(b) (Reserved)

Reg. 3-5-445.3. RENTAL, LEASING, AND LICENSING OF REAL PROPERTY AS LODGING: ROOM AND BOARD; FURNISHED LODGING:

(a) Room and board.

(1) Rooming houses, lodges, or other establishments providing both lodging and meals, shall maintain a record of the separate charges made for the lodging and the meals.

(2) The charge for lodging shall be subject to the tax imposed by Section 3-05-004-0444 or 3-05-004-0445. The charge for meals is subject to the tax upon restaurants and bars prescribed by Section 3-05-004-0455.

(b) Furnished lodging. A person who provides lodging with furnishings shall be deemed to be only in the business of rental, leasing, and licensing of lodging, and not in the business of rental, leasing, and licensing of such furnishings as tangible personal property, unless:

(1) Any tenant of any lodging space may choose to rent, lease, or license such lodging space either furnished or unfurnished; and

(2) The lessor separately charges tenants for lodging and for furnishings; and

(3) The lessor separately maintains his gross income from lodging and from furnishings separately in his accounting books and records.

If all of the above conditions are met, such person shall report both sources of income separately to the City.

Reg. 3-5-450.1. DISTINCTION BETWEEN RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY AND CERTAIN RELATED ACTIVITIES:

(a) Certain rentals, leases, and licenses for use in connection with construction contracting. Rental, leasing, or licensing of earthmoving equipment with an operator shall be deemed construction contracting activity. Rental, leasing, or licensing of any other tangible personal property (with or without an operator) or of earthmoving equipment without an operator shall be deemed rental, leasing, or licensing of tangible personal property. For example:

(1) Rental of a backhoe, bulldozer, or similar earthmoving equipment with operator is construction contracting. Rental of these items without an operator is rental of tangible personal property.

(2) Rental of scaffolding, temporary fences, or barricades is rental of tangible personal property.

(3) Rental of pumps or cranes is rental of tangible personal property, regardless of whether or not an operator is included with the equipment rented.

(b) Distinction between equipment rental, leasing, or licensing for use and transporting for hire. The hiring of mobile equipment (cranes, airplanes, limousines, etc.) is considered rental, leasing, or licensing of tangible personal property whenever the charge is for a fixed sum or hourly rate. By comparison, the activity of a common carrier conveying goods or persons for a fee based upon distance, and not time, shall be considered transporting for hire.

Reg. 3-5-450.2. RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY: MEMBERSHIP FEES; OTHER CHARGES:

(a) Membership, admission, or other fees charged by any rental club or limited access lessor are considered part of taxable gross income.

(b) Gross income from rental, leasing, or licensing for use of tangible personal property must include all charges by the lessor to the lessee for repair, maintenance, or other service upon the tangible personal property rented, leased, or licensed.

(c) Sale of a warranty, maintenance, or service contract as a requirement of, or in conjunction with, a rental, leasing, or licensing contract is exempt.

Reg. 3-5-450.3. RENTAL, LEASING, AND LICENSING FOR USE OF EQUIPMENT WITH OPERATOR.

In cases where the tangible personal property is rented, leased, or licensed with an operator provided by the lessor, the charge for the operator shall not be includable in the gross income from the rental, lease, or license of such tangible personal property if the charge for the operator and the charge for the use of the equipment are separately itemized to the lessee and separately maintained on the books and records of the lessor.

Reg. 3-5-450.4. RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY: SEMI-PERMANENTLY OR PERMANENTLY INSTALLED TANGIBLE PERSONAL PROPERTY.

(a) The term "semi-permanently or permanently installed" means that the item of tangible personal property has and is expected to have at the time of installation a permanent location at the site installed, as under a long-term lease agreement, except that the person using or applying said property may eventually replace it because it has become worn out or has become obsolete or the person ceases to have the right to possession of said property.

(b) An item of tangible personal property is deemed permanently installed if its installation requires alterations to the premises.

(c) Examples of "semi-permanently or permanently installed tangible personal property" include, but are not limited to: Computers, duplicating machines, furniture not of portable design, major appliances, store fixtures.

(d) The term does not include mobile transportation equipment or tangible personal property designed for regular use at different locations or customarily used at different locations, as under numerous short-term rental, lease, or license agreements, whether or not such property is in fact so used.

(1) For example, use of a mobile crane, trencher, automobile, or other similar equipment shall be considered a rental, lease, or license transaction subject to taxation only by the city or town in which such business office of the lessor is based.

(2) Other similar examples include, but are not limited to: camping equipment, contracting equipment, chain saw, forklift, household items, invalid needs, janitorial equipment, reducing equipment, furniture of portable design, trucks or trailers, tools, towbars, sump pumps, arc welders.

(e) A rental, lease, or license agreement which specifies that the item in question shall remain, under the terms of the agreement, located within the same city or town for more than one hundred eighty (180) consecutive days shall be sufficient evidence that such rented, leased, or licensed item is "permanently or semi-permanently installed" in said city or town, except when the item is mobile transportation equipment or one of the other types of portable equipment or property described in subsection (d) above.

Reg. 3-5-450.5. RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY: DELIVERY, INSTALLATION, REPAIR, AND MAINTENANCE CHARGES

(a) Delivery and installation charges in connection with the rental, leasing, and licensing of tangible personal property are exempt from the tax imposed by Section 3-05-004-0450; provided that the provisions of Regulation 3-5-100.2 have been met.

(b) Gross income from the sale of a warranty, maintenance, or similar service contract in connection with the rental, leasing, and licensing of tangible personal property shall be exempt:

(c) Separately stated charges for repair not included as part of a warranty, maintenance, or similar service contract relating to the rental, leasing, or licensing of tangible personal property are exempt from the tax imposed by Section 3-05-004-0450; however, such income is subject to the provisions of Sections 3-05-004-0460 and 3-05-004-0465, and the provisions of Regulation 3-5-465.(1).

Reg. 3-5-455.1. GRATUITIES RELATED TO RESTAURANT ACTIVITY

Gratuities charged by or collected by persons subject to the tax imposed by Section 3-05-004-0455 may be excluded from gross income if:

(a) Such charge is separately stated upon the bill, invoice, etc. provided the customer, and such amounts are maintained separately in the books and records of the taxpayer; and

(b) Such gratuities are distributed in total to employees of the taxpayer in addition to customary and regular wages.

Reg. 3-5-460.1. DISTINCTION BETWEEN RETAIL SALES AND CERTAIN OTHER TRANSFERS OF TANGIBLE PERSONAL PROPERTY~~:~~

A. Charges for transfer of tangible personal property included in the gross income of the business activity of persons engaged in the following business activities shall be deemed only as gross income from such business activity and not sales at retail taxed by Section 3-05-004-0460:

1. Tangible personal property incorporated into real property as part of reconstruction or construction contracting, per Sections 3-05-004-0415 through ~~3-05-004-0417~~ 3-05-004-0418.

2. Sales of feed at wholesale, per Section 3-05-004-0420.

3. Job printing, per Section 3-05-004-0425.

4. Mining, timbering, and other extraction, but not sales of sand, gravel, or rock extracted from the ground, per Section 3-05-004-0430.

5. Publication of newspapers, magazines, and other periodicals, per Section 3-05-004-0435.

6. Rental, leasing, and licensing of real or tangible personal property, per Sections 3-05-004-0445 or 3-05-004-0450.

7. Restaurants and bars, per Section 3-05-004-0455.

8. Food for home consumption, per Section 3-05-004-0462.

9. Telecommunications services, per Section 3-05-004-0470.

10. Utility services, per Section 3-05-004-0480.

11. Wastewater removal services, per Section 3-05-004-0485.

B. Distinction between construction contracting, retail, and certain direct customer service activities.

1. When an item is attached or installed on real property, it is a construction contracting activity and any subsequent repair, removal, or replacement of that item is construction contracting.

2. Items attached or installed on tangible personal property are retail sales.

3. Transactions where no tangible personal property is attached or installed are considered direct customer service activities (for example: carpet cleaning, lawn mowing, landscape maintenance).

4. Demolition, earth moving, and wrecking activities are considered construction contracting.

C. The sale of sand, rock, and gravel extracted from the ground shall be deemed a sale of tangible personal property and not mining or metallurgical activity.

D. Sale of consumable goods incorporated into or applied to real property is considered a retail sale and not construction contracting. Examples of consumable goods are lubricants, faucet washers, and air conditioning coolant, but not paint.

E. Installation or removal of tangible personal property which has independent functional utility is considered a retail activity.

1. "Tangible personal property which has independent functional utility" must be able to substantially perform its function(s) without attachment to real property. "Attachment to real property" must include more than connection to water, power, gas, communication, or other service.

2. Examples of tangible personal property which has independent functional utility include artwork, furnishings, "plug-in" kitchen equipment, or similar items installed by bolts or similar fastenings.

3. Examples of tangible personal property which does not have independent functional utility include wall-to-wall carpeting, flooring, wallpaper, kitchen cabinets, or "built-in" dishwashers or ranges.

4. The installation of window coverings (drapes, mini-blinds, etc.) is always a retail activity.

Reg. 3-5-460.2. RETAIL SALES: TRADING STAMP COMPANY TRANSACTIONS.

A trading stamp transaction is defined as follows: The trading stamp company issues stamps to a vendor; the vendor then provides them to its customers; and the customer then exchanges the stamps for merchandise from the trading stamp company.

The exchange transaction for the merchandise shall be deemed a retail sale and the trading stamp company a retailer. All taxes imposed by this Chapter applicable to retail transactions are therefore applicable to such exchange transactions.

The rate of tax shall be the retail rate based upon the retail dollar value of the redeemed merchandise as expressed in the redemption dollar value per book of stamps or portion thereof. The tax imposition described herein is in lieu of any Privilege or Use Tax upon the business of issuing stamps, redeeming the same, or using or storing property redeemed.

Reg. 3-5-460.3. ~~RETAIL SALES: MEMBERSHIP FEES OF RETAILERS:~~ REPEALED EFFECTIVE OCTOBER 1, 2019.

~~Membership, admission, or other fees charged by limited access retailers are considered part of taxable gross income of the business activity of selling tangible personal property.~~

Reg. 3-5-460.4. RETAIL SALES: PROFESSIONAL SERVICES~~:~~

(a) "Professional Services" refer to services rendered by such persons as doctors, lawyers, accountants, architects, etc. for their customers or clients where the services meet particular needs of a specific client and only apply in the factual context of the client and the final product has no retail value in itself. For example, opinion letters, workpapers, reports, etc. are not in a form which would be subject to retail sales to customers. However, transfer of items in a form which would be subject to retail sales (e.g., artwork, forms, manuals, etc.) would not be considered professional services. The issue is one of fact which must be resolved in each situation.

(b) Creative ("idea") labor and design labor that do not result in tangible personal property that will be or can be sold are deemed professional services and, if charged separately and maintained separately in the taxpayer's books and records, are not includable in gross income.

(c) "Professional services" shall be deemed to include those items of tangible personal property which are incidental to the services rendered, provided such tangible personal property is "inconsequential."

(1) Incidental transfers of tangible personal property shall be regarded as "inconsequential" if,

(A) The purchase price of the tangible personal property to the person rendering the professional services represents less than fifteen percent (15%) of the charge, billing, or statement rendered to the purchaser in connection with the transaction, and

(B) The tangible personal property transferred is not itself in a form which is subject to retail sale.

(2) In cases where the tangible personal property transferred is deemed inconsequential, the provider of the tangible personal property so transferred is deemed the ultimate consumer of such tangible personal property, and subject to all applicable taxes imposed by this Chapter upon such transfer.

(d) Examples:

(1) The transfer of paper embodying the result or work product of the services rendered by an attorney or certified public accountant is regarded as inconsequential to the charges for professional services.

(2) An appraisal report issued by an appraiser, reflecting such appraiser's efforts to appraise real estate, is regarded inconsequential.

(3) Use of a hair care product on a client's hair by a barber or beautician in connection with performing professional services is usually inconsequential. On the other hand, if the barber or beautician supplies the customer with a bottle of the product for the client's use thereafter and without the professional's assistance, the transfer of the bottle of hair care product is deemed not inconsequential.

(4) If a mortician properly segregates his professional services from other taxable activities on his bill (invoice, contract), his gross income would include only the income derived from the sale of tangible personal property (casket, cards, flowers, etc.) and rental, leasing, or licensing of real and tangible personal property. His charges for professional services (embalming, cosmetic work, etc.) would not be includable in gross income.

Reg. 3-5-460.5. RETAIL SALES: MONETIZED BULLION; NUMISMATIC VALUE OF COINS.

(a) "Monetized Bullion" means coins or other forms of money manufactured or minted from precious metals or other metals and issued as legal tender or a medium of exchange by or for any government authorized to do so.

(b) Any coin shall be considered to have been transferred or acquired primarily for its "Numismatic value" if the sale or acquisition price:

(1) Is equal to or greater than twice (2 times) the value of the metallic content of the coin as of the date of transfer or acquisition; and

(2) Is equal to or greater than twice (2 times) its face value, in the case of a coin which, at the time of transfer or acquisition, was legal tender or a medium of exchange of the government issuing or authorizing its issuance.

Reg. 3-5-460.6. ~~RETAIL SALES: CONSIGNMENT SALES:~~ REPEALED EFFECTIVE OCTOBER 1, 2019.

~~Sales of merchandise acquired on consignment are taxable as retail sales. In cases where the merchant is acting as an agent on behalf of another dealer, sales of the consigned merchandise are taxable to the principal, provided the merchant makes full disclosure to customers that he is acting only as an agent for the named principal. However, when the principal is not deemed to be a dealer, such sales are considered to be those of the merchant and are taxable to him.~~

Reg. 3-5-465.1. RETAIL SALES: REPAIR SERVICES~~:~~

(a) Fair market value of parts and labor charges. The Tax Collector may examine the reporting of all transactions covered by this Section to determine if an "arms-length" price is charged for the parts and materials. The applicable tax may not be avoided by pricing a part, which ordinarily sells to the customer at $10, at $5 and including the difference as "service" or "labor". In the absence of satisfactory evidence supplied by the taxpayer as to industry or business practice, the Tax Collector may use the cost of the part or materials to the taxpayer marked up by a reasonable profit, to estimate the gross income subject to tax.

(b) Notwithstanding Regulation 3-5-350.1(e),

(1) In the case where the taxpayer does not normally and regularly sell items of tangible personal property apart from a repair transaction, the taxpayer may determine the sale price of the tangible personal property transferred by means of a "computed charge". The "computed charge" shall be the sum of the cost of the item of tangible personal property transferred, plus a "reasonable markup." The "reasonable markup" shall be that amount needed to achieve a representative retail price for which such items of tangible personal property are normally sold at retail by comparable businesses within the State (not under circumstances involving the combination of such sale with the providing of repair services). The taxpayer shall have the initial responsibility of determining such reasonable markup, and providing to the Tax Collector, if requested, the basis for his determination.

(2) In the event that there is a disagreement between the Tax Collector and the taxpayer as to the proper determination of the "computed charges", the burden shall be upon the taxpayer to satisfy the Tax Collector, the Hearing Officer in the event of a hearing, or the court in any subsequent court action

involving an assessment, of the validity of the taxpayer's method of determination of such "computed charges". The determination by the Tax Collector as to the proper "computed charge" shall be considered valid, and shall be sustained unless it is proven by the taxpayer that such determination is arbitrary and unreasonable.

Reg. 3-5-465.2. RETAIL SALES: WARRANTY, MAINTENANCE, AND SIMILAR SERVICE CONTRACTS.

(a) Gross income from sales of warranty, maintenance, and service contracts is exempt from the tax imposed by Section 3-05-004-0460.

(b) Transfers of tangible personal property in connection with a service, warranty, guaranty, or maintenance agreement between a vendor and a vendee shall be subject to tax under Section 3-05-004-0460 only to the extent of gross income received from separately itemized charges made for the items of property transferred.

(c) The gross income derived from a maintenance insurance agreement, which agreement is entered into between the purchaser and any person other than the seller is not subject to tax imposed by Section 3-05-004-0460. If the provider of the maintenance insurance agreement pays for tangible personal property on behalf of the insured in the performance of the agreement, such sales are subject to all applicable taxes imposed by this Chapter.

(d) Charges for tangible personal property provided under the terms of a warranty, maintenance, or service contract exempted under Section 3-05-004-0465 are subject to tax as retail sales.

(e) However, gross income received by a dealer from a manufacturer for work performed under a manufacturer's warranty is not taxable under Section 3-05-004-0460.

Reg. 3-5-465.3. RETAIL SALES: SALE OF CONTAINERS, PAPER PRODUCTS, AND LABELS.

(a) The sale of a container or similar packaging material which contains personal property and which is transferred to the customer with the sale of the product is not taxable as a sale for resale. Examples of such nontaxable containers include but are not limited to:

(1) Packaging materials sold to a manufacturer of video equipment for containment of the product during shipment.

(2) Cellophane-type wrap sold to a meat department or butcher for containment of the individually wrapped or contained meat.

(3) Bags used to contain loose fungible goods such as fruits, vegetables, and other products sold in bulk, where such bags or containers are used to contain and measure the amount purchased by the customer.

(4) Shopping bags and similar merchandising bags sold to grocery stores, department stores or other retailers.

(5) Gift wrappings and gift boxes sold to department stores or other retailers.

(b) Sales of non-returnable or disposable paper (and similar products such as plastic or styrofoam) cups, lids, plates, bags, napkins, straws, knives, forks and other similar food accessories to a restaurant or others taxable under Section ~~3-5-455~~ 3-05-004-0455 for transfer by the restaurant to its customer to contain or facilitate the consumption of the food, drink or condiment are sales for resale and not taxable.

(c) Where a retailer imposes a charge for gift wrapping and the charge includes the container, paper, and other appropriate materials, the wrapping charge shall be considered a sale.

(d) Charges for returnable containers, where the charges are imposed on the customer, are subject to tax at the time of the transaction. A credit may be taken for the amount of refund after such refund is made.

(e) The sale of labels to a purchaser who affixes them to a primary container is a sale for resale and not taxable. Directional or instructional material included with products sold are considered to be part of the product and a sale for resale. However, the sale of items such as price tags, shipping tags, and advertising matter delivered to the customer in connection with the retail sale is taxable to the retailer as a retail sale to it, and is not exempt as a sale for resale.

Reg. 3-5-465.4. ~~RETAIL SALES: AIRCRAFT ACQUIRED FOR USE OUTSIDE THE STATE~~ REPEALED EFFECTIVE OCTOBER 1, 2019.

~~"Aircraft acquired for use outside the state" means aircraft, navigational and communication instruments, and other accessories and related equipment sold to:~~

~~(a) Any foreign government for use by such government outside of this state.~~

~~(b) Persons who are not residents of this state and who will not use such property in this state other than in removing such property from this state. This subsection also applies to corporations that are not incorporated in this state, regardless of maintaining a place of business in this state, if the principal corporate office is located~~

~~outside this state and the property will not be used in this state other than in removing the property from this state.~~

Reg. 3-5-470.1. TELECOMMUNICATION SERVICES~~:~~

(a) Gross income from the business activity of providing telecommunication services to consumers within this City shall not include:

(1) Charges for installation, maintenance, and repair of telecommunication equipment which are subject to the provisions of Sections 3-05-004-0415, 3-05-004-0416, or 3-05-004-0417 (construction contracting); 3-05-004-0445 (real property rental); 3-05-004-0450 (tangible personal property rental); or 3-05-004-0460 (retail sales); depending upon the nature of the work performed.

(2) Separately billed advertising charges which are subject to the provisions of Section 3-05-004-0405 or 3-05-004-0435.

(b) Mobile equipment. In cases where the customer is being provided telecommunication services to receiving/transmission equipment designed to be mobile in nature (for example, mobile telephones, portable hand-held two-way radios, paging devices, etc.), the provider shall, for the purposes of the tax imposed by this Section, determine whether such provider's customers are "within this City" as follows:

(1) By the billing address of the customer, provided that such address is a permanent residence or business location of the consumer within the State.

(2) In all other cases, the business location of the telecommunications provider.

Reg. 3-5-475.1. DISTINCTION BETWEEN TRANSPORTING FOR HIRE AND CERTAIN RELATED ACTIVITIES~~:~~

The hiring of mobile equipment (cranes, airplanes, limousines, etc.) is deemed rental, leasing, or licensing for use of tangible personal property whenever the charge is for a fixed sum or hourly rate. By comparison, the activity of a common carrier conveying goods or persons for a fee based upon distance, and not time, shall be considered transporting for hire.

Reg. 3-5-520.1. REPORTS MADE TO THE CITY~~:~~

A. Each taxpayer shall provide, as a minimum, all of the following when reporting taxes due as provided in this chapter:

1. Legal business name of the taxpayer or his agent.

2. Mailing address of the taxpayer.

3. City privilege license number of the taxpayer.

4. Period of time for which the report is intended.

5. For each category of income to which the taxpayer is subject, for the reporting period, as provided on the official City tax return:

a. All amounts subject to, excluded from, exempt from, or deductible from the tax imposed upon that category of business activity, summarized in total as "gross receipts" of that category of business activity.

b. The total amount claimed as excludable, exempted, or deducted from such "gross receipts", itemized as provided on the official City tax return, and summarized in total as "total deductions" for that category.

c. The difference between such "gross receipts" and "total deductions" as "net taxable" for that category.

d. The tax due and payable for that category.

6. That total amount subject to use tax, summarized as "net taxable," and the use tax due and payable for that reporting period.

7. Any excess tax collected which is due and payable.

8. Any claimed tax credits against taxes due and payable.

9. Total amount remitted with the return.

10. A statement verifying that the information provided on the return is accurate to the best of the preparer's knowledge. Such statement must be accompanied by a dated signature of the preparer, and also show the preparer's title or relationship to the taxpayer.

11. The tax collector may prescribe and will notify taxpayers of alternative methods for signing, subscribing or verifying any report or statement required to be filed, including, but not limited to, electronic signatures and/or security codes, and such methods shall have the same validity and consequence as the actual signature or written declaration of the taxpayer or other person required to sign, subscribe or verify the return, statement, or other document.

(Ord. No. 2004-25, Amended, 01/10/05; Ord. 2014-16, Amended, 07/15/2014)

Reg. 3-5-520.2. CHANGE OF METHOD OF REPORTING:

(a) Any taxpayer electing to change his reporting method shall be permitted to do so only upon filing a written request to the Tax Collector and after receiving written approval of the Tax Collector. The approval shall state the effective date of the change.

(b) The Tax Collector may postpone such approval to allow for examination of the records of the taxpayer and may further require that all tax liability be satisfied up to the effective date of the change.

(c) Failure of the taxpayer to notify the Tax Collector and await approval before changing the method of reporting will subject the taxpayer to interest and penalties if his original method of reporting would produce higher taxes due the City. When a person makes such change without the consent of the Tax Collector, the Tax Collector may audit his books and records to verify the tax liability as of the date of the change.

(d) Any taxpayer who has failed to indicate a choice of reporting method upon the application for a Privilege License shall be deemed to have chosen the accrual method of reporting.

Reg. 3-5-555.1. ADMINISTRATIVE REQUEST FOR THE ATTENDANCE OF WITNESSES OR THE PRODUCTION OF DOCUMENTS; SERVICE THEREOF; REMEDIES AND PENALTIES FOR FAILURE TO RESPOND:

(a) If a taxpayer refuses or fails to comply in whole or in part with a request to provide records authorized by Section 3-05-005-0555, the Tax Collector may issue his written Administrative Request which shall:

(1) Designate the individual to provide information.

(2) Describe specifically or generally the information to be provided, and any documents sought to be examined.

(3) State the date, time, and place in which the individual shall appear before the Tax Collector to provide the information and to produce the documents sought.

(4) Be directed to:

(A) Any director, officer, employee, agent, or representative of the person sought to be examined; or

(B) Any independent accountant, accounting firm, bookkeeping or financial service retained or employed by such person for any purpose connected with business activity subject to taxation; or

(C) Any other person who, in the opinion of the Tax Collector, has knowledge of facts bearing upon any tax liability of the person or taxpayer from whom information is sought.

(b) The failure of a taxpayer to comply with reasonable requests for records without good reason or cause may, in the exercise of judicial discretion by a court, be held to constitute a failure to exhaust administrative remedies.

Reg. 3-5-571.1. COLLECTION OF TAX IN JEOPARDY~~:~~

Evidence that collection of tax due is in jeopardy shall include documentation that:

(a) The taxpayer is going out of business.

(b) The taxpayer has no City privilege license or has no permanent business location in the State.

(c) The taxpayer has failed to timely pay any tax (or penalties and interest thereon) due to the City on three (3) or more occasions within the previous thirty-six (36) calendar months.

(d) The taxpayer has remitted payment by check, which has been dishonored.

(e) The taxpayer has failed to comply with a formal written request of the Tax Collector made pursuant to Regulation 3-5-555.1.

(Ord. 2008, Amended, 11/02/1999; Ord. 2007-28, Amended, 05/01/2007; Ord. 2013-26, Amended, 01/07/2014)

DIVISION 3-05-008
MISCELLANEOUS PROVISIONS

SECTIONS:

~~3-05-008-0800 TAX SUNSET DATES, USE OF REVENUES, AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER *(Effective until July 1, 2020)*~~

3-05-008-0800 TAX SUNSET DATES, USE OF REVENUES, AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER ~~*(Effective July 1, 2020)*~~

3-05-008-0801 TELEPHONE SERVICE LICENSE TAX

3-05-008-0802 RESERVED

3-05-008-0805 VALIDITY OF CHAPTER

3-05-008-0810 REPEAL

~~3-05-008-0800 TAX SUNSET DATES, USE OF REVENUES, AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER (Effective until July 1, 2020)~~

~~A. Sunset Clause. The provisions of this chapter shall terminate and cease to be operative for the tax rates specified below at 11:59 p.m. on the date specified for each rate, unless extended pursuant to subsection (B) of this section:~~

~~1. For the one percent (1.0%) transaction privilege tax rate imposed by Ordinance No. 1491, as extended through November 4, 2024, by approval of a majority of the qualified electors voting in the general election held on May 18, 2010. Such tax revenues are unrestricted.~~

~~2. For the two percent (2.0%) transaction privilege tax rate imposed on lodging, restaurant and lounge businesses ("BBB tax"), by Ordinance No. 1532, as extended through March 31, 2028, by approval of a majority of the qualified electors voting in the general election held on May 18, 2010. Such tax revenues shall be used as provided for in Chapter 3-06, Hospitality Industry Tax Revenues.~~

~~3. For the eight-hundredths percent (0.08%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Safe-to-School and Other Pedestrian and Bike Projects" (Proposition 400) as described in the ordinance.~~

~~4. For the sixteen-hundredths percent (0.16%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Fourth Street Railroad Overpass" to Route 66 (Proposition 401A) as described in the ordinance.~~

~~5. For the one hundred seventy-five thousandths percent (0.175%) transaction privilege tax rate imposed by Ordinance No. 2000-14, as extended in Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "Transit Improvements" (Proposition 402) as described in Ordinance No. 2000-14 and "Transit" (Proposition 401) as described in Ordinance No. 2008-05.~~

~~6. For the one hundred eighty-six thousandths percent (0.186%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. Such tax revenues shall be used for "Traffic Flow and Safety Improvements" (Proposition 403) as described in the ordinance.~~

~~7. For the two hundredths percent (0.02%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "Hybrid Vehicles and Transit System Capital" (Proposition 402) as described in the ordinance.~~

~~8. For the two hundredths percent (0.02%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for transit "Service Between Downtown and the Woodlands Village Areas" through and within the Northern Arizona University campus (Proposition 403) as described in the ordinance.~~

~~9. For the four hundredths percent (0.04%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used to "Support Mountain Line Bus Service in Areas Underserved or Not Served" (Proposition 404) as described in the ordinance.~~

~~10. For the four hundredths percent (0.04%) transaction privilege tax rate imposed by Ordinance No. 2008-05, June 30, 2020. Such tax revenues shall be used for "More Frequent Service on Some Existing Bus Routes" (Proposition 405) as described in the ordinance.~~

~~11. For the thirty-three hundredths percent (0.33%) transaction privilege tax rate imposed by Ordinance No. 2014-34, December 31, 2034. Such tax revenues shall be used for "Road Repair and Street Safety Initiative" (Proposition 406) as described in the ordinance.~~

~~12. For the twenty-three hundredths percent (0.23%) transaction privilege tax rate approved by a majority of the qualified electors voting in the November 6, 2018, general election, codified by Ordinance No. 2019-01, for the twenty (20) year period of July 1, 2019, through June 30, 2039. Such tax revenues shall be used to pay for the costs of a Lone Tree Railroad Overpass from Butler Avenue to Route 66, along with related pedestrian, bicycle, and street connections, per the "Lone Tree Overpass Sales Tax" (Proposition 420), as described in the ordinance.~~

~~B. Automatic Extension upon Electors' Approval. The authority to levy each of the tax rates specified in subsection (A) of this section shall be subject to approval by a majority of the qualified electors voting in a regularly scheduled general election. Such approval shall constitute an automatic extension of this chapter for however long the qualified electors approve such extension at the respective tax rate approved without further action by the City Council.~~

~~C. Authority to Amend. The Council may amend this chapter as it may deem necessary with the exception of the rates or the effective term of this chapter.~~

~~(Ord. 2000-14, Amended, 06/06/2000; Ord. 2008-05, Amended, 01/15/2008; Ord. 2014-16, Renumbered, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019. Formerly 3-05-006-0600)~~

3-05-008-0800 TAX SUNSET DATES, USE OF REVENUES, AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER ~~(Effective July 1, 2020)~~

A. Sunset Clause. The provisions of this chapter shall terminate and cease to be operative for the tax rates specified below at 11:59 p.m. on the date specified for each rate, unless extended pursuant to subsection (B) of this section:

1. For the one percent (1.0%) transaction privilege tax rate ORIGINALLY imposed by Ordinance No. 1491~~, as~~ AND extended through JUNE 30, 2035 ~~November 4, 2024~~, by approval of a majority of the qualified electors voting in the general election held on NOVEMBER 3, 2020 (PROPOSITION 436) ~~May 18, 2010~~. Such tax revenues are unrestricted. THIS SECTION IS EFFECTIVE NOVEMBER 5, 2024.

2. For the two percent (2.0%) transaction privilege tax rate ORIGINALLY imposed on lodging, restaurant and lounge businesses ("BBB tax"), by Ordinance No. 1532, AND ~~as~~ extended through JUNE 30, 2043 ~~March 31, 2028~~, by approval of a majority of the qualified electors voting in the general election held on NOVEMBER 5, 2024 (PROPOSITION 487) ~~May 18, 2010~~. Such tax revenues shall be used as provided for in Chapter 3-06, Hospitality Industry Tax Revenues.

3. For the thirty-three hundredths percent (0.33%) transaction privilege tax rate imposed by Ordinance No. 2014-34, December 31, 2034. Such tax revenues shall be used for "Road Repair and Street Safety Initiative" (Proposition 406) as described in the ordinance.

4. For the twenty-three hundredths percent (0.23%) transaction privilege tax rate approved by a majority of the qualified electors voting in the November 6, 2018, general election, codified by Ordinance No. 2019-01, for the twenty (20) year period of July 1, 2019, through June 30, 2039. Such tax revenues shall be used to pay for the costs of a Lone Tree Railroad Overpass from Butler Avenue to Route 66, along with related pedestrian bicycle, and street connections, per the "Lone Tree Overpass Sales Tax" (Proposition 420), as described in the ordinance.

5. For the twenty-nine hundredths and five thousandths percent (0.295%) transaction privilege tax rate extended by a majority of the qualified electors voting in the November 8, 2016, election, codified by Ordinance No. 2019-01, through June 30, 2030, such tax revenues shall be used to pay for the costs of acquiring, constructing, improving, operating, and maintaining equipment and facilities for a public transit system within the City of Flagstaff, per the "Transit Tax Levy" (Proposition 411) as described in the ordinance. THIS TRANSACTION PRIVILEGE TAX RATE SHALL APPLY THROUGH JUNE 30, 2025.

6. FOR THE FIVE TENTHS OF A PERCENT (0.500%) TRANSACTION PRIVILEGE TAX RATE EXTENDED AND INCREASED BY APPROVAL OF A MAJORITY OF THE QUALIFIED ELECTORS VOTING IN THE NOVEMBER 5, 2024, ELECTION, CODIFIED BY ORDINANCE NO. 2025-XX EFFECTIVE JULY 1, 2025, THROUGH JUNE 30, 2040, SUCH TAX REVENUES SHALL BE USED TO PAY FOR THE PURPOSES OF PUBLIC TRANSIT WITHIN THE CITY OF FLAGSTAFF, PER THE "TRANSIT TAX LEVY" (PROPOSITION 488).

~~6~~7. For the forty-two hundredths and six thousandths percent (0.426%) transaction privilege tax rate extended by a majority of the qualified electors voting in the November 6, 2018, election, codified by Ordinance No. 2019-01, for the twenty-one (21) year period commencing July 1, 2020, and continuing through June 30, 2041. Such tax revenues shall be used to pay for roadway, pedestrian, bicycle and safety improvements, per the "Transportation Sales Tax" (Proposition 419), as described in the ordinance.

B. Automatic Extension upon Electors' Approval. The authority to levy each of the tax rates specified in subsection (A) of this section shall be subject to approval by a majority of the qualified electors voting in a regularly scheduled general election. Such approval shall constitute an automatic extension of this chapter for however long the qualified electors approve such extension at the respective tax rate approved without further action by the City Council.

C. Authority to Amend. The Council may amend this chapter as it may deem necessary with the exception of the rates or the effective term of this chapter. (ORD. 1491, ORD. 1532, Ord. 2000-14, Amended, 06/06/2000; Ord. 2008-05, Amended, 01/15/2008; Ord. 2014-16, Renumbered, 07/15/2014; Ord. 2014-34, Amended, 01/06/2015; Ord. 2019-01, Amended, 02/19/2019. Formerly 3-05-006-0600)

3-05-008-0801 TELEPHONE SERVICE LICENSE TAX

Telephone Service Providers. An annual license tax of two percent (2%) shall be paid on the gross proceeds of all sales of telephone services by any provider who uses any City right-of-way. Said license tax shall be paid to the City at the end of each quarter. Gross proceeds of all sales shall include business done exclusively within the City and the State of Arizona, and will exclude any business done to or from points outside the State and telephone services provided to all U.S. governmental units.[1]

(Ord. 2018-22, Enacted, 06/19/2018)

3-05-008-0802 RESERVED

3-05-008-0805 VALIDITY OF CHAPTER

A. If any section, subsection, sentence, clause, phrase or portion of this chapter 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 of this section.

(Ord. 1593, 12-6-88; Ord. 2014-16, Renumbered, 07/15/2014. Formerly 3-05-006-0605)

3-05-008-0810 REPEAL

A. All ordinances or parts of ordinances, including but not limited to Ordinance No. 1333, which conflict with the provisions of this chapter are hereby repealed.

B. Subsection A of this section shall be inoperable in the event that the ordinance codified in this chapter is defeated by referendum.

(Ord. 1491, 6-16-87; Ord. 2014-16, Renumbered, 07/15/2014. Formerly 3-05-006-0610)

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[1] This voter-approved tax was adopted in 1962, predates the 1987 Model City Tax Code, is separately imposed, and was previously codified in Section 3-01-001-0002, License Taxes.

ORDINANCE NO. 2025-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, BUSINESS REGULATIONS, BY ADOPTING THE "*2025 CITY TAX CODE AMENDMENTS*" AS SET FORTH IN THAT PUBLIC RECORD ON FILE WITH THE CITY CLERK RELATING TO CODIFICATION OF VOTER APPROVED SALES TAX RATES AND MODEL CITY TAX CODE UPDATES, AND INCREASING THE USE TAX RATE TO MATCH SALES TAX RATES; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Charter, Article VI, Section 2(b) provides that the City Council shall have the power to levy a transaction privilege tax subject to approval by a majority of the qualified electors voting in the regularly scheduled General Election;

WHEREAS, the City of Flagstaff has adopted the Model City Tax Code to provide for uniform treatment of transaction privilege and use taxes (Chapter 3-05, Privilege and Excise Taxes, of the City Code, hereafter referred to as the "City Tax Code");

WHEREAS, on November 3, 2020, a majority of the City qualified electors voting in the general election approved Proposition 436, a continuation of a one percent (1%) local transaction privilege tax rate through June 30, 2035;

WHEREAS, on November 5, 2024 a majority of the City qualified electors voting in the general election approved Proposition 487, a continuation of an additional two percent (2%) local transaction privilege tax rate on hotels, restaurants and bars, through June 30, 2043 (also known as the bed, board, and beverage or "BBB tax");

WHEREAS, on November 5, 2024 a majority of the City qualified electors voting in the general election approved Proposition 488, a continuation of and increase of a local transaction privilege tax rate from twenty-nine hundredths and five thousandths percent (0.295%) to five tenths of a percent (0.500%) effective July 1, 2025 through June 30, 2040 for purposes of public transit (also known as the "transit tax levy");

WHEREAS, the City desires to update the City Tax Code to conform with City of Flagstaff voter mandates, and to conform with changes to the Model City Tax Code as maintained by the Arizona Department of Revenue.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General

The Flagstaff City Code, Title 3, Business Regulations, Chapter 3-05, *Privilege and Excise Taxes*,

is hereby amended by adoption of the amendments set forth in that document known as "*2025 City Tax Code Amendments*," declared a public record by Resolution No. 2025-25 and on file with the City Clerk.

The City Treasurer or designee is hereby directed to immediately provide an executed copy of Ordinance No. 2025-11 and Resolution No. 2025-25 to the Arizona Department of Revenue ("ADOR") for administration of local taxes.

SECTION 2. Use of Tax Revenues.

Tax revenues from the continuation of the one percent (1%) local transaction privilege tax rate approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 3, 2020 (who voted "yes" on Ballot Question/Proposition 436) shall be used for:

- General fund purposes (unrestricted).

Tax revenues generated from the continuation of the additional two percent (2%) local transaction privilege tax rate on hotels, restaurants and bars (also known as the bed, board, and beverage or "BBB tax") approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 5, 2024 (who voted "yes" on Ballot Question/Proposition 487) shall be used for:

- Hospitality purposes as set forth in the City Code, Chapter 3-06 Hospitality Industry Tax Revenues, as may be amended.

Tax revenues generated from the continuation of and increase of the five tenths percent (0.500%) transaction privilege tax rate approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 5, 2024 (who voted "yes" on Ballot Question/Proposition 488), shall be used for:

- Public transit purposes.

SECTION 3. Penalties.

Any person convicted of a violation of this ordinance is guilty of a misdemeanor and shall be fined a sum not to exceed two thousand five hundred dollars ($2,500.00) and may be sentenced to confinement in the Coconino County jail for a period not to exceed six (6) months for any one offense. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

SECTION 4. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 5. 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 6. 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 7. Effective Date

This Ordinance shall be effective on July 1, 2025.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of May, 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

City Tax Code Changes

Public Hearing
May 6, 2025

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

City Tax Code Updates

Overview of Changes

- Incorporate the local Transaction Privilege Tax (TPT) rate changes approved by Flagstaff voters
- Increase the Use Tax rate to align with the local TPT rate
- Update City Tax Code to conform with the Model City Tax Code (MCTC) – required by law

City Tax Code Updates

Voter-Approved TPT Rate Changes

- November 23, 2020 General/Special Election
  - Voters approve to extend the 1% local tax rate used for general funding purposes to June 30, 2043
    - (Revenues from other local tax rates are dedicated for specific purposes)
- November 22, 2024 General/Special Election
  - Voters approved to extend the additional 2% local tax rate on the Hotel and Restaurant industries (also known as the bed, board, and beverage or BBB tax), which is used for funding beautification, arts, sciences, parks and recreation, and tourism to June 30, 2043
  - Voters approved to increase the local tax rate 0.5% for funding public transit and to extend the Transit tax to June 30, 2040

City Tax Code Updates

Rate Changes

- Effective July 1, 2025, the City TPT rate will be 2.486%
  - BBB categories are 4.2486%
- The City has aligned the Use Tax rate with the TPT rate
  - Use Tax is a tax on purchase of item outside the City but used in the City, paid if tax for purchase outside the City was less
  - Current Use Tax rate is 2.281%
  - Staff is proposing to increase Use Tax rate to 2.486%
    - Provides a level playing field for local retailers, an increase in revenues

City Tax Code Updates

Model City Tax Code Changes

- Numerous changes have already been implemented by Arizona Department of Revenue (ADOR), call ADOR with questions

- Many clarifications
  - E.g. sales to Native Americans are exempt from local tax only if solicitation, delivery, and payment all occur on reservation

- Changes to the local TPT on construction contracting, speculative builders, per state laws

City Tax Code Updates

Model City Tax Code Changes

- Many new TPT exemptions and tax deductions
  - To benefit specific industries (e.g. computer data centers, livestock and poultry, agriculture, forestry wood products, coal, natural gas vehicles, pro-baseball and golf, rental of real property, recycling of landfill waste, construction)
  - To assist education (e.g. software sold to test student learning)
  - To help the needy, indigent, or persons with disabilities (e.g. sales to qualifying health care organizations, nonprofits that provide apartment housing for low-income elderly)

City Tax Code Updates

Model City Tax Code Changes

- Prohibits higher TPT rate junk food (City does not tax food)
- Adds new Use Tax exemptions to match new TPT exemptions
- Adds Use Tax exemptions specific to Use Tax
  - E.g. single trip use fuel tax permit, purchase of personal property less than $200 outside the U.S. for personal use

City Tax Code Updates

Model City Tax Code Changes

- Filing requirements
  - MCTC allows for annual filing if tax liability is less than $2,000, quarterly if liability is between $2,000-8,000, otherwise monthly

- Taxpayer bill of rights (Ariz. Rev. Statutes Section 42-2051 et seq.)
  - Whole litany of rights, dating back to 1986, applies to all interactions with ADOR
  - Taxpayer assistance office
  - ADOR shall abate taxes and penalties if failure to pay taxes is due to reasonable cause, not willful neglect (this is not new)

City Tax Code Updates

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

QUESTIONS/COMMENTS

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: David McIntire, Community Investment Director

Co-Submitter: Jana Weldon

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Contract: Approve the Contract with Creative Flagstaff to serve as the City's Lead Arts Agency (LAA) and Grantmaking Agency (GMA) for Arts, Culture and Science.

STAFF RECOMMENDED ACTION:

1. Approve contract #2025-176 with Creative Flagstaff
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The City of Flagstaff receives and allocates a portion of the revenues generated from a local transaction privilege tax rate of 2% on Hotels, Restaurants and Bars (also known as the Bed, Board, and Beverage tax or BBB tax) to Arts, Culture and Science in the community as prescribed by ordinance (7.5% of revenues). For many years, the City has used the services of a Lead Arts Agency (LAA - which is a term of art encompassing Arts, Culture and Science) to enhance the vibrancy and depth of arts, culture and science in the community in coordination and partnership with the City's Arts and Science program. This entity has also administered the pass-through of grant funds to sector-specific non-profits and creatives to assist them in producing expressions of public arts, culture and science. There are often over 40 grant recipients each year. This past year, with the expiration of the previous contract, the City worked with a consultant to survey community leaders in these areas to better understand how the City's investments were working and what could be improved. That study (attached) produced a document which provided an assessment of the state and future of the sectors, and ideas for how to best enhance them. Both the need for a sophisticated LAA, and the need for continued grant making to the non-profit and creative community, were clear in the feedback received.

The results were used by staff to inform the development of a scope of work for the Request for Statement of Qualifications (RSOQ) which was released to identify the City's next LAA and GMA. For this process, to allow broader possible participation, the opportunity was provided to submit responses for one or both parts of the relationship. Creative Flagstaff, who has been the City's LAA and GMA for the past 7-year contract as well as in the past, was the sole and successful respondent for both components.

This contract will enter into a 5-year commitment (with the option to renew for up to 3 additional 1-year terms) with Creative Flagstaff for the LAA services and to act as our GMA. While the Scope of Work will remain consistent throughout the term, each year a new Addendum will be brought to City Council outlining the new amount being allocated in the contract through the Budget process, which is based on BBB receipts, budget priorities, and fund capacity, as well as the specific activities to be accomplished in support of the scope of work. Per ordinance, these BBB funds must go to benefit the Arts, Science and Culture and cannot be used for activities not aligned with those goals.

For the first year of this contract the City is proposing to spend $275,575 for the LAA activities (inclusive of $100,000 for events and festivals such as ArtX), and $851,000 for pass- through grants to non-profits and the creative community (inclusive of Creative Flagstaff's 15% administrative fee). The scope of work and specific activities will be further outlined below.

Financial Impact:
Project Name: Lead Arts Agency and Grantmaking Agency for Arts, Culture and Science
Cost: $1,126,575
Account Number Budgeted: 054-07-216-0872-5-4273 : Service Partner Contracts; 054-07-216-0873-5-4273 : Service Partner Contracts; 054-07-216-0873-5-4290 : Other Miscellaneous Services
FY Budgeted Amount: $1,126,575 ($275,575 LAA and $851,000 GMA pass-through and administration)
Funding Source: BBB - Arts and Science funding

Policy Impact:
There is no major policy impact. This contract continues the City's historical use of a portion of BBB - Arts and Science funds to contract with a Lead Arts Agency and to pass through funding for non-profits and creatives in the Arts, Science and Culture sectors.

Previous Council Decision or Community Discussion:
Council heard a discussion on the BBB tax, and on the previous contract's annual report, on September 24, 2024.

The City's Arts, Culture and Science survey (attached) was presented to Council on January 14, 2025.

Options and Alternatives to Recommended Action:
Council may choose to approve the contract as is.

Council may choose to request amendments to the contract and staff will work to negotiate those amendments with Creative Flagstaff and bring the contract back for approval.

Council may choose not to approve the contract and provide direction on how they would prefer to invest BBB - Arts and Science funding.

Background and History:
As stated above, the contract has two distinct components, but these components will support and enhance each other. The LAA Scope of Work activities include serving as the coordinating agency for the arts, culture and science endeavors in the Flagstaff area including, but not limited to:

a. Long-range planning to address opportunities and gaps in sector and infrastructure.
b. Leadership and coordination with outside agencies, as well as within the community.
c. Promotional activities for the community and the sector to enhance participation, audiences, community awareness, and potential funding.
d. General and technical support for individuals, programs, activities and organizations.
e. Enhancement of community funding through grants and other means.
f. and serving as a source of direct arts, science and cultural provision generating exhibitions and events that enhance the sector and provide vitality to the community. This will increase participation opportunities for residents and stimulate public and private support for arts, culture and science endeavors. Offerings will be reviewed as a part of the amended scope of services each year.

In the accomplishment of these items there are requirements, also outlined in the scope of work, for the LAA staff to meet with City staff to coordinate the activities and to present accomplishments and updates to City Council annually. The specifics of their efforts to achieve the scope of work above are outlined in the Addendum and will be updated each year based on the available budget and best use of funds. This year's addendum includes specific professional development activities and workshops, festivals such as ArtX, performances and exhibitions at the Coconino Center for the Arts, and a myriad of others.

As Grantmaking Agency (GMA), Creative Flagstaff is responsible for providing a fair and impartial grant process. Specifically, they will be appointing a review committee composed of area residents with one member representing the City Arts and Science Program which shall:

1. Review funding proposals programmatically, financially and administratively using a ranking system and taking into account availability of funding, diversity of offerings and demonstrated public benefit from proposals.
2. Make funding recommendations which shall be approved by the GMA Board of Directors prior to disbursement.
3. Disburse all funding in a timely and effective manner.
4. Notify organizations of requirements and payment schedules.
5. Monitor funded programs and finances for compliance.
6. GMA will provide the following deliverables:
    1. Annual Request for Proposals document prior to release. City will be able to request amendments to ensure process achieves City goals.
    2. Annual meeting with City staff to discuss any desired adjustments to the process.
    3. Proposed service agreement text. City will review for consistency with City goals.
    4. Rating and evaluation form used for the scoring of proposals.
    5. Verbal presentation to City Council and written report summarizing funding allocations and benefits achieved through grant process.

Alongside the above, the GMA is also obligated to meet with City staff once a year to go over improvements and ideas for the process.

These cumulative efforts are designed to create direct artistic impact through festivals, exhibits and performances, provide professional development to non-profits and creatives directly, and provide funding for great art, science and culture in the community. Flagstaff gives a larger amount of grant funding towards these activities than most cities and this was applauded in the public comment as part of the surveys. In times when Federal and State resources seem less certain, these funds become a critical tool in helping Flagstaff residents create amazing art, culture and science and add to the quality of life and fabric of the community.

Purchasing staff posted a Request for Statement of Qualifications (RSOQ) solicitation on February 7th, 2025 on the City's PlanetBids online solicitation platform. Purchasing yielded responses from one (1) interested firm -- Creative Flagstaff. The RSOQ was also advertised in the AZ Daily Sun on February 15th, and Februar 22nd, 2025. An evaluation committee of five members, including two (2) members outside of the City, evaluated the singular SOQ submitted. As a result of the scoring and discussion meeting, the evaluation committee determined Creative Flagstaff to be a qualified firm to serve as the Lead Arts and Grant Making Agency for the City of Flagstaff. The scoring for Creative Flagstaff's submission is listed below:

Creative Flagstaff
Lead Arts Agency Scoring - 488 out of 500
Grant Making Agency Scoring - 465 out of 500

Connection to PBB Priorities and Objectives:
This contract supports numerous PBB priorities and objectives:

Livable Community -
Work with regional partners that provide equitable and inclusive educational and cultural opportunities for Flagstaff residents of all ages; Provide activities that support a healthy lifestyle.

Robust and Resilient Economy -
Support and strengthen a robust and resilient economy

Sustainable and Innovative Infrastructure -
Support the community's social infrastructure needs; assist those partner organizations that provide services the City does not.

Connection to Regional Plan:
Goal CC.5 Support and promote art, sciences and education resources for all to experience.

Connection to Carbon Neutrality Plan:
There is no direct connection to the Carbon Neutrality Plan although some grants will likely have a component supporting this goal.

Connection to 10-Year Housing Plan:
No direct connection to the 10-year Housing Plan.

Attachments: LAA and GMA Contract Presentation
Arts, Culture and Science Executive Summary
Contract

Leads Arts, Culture and Science Agency; Grantmaking Agency







Intention and Contract

BBB – Art and Sciences Funding

Contract with Creative Flagstaff as Lead Arts, Science and Culture Agency and a Grantmaking Agency to support thriving sectors.

Currently performed by Creative Flagstaff.

Procurement standards require solicitation after contract renewals expire or anytime a new contract is created.



Process

Intent and Purpose

City went through a process to better understand the current conditions and best investments for BBB – Arts and Science Funding

Goal: Enhance the sector and continue to build on already vibrant arts, science and culture in the community!

Results were used to develop scope for RSOQ



Process

Request

Request for Statement of Qualifications

- Looking for the most qualified and compatible partner

Two-part request –

Lead Agency – Activities to uplift the sectors and build capacity

Grantmaking Agency – Provide fair and impartial grant process for the sectors

One response received – Creative Flagstaff



Process

Review

Five-member review panel

- **BPAC representative**
- **Phoenix Office Arts and Culture – Grants and Community Engagement Director**
- **Three City staff from different divisions**
  - **Grants and Contracts**
  - **Planning**
  - **Arts and Science**



Contract Activities

Lead Arts Agency

Contract for a Lead Arts Agency

- **Long range planning: sector and infrastructure**
- **Leadership and Coordination**
- **Promotional Activities for sector**
- **Professional and Organizational Development**
- **Enhancement of community funding (fundraising)**
- **Source of Direct Arts, Science, and Science programming**



Contract Activities

Grant Making Agency

Contract for a Grant Making Agency

- Provide fair and impartial process
- Fund non-profits and creatives
- Create grant committees from area participants
- Manage grant funds effectively
- City to approve process each year
- Reporting to City Council each year



BBB – Arts and Science Funded

Budget

Budgeted for FY 26 for the contracted programs:

LAA: $275,575 ($100,000 for festival/events)

Grants Administration: $851,000

Pass Through Grant Funding: $740,000

ONG: $440,000 & 1X $300,000

Administration: 15% - $111,000



Questions / Discussion

Action

Consideration of the contract with Creative Flagstaff to be the Lead Arts, Culture and Science Agency and the Grantmaking Agency.

Questions? Comments?

Julie Comnick from Creative Flagstaff is also available for questions.



Art, Culture, Science, and the Future in Flagstaff

Engagement and Survey Results + Peer City Research

Executive Summary Report



Introduction & Background



Flagstaff, Arizona, is a culturally rich and creative mountain town known for its artistic expression, festivals, and scientific innovation, attracting nearly **6 million visitors** annually and generating over **$930 million** in annual earnings from arts, retail, and tourism-related activities. The city supports a thriving arts, culture, and science community with significant financial backing through the Bed, Board, and Beverage (BBB) City of Flagstaff tax fund. This tax helps finance initiatives like the "Beautification, Arts, and Sciences" program, public art, and provides substantial annual grants to the sector through Creative Flagstaff, the current contracted sector leader, supporting various projects and activities that enrich the city's cultural landscape. Currently, Flagstaff has over **40 diverse nonprofits** in the art, culture, and science sectors who receive grant funding. Creative Flagstaff distributes between **$400,000 and $600,000 annually** (depending on budget availability) to nonprofits in the sectors. This level of giving to local nonprofits is a higher percentage of the City's funding for arts, culture and sciences than most of the peer cities we looked at, and higher than any other cities in Arizona that were assessed.

Flagstaff is at a pivotal moment, emerging from the pandemic with new opportunities for growth in the arts, culture and sciences. This includes innovative projects like artists collaborating on City infrastructure projects and the rotating sculpture exhibit at **Liz C. Archuleta County Park**. Public art and initiatives like the **ARTx Festival** and **Beautification in Action** grants have become more integrated into the community's fabric, reflecting a shift toward richer, more collaborative cultural offerings. This report addresses core questions about how well current programs serve the community, the effectiveness of BBB tax funding use, resource needs, and the community's vision for the future. Key overarching questions included:

- How are recent programs, projects, and offerings serving the community?
- How is current funding supporting the sectors?
- What resources are needed for the sectors to thrive?
- How does the community want future funding used?
- What is the vision for Flagstaff's future in arts, culture, and science?



Key Findings

The study highlighted several successes within Flagstaff's arts, culture, and science sectors, alongside areas requiring improvement and strategic focus. The findings reflect community pride in existing achievements and a powerful desire to support sustainable growth in these sectors.







Key Findings







1. Successful Programs and Initiatives

The report identified a number of standout projects that exemplify the creative energy in Flagstaff, as well as the community's desire for continued innovation. Specific examples of projects and programs that are seen as successful by multiple respondents include:

- **ARTx Festival:** This new festival was mentioned as a recent success by many respondents, celebrated for fostering new collaborations and showcasing diverse art forms. It also drew strong community engagement, providing a platform for local artists. Interestingly this festival was also mentioned often as needing improvement (some felt it duplicates existing efforts and needs to be more clearly advertised, for example), illustrating that it is soliciting strong feedback from the community as a new initiative.
- **Flagstaff Festival of Science:** This event is celebrated for its ability to bring together the local community, schools, and scientific institutions in a shared celebration of STEM (science, technology, engineering, and math). Participants lauded the festival for its engaging programming, which spans both arts and sciences, and for its capacity to reach broad audiences and youth.
- **Public Art Projects:** Flagstaff's commitment to public art is visible in projects like the art-wrapped traffic signal cabinets. These installations have added "unexpected moments of joy" and color throughout the city, making art a part of everyday experiences. The project was noted for its accessibility and for highlighting local artists. Similarly, the new Multicultural County Park Sculpture Exhibition at Liz C. Archuleta County Park was praised for its inclusive approach and emotional resonance, offering space for diverse narratives. The Coconino Scroll art fence at the airport was also highlighted for being engaging and beautiful while telling little-known stories of Flagstaff.



Key Findings

Successful Programs and Initiatives (continued)

- **The Coconino Center for the Arts** (CCA) was lauded for its exhibitions and events, such as a recent photography show about immigration, the Parched show about water, and for its unique role as a venue in Flagstaff
- **The Beautification in Action** community micro grants that fund public improvements such as gardens and art, provided by the City of Flagstaff, were mentioned as enabling "communities to do things they themselves envision."
- **The Flagstaff Symphony Orchestra** was applauded for their collaborative programming, and for being well-organized and inclusive of youth.
- **Other projects and programs** with multiple mentions for success include: the Cheshire Slow Street Asphalt Art, the Library Entry Project (at the Aspen Street library) that includes public art and inclusive design, the recent production of a Midsummer Night's Dream at NAU, Culture Connection for being so well advertised, Art Walks, Flagstaff Sings for its outreach to local choirs, the Flower Project in the Historic Core, the Flagstaff STEM celebration, Hullaballoo, Museum of Northern Arizona events, the Northern Arizona Book Festival, Octoberfest, Pride Parade, the use of "Art Boxes" for creative input for the Regional Plan, and the heavily-attended Star Party.
- **Murals:** Many respondents also expressed appreciation for the many murals across Flagstaff.





Key Findings

2. Areas for Improvement

The feedback also pointed to several areas where strategic adjustments could help ensure long-term success and sustainability in the arts, culture, and science sectors.

- **Funding and Resource Allocation:** The need for increased funding for the sector was highlighted, including increasing public/private partnerships. The request to change annual grant requirements (those currently administered by Creative Flagstaff) so that individuals can also apply was mentioned as well. Simplifying the grant process, particularly for small groups, and making funding more accessible were frequently mentioned as ways to improve the sector's sustainability. The request for more private/public funding partnerships was also mentioned.
- **Collaboration and Inclusivity:** While creative collaborations were applauded and recognized, there is room for improvement in how the city's arts, culture, and science sectors work together. Feedback called for stronger partnerships between the City, nonprofit organizations, and NAU to create more cohesive programming and for enhanced support of the sectors. Enhancing inclusivity was also seen as critical, with specific calls for increased representation of Indigenous communities, youth, and other underrepresented groups in artistic and scientific initiatives.
- **Venue Improvement and Development:** Many participants pointed out the need for more versatile and affordable venues to support a wide range of cultural activities. The concept of a "constellation of venues" was suggested, envisioning multiple (including non-traditional) spaces across Flagstaff that host events and exhibitions in various neighborhoods. This approach would allow for greater community reach and financial access to space. There is also interest in exploring the development of a central cultural hub or a flagship venue that could serve as a focal point for major events. Support for the proposed Indigenous Cultural Center was also included.

SWOT Analysis: Strengths, Weaknesses, Opportunities, Threats

Engagement activities included a SWOT analysis to assess the sector's strengths, weaknesses, opportunities, and threats:

Strengths: Flagstaff's natural beauty, strong community support for the arts, and unique blend of artistic and scientific institutions, including the Museum of Northern Arizona and Lowell Observatory.

Weaknesses: Limited affordable venues, fragmented collaboration among organizations, and challenges with retaining staff and volunteers.

Opportunities: Creating new venues or improving old ones, leveraging Flagstaff's unique geographic setting for art and science initiatives, and expanding partnerships with Northern Arizona University (NAU).

Threats: Rising living costs, declining volunteerism, and potential loss of funding from sources like the Bed, Board, and Beverage (BBB) tax if not renewed in the future.



Key Findings



3. Community Vision and Strategic Opportunities

The vision articulated through the engagement process reflects a community eager to embrace its creative identity and leverage it for broader economic and social benefits.

- **Art, Culture, and Science as Central to Flagstaff's Identity:** Many community members envision Flagstaff as a regional creative hub, drawing on its natural beauty, Indigenous heritage, and strong scientific presence. Participants see an opportunity to further integrate these elements into the city's identity, using them as a foundation for marketing Flagstaff as a cultural destination. Emphasizing this identity could attract new residents, visitors, and investment, bolstering the local economy. There is also a desire to move toward more contemporary, colorful, and "brave" artistic expressions, such as in public art.
- **Supporting Emerging Artists, Creatives and Entrepreneurs:** There is strong support for initiatives that help local artists and creatives thrive. Suggested actions include mentorship programs, business training, grant writing and project application training, and expanded artist residency opportunities. Participants believe that providing these resources would stimulate innovation, retain local talent, and enhance the overall vibrancy of the arts community.
- **Engagement with Technology:** Participants recognized the importance of embracing digital tools to keep pace with evolving cultural trends. Suggestions included using technology to enhance public art—such as through digital tours or interactive exhibits—and developing online platforms such as apps for promoting local events. These tools could help reach younger audiences and tourists who are accustomed to digital engagement, thereby expanding the impact of Flagstaff's cultural offerings.



Public Survey Results: "The nonprofit annual grants from Creative Flagstaff are critical to my professional or my organization's future." Do you agree or disagree?

Strongly Agree	Agree	Somewhat Agree	Disagree	Strongly Disagree	NA/Unknown
31% (14)	**13%** (6)	**11%** (5)	**11%** (5)	**11%** (5)	**22%** (10)

Figure X. Feedback on Annual Grants to Nonprofits. Public survey participants were asked to share their experience with utilizing the nonprofit annual grants currently administered by Creative Flagstaff.

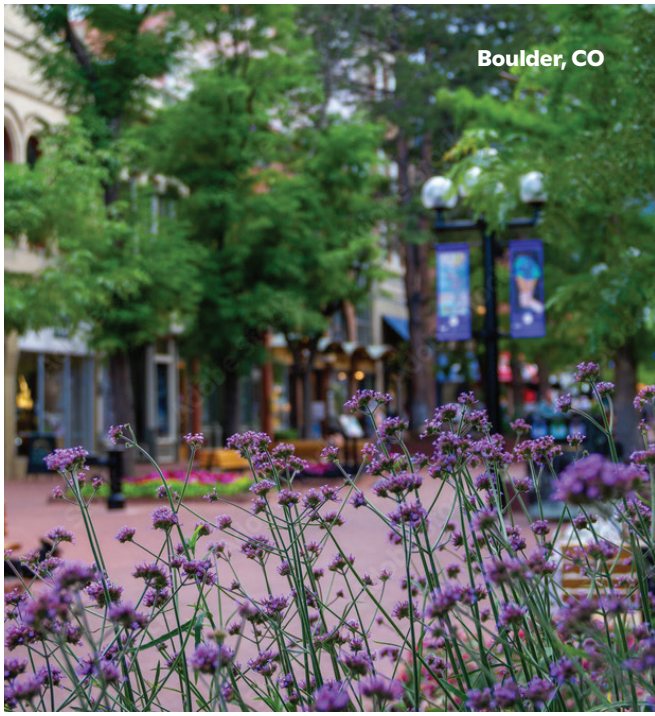
Key Findings

4. Insights from Peer Cities

The report also included research into peer cities with similar characteristics to Flagstaff such as their population size, presence of a university, and emphasis on natural surroundings. These insights offer valuable lessons for Flagstaff's future development.

- **Asheville, North Carolina:** The concept of "creative placemaking" rather than "public art" is emphasized, which integrates art into community endeavors and planning. Asheville's use of temporary art installations provides flexibility to adapt to changing community needs, a model that could benefit Flagstaff as it seeks to balance heritage preservation with new artistic expressions.
- **Bellingham, Washington:** An activated community space on an undeveloped parcel in Bellingham, featuring temporary murals, live music, and other events, has become a local gem. The use of non-traditional space for temporarily activated "hubs" could benefit local artists and the sectors while also strengthening the community in Flagstaff.
- **Bentonville, Arkansas:** The Crystal Bridges Museum serves as a cultural anchor in Bentonville, demonstrating how a major institution can catalyze broader (and more diverse) community engagement. Flagstaff could consider similar models for leveraging its existing cultural institutions to create deeper community ties and attract regional visitors.
- **Boulder, Colorado:** Sector leadership highlights the importance of professional development for artists and maintaining strong partnerships with local government. Boulder's focus on capacity-building through workshops and networking events has helped create a resilient arts sector, suggesting a path for Flagstaff to enhance support for its own creative community.







Key Findings

Insights from Peer Cities (continued)

- **Bozeman, Montana:** Capacity-building and education for local artists is prioritized through a scholarship fund available to residents of the state of Montana interested in pursuing artistic endeavors, including (but not limited to) camps, lessons, workshops, higher education, residencies, and community art projects. Flagstaff may look to this model to support and uplift local talent through education.
- **Durango, Colorado:** Maintaining a large, dynamic community space for the benefit of over 50 businesses, individuals, and organizations is key to Durango's successful collaboration across the sectors. This model may be considered as Flagstaff's venues may shift over time.
- **Montpelier, Vermont:** Sector leadership collects data on a variety of sector metrics to visibly showcase successes with state legislators and funders. Flagstaff may invest in data tracking more intentionally as it seeks to acquire more external funding sources for the sectors and continues to grow a culture of philanthropy.


Montpelier, VT

Public Survey Results: Overall, how do you think Flagstaff is doing in the following areas?

	% Very Well	% Somewhat Well	% Neutral	% Somewhat Poorly	% Poorly	% NA/Unknown
Venues and space for art and cultural activities (existing)	15	44	13	16	3	8
Supporting local science and environmental education organizations	19	24	22	5	2	27
Supporting local entrepreneurs in the art/culture/science sector	10	16	26	10	5	33
Supporting local artists	9	49	19	5	3	14
Public art program	19	30	20	4	4	24
Providing affordable and accessible venues for groups	6	16	29	16	8	27
Planning for new art/culture/science venues	3	13	28	15	8	32
Inclusion of and listening to diverse people and audiences	15	25	22	16	9	14
Funding to art/culture/science nonprofit organizations	14	40	15	4	3	23
Festivals and events (art/culture/science)	28	43	16	7	1	5

Figure X. Public Survey Participants Analyze the Success of Several Existing Projects and Programs. Participants provided feedback on how well they thought a provided list of projects and programs were going on a scale from "Poorly" to "Very Well."

Pathways Forward

Based on the findings from engagement activities and peer city research, the report outlines several potential strategic pathways to guide the future of Flagstaff's arts, culture, and science sectors.





Pathways Forward (continued)

- **Enhance Funding Mechanisms:** To address resource gaps, the report recommends increasing "the pie" of available funding for local non-profits, artists, and creative entrepreneurs. Developing a culture of philanthropy in Flagstaff is also suggested to attract large donors and build long-term funding streams, including corporate donors.
- **Develop a Centralized Hub and/or Satellite Venues:** A venue study can help assess the needs of existing spaces and the feasibility of developing new venues or cultural hubs. A centralized arts and culture center, complemented by smaller satellite venues in various neighborhoods, would provide a range of options for diverse types of events and audiences, creating a more accessible and dynamic cultural ecosystem. Focusing on just a constellation of venues may provide a less expensive and more dynamic path forward, however. Consider developing more central satellite venues for existing institutions such as the CCA, Lowell, and MNA to increase visibility and accessibility to

Public Survey Results: "Flagstaff can and should be known as one of the Southwest's most creative cities." Do you agree or disagree?

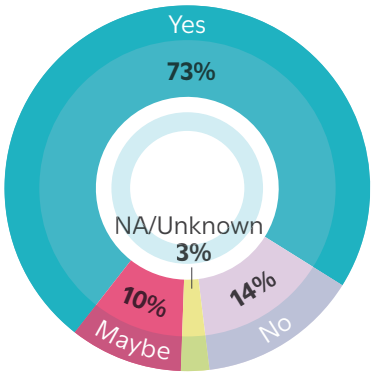


Figure X. All responses (120) from the online public survey and sector leadership interviews were compiled, showing the majority of respondents agree with Creative Flagstaff's vision for Flagstaff as "one of the Southwest's most creative cities."



Pathways Forward (continued)

programming. If a venue study is pursued, however, do so with caution – as one respondent mentioned, "every place they lived has wanted more venues." Supporting existing venues more is also an alternative.

- **Strengthen Marketing and Outreach:** Flagstaff's cultural sector can benefit from improved promotion of local events through digital tools and coordinated efforts with groups such as Discover Flagstaff. A more strategic marketing approach can elevate Flagstaff's profile as a creative destination, drawing attention to its unique blend of art, culture, and science. Participants also asked for greater visibility and promotion of the City's Beautification, Art and Sciences program activities.
- **Foster Inclusivity and Community Engagement:** The findings emphasize the importance of prioritizing outreach to underserved communities, including Indigenous populations, to ensure that Flagstaff's cultural sector is truly reflective of its diversity. Offering youth-focused programs and creating platforms for new voices in the arts could help build a more inclusive and interconnected community.
- **Increased Training and Support for Artists, Entrepreneurs, and Nonprofits:** Find specific ways to support people and groups getting started and succeeding in the sectors. Increase trainings in topics such as grant writing, nonprofit best practices, navigating City processes, and artist trainings focused on business practices and public art. Provide training on how to work with diverse people (such as Indigenous populations) for all City staff as well as groups in the sector. Also provide more mentorship opportunities.







Conclusion

This report highlights a community eager to build on its strengths and address its challenges, working towards a shared vision of a more vibrant, inclusive, and creative city. With strategic investment, increased collaboration, and a commitment to inclusivity, Flagstaff can continue to be a place where creativity thrives, enriching the lives of residents and visitors alike while contributing to the city's economic and cultural vitality.





This report was prepared for the City of Flagstaff Beautification, Arts and Sciences program by Eliza Kretzmann Consulting in 2024. Special thanks to City staff David McIntire (Community Investment Director) and Jana Weldon (Manager of Beautification, Arts and Sciences) for work on this project, and to Cristin Crujido (Beautification, Arts & Sciences Coordinator) and Creag Znetko (Administrative Specialist) for their assistance with these activities. Thank you also to Erin Kaczmarowski for working on this effort with the consultant. Eliza Kretzmann consulting works throughout the Southwest focusing on connecting communities to crucial resources & creating spaces and places that uplift and inspire people.

For a full report of more detailed findings, please contact the City of Flagstaff's Beautification, Arts and Sciences Program.

SERVICES AGREEMENT
Contract No. 2025-176

This Contract is entered into this _____ day of _____, 2025 by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City"), and Flagstaff Arts Council, an Arizona nonprofit corporation d/b/a Creative Flagstaff ("Contractor").

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

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

1. Scope of Work: Contractor shall provide the services generally described as:

LEAD ARTS, CULTURE AND SCIENCE AGENCY/
ARTS GRANT MAKING AGENCY

and as more specifically described in the document 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 two (2) one- year additional terms 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: Contractor shall be paid for satisfactory performance of the Contract in an amount not to exceed the sum set forth in *Exhibit A*, including taxes and fees. Any price adjustment must be approved by mutual written consent of the parties through a formal amendment. Any Contract amendment for a price increase exceeding the amount set forth in Exhibit A shall require Council approval.

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 Contractor.

4.2 For Convenience: City 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 Contractor.

5. Amendment: The Contract is intended to be the complete and final agreement of the Parties. The Contract may be amended through a formal written amendment Parties.

6. Compliance with Laws: Contractor 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: Contractor shall meet and maintain City's insurance requirements attached hereto as Exhibit B throughout the term of this Contract.

8. Indemnity: Contractor 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 Contractor, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.

9. Assignment/Subcontracting: Contractor 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: 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.

11. 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, 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 Contractor 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"). 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: The City may use the City's work product without further compensation to Contractor; provided, however, that the City's reuse without written verification or adaption by Contractor for purposes other than contemplated herein is at the City's sole risk and without liability to Contractor. Contractor 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, Contractor shall immediately deliver to the City copies all of the City's work product and any other documents and data accumulated by Contractor in performance of this Contract, whether complete or in process.

15. Immigration Laws: Pursuant to A.R.S. § 41-4401, Contractor 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: Contractor 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:
Jana Weldon
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Jana.weldon@flagstaffaz.gov

To Contractor:
Julie Comnick
Executive Director
Creative Flagstaff
2300 N Fort Valley Rd
Flagstaff, AZ 86001
928.779.2300

With a copy to:
Teddy Callan
Procurement Specialist
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: tcallan@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.

FLAGSTAFF ARTS COUNCIL:

By:_____

Title:_____

Date:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

Date:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

EXHIBIT A
SCOPE OF WORK

1) LEAD ARTS, CULTURE AND SCIENCE AGENCY (LAA)
    a. The LAA will serve as the coordinating agency for arts, culture and science endeavors in the Flagstaff area including:
        i. Long range planning to address opportunities and gaps in sector and infrastructure.
        ii. Leadership and coordination with outside agencies, as well as within the community.
        iii. Promotional Activities for the community and the sector to enhance participation, audiences, community awareness, and potential funding.
        iv. General and technical support for individuals, programs, activities and organizations.
        v. Enhancement of community funding through grants and other means.

    b. The LAA will serve as a source of direct arts, science and cultural provision generating exhibitions and events that enhance the sector and provide vitality to the community. This will increase participation opportunities for residents and stimulate public and private support for arts, culture and science endeavors. Offerings will be reviewed as a part of the amended scope of services each year.

    c. Specific plans and activities related to this scope each year, and inclusive of the budget amount provided through City Council, will be amended through an addendum incorporated as **Attachment A**. This Addendum will be updated each year to reflect the current initiatives and requirements the LAA will accomplish to achieve the scope in the upcoming fiscal year.

    d. LAA Executive Director will meet annually with City staff to discuss plans for the upcoming Addendum and to ensure LAA efforts are aligned with the scope of work and that both entities have an opportunity to discuss collaboration.

    e. LAA will present to Council at least once per fiscal year to demonstrate activities, accomplishments, challenges and the state of the arts, culture and science sectors in Flagstaff.

2) GRANT MAKING AGENCY (GMA)
    a. The Grant Making Agency will use a fair and impartial public process, approved in advance each year by the City, to disburse Bed, Board and Beverage funds dedicated by the City, as well as any other available revenue, to local source providers.
        i. GMA will appoint a review committee composed of area residents and one member representing or appointed by the City which shall:
            1. Review funding proposals programmatically, financially and administratively using a ranking system and taking into account availability of funding, diversity of offerings and demonstrated public benefit from proposals.
            2. Make funding recommendations which shall be approved by the GMA Board of Directors prior to disbursement.
            3. Disburse all funding in a timely and effective manner.

4. Notify organizations of requirements and payment schedules.
5. Monitor funded programs and finances for compliance.

ii. GMA will provide the following deliverables:
1. Annual Request for Proposals document prior to release. City will be able to request amendments to ensure process achieves City goals.
2. Annual meeting with City staff to discuss any desired adjustments to the process.
3. Proposed service agreement text. City will review for consistency with City goals.
4. Rating and evaluation form used for the scoring of proposals.
5. Verbal presentation to City Council and written report summarizing funding allocations and benefits achieved through grant process.

b. Specific plans and activities related to this scope each year, and inclusive of the budget amount provided through City Council, will be amended through an addendum incorporated as **Attachment A**. This Addendum will be updated each year to reflect the current initiatives and requirements the LAA will accomplish to achieve the scope in the upcoming fiscal year.

FY26 Scope of Work Addendum

Creative Flagstaff: Lead Arts Agency
Reflecting current initiatives and requirements the Lead Arts Agency will accomplish to achieve the scope in FY26 for $50,575 ongoing and additional one-time $125,000 leadership investment, and additional $100,000 for festivals/events.

Coconino Center for the Arts (CCA)

- **10 Exhibitions** (5 in the Main Gallery and 5 in the Project Gallery). Season highlight: CCA's launch of Flagstaff's U.S. Route 66 Centennial Celebration with *Route 66: Alternative Perspectives* featuring photodocumentary projects by renowned artists Edward Keating and Wes Pope along with Shades of Route 66.
- **3-year Exhibition Calendar** coordinated and updated annually to balance a rotation of solo, group, and juried exhibitions by local, national, and international artists, with attention to diversity of presenters on topics relevant to the Flagstaff community. Artists submit proposals for solo projects and juried exhibitions selected by the CCA Exhibitions Selection Committee, a subcommittee of the CF Board of Directors comprised of arts professionals and community members.
- **Presenting Artist Honoraria:** CCA issues honoraria to support its presenting artists by reviewing and aiming to meet or exceed the guidelines presented in the W.A.G.E. calculator platform. CCA's presenting artist honoraria range between $250 - $2500 based on the contract commitments of each artist; contracts vary by services provided, travel distance, and artwork shipping expenses.
- **Programming**: Relevant programming will accompany each exhibition with guest experts and educators expanding on the exhibition content through lectures, panel discussions, and art workshops, 4 presentations per exhibition.
- **Theater Concerts, Performances & Presentations:** CCA will serve as the booking agent for many of its concerts and performances, while continuing to partner with other local booking agents, to significantly increase the number and diversity of offerings. 50+ performances are planned for FY26, presenting paid opportunities to local and touring performers. The Theater Programming Committee of the Creative Flagstaff Board assists in the selection of performances with attention to diversity of presenters and audience.
- **Community Art Markets:** CCA will offer a minimum of 2 markets in FY26 supporting over 45 artisan vendors.
- **Multigenerational Programming:** In addition to the annual county-wide Youth Arts Exhibition every March, CCA is expanding Youth Arts offerings in FY26:
    - **Free Youth Arts Workshops** during each exhibition, 6-8 per year
    - **Exhibition-Specific Curriculum** created by local arts educators for youth and family engagement
    - **Free Customized Fieldtrips** for K-12 schools and sliding scale for university classes
    - **Creative Camps** immerse children in the arts with professional arts educators guiding their experience. Spring Break and Summer session day-camps offer opportunities for children to explore disciplines of drawing + painting, theater + dance, ceramics + sculpture, and fiber + textiles, and provide paid opportunities for local teaching artists.
    - **Creative Aging** partnering with Arizona Commission in the Arts to develop programming opportunities such as the Greg Hill Dementia Fund.

Arts Leadership

- **Professional Development Workshop Series for Artists & Creatives**: Free workshops to provide general and technical support for individuals, programs, activities and organizations, with new offerings such as: *Navigating Partnerships between Non-Profits*; *Marketing & AI for Artists & Creatives*; *Web Presence for Artists, Creatives & Non-Profits*; *Non-Profit Board Basics*; *Tax issues for grant recipients,* and *Development & Fundraising Partnerships for Artists & Non-Profits*.
- **Cultural Convenings:** Facilitation of 4 quarterly community meetings to build partnerships with other local non-profit organizations for collaborative programming on entrepreneurship and topics such as: *Strengthening Arts, Science & Culture Collaboration*; *Collaborative Solutions: Arts, Science & Culture in Action*; and *Future Forward: Visioning & Calendar Alignment for Arts, Science & Culture*. Networking conversations based on discipline and sector will pair creatives with mentors for professional development connections.
- **Artist Registry:** Creation of a publicly accessible county-wide artist registry. The registry will be a resource and networking opportunity for Visual Artists, Performing Artists, Literary Artists, and Artisans in Flagstaff and Coconino County to share their work and expertise in a free online registry accessible to other artists, venues, and organizations, housed on CCA's website. Partnerships with state organizations such as Artlink and Articipant will expand reach state and nationwide.

Events & Activations

- **ARTx Art + Ideas Experience**, an annual, accessible community opportunity to engage with the arts in an immersive and interactive way, will expand in FY26 with:
    - **6 ARTx Engagements** throughout the year aligned with the ArtWalk season
    - **Concentrated city-wide display**, multi-day, multi-venue experience in late spring 2026
    - Presenting artists will receive funding for projects that bridge disciplines of art, science, and culture in Flagstaff
    - A return to the FY24 model with enhanced participation, broader audiences, and greater engagement.
- **ArtWalk** revitalization:
    - Reclamation of ArtWalk map, listings, website, and marketing with new digital format for increased accessibility in partnership with associated groups.
    - Change to free listings for business and studios to incentivize participation
    - Expanded footprint of businesses and studios beyond downtown
    - Enhanced offerings in Heritage Square
- **Satellite Venues**: Following the FY25 feasibility study, pilot at least one satellite exhibition in Flagstaff and develop rollout of future satellite program.

Accountability

- Creative Flagstaff is accountable to these scopes through qualitative input: when practical, exhibitions and programming events will be accompanied by surveys with open-ended questions to help gauge interest and input for future programming and thematic content. Social media platforms will also be activated to collect participant feedback.
- Creative Flagstaff is accountable to these scopes through quantitative data: we will continue to track participation through ticketing and headcount and compare with recent years to assess changes to audience numbers.
- Quarterly reporting: Creative Flagstaff will provide combined qualitative and quantitative reports to the City of Flagstaff aligned with invoicing and payments.

Creative Flagstaff Grant Making Agency

Reflecting focus of scope of $66,000 ongoing and additional one-time $45,000 grant administration and $440,000 ongoing and additional one-time $300,000 passthrough grant funding.

Accountability

- Selection panels for general operating grants, innovation and capacity-building project grants, and ARTx project grants will include a City designated Beautification, Arts & Science staff member.
- Creative Flagstaff will propose a distribution of the grant funding of $740,000 amongst to the City of Flagstaff 30 days prior to the fiscal year to be approved by City of Flagstaff Community Investment Director.

Integrated Grants Program

- Creative Flagstaff will integrate Arts & Science Grantmaking into its programmatic areas by offering ongoing professional development opportunities targeted to grant processes, supporting mentorship for applicants, and fostering long-term relationships to track, support, and showcase grantee projects. Improved branding will be implemented to better integrate the Grants program into CF's outreach and marketing.
- Staff support for Grantmaking will include executive direction and involvement in addition to a dedicated staff member for all aspects of grantmaking, including but not limited to panelist selection, application and review processes, staff oversight, and grantee recognition. Additional staff support will be provided for outreach, events, and marketing pertaining to grantmaking.
- Professional development support for grantmaking staff members to stay abreast of evolving "best practices" in grantmaking, including participation in webinars and trainings specific to Arts, Science, and Cultural grantmaking.

Grantmaking and Nonprofit Educational Component

- 4 free workshops offered quarterly to provide general and technical support for artists and nonprofits, with new offerings such as *Navigating Partnerships between Non-Profits*; *Marketing & AI for Artists & Creatives*; *Web Presence for Artists, Creatives & Non-Profits*; *Non-Profit Board Basics*; *Tax Issues for grant recipients*; and *Development & Fundraising Partnerships for Artists & Non-Profits*.
    - **Navigating Partnerships between Non-Profits** Opportunities such as volunteering, internships, project-based learning, and research experiences. NAU will partner to provide an overview of current programs and services related to experiential learning and designing a mutually beneficial experience. Speakers will also discuss collaborative opportunities, joint funding, and community engagement.
    - **Board Basics + Bylaws, Roles, Development and Succession Planning** Learn the Basics of Nonprofit Board of Directors. This workshop is designed around the community's ongoing demand for Board Development, which focuses on roles and responsibilities, what to expect as a Board Member, recruiting and cultivating new board members, overall organization structure, policies and procedures, strategic and succession planning, and much more. If you are a new or seasoned Board member, this presentation will have something for you.
    - **Digital Marketing and AI for Nonprofits** Explore how nonprofits can leverage marketing strategies and AI tools to enhance outreach, engagement, and efficiency. Led by artist and designer Kayley Quick and marketing professional and theater leader Caitlin Burd, this session will provide practical insights on branding, content creation, and the evolving role of AI in nonprofit marketing. Whether you're looking to streamline operations or strengthen your organization's presence, this workshop will offer valuable takeaways for nonprofit leaders and creatives alike.
    - **Development and Fundraising Partnerships for Artists & Nonprofits**

In this workshop, participants will be introduced to diversified fundraising strategies tailored to today's evolving federal funding environment. Learn how individual artists can collaborate with 501(c)(3) organizations through fiscal sponsorships, explore a range of funding opportunities, and discover approaches to developing accessible, financially sustainable projects. The session will also cover how to build meaningful, strategic partnerships with cultural institutions to support responsible and successful project execution.

Fundraising Partnerships and Tax Awareness for Artists & Nonprofits

In this workshop, participants will be introduced to diversified fundraising strategies tailored to today's evolving federal funding environment. Learn how individual artists can collaborate with 501(c)(3) organizations through fiscal sponsorships, explore a range of funding opportunities, and discover approaches to developing accessible, financially sustainable projects. The session will also cover how to build meaningful, strategic partnerships with cultural institutions to support responsible and successful project execution. Participants will learn a few essentials of the federal tax code in regard to those who receive grant monies, and how tax burdens fluctuate whether the recipient is a non-profit, a business, or an individual. This workshop will offer valuable takeaways so grant recipients are not surprised when filing tax returns.

EXHIBIT B

STANDARD INSURANCE REQUIREMENTS

(Last Updated January 19, 2023)

*The term "Contractor" may substitute for the term "vendors," "Contractors," or "firms," depending on the purpose of the underlying Contract.

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 the Contract by Contractor, its agents, representatives, employees, and/or subcontractors.

2. **REQUIREMENT TO PROCURE AND MAINTAIN:** Each insurance policy required by the Contract shall be in effect at, or before, commencement of work under the Contract and shall remain in effect until all of Contractor's obligations under the Contract have been met, including any warranty periods. Contractor's failure to maintain the insurance policies as required by the Contract, or to provide timely evidence of renewal, will be considered a material breach of the Contract.

3. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** The following insurance requirements are minimum requirements for the Contract and in no way limit the indemnity covenants contained in the Contract. The City does not represent or warrant that the minimum limits set forth in the Contract are sufficient to protect Contractor from liabilities that might arise out of the Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

   Where applicable, as related to the Scope of Work, 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	$1,000,000
Disease - Each Employee	$1,000,000
Disease - Policy Limit	$1,000,000

   e. Professional Liability $2,000,000

f. Reserved.

4. Reserved.

5. SELF-INSURED RETENTION: Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that Contractor reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and/or subcontractors. Contractor shall be solely responsible for any self-insured retention amounts. The 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.

6. OTHER INSURANCE REQUIREMENTS: The insurance 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, employees, and/or subcontractors shall be named and endorsed as additional insureds with respect to liability arising out of the Contract and activities performed by or on behalf of Contractor, including products and completed operations of Contractor, and automobiles owned, leased, hired, or borrowed by Contractor.

b. Broad Form: Contractor's insurance policy shall contain broad form contractual liability coverage.

c. Primary Insurance: Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees, and/or subcontractors. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, and/or subcontractors shall be in excess of the coverage of Contractor's insurance and shall not contribute to it.

d. Each Insured: Contractor's insurance policies 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 Contractor shall not be limited to the liability assumed under the indemnification provisions of the Contract.

f. Waiver of Subrogation: The insurance policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees, and/or subcontractors for losses arising from work performed by Contractor for the City.

7. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of the Contract shall provide the required coverage and shall not be suspended, voided, cancelled, and/or 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 Procurement Agent and shall reference the Contract Number.

8. 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 Contractor from potential insurer insolvency.

9. CERTIFICATES OF INSURANCE: Contractor shall furnish the City with certificates of insurance (ACORD form) as required by the 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 Contract number shall be noted on the certificates of insurance. If requested by the City, all certificates of insurance and endorsements must be received and approved by the City before the Contractor commences work.

10. 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 the Contract. 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 the Contract.

11. MODIFICATIONS: Any modification or variation from the insurance requirements in the 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.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jennifer Mikelson, Housing Planning Manager

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Resolution No. 2025-29: A resolution of the Flagstaff City Council adopting an amendment to the City of Flagstaff's Incentive Policy for Affordable Housing.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-29 by title only
2. City Clerk reads Resolution No. 2025-29 by title only (if approved above)
3. Adopt Resolution No. 2025-29

Executive Summary:

Staff is proposing a technical amendment to the Incentive Policy for Affordable Housing (IPAH), originally approved in 2009. The primary purpose of this amendment is to correct terminology related to the eligible fees list. Specifically, the revision will correct references to water and sewer fees, creating a new definition for "Water and Sewer System Fees," and including capacity, connection, and meter fees as eligible for reimbursement under the policy.

Financial Impact:

None

Policy Impact:

This policy is intended to make the construction of affordable housing units more financially viable. Amending this policy will continue to allow staff to assist developers with City fees charged during the development process.

Previous Council Decision or Community Discussion:

Housing Commission recommended approval on 4/24/2025.

Options and Alternatives to Recommended Action:

1. Revise the proposed amendment.
2. Reject the proposed amendment and provide further direction.

Background and History:

The IPAH continues to be a valuable tool to assist in the creation of affordable housing units in Flagstaff. A comprehensive update to the IPAH will be conducted once the City's Code Analysis Project (CAP) concludes. It is critical that staff understand how the city's base codes will change before identifying viable incentives for affordable housing.

The IPAH includes both financial and zoning incentives. The financial incentives have always been funded by the general fund and the dollar amount allocated to the policy varies with each budget year. The policy does

not officially "waive" any fee; the cost of an eligible fee is paid out of the incentive policy account on behalf of the developer. To give context to the impact of these financial incentives, the largest allocation provided to date was $1.1M in funds reserved for the 100% affordable project Sierra on 66 by Roers, currently under construction. Smaller-scale projects, like Habitat for Humanity homes, have historically required less than $20K to cover the cost of eligible fees.

The need for this amendment arose from the fact that the City of Flagstaff does not charge impact fees for water and sewer, it charges capacity fees. The proposed amendment provides a more appropriate term, "Water and Sewer System Fees" which includes both the capacity and the meter fees charged as new residential units are added to the overall system.

Connection to PBB Priorities and Objectives:
Livable Community: Actively support attainable and affordable housing through the City's 10-Year Housing plan as well as other projects and opportunities

Connection to Regional Plan:
Goal NH.3: Make available a variety of housing types at different price points, to provide housing opportunity for all economic sectors.
Policy NH.3.1. Provide a variety of housing types throughout the City and region, including purchase and rental options, to expand the choices available to meet the financial and lifestyle needs of our diverse population.
Policy NH.3.3. Increase the availability of affordable housing for very low-income persons, through innovative and effective funding mechanisms.
Policy NH.3.5. Encourage and incentivize affordable housing.

Connection to Carbon Neutrality Plan:
Target Area: Housing for All
Strategy: Create housing options for households at all income levels and family sizes occupied by local residents.
Action: Incentivize the creation of affordable units through various programs and mechanisms.

Connection to 10-Year Housing Plan:
Create 1: Incentivize the creation of affordable units through various programs and mechanisms.
Create 1.2: Update the City's affordable housing incentive policy to implement the goals and policies of the 10-Year Housing Plan.
Create 1.4: Explore implementing reduced fees and waivers to incentivize the development of affordable housing.

Attachments: Res. 2025-29
Ex. A - Amended IPAH

RESOLUTION NO. 2025-29

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, ADOPTING AN AMENDMENT TO THE CITY OF FLAGSTAFF'S INCENTIVE POLICY FOR AFFORDABLE HOUSING

RECITALS:

WHEREAS, the Mayor and Council wish to make and preserve affordable housing opportunities available to current and future Flagstaff residents and seek to provide incentives that facilitate the construction of affordable housing as set forth in the Incentive Policy for Affordable Housing; and

WHEREAS, the City Council adopted the Incentive Policy for Affordable Housing in October 2009; and

WHEREAS, the policy amendment corrects terminology related to the eligible fees list.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the amended Incentive Policy for Affordable Housing, a copy of which is attached hereto as Exhibit A, be hereby approved.

SECTION 2. Effective Date.

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 20th day of May, 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Exhibit A – Amended Incentive Policy for Affordable Housing

INCENTIVE POLICY FOR AFFORDABLE HOUSING





PREPARED BY:

CITY OF FLAGSTAFF'S HOUSING SECTION

COMMUNITY DEVELOPMENT DIVISION

AMENDED MAY 2025~~OCTOBER 2009~~

211 West Aspen Ave. • telephone: 928.779.7650 ext.7231 • fax: 928.779.7684 • www.flagstaff.az.gov

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1. OVERVIEW

Decent, safe and affordable housing has been established by the City Council at one of its top priorities. The City Council has adopted policies that aim to further the goal of housing that is affordable within Flagstaff. The Incentive Policy for Affordable Housing (IPAH) incentivizes developments that commit to permanently affordable housing units. If a developer desires to take advantage of the incentives offered under the IPAH document, they would need to provide rental and/or ownership opportunities that have resale and rent restrictions placed on the units for the intended affordable housing population. This document provides a detailed description of the incentives offered to developers wishing to assist the community in addressing the need for affordable housing in Flagstaff.

In addition, the 2001 Regional Land Use and Transportation Plan established a series of goals and strategies to guide the development of decent and affordable housing. Further emphasizing the need for decent housing for the community, the 2005 Community Housing Policy Task Force, the 2006 Comprehensive Plan, and the 2008 Community Housing and Sustainability NEXUS Study (NEXUS Study) all put forth strategies to aid in the preservation and development of attainable housing. Specifically, it was recommended that the 2001 Affordable Housing Set-Aside Policy be updated to reflect the market changes and to further incentivize the development and preservation of housing that is attainable to citizens of Flagstaff.

The City of Flagstaff Incentive Policy for Affordable Housing (IPAH), formerly known as the Affordable Housing Set-Aside Policy is designed to foster the preservation and production of affordable housing units designed for those who live in Flagstaff. Encouraging the preservation and production of permanently affordable units and facilities intended for the Flagstaff community will assist in narrowing the deficit of all types of housing for households earning up to 150% of the Area Median Income (AMI). Affordable housing in Flagstaff must meet the needs and applicable regulations of the federal government, Arizona Revised Statues, the City of Flagstaff, and all other appropriate regulating entities.

The City of Flagstaff will continue to work with developers and builders of single-family, multi-family, and mixed-use developments that voluntarily choose to meet the IPAH criteria. As this is a defined need within the community, as delineated in the 2008 NEXUS Study, City staff encourages developers to review the incentives presented within this document, which support the creation of affordable housing within residential and mixed-use developments.

IPAH designates the Housing Section as the lead agency on housing policy issues and to foster partnerships with neighborhoods, non-profit housing providers, and the home-building industry to develop, finance, rehabilitate, relocate, and implement IPAH in the City of Flagstaff.

IPAH allows for incentives to be provided to the developer to create permanently affordable units within a development that meet the definition of Affordable Housing; thus requiring the Housing Section to catalogue additional incentives that may be advantageous to all parties identified during the review, construction, and inspection of housing developments and it requires collaborations among City divisions in implementing these suggested improvements.

The City of Flagstaff's Incentive Policy for Affordable Housing seeks to:

- Provide viable incentives to stimulate the development of permanently affordable housing.
- Provide viable incentives to stimulate the rehabilitation and redevelopment of permanently affordable housing.
- Provide viable incentives to stimulate the development of permanently affordable housing on vacant and redeveloped lots in new and existing neighborhoods.

2. DEFINITIONS

Affordability Controls: Affordability controls are mechanisms used to ensure that the sale or rental prices of the set-aside units stay attainable to households making a certain percentage of Area Median Income (AMI). These controls remain in effect for a specified period of time.

Affordable Housing: Affordable Housing is defined as housing or shelter that is developed or re-developed for households earning no more than 150% of the AMI for ownership and no more than 100% AMI for rentals. In order to avoid being cost burdened, households should not spend more than 30% of their gross income on housing.

Affordable Residential Uses: "Affordable Residential Uses" in the City of Flagstaff's Zoning Code (LDC) should be replaced by the term Affordable Housing.

Area Median Income (AMI): Area Median Income is an income level determined by the United States Department of Housing and Urban Development based on a variety of factors and representing wages and earnings in the community. Area Median Income is relative to family size and community dynamics. The links ~~chart~~, as referenced in ~~Exhibit~~ APPENDIX A, will be updated by the Housing Section Staff on an annual basis, as published by HUD.

Covenant: A covenant is a type of contract in which the covenantor makes a promise to a covenantee to do or not do some action. In real property law, the term real covenant is used for conditions tied to the use of land. A "covenant running with the land" imposes duties or restrictions upon the use of that land regardless of the owner.

Deed: A deed is a legal document signed by the seller of the property that transfers the title of the property from the seller to the buyer.

Deed Restriction: A deed restriction is a restriction or requirement that must be met by both the buyer and the seller before the property can be transferred to the buyer. Affordability controls provide that the property can only be rented or sold to households that meet the income eligibility criteria identified. Many municipalities use deed restrictions to enforce affordability controls.

Density Bonus: A density bonus is a developer incentive. It is a percentage of units that the municipality permits the developer to construct above and beyond what the zoning designation for that piece of property would otherwise allow.

Developer Incentives: Developer incentives, such as density bonuses, expedited permit processes, fee waivers, and resource reductions are given to developers to either encourage them to build affordable units within a development, or to compensate them for selling/renting the units below market to designated income populations.

Development Fee: A Development Fee is broadly defined as any fee paid to the municipally associated with the development of a project within Flagstaff, including Water and Sewer System Fees and Impact Fees.

Expedited Permit Process: An expedited permit process allows a municipality to review and process a developer's application for building permits, zoning permits, and other permits, on a faster time schedule than usual. Expedited permit process is offered to a developer, if that developer includes affordable units within a development.

Fee Waiver: The City may waive certain municipal fees for developers, such as building permits, and entitlement fees, in exchange for the construction of a certain number of affordable units as part of the proposed development.

Housing Set-Aside: A housing set-aside in a development agreement provides for a developer to receive incentives for development in exchange for the "set aside" of a percentage of the total units to be affordable to designated income populations. For example, a 10% set-aside means a developer would provide one affordable unit for every ten market-rate units within a proposed development in exchange for density bonuses, expedited permitting, fee waivers or reimbursement, flexible design standards, or financial offsets. The affordable units shall be distributed proportionally throughout the development and phases (where applicable) and appropriately designed and integrated with market-rate units throughout the development. Thirty percent (30 %) of affordable units must be delivered in the first phase and the remainder of the units must be delivered proportionally based on years of build-out and phasing.

Income-Targeting: The income target is the household income level targeted to benefit from the pricing of the affordable units. Income level targeting is determined by looking at the needs and demands within the community. For example, a municipality may determine there is a need for housing for moderate-income level households, such as public safety employees, and thus income targeting would produce affordable units to the designated income populations.

Income-Tiering: Income-tiering is when categories of income levels are produced for which affordable units must be appropriately priced. For example, a municipality may decide that the affordable units in a development must be attainable for households that earn between 50% and 80% of AMI.

In-lieu of Attainable Housing Contribution: The City may permit a developer to make a fee in-lieu or cash payment, instead of constructing affordable units within the proposed development. Usually these payments are deposited in a housing trust fund or a similar restricted fund for the construction of other affordable units elsewhere within the City.

Market Rate: The market rate is the price that a residential unit would sell or rent for on the open real estate market without any subsidies or price restrictions.

Period of Affordability: The period of affordability is the length of time a unit is required to be sold or rented at a price affordable to the income level determined by the municipality. Periods of affordability are usually outlined and enforced through affordability controls, such as deed restrictions or covenants.

Permanent Affordability: Permanent Affordability is divided into two categories: rental and ownership. If a development participates in the voluntary Incentive Policy for Affordable Housing (IPAH) options for rental units, the period of affordability requirement is enforced for no less than 30 years and is subject to renewal. If a development participates in IPAH options for ownership units, the permanent affordability requirement for ownership is enforced at 99-years and is renewable.

Price Point: The price point is the price, or range of prices, a developer determines a unit would sell or rent for on the open market, based on design, location and size.

Rental Unit: A rental unit is a unit owned by one party and then leased to another.

Resale Restriction: A resale restriction is a requirement on the title of the property that must be met before the property is sold to another owner. Resale restrictions are used as an affordability control tool; for example, the sale of a unit might be restricted unless the new owner meets certain requirements outlined in associated documents.

Right of First Refusal: The right of first refusal prevents the sale of a residential property until a designated party has been offered the opportunity to purchase the property first. For example, if a municipality has the right of first refusal, then an affordable unit cannot be sold unless the municipality has been offered the opportunity to purchase the property first.

Second Mortgage Lien: A second mortgage lien is a claim or charge on a property for payment on a debt that is second in priority to the first mortgage. Some municipalities use second mortgages to enforce affordability controls, so if the owner attempts to sell the affordable unit to ineligible households, the municipality can enforce the lien and recapture the property.

Water and Sewer System Fees: Water and Sewer System Fees include any fee paid to the municipality for the connection to the municipal water and/or sewer system, and include the customer meter fees, capacity fee, service fee, connection fees, and any associated taxes.

Workforce Housing: "Workforce Housing" in the City of Flagstaff's Zoning Code (LDC) should be replaced by the term Affordable Housing.

Workforce Housing Project: "Workforce Housing Project" in the City of Flagstaff's Zoning Code (LDC) should be replaced by the term Affordable Housing.

Zoning Code: The City of Flagstaff currently operates under a zoning ordinance known as the Land Development Code (LDC). References in this document are made to the Zoning Code, as the LDC is undergoing a substantial re-write and will most likely be renamed. A zoning code divides a municipality into districts and outlines a set of enforceable regulations regarding the structure, design, and use of buildings within each district.

3. IPAH STANDARDS

3.1 As part of Council's housing policy goals, the Housing Section will be provided the opportunity to propose development and/or redevelopment as Affordable Housing for City-owned surplus property, where Council deems appropriate, except for land with a current, adopted Master Plan.

3.2 Incentive Policy for Affordable Housing initiatives involves an application and certification process. IPAH is available for rental and owner-occupied new construction and rehabilitated housing or shelter that meets the IPAH standards.

3.3 The proposed development or redevelopment will comply with the City of Flagstaff Zoning Code, the Regional Transportation and Land Use Plan, adopted Building Codes for the City of Flagstaff, Engineering Standards, and all mandatory sustainability measures adopted by City Council.

3.4 Developers of residential or mixed use developments that voluntarily provide a minimum of ten percent (10%) affordable housing units seeking rezoning of any kind or other discretionary land use approval will be able to benefit from the incentives offered by IPAH. Additionally, if the developer provides affordable housing in a district that permits residential uses then all regulatory, procedural, and program incentives in this Policy are applicable, provided that the developer complies with all other regulations of the districts. This Policy also allows utilization of all applicable procedural and program measures for residential development and redevelopment that is within the Established districts, provided that ten percent (10%) or more of units are affordable. In any event, utilization of any of the incentives is optional.

3.5 A variety of housing types, mixed income and affordable housing developments are encouraged throughout the City and within each neighborhood. Mixed-income means that the development includes at least 10% affordable housing units that are preserved as permanently affordable. Affordable housing that must comply with other federal, state, or local preservation time periods shall also be considered to meet the permanent affordability standards.

3.6 The housing units created for sale under IPAH must be owner-occupied. The eligible household must occupy the housing unit until the time of re-sale. Housing units created for rent under IPAH must have households be income certified on an annual basis.

3.7 The City, or an agency designated by the City, will certify Eligible Buyers and Eligible Renters in accordance with the income qualification rules of the Federal HOME program or other reasonable standards, which take into account income, family size, assets and other economic circumstances. Certification of Eligible Households shall apply to all subsequent households for the permanent affordability period. Failure to meet this requirement will be considered a breach of contract. Contract terms are outlined within individual development agreements.

3.8 The affordable units shall be distributed proportionally throughout the development and phases (where applicable) and appropriately designed and integrated with market-rate units throughout the development. Thirty percent (30 %) of affordable units must be delivered in the first phase and the remainder of the units must be delivered proportionally based on years of build-out and phasing.

3.9 Grandfather Clause: Opportunities to utilize IPAH may be available for projects that have not received final platting or site plan approval and that offer a minimum of ten percent (10%) affordable housing. The owner/developer/applicant is responsible for all modifications to plans and initiating the benefits of the incentives.

3.10 If a developer is considering permanently preserving housing stock that had an expiring period of affordability, they may take advantage of any incentives that are applicable to their application. The developer must also meet all other applicable requirements in order to receive IPAH incentives.

3.11 The owner/developer/applicant or others acting on behalf of the development entity may be required to execute an agreement, restrictive covenants, or other binding restrictions that run with the land in order to insure Permanent Affordability, in accordance with IPAH standards.

3.12 Developments providing permanent affordable housing located within the City of Flagstaff Urban Growth Boundary 1 and 2 (as defined in the 2001 Land Use and Transportation Plan or its successor) will be eligible for IPAH, as long as the development contains one of the following:

3.12.1 Transit Access - The proposed project must have a bus route located within 1/2 mile of the development by the time of eighty percent (80%) of completion; OR

3.12.2 The development must secure acceptance from Staff for a strategy to provide access to alternative transit. This strategy could include vanpool, park-n-ride, FUTS trail access, or service plans for seniors and persons with disabilities. It could also include direct access to several land uses that service residential customers, such as food sales, banking, general retail and other key services (Activity Centers); OR

3.12.3 The development must present documentation from NAIPTA that future service plans will establish a bus route located within previously defined distances to the site and funding must be identified for this route.

3.13 Design Standards apply to multi-family and mixed-use developments. These standards may be found or referenced within the City of Flagstaff Zoning Code.

3.14 Because the number of fee waivers and reimbursement opportunities are limited on an annual basis, as are the resources for expedited review, there is a first-come, first-served policy. Once a project receives Inter-Division Staff ~~Development Review Board~~ ("IDS~~DRB~~") approval, resources may be set-aside for the applicable incentives at this time. If a project does not receive Final Plat or Site Plan approval within twelve (12) months of IDS~~DRB~~ approval, the funds will be allocated to the next available project.

3.15 Other Requirements:

3.15.1 Developers wishing to exercise the incentives within IPAH must have site control of the land/lots located within the city limits of Flagstaff. If the desired zoning is not in place, the applicant must also provide and meet all other applicable requirements in order to receive IPAH incentives.

3.15.2 Single-family units on infill lots receiving fee waivers must be completed, sold, and occupied within twenty-four (24) months of the execution of a contract, development agreement, or other binding restriction with the City or an approved third party. Multi-family, mixed-use and single-family units within a new subdivision's defined phase must be completed, sold, and/or occupied within thirty-six (36) months of the execution of a contract, development agreement, or other binding restriction with the City or an approved third party.

3.15.3 If a developer is planning to utilize a third party entity to provide permanent affordability within a given project, the developer and its representative must enter into a development agreement that clarifies the management, use, and oversight of the affordable components. This agreement is in addition to a deed restriction or affordability covenant to be recorded with the Final Plat or Site Plan.

3.16 Covenants must be in place as a written agreement that is recorded with the deed of the property. Covenants will apply to all future owners of the property or for a specified time period. The affordability covenant allows the agency with oversight to enforce the affordability controls. The covenants require that a property only be sold or rented to households that meet the income eligibility criteria. Covenants should run with the land, or bind each successive owner of the land.

3.17 In order to transfer the right of use to another qualified household, a deed restriction is put in place. These deed restrictions provide that the property can only be rented or sold to households that meet the income eligibility criteria identified. Deed restrictions such as these, with regard to affordability, are restrictions or requirements that must be met by both the buyer and the seller before the property can be transferred.

4. IPAH PROCESS

In order to begin the voluntary housing incentive process, an applicant should contact their staff representative to have a preliminary discussion about the project. A City representative will be the single point of contact and will be working in collaboration with a member of the Housing Section on the identified project. Staff will meet with the applicant to discuss potential incentives and benefits of IPAH Housing Incentives. ~~Once there is interest in pursuing incentives, the "Affordable Housing Proposal" application should be returned to the staff representative. This application is available on-line at **www.flagstaff.az.gov/housing** or at the front counter of the Community Development Division.~~

For Multi-Family, Mixed-Use, site plans, and single-family subdivisions, staff and the applicant establish the IPAH review timeline as well as initial incentive opportunities for the project. The applicant has until Preliminary Plat approval to commit to IPAH incentives. There may be exceptions to this timeframe and both the Housing Manager and the Planning Director will evaluate them on a case-by-case basis.

At the time a unit is ready to receive a Certificate of Occupancy (C of O), the IPAH applicant must demonstrate compliance with the approved pricing structure and covenants. Compliance is established through a meeting with a member of the Housing Section who will review the necessary documents. In addition, the party selected to review income verification data throughout the affordability period, including initial occupancy, will be contacted by the Housing Section to determine initial compliance.

The Final Plat or Site Plan shall identify the affordable units/lots and shall contain a notice, approved by the City that the deed to the affordable units/lots is subject to the terms of the development agreement, affordability covenant, and deed restrictions. The development agreement and affordability covenant shall provide that if the developer is not in compliance with the terms and conditions of the development agreement and other application regulations, the City reserves the right to withhold building or occupancy permits until the developer is in full compliance with the terms and conditions of the development agreement and/or other applicable regulations.

5. IPAH INCENTIVES

5.1 Fee Waivers

The City of Flagstaff may waive certain Building Permit and Planning fees for developments that the Community Development Director certifies as an IPAH development. The City may also permit the reimbursement of ~~fees tied to~~ Water and Sewer System Fees ~~Development Fees (~~and Impact Fees for Police and Fire~~)~~. Fee waivers and reimbursements are subject to a sliding scale based on the AMI served by the developer. The lower the AMI served, the greater the waiver and reimbursement percentages. All fees are subject to funding availability and funding may not be available when a project is approved.

The following pages provide the list of fees that may be waived or reimbursed for IPAH developments and the sliding scale of waivers and reimbursements based on the AMI served within the project.

Please note that fee waivers are *not* available for owners with outstanding Code violations, City tax or licensing violations, or violations on accessibility issues on units or projects with which the owning entity is affiliated. Fee waivers are also not available for owners with outstanding or overdue debts to the City.

5.2 Defer ~~Development Fees (~~Impact Fees~~)~~ for Market Rate Units

~~Development Fees, specific to~~ Impact Fees, may be deferred until the unit is at certificate of occupancy stage. This option is available for all market-rate units that are constructed with twenty percent (20%) or more affordable housing units within the development.

5.3 IPAH Fees Eligibility List

City Department		Fee Type	Reimbursement or Waiver
Community Development			
	Zoning Fees	Rezoning Application Fees	25% Reimbursement
		General Plan Amendment	25% Reimbursement
	Subdivision Fees	Developer Master Plan	50% Reimbursement
		~~DRB~~ Concept Plan Submittal	Reimbursed
		Preliminary Plat Submittal	Waiver/Reimbursed
		Final Plat Submittal	Waiver
	Site Plan Fees	~~DRB~~ Site Plan ~~(Formal)~~ Submittal	Waiver
		Concept Plan	Reimburse
		P&Z Review/Approval	Waiver
	Building Plan Review, Permit, and Inspection Fees	Building Permit Deposit Fees	Excluded
		Building Permit Fees	Waiver
		Plan Check Fees	Waiver
		Public Improvement Permit Fees	Waiver
		Plan Review Engineering	Waiver
		Over-the-Counter Permit Fees (standalone)	Excluded
		~~Development Fee (~~Police and Fire-Impact Fees~~)~~	Reimburse
Water Services Division~~Utilities Department~~		~~Development Fee~~ Water and Sewer System Fees ~~(Impact Fees)~~	Reimburse

Waiver and Reimbursement Scale (based on AMI served) for project providing **up to 20**% Affordable Housing

AMI Served	Percentage Waived or Reimbursed
60% AMI or Below	100%
61 – 80% AMI	75%
81 – 125% AMI	25%

Waiver and Reimbursement Scale (based on AMI served) for project providing **greater than 20**% Affordable Housing

AMI Served	Percentage Waived or Reimbursed
Below 80% AMI	100%
80 - 125% AMI	75%
126 - 150% AMI	25%

If a developer designs and constructs units that meet all mandatory and voluntary energy code expectations within an IPAH development (minimum of 20% affordable units), the developer may receive a 100% waiver and/or reimbursement for all units.

5.4 Expedited Review

IPAH developments are eligible for expedited review throughout the post-entitlement planning process, which is typically faster than the review time for a conventional development project. City staff will work with applicants to usher projects through review and inspection as quickly and efficiently as possible, on a timeline to be negotiated in a development agreement.

For Multi-Family, Mixed-Use, site plans, and single-family subdivisions, the applicant and staff must establish an IPAH review timeline as well as initial incentive opportunities for the project. Review timelines may be reduced by fifty percent (50%) for the affordable housing units within the development. In order to process the expedited review timelines, the applicant must commit a minimum of ten percent (10%) affordable units. If the developer wishes to have market-rate units qualify for expedited review, the developer must provide greater than twenty percent (20%) affordable housing units and will then be encouraged to submit like units under a block submittal.

The applicant has until Preliminary Plat approval to commit to IPAH incentives. There may be exceptions to this timeframe and both the Housing Manager and the Planning Director will evaluate them on a case-by-case basis.

The speed of the review also depends to a significant degree on the quality of the applicant's submittals and performance. Providing corrections, responding to comments, and ultimately securing an approval in a timely manner is a shared responsibility of both staff and the applicant. Expedited review may be discontinued if the applicant's design team fails to respond to comments in a timely manner.

In order for an applicant to obtain an expedited review (barring statutory requirements) through the entitlement process, a copy of the Affordable Housing Proposal signed by the Housing Manager certifying the developer's commitment to affordable housing, must be attached to the submittal.

In order for an applicant to obtain an expedited Engineering and Development Services Review, the permit for each affordable unit must contain a copy of the IPAH Certification Letter from the Housing section that is provided at time of Final Plat or Site Plan approval. All new buildings must comply with all codes in effect on the day the building permit application was filed. Building permit applications and other information can be retrieved at the Community Development front counter or at http://flagstaff.az.gov/index.aspx?nid=494.

5.5 Regulatory Incentives – Planned Affordable Option

Regulatory incentives are located within the City of Flagstaff's Zoning Code under the "Planned Affordable Option" and provide a commitment to a minimum of ten percent (10%) affordable housing units.

5.5.1 Density Bonuses and Flexible Design Standards for selected zoning districts have been incorporated into the current Zoning Code, under the "Planned Affordable Option". (See Table 10-04-002-0003 in City of Flagstaff's Zoning Code).

5.5.1.1 If Density Bonuses are used, the applicant may be allowed up to 50% of the bonus density to be market rate and the other 50% to be affordable – making sure that no less than 10% of the overall project is dedicated to affordable housing.

5.5.1.2 Minimum Open Space Ratios (OSR) have been reduced for selected zoning districts in the "Planned Affordable Option" of the current Zoning Code.

5.5.1.3 Minimum site areas have been reduced for selected zoning districts, which are identified in the "Planned Affordable Option" in the current Zoning Code.

5.5.2 Ten to twenty percent (10 – 20%) reduction in slope and forest resources protection levels in the Zoning Code commensurate with the percentage of affordable housing units provided (e.g., 10% affordable = 10% resource reduction in slope and forest protection, 12% = 12%, etc.), to a maximum of twenty percent (20%). A minimum of ten percent (10%) affordable housing units must be provided to be eligible.

5.5.3 In applicable districts, a project may receive a double counting of 50% of the resources that overlap (trees/slopes/floodplain), if the project provides up to 20% affordable housing. If the project provides greater than 20% affordable housing, then all resources that overlap may be double counted.

5.5.4 Parking Incentives:

5.5.4.1 Tandem Parking may be permitted as an incentive to satisfy two (2) parking spaces, so long as the parking does not extend into the Right-of-Way or defined set-backs.

5.5.4.2 Reduction of parking requirements - The incentive, as calculated in the Zoning Code, allows for a reduced count in necessary parking spaces based on the number of affordable housing units provided within a development**.**

5.5.4.3 Shared Parking - If a project includes affordable housing within mixed-use and infill developments, shared parking with non-competing uses is provided as an incentive (e.g. office space that operates during a typical work day hours and residential development). A Parking Demand Study may be needed to identify shared parking options.

5.6. Land Donation – Tax Deduction

Applicants may receive a tax deduction (IRS Publication 526) if land on which the units are built is dedicated to the City of Flagstaff. This allows long term administration of the permanent affordable units under the City of Flagstaff Community Land Trust Program. Any developer considering this option should consult with a tax professional to determine eligibility for a tax deduction.

If the developer chooses to work with a 3rd party on affordable housing efforts, they will need to review their process and procedures for land donations.

5.7. Public Improvement Districts

Public Improvement Districts are currently permissible in Arizona. Public infrastructure and related items may be available as an incentive to produce affordable housing in Flagstaff.

5.8. In-lieu of Affordable Housing Contribution

In specific circumstances, where the development is unable to provide lots that are financially feasible to construct affordable housing, the City may permit the developer to use incentives within IPAH and provide a comparable land or financial donation in order to provide affordable housing in other locations within Flagstaff. Opting to put forth a financial contribution must not be an incentive unto itself; it should accurately reflect the true cost of land for purchase and ultimate development for affordable housing.

2017 Area Median Income Limits for Flagstaff

Household size	30%	50%	60%	80%	90%	100%	125%	150%
1	$13,200	$22,000	$26,400	$35,200	$39,600	$44,000	$55,000	$66,000
2	$16,240	$25,150	$30,180	$40,200	$45,270	$50,300	$62,900	$75,450
3	$20,420	$28,300	$33,960	$45,250	$50,940	$56,600	$70,750	$84,900
4	$24,600	$31,400	$37,680	$50,250	$56,520	$62,800	$78,500	$94,200
5	$28,780	$33,950	$40,740	$54,300	$61,110	$67,900	$84,900	$101,850
6	$32,960	$36,450	$43,740	$58,300	$65,610	$72,900	$91,150	$109,350
7	$37,140	$38,950	$46,740	$62,350	$70,110	$77,900	$97,400	$116,850
8	$41,320	$41,450	$49,740	$66,350	$74,610	$82,900	$103,650	$124,350

Note: The 30%, 50% and 80% income categories are provided by HUD. The 60% income category is provided by ADOH. The 100% to 150% are rounded to the nearest $50.

Please see the City of Flagstaff's Housing Section website for current Area Median Income (AMI) tables for the Affordable Rental Program https://www.flagstaff.az.gov/5061/Additional-Affordable-Rental-Properties and the Affordable Home Ownership Program https://www.flagstaff.az.gov/5056/Affordable-Homeownership-Program.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Rick Tadder, Management Services Director

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Resolution No. 2025-28: A resolution of the Flagstaff City Council adopting the City of Flagstaff Public Safety Personnel Retirement System Pension Funding Policy; delegating authority; and establishing an effective date.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-28 by title only
2. City Clerk reads Resolution No. 2025-28 by title only (if approved above)
3. Adopt Resolution No. 2025-28

Executive Summary:

The Flagstaff City Council is required to adopt a pension funding policy for its funding of the Public Safety Personnel Retirement System ("PSPRS") on or before July 1 on an annual basis, pursuant to Arizona Revised Statutes Section 38-863.01. The current policy is required to be updated and posted on the City's website.

Financial Impact:

Council will be adopting the Fiscal Year 2025-2026 budget on June 17, 2025, which includes funding for the public safety pension plans as outlined in the pension funding policy. The FY 2025-2026 budget includes pension contributions of $1,575,923 for Fire pension and $1,157,296 for Police pension.

Policy Impact:

The intent of this policy is to clearly communicate the Council's pension funding objectives, its commitment to our employees, and the sound financial management of the City, and to comply with Arizona Revised Statutes Section 38-863.01.

Previous Council Decision or Community Discussion:

On June 20, 2023, City Council adopted the PSPRS Pension Funding Policy for FY 2023-2024.

Options and Alternatives to Recommended Action:

- Adopt the Public Safety Personnel Retirement System Funding Policy as presented.
- Adopt the Public Safety Personnel Retirement System Funding Policy with amendments.

Background and History:

The City of Flagstaff has two separate pension plans for the City's public safety staff. While all the PSPRS plans are managed by the State, each plan within PSPRS stands alone by the City and employee group. The two plans for the City are the PSPRS-Fire and the PSPRS-Police. The City and its employees are responsible for the contributions and the City is solely responsible for liabilities of these plans.

The pension funding policy outlines several measures the City is taking to maintaining funding ratios above 100% in our PSPRS plans, including:

- Make the City's annual estimated contribution based on the City budget near the beginning of each fiscal year to allow PSPRS to invest those contributions earlier for enhanced potential investment earnings. This allows the pension system to earn investment income at a higher rate than the City.
- Make City contributions for public safety employees participating in the Deferred Retirement Option Plan (DROP), even though the City is not required to do so. This allows for a stable level of budgeting versus annual changes as employees on DROP increase and decrease.
- Budget and pay the Normal Cost of the pension plans. This is required by the pension plan.
- Make additions one-time contributions when funding status falls below or is projected to fall below 100%.
- Current funding status for the Police plan is 100.6% and Fire plan is 100.4%. A funding status over 100% is important as it allows us to be in a better position when there are market and actuarial changes.

Connection to PBB Priorities and Objectives:
High Performing Governance: Maintain the organization's fiscal stability through strong financial policies and best practices.

Connection to Regional Plan:
Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.

Connection to Carbon Neutrality Plan:
None.

Connection to 10-Year Housing Plan:
None

Attachments: Res. 2025-28
PSPRS Pension Funding Policy
Contingency Reserve Fund Policy

RESOLUTION NO. 2025-28

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL ADOPTING THE CITY OF FLAGSTAFF PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM PENSION FUNDING POLICY; DELEGATING AUTHORITY; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, beginning on or before July 1, 2019, pursuant to A.R.S. § 38-863.01 the City of Flagstaff shall annually adopt a pension funding policy for its Public Safety Personnel Retirement System ("PSPRS") plans; and

WHEREAS, the City desires to adopt a pension funding policy for the Flagstaff Fire Department and the Flagstaff Police Department pension plans ("PSPRS plans"); and

WHEREAS, the State of Arizona is responsible for investment and management of the PSPRS plans, and administration of pension benefits.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The City of Flagstaff hereby adopts the City of Flagstaff Public Safety Personnel Retirement System Pension Funding Policy, attached hereto ("Pension Funding Policy").

SECTION 2. Delegation of Authority.

The Management Services Director and Finance Director are delegated authority to implement the Pension Policy, to make recommendations for any adjustments and to report on progress in reducing unfunded liability of the PSPRS plans as deemed necessary and appropriate.

The City Clerk is hereby directed to post a copy of the Pension Funding Policy on the City of Flagstaff website pursuant to A.R.S. § 38-863.01.B, and to provide a copy of the Pension Funding Policy to the Police Chief, Fire Chief, and to the local board for each of the PSPRS plans.

SECTION 3. Effective Date.

This resolution shall be effective July 1, 2025.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of June, 2025.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibit: Pension Funding Policy

City of Flagstaff
Public Safety Personnel Retirement System
Pension Funding Policy
As of July 1, 2025

Section 1: Introduction

The intent of this policy is to clearly communicate the Council's pension funding objectives, and its commitment to our employees and the sound financial management of the City of Flagstaff (City), and to comply with Arizona Revised Statutes Section 38-863.01.

The City of Flagstaff is a member of the Public Safety Personnel Retirement System (PSPRS). Police and fire employees who are regularly assigned hazardous duty participate in the PSPRS.

The City has two PSPRS pension plans, one for police employees and one for fire employees. Each pension plan has its own fund to pay for current and future pension obligations. The plans are funded by employer contributions, employee contributions, and investment earnings. Employer contributions may vary. Employee contributions are set by statute. Both the plans and their funds are managed by PSPRS.

This policy will demonstrate how the City will meet its financial obligations for funding the police and fire pension plans, explain how and when funding requirements for the plans will be met, and define the funded ratio targets and timelines for reaching the ratio for the plans.

Several terms are used throughout this policy:

Unfunded Actuarial Accrued Liability (UAAL) – Is the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

Annual Required Contribution (ARC) – Is the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period referred to as the amortization period. The ARC is a percentage of the current payroll.

Normal Cost – That portion of the actuarial present value of benefits for the base costs in the current plan year.

Funded Ratio – Is a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is with 100% being fully funded.

Intergenerational equity – Ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

Section 2: Public Safety Personnel Retirement System (PSPRS)

PSPRS is administered as an "agent multiple-employer pension plan." The PSPRS manages the pension plans for all state agencies, cities and towns, and certain special taxing districts with public safety employees who are members of PSPRS. An agent multiple-employer plan has two main functions: 1) to comingle assets of all plans under its administration, thus achieving economy of scale for more cost-efficient investments and to invest those assets for the benefit of all members under its administration and 2) serve as the statewide uniform administrator for the distribution of benefits.

Each PSPRS member has its own pension plan funds. PSPRS provides annual actuarial reports to determine current status of each plan. These are available on the PSPRS website.

Under an agent multiple employer plan each agency participating in the plan has an individual trust fund reflecting each individual plan's assets and liabilities. Under this plan all contributions are deposited to and distributions are made from that fund's assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. The City of Flagstaff has two trust funds, one for police employees and one for fire employees.

The Council hereby formally accepts the assets, liabilities, and current funding ratio of the City's PSPRS trust funds from the June 30, 2024 actuarial valuation, which are detailed below.

June 30, 2024 Report, Tier 1 & 2:

Trust Fund	Assets	Accrued Liability	UAAL (Overfunded)	Funded Ratio
Flagstaff Police	$ 109,301,310	$ 108,623,166	($ 678,144)	100.6%
Flagstaff Fire	$ 119,139,390	$ 118,707,174	($ 432,216)	100.4%
Totals	$ 228,440,700	$ 227,330,340	($ 1,110,360)	100.5%

Section 3: PSPRS Funding Goal

Pensions that are less than fully funded place the cost of service provided in earlier periods (amortization of UAAL) on the current taxpayers. Fully funded pension plans are the best way to achieve taxpayer and employee intergenerational equity.

At a minimum, the Council will maintain minimum Annual Required Contribution (ARC) for PSPRS for both Flagstaff Police and Flagstaff Fire. Council is committed to maintaining the full ARC payment (normal cost and UAAL amortization) from ongoing operating revenues.

The City's PSPRS plans are currently funded at an average of 100% based on Actuarial Reports for the period ending June 30, 2024. Future goals will be in place to best assure the plans are 100% funded. The following goals are adopted to address potential future impacts and position the City financially for such impacts.

The estimated ARC for FY 2025-26 per actuarial valuation and fully funded goal, Tier 1 & 2:

- PSPRS-Police: $525,085 (Normal Cost), $0 (Unfunded Liability) June 30, 2024
- PSPRS-Fire: $869,975 (Normal Cost only), $0 (Unfunded Liability) June 30, 2024

Council will take additional fiscal measures to maintain 100% funded pension plans:

- The City will make an annual payment for the City's share of PSRPS contributions in July of each fiscal year. The payment will be based on the Adopted Budget for the City for both plans. During the fiscal year, if the ARC exceeds the prepayment amount, the City will pay additional ARC as required. If at June 30 the prepayment exceeds the actual minimum ARC, the City will leave the overpayment with the pension plan, thus providing excess contributions.
- For public safety employees which are in the Deferred Retirement Option Plan (DROP), the City will budget for and pay the City's share of pension contributions. While the City is not required to make these contributions, this would be a contribution in excess of the ARC.
- The City will calculate the annual contributions based on Normal Cost rate provided in the annual actuarial report.

Council will consider additional payment above the ARC to lower the UAAL:

- Based on staff recommendation, additional payments may be provided from the pension saving set aside in the General Fund.

Council will allow staff to consider additional resources to assist in maintaining the 100% funding status:

- The Council has adopted a Contingency Reserve Fund policy of the public safety plan. Staff will utilize this plan to provide additional contributions when the plans fall below 100% funding.

Based on these pension funding policy decisions by the Council, the City PSPRS plans are expected to maintain the goal of 100% funding.

Adopted by Resolution on May 20, 2025

City of Flagstaff

Public Safety Personnel Retirement System ("PSPRS") Contingency Reserve Fund ("CRF") Policy June 2020

1. Background
    a. The City desires to fully fund its PSPRS Flagstaff Police and Fire Plans ("Plans"). As of June 2020, Plans constitute a debt of the City. The City has determined it is financially prudent to appropriately fund these pension plans and help improve the long term finances of the City.
    b. The City is issuing Pension Certificates of Participation (COPS) encumbering certain City real properties and will deposit a portion of the proceeds in the PSPRS Flagstaff Police and Fire pension funds and a portion for two Contingency Reserve Funds.
    c. The City has the goal to be at or near 100% funded for both Plans.

2. Purpose of the Contingency Reserve Funds
    a. The purpose of this policy is to set forth the rules of managing the CRF effectively. The goal is to mitigate the impact of 1) investment return volatility and 2) changes in select actuarial assumptions (as defined herein) made within the PSPRS plans for Flagstaff Police and Flagstaff Fire ("Plans").

3. Establishment of Contingency Reserve Funds and Initial Deposits
    a. The City is establishing separate contingency reserve funds for Police and Fire, because each Plan is independently managed by PSPRS.
    b. The initial deposit for the Police CRF and the initial deposit for the Fire CRF will be funded with COPS proceeds. Sizing of the Contingency Reserve Funds is discussed further below in this policy.
    c. The City will manage each CRF separately and the deposits and draws will be managed based on each Plan's changes. Each Plan's changes are summarized by PSPRS actuaries on an annual basis at the end of the fiscal year, and the City receives a copy of the annual report.

4. Rules for Investments
    a. The City will be managing and investing the CRFs. Investments made by the must comply with the requirements found in Arizona Revised Statutes Section 35-323 and the City's Investment Policy.
    b. Investments shall be principal protected so that the City does not lose value in the deposited amounts.
    c. Gross funded by principal deposits, not to include expected investment earnings.
    d. Investments shall be invested in no more than one-year increments to allow for liquidity in the 1st quarter of each calendar year.

e. Proceeds should only be invested in liquid and/or short-term products to ensure prompt availability of funds.
f. The City will prioritize the investments of these funds with a local bank.
g. City may have the opportunity to utilize a pension stabilization trust to manage investment of CRF proceeds. These are irrevocable trusts created under Internal Revenue Service Section 115.

5. Rules for Contingency Reserve Funds Draws
    a. The City will establish a minimum fund balance threshold based on the initial deposit into the CRF.
    b. Draws will first be made from investment income only, while the principal balance remains untouched.
    c. Establish a funded ratio threshold, where if the CRF balance rises 5% above the minimum fund balance and the pension plan is fully funded, the City may draw all or a portion of the 5% to supplement the City's annual required employer contribution for the Plans.
    d. Market Draw: The City may draw from a CRF when investment return for the Plans for the prior fiscal year is below the actuarial rate of return.
    e. Actuarial Draw: The City may draw from a CRF when the PSPRS annual report for the Plans show a revision of the assumed earnings rate assumption, changes to payroll growth assumption, and/or revisions to mortality assumption occur and cause an impact on Unfunded Actuarial Accrued Liability for the Plans in excess of a defined threshold.

6. Rules of Replenishment for the Contingency Reserve Funds
    a. After the fiscal year of bond issuance and for the following five fiscal years of the bonds, the City shall only commit savings derived from the issuance of the COPS to help pay one time operational costs of the General Fund so that should the CRF fall below minimum fund requirements in a given fiscal year, savings may be used to replenish the CRF.
    b. The City will review unspent budget appropriations for PSPRS pension expenditures annually and may consider adding to the CRF.
    c. Should the CRF balance fall below the minimum fund balance, the City will prioritize making replenishments over no more five years.

7. Sizing of Contingency Reserve Funds
    a. The City will review the CRF funding levels at least every five years to assure adequate reserves.
    b. Police CRF
        i. Size initial deposit to manage "worst case" scenario of all permitted draw events (market volatility and actuarial changes) occurring in one valuation
        ii. Market. $2,836,000; size initial deposit to calculated on the average of a 10% market loss and up to three years of new Unfunded Actuarial Accrued Liability ("UAAL") payments that would be created if PSPRS experienced 20% loss

compared to the average earnings rate in year 1 of issuing pension bonds.

iii. Actuarial. $4,014,000; size initial deposit to manage up to three years of new UAAL payments that would be created if the assumed earnings rate was revised to 7%, payroll growth increased and/or PSPRS adopted a new mortality table.

c. Fire CRF

i. Size initial deposit to manage "worst case" scenario of all permitted draw events (market volatility and actuarial changes) occurring in one valuation

ii. Market. $3,170,000; size initial deposit to calculated on the average of a 10% market loss and up to three years of new UAAL payments that would be created if PSPRS experienced 20% loss compared to the average earnings rate in year 1 of issuing pension bonds.

iii. Actuarial. $4,219,000; size initial deposit to manage up to three years of new UAAL payments that would be created if the assumed earnings rate was revised to 7%, payroll growth increased and/or PSPRS adopted a new mortality table.

8. Rules to Dissolve Contingency Reserve Funds

a. Upon the repayment of the final debt service payment for the Pension COPS, staff will seek Council direction to dissolve or continue the CRF. The City could dissolve the CRF and apply the remaining balance of funds to other retiree benefits, other post-employment benefits (OPEB), annual required contributions or General Fund.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Rick Tadder, Management Services Director

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Adoption of Resolution No. 2025-27: A resolution of the Flagstaff City Council, designating its Chief Fiscal Officer for officially submitting the fiscal year 2025-2026 expenditure limitation report to the Arizona Auditor General, and establishing an effective date.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-27 by title only
2. City Clerk reads Resolution No. 2025-27 by title only (if approved above)
3. Adopt Resolution No. 2025-27

Executive Summary:

Staff is requesting Council adoption of this resolution to formally designate a Chief Fiscal Officer, per Arizona Revised Statutes, Section 41-1279.07(E). The City is required to annually designate a Chief Fiscal Officer for the City for expenditure limitation reporting.

Financial Impact:

There is no fiscal impact related to adopting this resolution.

Policy Impact:

There is no policy impact related to adopting this resolution. It is intended to follow state statute requirements.

Previous Council Decision or Community Discussion:

The current designation for Fiscal Year 2024-25 was adopted by Council on June 11, 2024.

Options and Alternatives to Recommended Action:

- Approve the Resolution as submitted.
- Amend the Resolution and designate a different city staff member as the Chief Fiscal Officer

Background and History:

Per Arizona Revised Statutes, Section 41-1279.07(E), the City is required to designate a Chief Fiscal Officer annually for expenditure limitation reporting, as follows: "The governing body of each political subdivision shall provide to the auditor general by July 31 each year the name of the chief fiscal officer designated by the governing body of the political subdivision to officially submit the current fiscal year's expenditure limitation report on behalf of the governing body. The governing body of the political subdivision shall notify the auditor general of any changes of individuals designated to file the required reports. The designated chief fiscal officer shall certify to the accuracy of the annual expenditure limitation report."

The Flagstaff City Charter Article IV, Section 3 provides for the appointment of a City Treasurer with approval of the Council. The City Treasurer "shall receive and have custody of all the money of the City" and manage it in compliance with applicable laws and ordinances. The City Treasurer's responsibilities encompass those duties required of a Chief Fiscal Officer, per the law stated above. On September 15, 2015, Rick Tadder was appointed the City Treasurer by Resolution No. 2015-32. Therefore, designating Rick Tadder as the Chief Fiscal Officer is appropriate.

Connection to PBB Priorities and Objectives:
None

Connection to Regional Plan:
None

Connection to Carbon Neutrality Plan:
None

Connection to 10-Year Housing Plan:
None

Attachments: Res. 2025-27

RESOLUTION NO. 2025-27

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, DESIGNATING THE CHIEF FISCAL OFFICER FOR OFFICIALLY SUBMITTING THE FISCAL YEAR 2025-2026 EXPENDITURE LIMITATION REPORT TO THE ARIZONA AUDITOR GENERAL, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, A.R.S. § 41-1279.07(E) requires each county, city, town, and community college district to annually provide to the Auditor General by July 31 the name of the Chief Fiscal Officer the governing body designated to officially submit the current year's Annual Expenditure Limitation Report (AELR) on the governing body's behalf; and

WHEREAS, the City of Flagstaff Mayor and Council desire to designate its City Treasurer, Rick Tadder, as the City's Chief Fiscal Officer; and

WHEREAS, entities must submit an updated form and documentation for any changes in the individuals designated to file the AELR.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

Rick Tadder is hereby designated as the City's Chief Fiscal Officer for purposes of submitting the fiscal year 2025-2026 Annual Expenditure Limitation Report to the Arizona Auditor General's Office on the governing body's behalf.

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 20th day of May, 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: David Lemcke, Transportation Engineer Associate

Date: 05/13/2025

Meeting Date: 05/20/2025

TITLE:

Consideration and Approval of Resolution No. 2026-26: A resolution of the Flagstaff City Council, approving an Intergovernmental Agreement between the City of Flagstaff and the Arizona Department of Transportation (ADOT) for the US 89 Highway Safety Improvement Program Scoping grant award.

STAFF RECOMMENDED ACTION:

1. Read Resolution No. 2025-26 by title only
2. City Clerk reads Resolution No. 2025-26 by title only (if approved above)
3. Adopt Resolution No. 2025-26

Executive Summary:

In May 2024, the City of Flagstaff applied for a Highway Safety Improvement (HSIP) grant for street lighting and retroreflective backplates along Highway 89 between Country Club Drive and Marketplace Avenue, valued at $2,700,000. All HSIP projects are required to be reviewed by a third-party consultant to validate cost estimates and ensure the proposed improvements are feasible. This review is valued at $40,000 and ADOT will cover 94.3% of the cost ($37,720), leaving the City to cover the remaining 5.7% ($2,280). The scoping and coordination with the third-party contractor will be administered by ADOT.

Financial Impact:

Project Name: Highway 89 HSIP Scoping
Cost: $40,000; $2,280 to the City
Account Number Budgeted: 048-10-121-3302-6
FY Budgeted Amount: $2,280
Grant Funded: Yes
Funding Source: ADOT Highway Safety Improvement Program

Policy Impact:

NA

Previous Council Decision or Community Discussion:

NA

Options and Alternatives to Recommended Action:

- Approve the IGA for scoping of the HSIP project through ADOT
- Deny the IGA, resulting in the loss of $2.7 million in federal funding for infrastructure safety improvements along Highway 89

Connection to PBB Priorities and Objectives:

Sustainable and Innovative Infrastructure: Provide, manage, and maintain effective infrastructure for multimodal and active transportation

Connection to Regional Plan:
Policy T.2.1. Design infrastructure to provide safe and efficient movement of vehicles, bicycles, and pedestrians.

Connection to Carbon Neutrality Plan:
DD-2: Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

Connection to 10-Year Housing Plan:
NA

Connection to Division Specific Plan:
Active Transportation Master Plan Policies:
1.1 Implement networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient.

Attachments: Res. 2025-26
IGA
Presentation Draft

RESOLUTION NO. 2025-26

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) AND THE CITY OF FLAGSTAFF FOR HIGHWAY SAFETY IMPROVEMENT PROGRAM PROJECT SCOPING

RECITALS:

WHEREAS, ADOT and City of Flagstaff desire to enter into an intergovernmental agreement for project scoping services; and

WHEREAS, in May 2024, the City of Flagstaff applied for a Highway Safety Improvement (HSIP) grant for street lighting and retroreflective backplates along Highway 89 between Country Club Drive and Marketplace Avenue, valued at $2,700,000. All HSIP projects are required to be reviewed by a third-party consultant to validate cost estimates and ensure the proposed improvements are feasible. This review is valued at $40,000 and ADOT will cover 94.3% of the cost ($37,720), leaving the City to cover the remaining 5.7% ($2,280). The scoping and coordination with the third-party contractor will be administered by ADOT.

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 ADOT and the City of Flagstaff, Arizona, attached hereto as Exhibit A.

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 20th day of May 2025.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
IGA

ADOT CAR No.: IGA 25-0010964-I
AG Contract No.: P0012025000310
Project Location/Name: US 89, Country Club Dr to Marketplace Dr
Type of Work: Scoping
Federal-aid No.: HSIP-FLA-0(224)T
ADOT Project No.: T0659 03L
TIP/STIP No.: FMPO 25-14
CFDA No.: 20.205 - Highway Planning and Construction
Budget Source Item No.: 104884

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF FLAGSTAFF

THIS AGREEMENT ("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" or "Local Agency"). The State and the Local Agency are each individually referred to as a "Party" and are collectively referred to as the "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 Local Agency is empowered by A.R.S. §48-572 to enter into this Agreement and has by resolution, if required, 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 Local Agency.

3. The work proposed under this Agreement consists of scoping services to review a Highway Safety Improvement Program (HSIP) application to install roadway lighting and retroreflective backplates on US 89 between Country Club Drive and Marketplace Drive, (the "Project" or the "Scoping"). Scoping also includes the determination for environmental and right of way preliminary requirements. The Project cost, shown in Exhibit A, is estimated at $40,000, which includes federal aid and the Local Agency's match. The State will administer the Scoping. Final design and construction will be addressed in a separate agreement as applicable.

4. The interest of the State in this Project is the acquisition of federal funds for the use and benefit of the Local Agency and authorization of such federal funds for the Project pursuant to federal law and regulations. The State shall be the designated agent for the Local Agency

for the Project, if the Project is approved by Federal Highway Administration (FHWA) and funds for the Project are available.

5. The foregoing Recitals and Exhibit A shall be incorporated into this Agreement.

In consideration of the mutual terms expressed herein, the Parties agree as follows:

II. SCOPE OF WORK

1. The Parties agree:

   a. The final Project amount may exceed the initial estimate(s) identified in Exhibit A, and in such case, the Local Agency is responsible for, and agrees to pay, any and all actual costs exceeding the initial estimate. If the final Project amount is less than the initial estimate, the difference between the final Project amount and the initial estimate will be de-obligated or otherwise released from the Project. The Local Agency acknowledges it remains responsible for actual costs and agrees to pay according to the terms of this Agreement.

2. The State will:

   a. Execute this Agreement, and if the Project is approved by FHWA and funds for the Project are available, be the Local Agency's designated agent for the Project.

   b. After this Agreement is executed, and prior to performing or authorizing any work, invoice the Local Agency for the Local Agency's share of the Scoping costs, estimated at $2,280. If Scoping costs exceed the estimate prior to completion of the Project, invoice the Local Agency for Project costs exceeding Scoping. After the Project costs are finalized, invoice or reimburse the Local Agency for the difference between actual costs and the amount the Local Agency has paid for Scoping.

   c. After receipt of the Local Agency's estimated share of the Project costs, submit all required documentation pertaining to the Project to FHWA with the recommendation that the maximum federal funds programmed for this Project be approved for Scoping. Should costs exceed the maximum federal funds available it is understood and agreed that the Local Agency will be responsible for any overage.

   d. Review Project plans, cost estimates, and other such documents required for the Project; provide comments to the Local Agency as appropriate. Review and approve documents required by FHWA to qualify the Project for and to receive federal funds.

3. The Local Agency will:

   a. Designate the State as the Local Agency's authorized agent for the Project.

   b. Within 30 days of receipt of an invoice from the State, pay the Local Agency's share of Scoping costs, estimated at $2,280. Be responsible and pay for the difference between

the estimated and actual Scoping costs of the Project within 30 days of receipt of an invoice.

c. Prepare and provide all documents pertaining to the Project.

d. Be responsible for all costs incurred in performing and accomplishing the work as set forth under this Agreement, that are not covered by federal funding. Should costs be deemed ineligible or exceed the maximum federal funds available, it is understood and agreed that the Local Agency is responsible for these costs; payment for these costs shall be made within 30 days of receipt of an invoice from the State.

e. Upon application, 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 scoping related activities for the Project, on, to and over said Local Agency's rights of way. This temporary right will expire with completion of the Project.

f. Be obligated to incur any expenditure should unforeseen conditions or circumstances increase Project costs. Be responsible for the cost of any Local Agency requested changes to the scope of work of the Project, such changes will require State and FHWA approval.

III. MISCELLANEOUS PROVISIONS

1. Effective Date. This Agreement shall become effective upon signing and dating of all Parties.

2. Amendments. Any change or modification to the Project will only occur with the mutual written consent of both Parties.

3. Duration. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of the Project and all related deposits and/or reimbursements are made.

4. Cancellation. This Agreement may be canceled at any time, so long as the canceling Party provides at least 30 days' written notice to the other Party. It is understood and agreed that, in the event the Local Agency terminates this Agreement, the Local Agency 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 Local Agency terminates this Agreement, the State shall in no way be obligated to complete or maintain the Project.

5. Indemnification. The Local Agency shall indemnify, defend, and hold harmless the State, any of its departments, agencies, boards, commissions, 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 Local Agency, 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 Local Agency'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 Local Agency which may be legally imputed to the State by virtue of the State's ownership or possession of land. The Local Agency's obligations under this paragraph shall survive the termination of this Agreement.

6. Third-Party Indemnification. The State shall include Section 107.13 of the 2021 version of the Arizona Department of Transportation Standard Specifications for Road and Bridge Construction, incorporated into this Agreement by reference, in the State's contract with any and all contractors, of which the Local Agency shall be specifically named as a third-party beneficiary. This provision may not be amended without the approval of the Local Agency.

7. Programmed Federal Funds. The cost of scoping work under this Agreement is to be covered by the federal funds programmed for this Project, up to the maximum available. The Local Agency acknowledges that actual Project costs may exceed the maximum available amount of federal funds, or that certain costs may not be accepted by FHWA as eligible for federal funds. Therefore, the Local Agency agrees to pay the difference between actual costs of the Project and the federal funds received.

8. Termination of Federal Funding. Should the federal funding related to this Project be terminated or reduced by the federal government, or Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, the State shall in no way be obligated for funding or liable for any past, current or future expenses under this Agreement.

9. Indirect Costs. The cost of the Project under this Agreement includes indirect costs approved by FHWA, as applicable.

10. Federal Funding Accountability and Transparency Act. 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 Local Agency will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

11. Governing Law. This Agreement shall be governed by and construed in accordance with Arizona laws.

12. Conflicts of Interest. This Agreement may be canceled in accordance with A.R.S. § 38-511.

13. Inspection and Audit. The Local Agency shall retain all books, accounts, reports, files and other records relating to this Agreement which shall be subject at all reasonable times to inspection and audit by the State for five years after completion of the Project. Such records shall be produced by the Local Agency, electronically or at the State office as set forth in this Agreement, at the request of ADOT.

14. Title VI. The Local Agency acknowledges and will comply with Title VI of the Civil Rights Act Of 1964.

15. Non-Discrimination. 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, as amended by Executive Order 2023-01, issued by the Governor of the State of Arizona and incorporated in this Agreement by reference regarding "Non-Discrimination."

16. 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.

17. Arbitration. 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.

18. E-Verify. The Parties shall comply with the applicable requirements of A.R.S. § 41-4401.

19. Contractor Certifications. The Parties shall certify that all contractors comply with the applicable requirements of A.R.S. §§ 35-393.01 and 35-394.

20. Other Applicable Laws. The Parties shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

21. Notices. All notices or demands upon any Party to this Agreement shall be in writing and shall be delivered electronically, in person, or sent by mail, addressed as follows:

For Agreement Administration:

Arizona Department of Transportation
Joint Project Agreement Group
205 S. 17th Avenue, Mail Drop 637E
Phoenix, AZ 85007
JPABranch@azdot.gov

City of Flagstaff
Attn: Shannon Anderson
211 W. Aspen Avenue
Flagstaff, AZ 86001
928.213.2084
sanderson@flagstaffaz.gov

For Project Administration:

Arizona Department of Transportation
Traffic Safety Section
1615 W Jackson Street, Mail Drop 065R
Phoenix, AZ 85007
azhsip@azdot.gov

City of Flagstaff
Attn: Stacey Brechler-Knaggs
211 West Aspen Avenue
Flagstaff, AZ 86001
928.213.2227
sknaggs@flagstaffaz.gov

For Financial Administration:

Arizona Department of Transportation
Traffic Safety Section
1615 W Jackson Street, Mail Drop 065R

City of Flagstaff
Attn: Stacey Brechler-Knaggs
211 West Aspen Avenue

Phoenix, AZ 85007
azhsip@azdot.gov

Flagstaff, AZ 86001
928.213.2227
sknaggs@flagstaffaz.gov

22. Revisions to Contacts. Any revisions to the names and addresses above may be updated administratively by either Party with written notice to the other Party.

23. Legal Counsel Approval. In accordance with A.R.S. § 11-952 (D), the written determination of each Party's legal counsel providing that the Parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form is set forth below.

24. Electronic Signatures. This Agreement may be signed in an electronic format including DocuSign.

Remainder of this page is intentionally left blank.

(Signatures begin on the next page)

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective upon the signing and dating of all Parties.

CITY OF FLAGSTAFF

By _____ Date_____
BECKY DAGGETT
Mayor

ATTEST:

By _____ Date_____
STACY SALTZBURG
City Clerk

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 A.R.S. §§ 11-951 through 11-954 and A.R.S. § 48-572 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.
Approved as to Form:

By _____ Date_____
City Attorney

ARIZONA DEPARTMENT OF TRANSPORTATION

By _____ Date_____
AUDRA MERRICK, PE
Infrastructure Delivery and Operations Division
Division Director

By _____ Date_____
IQBAL HOSSAIN, PE
Multimodal Planning Division
Acting Division Director

This Agreement between public agencies, the State of Arizona and the City of Flagstaff, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 28-401, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona. No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

By _____ Date_____
Assistant Attorney General

EXHIBIT A

Cost Estimate

T0659 03L

The Project costs are estimated as follows:

Scoping:

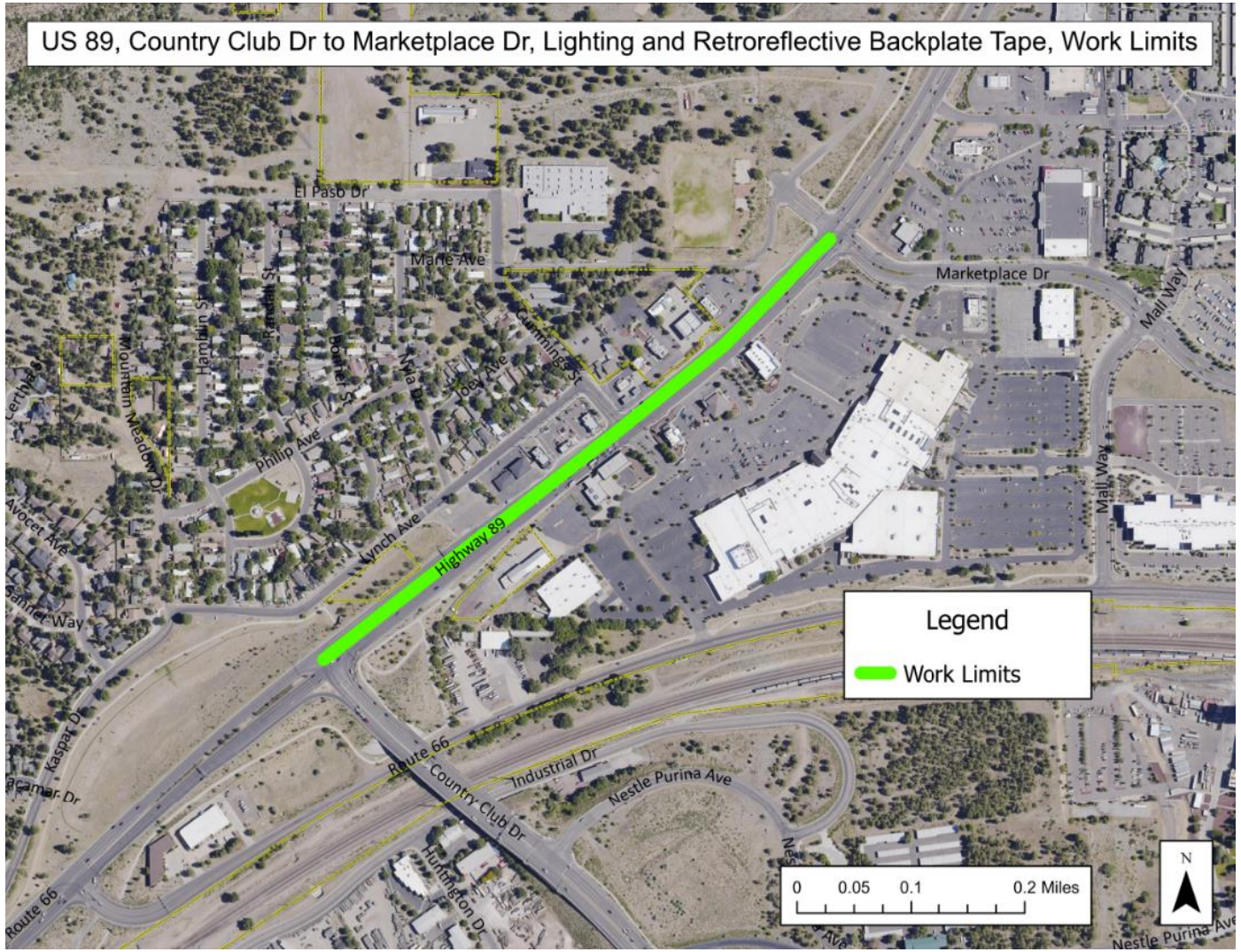
Federal-aid funds @ 94.3%	$ 37,720
Local Agency's match @ 5.7%	2,280
Subtotal – Scoping	**$ 40,000**
Estimated TOTAL Project Cost	**$ 40,000**
Total Estimated Local Agency Funds	**$ 2,280**
Total Federal Funds	**$ 37,720**

Resolution – IGA for Highway Safety Improvement Program Scoping

City Engineering – 4/1/2025

Background

- In May 2024, the City of Flagstaff applied for a Highway Safety Improvement (HSIP) grant for street lighting and retroreflective backplates along Highway 89



HSIP Scoping- IGA

- The grant will fund the $2.7 million project at 100%
- All HSIP projects require third party scoping at $40,000 with a 5.7% match of $2,280
- The project is estimated to reduce fatal and serious injury crashes along the section of Highway 89 by 25%

HSIP Scoping-IGA

Questions?