

ADDENDUM TO INDEPENDENT CONTRACTOR AGREEMENT

This Addendum (“Addendum”) is made this ___ day of November 2022 and effective as of City Council’s Special Meeting on October 27, 2022, from the time of the City Council’s Motion on this matter. This Addendum is made at the San Luis City Hall, 1090 East Union Street, City of San Luis, County of Yuma, State of Arizona, between:

City of San Luis
an Arizona municipal corporation
 (“City” or “San Luis”) and

Velez Consulting Services
a sole proprietorship
 (“Consultant”).

RECITALS

- A.** The Consultant has provided services to the City as an Independent Contractor under the January 11, 2017, amended contract (“2017 Agreement”).
- B.** This Addendum is intended to be an addendum to the 2017 Agreement.
- C.** On October 27, 2022, the Acting City Manager, Lizandro Galaviz, completed his last day in the office.
- D.** City Council, at its Special Meeting on the evening of October 27, 2022, contracted the Consultant to take over the duties of the City Manager and directed the City Attorney to negotiate a contract.
- E.** The person from Velez Consulting Services who is to perform these professional services is Ralph Velez.

In consideration of the matters described above, the mutual benefits and obligations in this Addendum, and the covenants it contains, the parties agree as follows:

SECTION I

NATURE OF CONTRACT WORK AND TERM

Nature of Contract Work:

The Consultant and the City relationship is that of an Independent Contractor as that term has been defined under Arizona law. The Consultant is to determine the manner and method of work as the Interim City Manager for San Luis. The Consultant shall perform the duties of and have the authority provided in San Luis City Code § 2.15.200. The Consultant will use his best

efforts to be present in San Luis during the workweek. However, remote work is allowed as needed.

Term:

The Consultant's term commenced on October 27, 2022, after City Council's motion on this matter at its Special Meeting.

Consultant shall provide services until the earlier of either the action of Council under San Luis City Code § 2.15.230 or December 14, 2022, whichever occurs first. This Addendum may be extended by further negotiation and action of the City Council.

SECTION II

TERMINATION BEFORE EXPIRATION

As stated above, this Addendum expires on December 14, 2022, and the City Council may terminate this Addendum earlier under San Luis City Code § 2.15.230. The Consultant waives provisions for a right to notice, hearing, or both under San Luis City Code § 2.15.200 subsection(A)(4).

Termination of this Addendum does not terminate the 2017 Agreement, which must be terminated in the manner provided in the 2017 Agreement.

Consultant may terminate this Addendum at any time upon giving at least fourteen (14) days' written notice to the Mayor and City Council unless the parties agree to another notice period.

SECTION III

COMPENSATION

Pay:

The Consultant shall be paid a \$17,280 flat fee for October 27, 2022, through December 14, 2022, and prorated if the term ends before December 14, 2022. The City shall pay the Consultant every two weeks upon the Consultant's invoice being approved by the Mayor or Vice Mayor in the Mayor's absence. Based on the Consultant's status as an Independent Contractor, the Consultant is not entitled to receive employment benefits, including, but not limited to, vacation leave, sick leave, or health insurance.

The time spent performing services under this Addendum shall be concurrent with time spent under the 2017 Agreement, and there shall not be additional compensation for services during the period of this Addendum.

Reimbursements:

The Consultant will be entitled to reimbursement of expenses for lodging and mileage to be present in San Luis during the work week. Lodging at the Cocopah Hotel at the government rate is acceptable as the most economical and closest to San Luis. Mileage for using the Consultant's vehicle for travel to be present in San Luis will be at the U.S. Internal Revenue Service's allowable rate. Travel expenses for City business will be reimbursable at the City employee rates. Consultant shall submit the reimbursement requests on an itemized invoice with Consultant's compensation invoice, approved by the Mayor or the Vice Mayor in the Mayor's absence.

SECTION IV

OFFICE SPACE AND EQUIPMENT

The City shall provide the Consultant with office space, use of utilities, office supplies, a laptop computer, an iPad, and a telephone that will enable him to perform the functions of the position. Consultant shall return all office supplies and equipment immediately upon termination of the 2017 Agreement.

SECTION V

INSURANCE

The City will provide and pay for general liability and professional liability insurance covering the services and work of the Consultant under this Addendum.

SECTION VI

CONTRACT TERMS TO BE EXCLUSIVE

This written Addendum contains the sole and entire agreement between the parties. It shall supersede any and all other agreements between the parties. Any provisions of the 2017 Agreement not amended herein shall remain in full force and effect. The parties acknowledge and agree that neither of them has made any representation concerning the subject matter of this Addendum nor any representations inducing its execution and delivery except such representations as are specifically set forth in this writing. The parties acknowledge that they have relied on their own judgment to enter this Addendum. The parties further acknowledge that any statements or representations either may have made to the other are void and of no effect. Neither has relied on such statements or representations in connection with its dealings with the other.

SECTION VII

WAIVER OR MODIFICATION INEFFECTIVE UNLESS IN WRITING

It is agreed that no waiver or modification of this Addendum or of any covenant, condition, or limitation contained in it shall be valid unless it is in writing and duly executed by the party to be charged with it and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Addendum, or the rights or obligations of any party under it, unless such waiver or modification is in writing, duly executed as above. The parties agree that the provisions of this paragraph may not be waived except by a duly executed writing.

SECTION VIII

HEADINGS

Headings appearing in this Addendum have been inserted for the purpose of convenience and ready reference. They do not purport to, and shall not be deemed to, define, limit, or extend the scope or intent of the clauses to which they appertain.

SECTION IX

CONTRACT GOVERNED BY LAW OF STATE OF ARIZONA

The parties agree that it is their intention and covenant that this Addendum and performance under it and all suits and special proceedings relating to it be construed in accordance with, under, and pursuant to the laws of the State of Arizona and that in any action, special proceeding, or other proceeding that may be brought arising out of, in connection with, or by reason of this Addendum, the laws of the State of Arizona shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any action or special proceeding may be instituted.

This Addendum shall be subject to the cancellation provisions of ARS § 38-511.

[Intentionally left blank, signature page follows]

IN WITNESS WHEREOF, the City of San Luis, Arizona has caused this Addendum to be signed and executed on its behalf by its Mayor, duly attested to by its Clerk and Ralph Velez, for Velez Consulting Services, has signed and executed this Addendum at 1090 East Union Street, San Luis, Arizona on the ____ day of November 2022.

City of San Luis, Arizona

Gerardo Sanchez, Mayor

ATTEST:

Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil, City Attorney

Velez Consulting Services

Ralph Velez, Owner