

**AGREEMENT**

**Construction Contract No. GRT-20-0008022-T  
Magrino Subdivision Unit 3-Base Phase Improvement Project**

THIS AGREEMENT made the 17<sup>th</sup> day of March, 2021, between the City of San Luis, Arizona a municipal corporation of the State of Arizona ("CITY"), and Don Peterson Engineering, Inc., authorized to do business in the State of Arizona ("CONTRACTOR"). CONTRACTOR and CITY may be referred to singularly as the "Party" and collectively as the "Parties."

**WITNESSETH:** That the said Contractor, for and in consideration of the sum to be paid to Contractor by said City, and of the other covenants and agreements herein contained, and under the penalties expressed in the bonds provide, hereby agrees, Contract, heirs, executors, administrators, successors and assigns as follows:

**ARTICLE I – SCOPE OF WORK:** The Contractor shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities, required to perform all work for the construction of the project described as **Magrino Subdivision Unit 3-Base Phase Improvement Project No. GRT-20-0008022-T** and construct the material therein for the City, in a good and workmanlike and substantial manner and to the satisfaction of the City under the direction of the Economic Development Manager, or properly authorized agents and strictly pursuant to and in conformity with the Plans and Specifications prepared for the City of San Luis Public Works Department, and with such written modifications of the same and other documents that may be made by the City through Economic Development Manager or properly authorized agents, as provided herein.

**ARTICLE II – CONTRACT DOCUMENTS:** The Notice Inviting Bids, Project Plans and Specifications, Addenda, Contractor Bid Proposal as accepted by the Mayor and San Luis City Council per Council Minutes of March 17, 2021, Certificates of Insurance, License and Contract Amendments, are by this reference made a part of this Contract to the same extent as if set forth herein in full. This contract shall be subject to the Public Works Standards of the City of San Luis as adopted by Ordinance No. 359 and administered in accordance therewith. Special reference is made to the provisions for liquidated damages for failure to complete on time which shall apply to the work under this contract. In the event there is a conflict between the administration provisions of the Public Works Standards of the City of San Luis and the Notice Inviting Bids, Project Plans and Specifications, Addenda and Contractor Bid Proposal as accepted by the Mayor and San Luis City Council, hereinafter referred to collectively as "Project Documents", the Project Documents shall govern.

**ARTICLE III – TIME OF COMPLETION:** The Contractor hereby agrees to commence work on or before the tenth (10<sup>th</sup>) day after written notice to do so, and to fully complete the same within 90 calendar days after the date of the written notice to commence work, subject to such extensions of time as are provided amendments to the contract.

**ARTICLE IV – COMPENSATION:** Contractor shall be paid, pursuant to provisions as set forth in the Contract Documents, the total sum of \$516,992 Dollars and 25 Cents (\$516,992.25), plus any approved contract amendments, for the full and satisfactory completion of all work as set forth in the Project Plans, Specifications and Contract Documents. Retention shall be in accordance with A.R.S. § 34-221.

**ARTICLE V – CONFLICT OF INTEREST:** Pursuant to A.R.S. § 38-511, the City may cancel this contract, without penalty or further obligation, if any person significantly involved in initiating, negotiation, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. In the event of the foregoing, the City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiation, securing, drafting or creating this contract on behalf of the City from any other party to the contract, arising as a result of this contract.

**ARTICLE VI – AMBIGUITY:** This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the City of San Luis City Attorney, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

**ARTICLE VII – NONDISCRIMINATION:** The Contractor, with regard to the work performed by it after award and during its performance of this contract will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Contractor will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, the Americans With Disability Act (Public Law 1010-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, and Arizona Governor Executive Orders 99-4, 2000-4 and 2009-09 as amended.

**ARTICLE VIII – INDEPENDENT CONTRACTOR STATUS:** It is expressly agreed and understood by and between the parties that the Contractor is being retained by the City as an independent contractor, and as such the Contract shall not become a City employee, and is not entitled to payment or compensation from the City or to any fringe benefits to which other City employees are entitled other than that compensation as set forth in Article IV – Compensation above. As independent contractor, the Contractor further acknowledges that Contractor 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 Contractor further agrees that Contractor will conduct itself in a manner consistent with such status, and that the Contractor 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 workmen’s compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

**ARTICLE IX – CITY FEES:** Prior to final payment to the Contractor, the City shall deduct therefrom any and all unpaid privilege, license and other taxes, fees and any and all other unpaid moneys due the City from the Contractor and shall apply to those moneys to the appropriate account. Contractor shall provide to the City any information necessary to determine the total amount(s) due.

**ARTICLE X – OTHER WORK IN PROJECT AREA:** The City, any other contractors, whether under contract with the City, a third party and/or utilities, may be working within the project area while this Contract is in progress. The Contractor herein acknowledges that delays and disruptions may, and in all likelihood, will occur due to other work. The Contractor’s bid shall be deemed to have recognized and included costs arising from and associated with other work in the project area disclosed by the Contract Documents or which would be apparent to an experienced contractor exercising due diligence during inspection of the project documents, the Contractor’s site inspection. No payment will be for any delays or disruptions in

the work schedule that are wholly the fault of the Contractor, its agents, employees or any of the Contractor's subcontractors. In the event that the Contractor or within the Contractor's control then the Contract may be adjusted pursuant to the Delay's and Extension of Time provisions of this Contract and a timely request submitted for Contract Amendment. Failure to submit a timely request for Contract Amendment shall be deemed a waiver of any entitlement to additional compensation.

**ARTICLE XI – MISCELLANEOUS:**

- A. The parties hereto expressly covenant and 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. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The Contractor further agrees that this provision shall be contained in all subcontracts related to the project, which is the subject of the Agreement.
- B. The parties hereto expressly covenant and agree that in the event of litigation, the parties hereby agree to submit to a trial before the Court. The Contractor further agrees that this provision shall be contained in all subcontracts relate to the project, which is the subject of this Agreement.
- C. Any notices to be given by either party after award of the project must be in writing, and personally delivered or emailed to the addresses:
  - Jenny Torres
  - San Luis Economic Development Manager
  - 1090 E. Union Street (if personally delivered)
  - POB 1170 (if mailed)
  - San Luis, AZ 85349
  - [jtorres@sanluisaz.gov](mailto:jtorres@sanluisaz.gov)
- D. This Agreement shall be construed under the laws of the State of Arizona.
- E. This Agreement represents the entire and integrated Agreement between the City and the Contractor and supersedes all prior negotiations, representations or agreement, either written or oral. This Agreement may be amended only by written instrument signed by both the City and the Contractor. Written and signed amendments shall automatically become part of the Agreement, and shall superseded any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
- F. 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. 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. 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 medication 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.

- H. In the event of a discrepancy between this Agreement and other documents incorporated into this Agreement, this Agreement shall control.
- I. Non-Availability of Funds: Fulfillment of the 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 the termination under this paragraph.
- J. Successors and Assigns: This Agreement is not assignable unless both parties mutually consent otherwise in writing. The requirements of this Agreement are binding upon the heirs, executors, administrators, successors and assigns of both parties.
- K. Governing Law: The laws of the State of Arizona govern this Agreement as to validity, interpretation and performance.
- L. Venue: The parties must institute and maintain any legal actions or other judicial proceedings arising from this Agreement in a court of competent jurisdiction in Yuma County, Arizona.
- M. Waiver: If either party fails to require the other party to perform any provision of this Agreement that failure does not prevent the party from later enforcing that provision. Neither party is released from any responsibilities or obligations imposed by law or this Agreement if the other party fails to exercise a right or remedy.
- N. Severability: If any terms, parts or provisions of this Agreement are for any reason invalid or unenforceable, the remaining terms, parts or provisions are nevertheless valid and enforceable.
- O. Integration: This Agreement contains the entire agreement between the parties, and no oral or written statements, promises or inducements made by either party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and endorsed by the parties.
- P. No partnership: Nothing in the Agreement constitutes a partnership or joint venture between the parties, and neither party is the principal or agent of the other.
- Q. Compliance with Law: The Contractor must comply with all federal, state and local laws and ordinances applicable to its performance under this contract. The Contractor will comply with the Americans with Disabilities Act (ADA) and will indemnify the City for any costs, including but not limited to, damages, attorney's fees, and staff time in any action or proceeding brought alleging violation of the ADA. The Contractor will not discriminate against any person on the basis

of violation of the ADA. The Contractor will not discriminate against any person on the basis of race, religion, color, age, sex or national origin in the performance of this Contract and must comply with the terms of Title VII of the Civil Rights Act of 1964, P.L. 88-354 (1964). In addition, the CONTRACTOR must include similar requirements of subcontractors in any contracts entered into for performance of the CONTRACTOR's obligations under this Contract. The CONTRACTOR agrees not to 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. In addition, the CONTRACTOR must include similar requirements of all subcontractors in contracts entered for performance of the CONTRACTOR's obligations under this Contract.

- R. Time is of the Essence: Time is of the essence in this Contract. Unless otherwise specifically provided, any consent to delay in the CONTRACTOR's performance of its obligation is applicable only to the transaction to which it relates and is not applicable to any other obligation or transaction.
- S. CONFLICT OF INTEREST. This contract is subject to the Conflict of Interest provisions of the Arizona Revised Statutes §38-511, as amended.
- T. NOTIFICATIONS Written notice of a change of address of either party must be given in writing to the other party. Notice of change of address is deemed effective 5 days after mailing by the party changing address.
- U. 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
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Legal Liability (Damage to Rented Premises)	\$100,000

The policy shall be endorsed to include the following additional insured language:

“The City of San Luis 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) Profession Liability (Errors and Omission 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, Contractor 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
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(b) City and Professional waive all rights against each other and their director, officers, partners, commissioners, officials, agents, sub-contractors and employees for damages covered by property insurance during and after completion of the Services.

(c) 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. Section 20-217, a copy of which certificate is to be attached to each applicable bond or binder.

(d) 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.

(e) 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.

(f) 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 San Luis Risk Management Division. All insurance is to be placed with an insurer admitted in the state in which operations are taking place.

(g) 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.

#### V. Under A.R.S. § 41-4401:

- a. Contractor warrants its compliance with all federal immigration laws and regulations that relate to its employees and its compliance with A.R.S. § 23-214, subsection A.

- b. That a breach of a warranty under paragraph “a” shall be deemed a material breach of the Agreement that is subject to penalties up to and including termination of the contract.
- c. That the CITY retains the legal right to inspect the papers of any contractor or subcontractor employee who works on the Agreement to ensure that the contractor or subcontractor is complying with the warranty under paragraph “a.”

W. Boycott CONTRACTOR certifies, to the extent permitted by law, that it does not participate in, and agrees not to participate in during the term of this Agreement a boycott of Israel under A.R.S. § 35-393.01.

IN WITNESS WHEREOF, have been duly executed by the parties hereinabove named, on the date and year first above written.

ATTEST:

\_\_\_\_\_  
Witness, if Contractor is an Individual

\_\_\_\_\_  
(Authorized Signature)

By: \_\_\_\_\_  
(Printed Name)

Title: \_\_\_\_\_

**City of San Luis, Arizona**

\_\_\_\_\_  
Gerardo Sanchez, Mayor

ATTEST:

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

\_\_\_\_\_  
Kay Marion Macuil, City Attorney