

**WORK SESSION**  
**October 17, 2016**  
**6:00 PM**

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**CALL TO ORDER BY MAYOR**

**1 ROLL CALL BY THE CITY CLERK**

**2. 2016 FEDERAL LEGISLATIVE UPDATE**

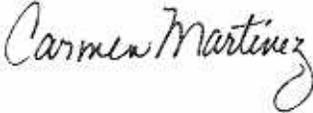
City Council will receive an update from Capital Edge regarding Avondale's legislative priorities, as well as an update on recently proposed federal policies. For information and discussion only.

**3. PARKS, RECREATION & LIBRARIES DEPARTMENT UPDATE**

City Council will receive an update from the Parks, Recreation, Libraries & Facilities Maintenance Divisions which will include highlights of their activities and accomplishments. For information only.

**4 ADJOURNMENT**

Respectfully submitted,



Carmen Martinez  
City Clerk

Council Members of the City of Avondale will attend either in person or by telephone conference call.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica.

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

Notice is hereby given that pursuant to A.R.S. 1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council may be audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. 1-602.A.9 have been waived.

De acuerdo con la ley A.R.S. 1-602.A.9, y sujeto a ciertas excepciones legales, se da aviso que los padres tienen derecho a dar su consentimiento antes de que el Estado o cualquier otra entidad política haga grabaciones de video o audio de un menor de edad. Las juntas del Concejo de la Ciudad pueden ser grabadas y por consecuencia, existe la posibilidad de que si hay menores de edad presentes estos aparezcan en estos videos o grabaciones de audio. Los padres pueden ejercer su derecho si presentan su consentimiento por escrito a la Secretaria de la Ciudad, o pueden asegurarse que los niños no estén presentes durante la grabación de la junta. Si hay algún menor de edad presente durante la grabación, la Ciudad dará por entendido que los padres han renunciado sus derechos de acuerdo a la ley contenida A.R.S. 1-602.A.9.



## CITY COUNCIL AGENDA

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**SUBJECT:**

2016 Federal Legislative Update

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council

**FROM:** Jessica Blazina, Assistant Director/Intergovernmental Affairs (623) 333-1612

**THROUGH:** David Fitzhugh, City Manager

**PURPOSE:**

City Council will receive an update from Capital Edge regarding Avondale's legislative priorities, as well as an update on recently proposed federal policies. For information and discussion only.

**BACKGROUND:**

In July 2015, the Avondale Council approved the City's contract with Capital Edge, Inc. for federal advocacy services. Capital Edge, a Washington, D.C. based advocacy and consulting firm, specializes in representing municipal government, and has represented Avondale's interests at the federal level since December 2009.

**DISCUSSION:**

Capital Edge's services to the city include:

- Advocating for (or opposing) legislation that may impact the City
- Identifying and promoting pertinent federal grant opportunities
- Influencing the regulatory activities of federal agencies
- Serving as a liaison between the City and the congressional delegation
- Promoting City priorities with national local government organizations

Some recent issues on which Capital Edge has worked include: passage of a five-year reauthorization of federal highway and transit programs known as the "FAST Act;" supporting funding in the FY 2017 budget for important local government programs such as CDBG and HOME at HUD and the COPS program at the Department of Justice and federal investments in water infrastructure at EPA; opposing federal infringement on local zoning and regulation; promoting consideration of legislation to allow states and local governments to collect sales taxes on out-of-state online purchases; and opposing efforts to eliminate or scale back the tax-exempt status of municipal bonds. Capital Edge's DC- presence continues to serve as a valuable resource in arranging meetings for Avondale officials with offices of the City's congressional delegation in Washington, DC.

Recent activities by Congress and the President will shape what is to come for local governments for the remainder of 2016 and 2017. Capital Edge will discuss how these policies and others may affect Avondale. Some of these matters include:

- Potential impacts of November elections
- FY 2017 budget highlights

- Federal highway and transit programs reauthorization
- Marketplace Fairness Act update
- Comprehensive tax reform/municipal bonds
- Water resources legislation
- Federal intrusion on local control

**BUDGET IMPACT:**

Capital Edge's fee is included in the FY 2016-2017 budget in the amount of \$69,000. Council approved their contract in July 2015.

**RECOMMENDATION:**

For information and discussion.



## CITY COUNCIL AGENDA

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**SUBJECT:**

Parks, Recreation & Libraries Department  
Update

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council**FROM:** Kirk Haines, Parks, Recreation & Libraries Director**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff from the Parks, Recreation, Libraries & Facilities Maintenance Divisions will present an update to the City Council regarding the highlights of their activities and accomplishments.

**BACKGROUND:**

The Parks, Recreation and Libraries Department has the ability to impact people's lives for the better every day. The department aims to create experiences that lead to the discovery of new friends, hobbies, passions, imagination and possibilities. The staff provides extraordinary experiences that enhance the quality of life for Avondale residents and visitors alike.

The department operates with a \$6 million budget and 27.75 FTEs (full-time equivalencies). We are supported by numerous part time employees and contracted staff that are critical to overall success of the department. The key objectives for the department are as follows:

- Public libraries bring people, information and ideas together to enrich lives and build community.
- Recreation through play and socialization seeks to enhance the high quality of life for those who live and work in our city.
- Park and grounds maintenance strives to provide clean, green and safe facilities for our residents.
- Facility maintenance strives to provide and maintain clean, safe, and comfortable environments for our citizens and our city employees.

**DISCUSSION:**

Staff will share some of their featured programs and activities that align with the City Council Initiatives. The Libraries division strives to strengthen our relationship with the various local school districts by providing outreach services to our schools through visitations and awareness of resources and library services, and by hosting numerous field trips so youth can learn more about their local libraries. The STEM and STEAM programs offered through our library services continue to be very popular and continue to expand. The library staff are also engaged in the Read On Avondale program and the summer and year-around reading programs continue to be successful in our community.

We continue to create and support diverse recreation and educational opportunities by expanding our community-wide signature special events, as well as offering specialty events that are targeted

toward specific residential areas and bringing activities directly into our neighborhoods. We also continue to focus on hosting local, regional and state-wide tournaments at our sports facilities to attract out of town visitors to our community to help improve the economic impact of our local establishments.

In the upcoming year, special emphasis is being place on a number of items:

- Updating the 2009 department master plan
- Renovations to aging park infrastructure including the restroom at Donnie Hale Park, repairing the perimeter lighting and replacing the playground and surfacing at Las Ligas Park, repair the erosion areas at Festival Fields, and renovating the picnic shelters at Mountain View Park
- Completing renovations, including the tennis courts, at Friendship Park
- Improving access to library materials by allowing youth with school identification cards to check out library books and materials
- Re-writing and bidding contracts for special event providers and landscape maintenance services as these contracts are nearing the end of their life cycle
- Updating a fee policy that allows better access to all for programs and services
- Updating the asset inventory management program and developing a long term strategy to replace necessary aged infrastructure
- Improving customer service by updating technology for library materials check out and recreation program registration

**RECOMMENDATION:**

For information only.



# CITY COUNCIL AGENDA

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

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**REGULAR MEETING**  
**October 17, 2016**  
**7:00 PM**

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**CALL TO ORDER BY MAYOR**  
**PLEDGE OF ALLEGIANCE**  
**MOMENT OF REFLECTION**

**1 ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK**

**2 SCHEDULED PUBLIC APPEARANCES**

- a. **MR. MICHAEL CRIPE, SR. GOVERNMENT RELATIONS SPECIALIST WITH COX COMMUNICATIONS**

**3 UNSCHEDULED PUBLIC APPEARANCES**

(Limit three minutes per person. Please state your name.)

**4 CONSENT AGENDA**

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. **APPROVAL OF MINUTES**

1. Regular Meeting of September 12, 2016
2. Work Session of September 19, 2016
3. Regular Meeting of September 19, 2016
4. Work Session of October 3, 2016
5. Regular Meeting of October 3, 2016

b. **SPECIAL EVENT LIQUOR LICENSE - VET FEST**

City Council will consider a request to approve a special event liquor license application submitted by Rosemary Hodge on behalf of the Historic Avondale Merchants Association for Vet Fest, scheduled from 10 am to 5:30 pm on Saturday, October 29, 2016 to be held in Historic Avondale. The beer garden will be located in a vacant lot just east of Zamora's Restaurant. The Council will take appropriate action.

c. **LIQUOR LICENSE ACQUISITION OF CONTROL - SERIES 10 (BEER AND WINE STORE) - QUIKTRIP #1424 AND 423**

City Council will consider a request for approval of two applications for acquisition of control submitted by Mr. Troy Devos to sell beer and wine at QuikTrip locations #1424 located at 150 N Avondale Blvd. and #423 located at 13067 W Thomas Road in Avondale due to changes in the corporate structure of QuikTrip Corporation. The Council will take appropriate action.

**d. PROFESSIONAL SERVICES AGREEMENT CLEAR CREEK ASSOCIATES**

City Council will consider a request to enter into a Professional Services Agreement with Clear Creek Associates to locate, design and oversee installation of Well No. 27 for \$120,244, and authorize the Mayor or City Manager and City Clerk to execute the contract documents. The Council will take appropriate action.

**e. CONSTRUCTION CONTRACT AWARD - RILEY INDUSTRIAL SERVICES INC. - RANCHO SANTA FE TANK REHABILITATION**

City Council will consider a request to approve a Construction Contract with Riley Industrial Services Inc. for the Rancho Santa Fe Tank Rehabilitation in the amount of \$608,380 and authorize the Mayor or City Manager and City Clerk to execute the contract documents. The Council will take appropriate action.

**f. COOPERATIVE PURCHASING AGREEMENT - JAMES, COOKE & HOBSON, INC.**

City Council will consider a request to approve a Cooperative Purchasing Agreement with James, Cooke & Hobson, Inc., for submersible pump-motor units repair and replacement, in an annual amount not to exceed \$150,000, with the option of four annual one-year renewals, for a maximum total aggregate amount of \$750,000 and to authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

**g. SECOND AMENDMENT TO COOPERATIVE PURCHASING AGREEMENT - UTILITY CONSTRUCTION COMPANY, INC.**

City Council will consider a request to approve the Second Amendment to the Cooperative Purchasing Agreement with Utility Construction Company in the amount of \$75,000 for the ongoing removal and replacement of damaged and deteriorating streetlight poles and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

**h. RESOLUTION 3341-1016 - CITY COUNCIL HANDBOOK**

City Council will consider a resolution adopting the City Council Handbook which is meant to serve as a guide and resource for Council Members and staff. The Council will take appropriate action.

**i. RESOLUTION 3342-1016 - STRATEGIC TRANSPORTATION SAFETY PLAN (STSP)**

City Council will consider a resolution approving the Strategic Transportation Safety Plan (STSP). The Council will take appropriate action.

**5 FY 2016 ANNUAL FINANCIAL UPDATE**

City Council will receive an update on the City's main operating funds' performance through June 30th, 2016. For information and discussion only.

**6 RESOLUTION 3340-1016 - NOTICE OF INTENT TO INCREASE WATER AND WASTEWATER RATES**

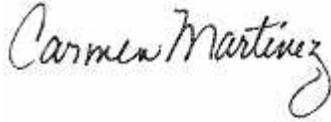
City Council will consider a resolution adopting a notice of intent to increase water and wastewater user charges or rate components. The Council will take appropriate action.

**7 EXECUTIVE SESSION**

City Council may hold an executive session pursuant to Ariz. Rev. Stat. § 38-431.03 (A)(4) for discussion or consultation with the City's Attorney in order to consider its position and instruct the City's Attorney regarding a potential development agreement.

## 8 ADJOURNMENT

Respectfully submitted,



Carmen Martinez  
City Clerk

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## CITY COUNCIL AGENDA

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**SUBJECT:**

Special Event Liquor License - Vet Fest

**MEETING DATE:**

10/17/2016

---

**TO:** Mayor and Council

**FROM:** Carmen Martinez, City Clerk (623) 333-1214

**THROUGH:** David Fitzhugh, City Manager

**PURPOSE:**

Staff is recommending approval of a special event liquor license application submitted by Rosemary Hodge on behalf of the Historic Avondale Merchants Association for Vet Fest, scheduled from 10 am to 5:30 pm on Saturday, October 29, 2016 to be held in Historic Avondale. The beer garden will be located in a vacant lot just east of Zamora's Restaurant.

**DISCUSSION:**

The City Clerk has received an application for a special event liquor license from Rosemary Hodge on behalf of the Historic Avondale Merchants Association to be used in conjunction with Vet Fest, an art festival scheduled for Saturday, October 29, 2016 from 10:00 am to 5:30 pm. The beer garden will be set in a vacant lot just east of Zamora's Restaurant.

The required fees have been paid. The Police and Fire Departments have reviewed the applications and are recommending approval. Their comments are attached.

Staff reviewed the applications using the 14 factors set forth in Ordinance 1031-04. The findings are as noted below:

1. The public is invited to attend this event.
2. Criminal history of the applicant - A background check of the representative, Ms. Rosemary Hodge revealed no contact with the Avondale Police Department
3. The event is a charitable fundraiser
4. Security measures taken by the applicant - The Police Department is requiring that two off-duty police officers be hired to provide security within the beer garden.
5. Only beer will be served
6. Beverages will be dispensed in disposable cups
7. The organization held a similar event last year with with no incident
8. Drinking of alcoholic beverages will be confined to the beer garden
9. The event will last seven and a half hours
10. Port-a-potties will be located within the event
11. Zoning is OTAB (Old Town Avondale Business) and Development Services staff has indicated that special events may occur on any property irrespective of General Plan designation or zoning
12. Anticipated total daily attendance is estimated at about 100 people

13. There will be no sound reproduction within the beer garden
14. The Police Department has reviewed and approved the traffic control plan for the overall event

**RECOMMENDATION:**

Staff is recommending approval of a special event liquor license application submitted by Rosemary Hodge on behalf of the Historic Avondale Merchants Association for Vet Fest, scheduled from 10 am to 5:30 pm on Saturday, October 29, 2016 to be held in Historic Avondale; the beer garden will be located in a vacant lot just east of Zamora's Restaurant.

**ATTACHMENTS:**

Description

[Application](#)

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SERIES 15 SPECIAL EVENT  
LIQUOR LICENSE APPLICATION FOR  
HAMA (HISTORIC AVONDALE MERCHANTS ASSOCIATION)  
VET FEST

DUE TO THEIR SIZE, THE FOLLOWING DOCUMENTS  
HAVE BEEN POSTED SEPARATELY:

APPLICATION  
DEPARTMENTAL REVIEW

<http://www.avondale.org/DocumentCenter/View/39153>



## CITY COUNCIL AGENDA

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**SUBJECT:**

Liquor License Acquisition of Control - Series 10  
(Beer and Wine Store) - QuikTrip #1424 and 423

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council**FROM:** Carmen Martinez, City Clerk (623) 333-1214**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff is recommending approval of two applications for acquisition of control submitted by Mr. Troy Devos to sell beer and wine at QuikTrip locations #1424 located at 150 N Avondale Blvd. and #423 located at 13067 W Thomas Road in Avondale due to changes in the corporate structure of QuikTrip Corporation.

**DISCUSSION:**

The City Clerk's Department has received two applications for acquisition of control submitted by Mr. Troy Devos to sell beer and wine at QuikTrip locations #1424 located at 150 N Avondale Blvd. and #423 located at 13067 W Thomas Road in Avondale due to changes in the corporate structure of QuikTrip Corporation. The fees in the amount of \$950.00 for each license have been paid.

As required by state law and city ordinance, the application was posted for the required period of time starting September 22, 2016. A notice was published in the West Valley View on October 5 and 12, 2016. No comments were received.

The Arizona Department of Liquor License and Control has accepted the submitted application as complete. The Development Services, Finance, Police and Fire Departments have reviewed the application and are recommending approval. Their comments are attached.

**RECOMMENDATION:**

Staff is recommending approval of two applications for acquisition of control submitted by Mr. Troy Devos to sell beer and wine at QuikTrip locations #1424 located at 150 N Avondale Blvd. and #423 located at 13067 W Thomas Road in Avondale due to changes in the corporate structure of QuikTrip Corporation.

**ATTACHMENTS:****Description**

[Application and Related Documents - QT #423](#)

[Application and Related Documents - QT #1424](#)

SERIES 10 (BEER AND WINE STORE) LIQUOR LICENSE  
APPLICATION FOR  
QUIKTRIP #423  
ACQUISITION OF CONTROL

DUE TO THEIR SIZE, THE FOLLOWING DOCUMENTS  
HAVE BEEN POSTED SEPARATELY:

APPLICATION  
DEPARTMENTAL REVIEW  
POSTING PHOTOS  
VICINITY MAP

<http://www.avondale.org/DocumentCenter/View/39127>

SERIES 10 (BEER AND WINE STORE) LIQUOR LICENSE  
APPLICATION FOR  
QUIKTRIP #1424  
ACQUISITION OF CONTROL

DUE TO THEIR SIZE, THE FOLLOWING DOCUMENTS  
HAVE BEEN POSTED SEPARATELY:

APPLICATION  
DEPARTMENTAL REVIEW  
POSTING PHOTOS  
VICINITY MAP

<http://www.avondale.org/DocumentCenter/View/39128>



## CITY COUNCIL AGENDA

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**SUBJECT:**

Professional Services Agreement Clear Creek Associates

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council

**FROM:** Cindy Blackmore, Public Works Director, (623)-333-4410

**THROUGH:** David Fitzhugh, City Manager

**PURPOSE:**

Staff is requesting that the City Council enter into a Professional Services Agreement with Clear Creek Associates to locate, design and oversee installation of Well No. 27 for \$120,244, and authorize the Mayor or City Manager and City Clerk to execute the contract documents.

**BACKGROUND:**

The 2013 Water Master Plan Update outlined water system demands anticipated with the growth in city population. The City's approved capital improvement plan (CIP) includes adding additional wells to increase the necessary water supplies to meet demand. As planned in the current year's CIP, staff is recommending to add an additional well.

Well 26 is currently listed as the next well to be added in the current CIP. It is anticipated that this well will have high nitrates and require treatment. Staff reviewed options for well sites, and is recommending that Well 27 be the next well developed for quality and operational reasons. Staff's intent is to develop Well 27 in the vicinity of Thomas Road and 119th Avenue. See attached Vicinity Map.

This location is being recommended for the following reasons:

- It is expected that a higher quality of water will be available in this location, as the surrounding wells have high quality water that require little to no treatment. If the water quality is good from this well, the water can be supplied directly to the reservoir without treatment. If treatment is needed, the station has available nitrate treatment capacity.
- This well will feed water to the Garden Lakes Booster Station. As this site currently only has one well supplying water to the large reservoir, additional capacity exists. Additional water supply to this station will provide staff greater flexibility to operate the city supplies to northern Avondale.

Locating Well 27 in the proposed location will require construction of a transmission line which is currently not specifically identified in the CIP. Staff has identified funding in the "Water System Line Replacements and Expansions" line item and will look for City Council approval to fund construction of the transmission line once the project costs are developed.

**DISCUSSION:**

Staff has requested Clear Creek Associates provide design and construction administration services for this well drilling project. Clear Creek Associates was selected from the City On-call services list. Their services will include:

- Provide a well impact study to help determine the best location for the well, relative to other wells in the area.
- Provide the design and specifications in preparation for bidding the well drilling.
- Monitor the well capacity and water quality during drilling to optimize water production and quality for well screen placement.
- Oversee the well development after drilling.
- Provide all permitting required for the well approval.
- Provide public outreach as required during the well drilling.

**BUDGET IMPACT:**

Funds for an additional well were approved and are available in line item 514-1090-00-8520.

**RECOMMENDATION:**

Staff recommends that the City Council enter into a Professional Services Agreement with Clear Creek Associates to locate, design and oversee installation of Well No. 27 for \$120,244, and authorize the Mayor or City Manager and City Clerk to execute the contract documents.

**ATTACHMENTS:**

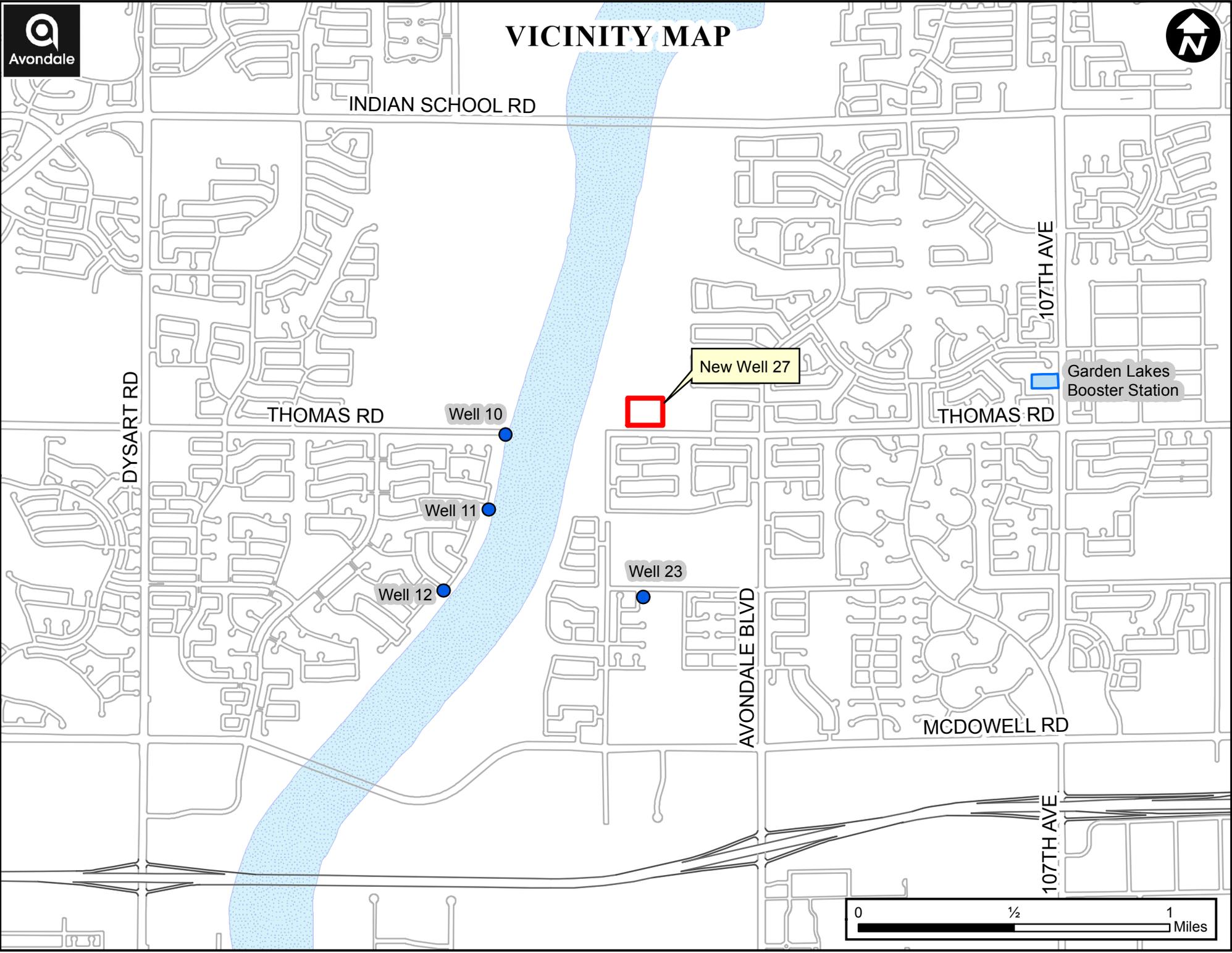
Description

[Vicinity Map](#)

[PSA - Clear Creek Associates](#)



# VICINITY MAP



INDIAN SCHOOL RD

DYSART RD

THOMAS RD

Well 10

Well 11

Well 12

Well 23

New Well 27

107TH AVE

Garden Lakes  
Booster Station

THOMAS RD

AVONDALE BLVD

MCDOWELL RD

107TH AVE



PROFESSIONAL SERVICES AGREEMENT – CLEAR CREEK ASSOCIATES

DUE TO ITS SIZE, THIS DOCUMENT  
HAS BEEN POSTED SEPARATELY

PLEASE CLICK ON THE LINK BELOW TO VIEW

<http://www.avondale.org/DocumentCenter/View/39145>



## CITY COUNCIL AGENDA

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**SUBJECT:**

Construction Contract Award - Riley Industrial Services Inc. - Rancho Santa Fe Tank Rehabilitation

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council**FROM:** Cindy Blackmore, Public Works Director, 623-333-4410**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff is requesting that the City Council approve a Construction Contract with Riley Industrial Services Inc. for the Rancho Santa Fe Tank Rehabilitation for \$608,380 and authorize the Mayor or City Manager and City Clerk to execute the contract documents.

**BACKGROUND:**

The Rancho Santa Fe Booster Station is the main supplier of water to the City, this project will rehabilitate the 1.75 million gallon tank, which is the larger of the tanks at this facility. This project involves repairing and re-coating to ensure structural integrity and prolong the life of this valuable piece of infrastructure.

**DISCUSSION:**

Invitation-for-Bid notices were published in the West Valley View on September 14 and September 21, 2016 and in the Arizona Business Gazette on September 15, 2016. A mandatory pre-bid meeting was held on September 21, 2016. Four (4) bids were received and opened on March 2, 2016. Each bid package was reviewed. The bids ranged from approximately \$608,380 to \$813,760. Firms submitting the lowest three bids and the amount of their bids are as follows:

- |                         |           |
|-------------------------|-----------|
| • Riley Industrial      | \$608,380 |
| • Desert Mobile         | \$613,680 |
| • Revolution Industrial | \$668,060 |

The attached Bid Tabulation Sheet has the detailed bid item breakdown of each submitted bid.

Riley Industrial Services Inc. with a bid of \$608,380 was determined to have submitted the lowest qualified bid. Staff contacted references provided and Riley Industrial Services Inc. did receive positive recommendations. Riley Industrial Services Inc. has completed similar work. Staff contacted the Registrar of Contractors and found no claim on file against this contractor. Staff determined that Riley Industrial Services Inc. is competent and qualified for this project. A tentative construction schedule is as follows:

- City Council Approval      October 17, 2016

- Notice of Award                      October 18, 2016
- Notice to Proceed                    November 2016
- Completion                             March 2016

**BUDGET IMPACT:**

Funding for this item was approved in the current fiscal year capital budget and will come from line item 514-1372-00-8520, Reservoir Repairs and Rehab.

**RECOMMENDATION:**

Staff recommends that the City Council approve a Construction Contract with Riley Industrial Services Inc. for the Rancho Santa Fe Tank Rehabilitation for \$608,380 and authorize the Mayor or City Manager and City Clerk to execute the contract documents. The Council will take appropriate action.

**ATTACHMENTS:**

**Description**

[Vicinity Map](#)

[Bid Tabulation](#)

[Construction Contract - Riley](#)



# RANCHO SANTA FE BOOSTER VICINITY MAP



THOMAS RD

RANCHO SANTA FE BLVD

RANCHO SANTA FE  
BOOSTER STATION

MCDOWELL RD

DYSART RD

119TH AVE





CITY OF AVONDALE  
 BID TABULATION SHEET  
 Solicitation # PW17-010 Rancho Santa Fe Reservoir Modifications and Coating  
 BID DATE: October 5, 2016

				Desert Mobile		Riley Industrial		Revolution Industrial		MMI	
Item No.	Description of Materials and/or Services	Qty	Unit	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	All Work As Defined in Drawings and Specifications Complete Except Item Nos. 2, 3, and 10	1	LS	\$439,250.00	\$439,250.00	\$432,500.00	\$432,500.00	\$474,500.00	\$474,500.00	\$396,702.00	\$396,702.00
2	Remove and Replace 24-inch Gate Valve As Defined in Drawings and Specifications Complete	1	LS	\$36,250.00	\$36,250.00	\$63,930.00	\$63,930.00	\$52,500.00	\$52,500.00	\$62,312.00	\$62,312.00
3	Furnish and Install Decomposed Granite (DG) as Defined in Drawings and Specifications Complete	1	Ton	\$120.00	\$120.00	\$770.00	\$770.00	\$280.00	\$280.00	\$4,446.00	\$4,446.00
4	Contingency Item No. 1 – Remove and Replace Outer Rafter	20	EA	\$1,485.00	\$29,700.00	\$1,100.00	\$22,000.00	\$1,987.00	\$39,740.00	\$5,512.00	\$110,240.00
5	Contingency Item No. 2 – Remove and Replace Inner Rafter	20	EA	\$1,699.00	\$33,980.00	\$1,092.00	\$21,840.00	\$1,987.00	\$39,740.00	\$5,512.00	\$110,240.00
6	Contingency Item No. 3 – Floor Weld Plate Installation	100	EA	\$55.00	\$5,500.00	\$37.00	\$3,700.00	\$33.00	\$3,300.00	\$137.00	\$13,700.00
7	Contingency Item No. 4 – 2 Man Weld Crew Hour	16	Hour	\$180.00	\$2,880.00	\$197.50	\$3,160.00	\$165.00	\$2,640.00	\$195.00	\$3,120.00
8	Contingency Item No. 5 – Remove and Replace Tie Rod	40	EA	\$200.00	\$8,000.00	\$134.00	\$5,360.00	\$67.00	\$2,680.00	\$1,350.00	\$54,000.00
9	Contingency Item No. 6 – Remove and Replace Rafter Clip	40	EA	\$200.00	\$8,000.00	\$128.00	\$5,120.00	\$67.00	\$2,680.00	\$225.00	\$9,000.00
10	Dehumidification and Ventilation System	1	ALLOW	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
<b>TOTAL*</b>					\$613,680.00		\$608,380.00		\$668,060.00		\$813,760.00
<b>TOTAL SUBMITTED BY BIDDER</b>					\$586,950.00		\$608,380.00		\$668,060.00		\$813,760.00
<b>Met Requirements and Required Attachments Included?</b>					Yes		Yes		Yes		Yes

\*All bids are presumed to include all applicable taxes.

Calculation or Extension Error

CONSTRUCTION CONTRACT – RILEY INDUSTRIAL SERVICES, INC.

DUE TO ITS SIZE, THIS DOCUMENT  
HAS BEEN POSTED SEPARATELY

PLEASE CLICK ON THE LINK BELOW TO VIEW

<http://www.avondale.org/DocumentCenter/View/39147>



## CITY COUNCIL AGENDA

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**SUBJECT:**

Cooperative Purchasing Agreement - James,  
Cooke & Hobson, Inc.

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council**FROM:** Cindy Blackmore, Public Works Director (623) 333-4410**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff is requesting that the City Council approve a Cooperative Purchasing Agreement with James, Cooke & Hobson, Inc., for submersible pump-motor units repair and replacement in an annual amount not to exceed \$150,000, with the option of four annual one-year renewals, for a total possible five-year term and a maximum aggregate amount not to exceed \$750,000 and to authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

**BACKGROUND:**

After a competitive procurement process, the City of Mesa entered into a contract with James, Cooke & Hobson, Inc. for submersible pump-motor units repair and replacement. The initial term of the contract is in effect until March 14, 2017 and provides for four (4) successive one-year automatic renewal options. The City of Mesa contract contains cooperative use language which extends the use of the contract to public entities, including the City of Avondale.

**DISCUSSION:**

In the Public Works Department, the sewer collections, water production, and water reclamation divisions have various pumps, motors and equipment that must be properly serviced and maintained. Preventative maintenance, repair and replacement of these units is critical to ensure proper operation. In the event of equipment failure, returning a motor or pump back into service as quickly as possible is paramount to providing safe, reliable service to our customers. James, Cooke and Hobson Inc. provides the required replacements, parts and services and has been identified as an authorized factory service provider for a number of manufacturers in the State of Arizona.

James, Cooke and Hobson Inc. is a current registered vendor with the City and has satisfactorily supplied the City with products and services in the past. Staff is seeking authorization to enter into a cooperative purchasing agreement and to renew the agreement subject to the terms and conditions in the agreement.

**BUDGET IMPACT:**

Staff estimates maximum annual expenditures of \$150,000 for necessary parts and services per fiscal year, for a cumulative total over the contract period not to exceed \$750,000, subject to budget approval.

Funding for these expenditures will typically be charged to the supply (6720) and repair and maintenance (7490) line items in the public works budget.

**RECOMMENDATION:**

Staff is recommending that the City Council approve a Cooperative Purchasing Agreement with James, Cooke & Hobson, Inc., for submersible pump-motor units repair and replacement in an annual amount not to exceed \$150,000, with the option of four annual one-year renewals, for a total possible five-year term and a maximum aggregate amount not to exceed \$750,000 and to authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

**ATTACHMENTS:**

Description

[CPA - JAMES, COOKE & HOBSON, INC.](#)

**COOPERATIVE PURCHASING AGREEMENT  
BETWEEN  
THE CITY OF AVONDALE  
AND  
JAMES, COOKE & HOBSON, INC.**

THIS COOPERATIVE PURCHASING AGREEMENT (this "Agreement") is entered into as of October 3, 2016, between the City of Avondale, an Arizona municipal corporation (the "City"), and James, Cooke & Hobson, Inc., a Texas corporation (the "Contractor").

RECITALS

A. After a competitive procurement process, the City of Mesa, Arizona ("Mesa") entered into Contract No. 2016079, dated March 15, 2016 (the "Mesa Contract"), for the Contractor to provide submersible pump-motor units repair and replacement. A copy of the Mesa Contract is attached hereto as Exhibit A and incorporated herein by reference, to the extent not inconsistent with this Agreement.

B. The City is permitted, pursuant to Section 25-24 of the City Code, to purchase such materials and services under the Mesa Contract, at its discretion and with the agreement of the awarded Contractor, and so long as the Mesa Contract permits its cooperative use by other public entities, including the City.

C. The City and the Contractor desire to enter into this Agreement for the purpose of (i) acknowledging their cooperative contractual relationship under the Mesa Contract and this Agreement, (ii) establishing the terms and conditions by which the Contractor may provide the City with submersible pump-motor units repair and replacement, as more particularly set forth in Section 2 below on an "as-required" basis (the "Materials and Services") and (iii) setting the maximum aggregate amount to be expended pursuant to this Agreement related to the Materials and Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Contractor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until March 14, 2017 (the "Initial Term"), unless terminated as otherwise provided in this Agreement or the Mesa Contract. After the expiration of the Initial Term, this Agreement may be renewed for up to four successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the City, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) the term of the Mesa Contract has not expired, (iii) at least 30 days prior to the end of the then-current term of this Agreement, the Contractor requests, in writing, to extend this Agreement for an additional one-year term and (iv) the City approves the additional one-year term in writing (including any

price adjustments approved as part of the Mesa Contract), as evidenced by the City Manager's signature thereon, which approval may be withheld by the City for any reason. The Contractor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the City may, at its discretion and with the agreement of the Contractor, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. This is an indefinite quantity and indefinite delivery Agreement for Materials and Services under the terms and conditions of the Mesa Contract. The City does not guarantee any minimum or maximum number of purchases will be made pursuant to this Agreement. Purchases will only be made when the City identifies a need and proper authorization and documentation have been approved. For purchase(s) determined by the City to be appropriate for this Agreement, the Contractor shall provide the Materials and Services to the City in such quantities and configurations agreed upon between the parties, in a written invoice, quote, work order or other form of written agreement describing the work to be completed (each, a "Work Order"). Each Work Order shall (i) contain a reference to this Agreement and the Mesa Contract and (ii) be attached hereto as Exhibit B and incorporated herein by reference. Work Orders submitted without referencing this Agreement and the Mesa Contract will be subject to rejection. Contractor acknowledges and agrees that Work Order(s) containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement, other than City's project-specific requirements, are hereby expressly declared void and shall be of no force and effect.

2.1 Inspection; Acceptance. All Materials and Services are subject to final inspection and acceptance by the City. Materials failing to conform to the requirements of this Agreement and/or the Mesa Contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Upon discovery of non-conforming Materials or Services, the City may elect to do any or all of the following by written notice to the Contractor: (i) waive the non-conformance; (ii) stop the work immediately; or (iii) bring Materials or Service into compliance and withhold the cost of same from any payments due to the Contractor.

2.2 Cancellation. The City reserves the right to cancel Work Orders within a reasonable period of time after issuance. Should a Work Order be canceled, the City agrees to reimburse the Contractor, but only for actual and documentable costs incurred by the Contractor due to and after issuance of the Work Order. The City will not reimburse the Contractor for any costs incurred after receipt of City notice of cancellation, or for lost profits, shipment of product prior to issuance of Work Order or for anything not expressly permitted pursuant to this Agreement.

3. Compensation. The City shall pay Contractor for the Initial Term and for each subsequent Renewal Term, if any, an annual aggregate amount not to exceed \$150,000.00 for Materials and Services at the unit rates set forth in the Mesa Contract. The maximum aggregate amount for this Agreement, including all Renewal Terms, shall not exceed \$750,000.00.

4. Payments. The City shall pay the Contractor monthly, based upon acceptance and delivery of Materials and/or Services performed and completed to date, and upon submission and approval of invoices. Each invoice shall (i) contain a reference to this Agreement and the Mesa Contract and (ii) document and itemize all work completed to date. The invoice statement shall include a record of materials delivered, time expended and work performed in sufficient detail to justify payment. Additionally, invoices submitted without referencing this Agreement and the Mesa Contract will be subject to rejection and may be returned.

5. Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under Section 6 below, Contractor's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (i) evaluation and verification of any invoices, payments or claims based on Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (ii) evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in Section 6 below. To the extent necessary for the City to audit Records as set forth in this Section, Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the City to Contractor pursuant to this Agreement. Contractor and its subcontractors shall provide the City with adequate and appropriate workspace so that the City can conduct audits in compliance with the provisions of this Section. The City shall give Contractor or its subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

6. E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the City.

7. Israel. Contractor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in, a boycott of Israel, as that term is defined in Ariz. Rev. Stat. § 35-393.

8. Conflict of Interest. This Agreement may be canceled by the City pursuant to ARIZ. REV. STAT. § 38-511.

9. Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and a suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

10. Agreement Subject to Appropriation. The City is obligated only to pay its obligations set forth in this 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 its 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 this Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The City shall keep Contractor 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. Contractor 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 Agreement pursuant to this section.

11. Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any City-approved Work Orders, the Mesa Contract and invoices, the documents shall govern in the order listed herein. Notwithstanding the foregoing, and in conformity with Section 2 above, unauthorized exceptions, conditions, limitations or provisions in conflict with the terms of this Agreement or the Mesa Contract (collectively, the "Unauthorized Conditions"), other than the City's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the City of any Work Order or invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or under the Mesa Contract shall not alter such terms and conditions or relieve Contractor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement.

12. Rights and Privileges. To the extent provided under the Mesa Contract, the City shall be afforded all of the rights and privileges afforded to Mesa and shall be the "City" (as defined in the Mesa Contract) for the purposes of the portions of the Mesa Contract that are incorporated herein by reference.

13. Indemnification; Insurance. In addition to and in no way limiting the provisions set forth in Section 12 above, the City shall be afforded all of the insurance coverage and indemnifications afforded to Mesa to the extent provided under the Mesa Contract, and such insurance coverage and indemnifications shall inure and apply with equal effect to the City under this Agreement including, but not limited to, the Contractor's obligation to provide the indemnification and insurance. In any event, the Contractor shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses,

claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement.

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 (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City:                   City of Avondale  
11465 West Civic Center Drive  
Avondale, Arizona 85323  
Attn: David W. Fitzhugh, City Manager

With copy to:                   GUST ROSENFELD P.L.C.  
One East Washington Street, Suite 1600  
Phoenix, Arizona 85004-2553  
Attn: Andrew J. McGuire

If to Consultant:               James, Cooke & Hobson, Inc.  
3501 East Broadway Road  
Phoenix, Arizona 85040  
Attn: Jim Feickert

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) 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 its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“City”

CITY OF AVONDALE,  
an Arizona municipal corporation

\_\_\_\_\_  
David W. Fitzhugh, City Manager

ATTEST:

\_\_\_\_\_  
Carmen Martinez, City Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

On \_\_\_\_\_, 2016, before me personally appeared David W. Fitzhugh, the City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the City of Avondale.

\_\_\_\_\_  
Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]



EXHIBIT A  
TO  
COOPERATIVE PURCHASING AGREEMENT  
BETWEEN  
THE CITY OF AVONDALE  
AND  
JAMES, COOKE & HOBSON, INC.

[Mesa Contract]

See following pages.



AGREEMENT PURSUANT TO SOLICITATION

**CITY OF MESA CONTRACT NUMBER 2016079  
SUBMERSIBLE PUMP-MOTOR UNITS REPAIR AND REPLACEMENTS**

**CITY OF MESA, Arizona (“City”)**

Department Name	City of Mesa – Purchasing Department
Mailing Address	P.O. Box 1466 Mesa, AZ 85211-1466
Delivery Address	20 East Main St, Suite 400 Mesa, AZ 85201
Attention	Kristy Garcia, CPPB, Procurement Officer
E-Mail	<a href="mailto:Kristy.Garcia@MesaAZ.gov">Kristy.Garcia@MesaAZ.gov</a>
Telephone	(480) 644-5052
Facsimile	(480) 644-2655

**AND**

**JAMES, COOKE & HOBSON, INC. (“Contractor”)**

Mailing Address	3801 Academy Parkway S, NE Albuquerque, NM 87109
Delivery Address	3501 E. Broadway Rd. Phoenix, AZ 85224
Attention	Bruce P. Loring, P.E., Vice-President
E-Mail	<a href="mailto:bpl@jchinc.com">bpl@jchinc.com</a>
Telephone	(602) 243-0585
Facsimile	(602) 276-5402

## CITY OF MESA AGREEMENT PURSUANT TO SOLICITATION

This agreement pursuant to solicitation ("Agreement") is entered into this 14th day of March, 2016, by and between the City of Mesa, Arizona, an Arizona municipal corporation ("City"), and James, Cooke & Hobson, Inc., a State of New Mexico Corporation ("Contractor"). The City and Contractor are each a "Party" to the Agreement or together are "Parties" to the Agreement.

### RECITALS

- A. The City issued solicitation number **2016079** ("Solicitation") for **SUBMERSIBLE PUMP-MOTOR UNITS REPAIRS & REPLACEMENTS**, to which Contractor provided a response ("Response"); and;
- B. The City selected Contractor's Response as being in the best interest of the City and wishes to engage Contractor in providing the services/materials described in the Solicitation and Response.

In consideration of the reciprocal promises contained in the Agreement, and for other valuable and good consideration, which the Parties acknowledge the receipt and sufficiency of, the Parties agree to the following Terms & Conditions.

### TERMS & CONDITIONS

- 1. Term. This Agreement is for a term beginning on **March 15, 2016 and ending on March 14, 2019**. The use of the word "Term" in the Agreement includes the aforementioned period as well as any applicable extensions or renewals in accordance with this Section 1.
  - 1.1 Renewals. On the mutual written agreement of the Parties, the Term may be renewed up to a maximum of two (2) one (1) year periods. Any renewal(s) will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
  - 1.2 Extension for Procurement Processes. Upon the expiration of the Term of this Agreement, including any renewals permitted herein, at the City's sole discretion this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow for the City's procurement processes in the selection of a Contractor to provide the services/materials provided under this Agreement. The City will notify the Contractor in writing of its intent to extend the Agreement at least thirty (30) calendar days prior to the expiration of the Term. Any extension under this Subsection 1.2 will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
  - 1.3 Delivery. Delivery shall be made to the location(s) contained in the Scope of Work within thirty (30) days after receipt of an order. **TIMEFRAME SUBJECT TO PARTS AVAILABILITY FROM MANUFACTURER.**
- 2. Scope of Work. The Contractor will provide the necessary staff, services and associated resources to provide the City with the services, materials, and obligations attached to this Agreement as **Exhibit A** ("Scope of Work") Contractor will be responsible for all costs and expenses incurred by Contractor that are incident to the performance of the Scope of Work unless otherwise stated in **Exhibit A**. Contractor will supply all equipment and instrumentalities necessary to perform the Scope of Work. If set forth in **Exhibit A**, the City will provide Contractor's personnel with adequate workspace and such other related facilities as may be required by Contractor to carry out the Scope of Work.
- 3. Orders. Orders be placed with the Contractor by either a: (i) Purchase Order when for a one-time purchase; (ii) Notice to Proceed, or (iii) Delivery Order off of a Master Agreement for Requirement

Contract where multiple as-needed orders will be placed with the Contractor. The City may use the Internet to communicate with Contractor and to place orders as permitted under this Agreement

4. Document Order of Precedence. In the event of any inconsistency between the terms of the body of the Agreement, the Exhibits, the Solicitation, and Response, the language of the documents will control in the following order.
  - a. Agreement
  - b. Exhibits
    1. Mesa Standard Terms & Conditions
    2. Scope of Work
    3. Service Level Agreement/Business Associate Agreement (if applicable)
    4. Other Exhibits not listed above
  - c. Solicitation including any addenda
  - d. Contractor Response

5. Payment.

5.1 General. Subject to the provisions of the Agreement, the City will pay Contractor an amount not to exceed **Four Hundred Eighty Three Thousand Dollars (\$483,000) annually**, including all companion agreements, for the completion of all the work and services described in **Exhibit B ("Pricing")** in consideration of Contractor's performance of the Scope of Work during the Term.

5.2 Prices. All pricing shall be firm for the Term and all extensions or renewals of the Term except where otherwise provided in this Agreement, and include all costs of the Contractor providing the materials/service including transportation, insurance and warranty costs. No fuel surcharges will be accepted unless allowed in this Agreement. The City shall not be invoiced at prices higher than those stated in the Agreement.

The Contractor further agrees that any reductions in the price of the materials or services covered by this Agreement will apply to the undelivered balance. The Contractor shall promptly notify the City of such price reductions.

No price modifications will be accepted without proper request by the Contractor and response by the City's Purchasing Division.

5.3 Price Adjustment. Any requests for reasonable price adjustments must be submitted in accordance with this Section 5.3. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. There is no guarantee the City will accept a price adjustment therefore Contractor should be prepared for the Pricing to be firm over the Term of the Agreement. The City is only willing to entertain price adjustments based on an increase to Contractor's actual expenses or other reasonable adjustment in providing the services/materials under the Agreement. If the City agrees to the adjusted price terms, the City shall issue written approval of the change.

During the 60-day period prior to Contract expiration of the Agreement, the Contractor may submit a written request to the City to allow an increase to the prices in an amount not to exceed the twelve month change in the **Consumer Price Index for All Urban Consumers (CPI-U)**, US City Average, All Items, Not Seasonally Adjusted as published by the U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>). The City shall review the request for adjustment and respond in writing; such response and approval shall not be unreasonably withheld.

5.4 Renewal and Extension Pricing. Any extension of the Agreement will be at the same pricing as the initial Term. If the Agreement is renewed in accordance with Section 1,

pricing may be adjusted for amounts other than inflation that represent actual costs to the Contractor based on the mutual agreement of the parties. The Contractor may submit a request for a price adjustment along with appropriate supporting documentation demonstrating the cost to the Contractor. Renewal prices shall be firm for the term of the renewal period and may be adjusted thereafter as outlined in the previous section. There is no guarantee the City will accept a price adjustment.

5.5 Invoices. Payment will be made to Contractor following the City's receipt of a properly completed invoice. Any issues regarding billing or invoicing must be directed to the City Department/Division requesting the service or material from the Contractor. A properly completed invoice should contain, at a minimum, all of the following:

- a. Contractor name, address, and contact information;
- b. City billing information;
- c. City contract number as listed on the first page of the Agreement;
- d. Invoice number and date;
- e. Payment terms;
- f. Date of service or delivery;
- g. Description of materials or services provided;
- h. If materials provided, the quantity delivered, pricing of each unit, and freight charges (as applicable);
- i. Applicable Taxes
- j. If applicable, mileage or travel costs; and
- k. Total amount due.

5.6 Payment of Funds. Contractor acknowledges the City may, at its option and where available use a Procurement Card/e-Payables to make payment for orders under the Agreement. Else; payment will be through a traditional method of a check or Electronic Funds Transfer (EFT) as available.

5.7 Disallowed Costs, Overpayment. If at any time the City determines that a cost for which payment was made to Contractor is a disallowed cost, such as an overpayment or a charge for materials/service not in accordance with the Agreement, the City will notify Contractor in writing of the disallowance; such notice will state the means of correction which may be, but is not limited to, adjustment of any future claim/invoice submitted by Contractor in the amount of the disallowance, or to require repayment of the disallowed amount by Contractor. Contractor will be provided with the opportunity to respond to the notice.

## 6. Insurance.

6.1 Contractor must obtain and maintain at its expense throughout the term of Contractor's agreement, at a minimum, the types and amounts of insurance set forth in this Section 6 from insurance companies authorized to do business in the State of Arizona; the insurance must cover the materials/service to be provided by Contractor under the Agreement. For any insurance required under the Agreement, Contractor will name the City of Mesa, its agents, representatives, officials, volunteers, officers, elected officials, and employees as additional insured, as evidenced by providing either an additional insured endorsement or proper insurance policy excerpts.

6.2 Nothing in this Section 6 limits Contractor's responsibility to the City. The insurance requirements herein are minimum requirements for the Agreement and in no way limit any indemnity promise(s) contained in the Agreement.

6.3 The City does not warrant the minimum limits contained herein are sufficient to protect Contractor and subcontractor(s) from liabilities that might arise out of performance under the Agreement by Contractor, its agents, representatives, employees, or subcontractor(s).

Contractor is encouraged to purchase additional insurance as Contractor determines may be necessary.

- 6.4 Each insurance policy required under the Agreement must be in effect at or prior to the execution of the Agreement and remain in effect for the term of the Agreement.
  - 6.5 Prior to the execution of the Agreement, Contractor will provide the City with a Certificate of Insurance (using an appropriate "ACORD" or equivalent certificate) signed by the issuer with applicable endorsements. The City reserves the right to request additional copies of any or all of the policies, endorsements, or notices relating thereto required under the Agreement.
  - 6.6 When the City requires a Certificate of Insurance to be furnished, Contractor's insurance is primary of all other sources available. When the City is a certificate holder and/or an additional insured, Contractor agrees no policy will expire, be canceled, or be materially changed to affect the coverage available without advance written notice to the City.
  - 6.7 The policies required by the Agreement must contain a waiver of transfer rights of recovery (waiver of subrogation) against the City, its agents, representatives, officials, volunteers, officers, elected officials, and employees for any claims arising out of the work of Contractor.
  - 6.8 All insurance certificates and applicable endorsements are subject to review and approval by the City's Risk Management Division.
  - 6.9 Types and Amounts of Insurance. Contractor must obtain and retain throughout the term of the Agreement, at a minimum, the following:
    - 6.9.1 Worker's compensation insurance in accordance with the provisions of Arizona law. If Contractor operates with no employees, Contractor must provide the City with written proof Contractor has no employees. If employees are hired during the course of this Agreement, Contractor must procure worker's compensations in accordance with Arizona law.
    - 6.9.2 The Contractor shall maintain at all times during the term of this contract, a minimum amount of \$3 million per occurrence/\$5 million aggregate Commercial General Liability insurance, including Product and Contractual Liability. For General Liability insurance, the City of Mesa, their agents, officials, volunteers, officers, elected officials or employees shall be named as additional insured, as evidenced by providing an additional insured endorsement.
    - 6.9.3 Automobile liability, bodily injury and property damage with a limit of \$1 million per occurrence/\$2 million aggregate including owned, hired and non-owned autos.
7. Requirements Contract. Contractor acknowledges and agrees the Agreement is a requirements contract; the Agreement does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when the City identifies a need and issues a purchase order or a written notice to proceed. The City reserves the right to cancel purchase orders or a notice to proceed within a reasonable period of time of issuance; any such cancellation will be in writing. Should a purchase order or notice to proceed be canceled, the City agrees to reimburse Contractor for any actual and documented costs incurred by Contractor. The City will not reimburse Contractor for any avoidable costs incurred after receipt of cancellation including, but not limited to, lost profits, shipment of product, or performance of services.

8. Notices. All notices to be given pursuant to the Agreement will be delivered to the Contractor as listed on Page 1 of this Agreement. Notice will be delivered pursuant to the requirements set forth the Mesa Standard Terms and Conditions that is attached to the Agreement as **Exhibit C**.
9. Representations of Contractor. To the best of Contractor's knowledge, Contractor agrees that:
- a. Contractor has no obligations, legal or otherwise, inconsistent with the terms of the Agreement or with Contractor's undertaking of the relationship with the City;
  - b. Performance of the services called for by the Agreement do not and will not violate any applicable law, rule, regulation, or any proprietary or other right of any third party;
  - c. Contractor will not use in the performance of Contractor's responsibilities under the Agreement any proprietary information or trade secret of a former employer of its employees (other than City, if applicable); and
  - d. Contractor has not entered into and will not enter into any agreement, whether oral or written, in conflict with the Agreement.
10. Mesa Standard Terms and Conditions. **Exhibit C** to the Agreement is the Mesa Standard Terms and Conditions as modified by the Parties, which are incorporated by reference into the Agreement as though fully set forth herein. In the event of any inconsistency between the terms of the Agreement and the Mesa Standard Terms and Conditions, the language of the Agreement will control. The Parties or a Party are referred to as a "party" or "parties" in the Mesa Standard Terms and Conditions. The Term is referred to as the "term" in the Mesa Standard Terms and Conditions.
11. Counterparts and Facsimile or Electronic Signatures. This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement. A facsimile or other electronically delivered signature to the Agreement will be deemed an original and binding upon the Party against whom enforcement is sought.
12. Incorporation of Recitals and Exhibits. All Recitals and Exhibits to the Agreement are hereby incorporated by reference into the Agreement as if written out and included herein. In the event of any inconsistency between the terms of the body of the Agreement and the Exhibits, the language of the Agreement will control.
- Exhibits to this Agreement are the following:
- o (A) Scope of Work
  - o (B) Pricing
  - o (C) Mesa Standard Terms and Conditions
13. Attorneys' Fees. The prevailing Party in any litigation arising out of the Agreement will be entitled to the recovery of its reasonable attorney's fees, court costs, and other litigation related costs and fees from the other Party.
14. Additional Acts. The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the purpose and intent of the Agreement.
15. Headings. The headings of the Agreement are for reference only and will not limit or define the meaning of any provision of the Agreement.

By executing below, each Party acknowledges that it understands, approves, and accepts all of the terms of the Agreement and the attached exhibits.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**CITY OF MESA, ARIZONA**

**JAMES, COOKE & HOBSON, INC.**

By: \_\_\_\_\_

By: *Bruce P. Loring*

Printed Name

Printed Name

BRUCE P. LORING

Title

Title

V.P.

Date

Date

3-7-2016

RECOMMENDED BY:

By: *Christa Garcia*

**EXHIBIT A  
SCOPE OF WORK**

1. **BACKGROUND.** The City of Mesa Water Resources Department (City) currently has three (3) Water Reclamation Plants, one (1) Water Treatment Plant and sixteen (16) Lift Stations. Each of these sites use submersible pumps and/or pump/motor units. Two thirds of the submersible pump inventory is Flygt equipment and the other one third are various brands.
2. **SCOPE OF WORK.** Contractor shall perform repairs to submersible pumps and pump/motor units and to furnish new submersible pumps and pump/motor units as needed. Although the majority of the city's submersible pumps and pump/motor units require the Contractor to pull the submersible units in the field, transport them to their local repair facility to perform the repairs and then reinstall the submersible pumps and pump/motor units in the field, a few of the submersible pumps and pump/motor units are pulled by city staff and brought to the Contractor for repairs.
3. **MULTIPLE CONTRACTS.**
  - A. In order to assure that all contracts will allow the City to fulfill current and future requirements, the City has awarded contracts to multiple Contractors. The actual utilization of any contract will be at the sole discretion of the City.
4. **MINIMUM QUALIFICATIONS. (ALL unless otherwise notated)**
  - A. Contractor shall have a minimum of five (5) years of qualified repair experience on the City's equipment.
  - B. Contractor shall be certified to repair pumps and motors approved for classified locations (explosion proof motors).
  - C. Contractor must make repairs to individual pumps and those pumps that are close-coupled and integral with electric motors.
5. **CONTRACTOR REQUIREMENTS. (ALL unless otherwise notated)**
  - A. Contractor Personnel and Equipment.
    - 1) The Contractor shall have a service facility fully equipped to repair and fabricate parts as required for the size and type of equipment bid. The City reserves the right to make at least one (1) annual on-site inspection of such Contractor facilities (within twenty-four (24) hour minimum notice) at its discretion.
    - 2) The Contractor service facilities must be equipped with personnel and equipment necessary to perform electromechanical repairs/rewinding to electric motors per the established guidelines in EASA AR100—2006, Recommended Practice for the Repair of Rotating Electrical Apparatus.

- a) Provide a certificate or other proof of membership in good standing in the Electrical Apparatus Service Association (EASA).
- 3) Contractor must have available the following equipment of sufficient size to perform the services required:
  - a) Cleaning capability: power wash, steam cleaning, sandblasting
  - b) Welding equipment:
    - i. TIG: Tungsten inert gas
    - ii. MIG: Metal inert gas
    - iii. Stick
  - c) Metalizing torch, Burn Off Oven, Bake Oven of sufficient size
  - d) Dip tank of sufficient capacity
  - e) VPI System: Vacuum & Pressure Impregnation
  - f) Hydraulic bearing pullers
  - g) Dynamic balancing equipment and Vibration Analysis
  - h) 500 Volt Meg-ohmmeters testing and Surge comparison testing
  - i) Lathes, milling machine, drill press of sufficient size
  - j) Stator core loss tester of sufficient capacity
  - k) Temperature-regulated Bake/Burn-off oven of sufficient size
  - l) Class H insulating materials including epoxy or polyester resin of sufficient quantity to treat new windings
  - m) Sufficient inventory of inverter-duty treated magnet wire
  - n) DC Hypotential tester of sufficient capacity
  - o) 460 volt test power supply to no load test run motors up 500 HP @ 460 VAC
  - p) Laser Alignment Equipment

**B. Contractor Personnel and Equipment (FIELD ONLY)**

- 1) Provide personnel trained and properly equipped for confined space entry.
- 2) Contractor's crew must be capable of communicating with the Contractor's main office without leaving the job site, i.e. two-way radio, cell phone, etc.
- 3) Contractor must have access to various sizes of vehicles with sufficient lift capacity to pick up and deliver pumps and/or motors weighing up to two (2) tons (4000 pounds) or up to 500 HP.
- 4) Contractor must be able to travel and provide these services within a fifty (50) mile radius of Downtown Mesa (intersection of Center and Main).
- 5) Supervision by the Contractor
  - a) The Contractor shall supervise and direct all site maintenance work. The Contractor shall be solely responsible for the means, methods techniques, sequences and procedures of maintenance as well as compliance with all applicable safety practices, codes, and regulations.
  - b) The Contractor shall employ during the full term of the contract a qualified supervisor or superintendent which shall have been designated in writing by the Contractor as their authorized representative at the site. The supervisor shall have full authority to act on behalf of the Contractor and all communications given to the supervisor shall be as binding as if given to the Contractor. The

supervisor shall be present on the site at all times as required to perform adequate supervision and coordination of the work.

C. Contractor's Performance (**ALL unless otherwise notated**)

- 1) All materials and workmanship provided to the City shall be of the highest industry standard. Materials purchased by the City through this contract shall be new and subject to inspection and approval by a City representative prior to delivery.
- 2) If required, the Contractor shall obtain all permits and licenses and pay all taxes, charges and fees necessary to perform the services.
- 3) Contractor shall guarantee all work under this contract against defects of materials and/or workmanship for a period of one (1) year from the completion date. Chemical agents used shall be warranted for the labeled time period and shall not exceed the shelf time, if applicable.
- 4) The Contractor shall furnish all necessary supplies, labor, vehicles and equipment to perform services. All supplies, labor, vehicles and equipment shall be compliant with the specifications, terms and provisions set forth herein and shall be subject to random, unannounced inspection by an individual designated by the City.
- 5) City shall not provide office or storage space for the Contractor's supplies, vehicles or equipment. (**FIELD ONLY**)
- 6) Contractor must make repairs in a timely manner to minimize downtime at the City of Mesa facilities, including plants and lift stations.
- 7) Contractor should be able to repair any pump and/or electric motor that is part of this contract.

D. Overhaul and Repair (**ALL unless otherwise notated**)

- 1) Level 1 Service
  - a) All pump repairs shall include the following sequence:
    - i. Disassemble pump
    - ii. Clean and inspect all parts
    - iii. Replace sleeves, packing/mechanical seals, bearings, o-rings and gaskets as needed.
    - iv. Installation of new inner and outer seals, OEM or (Equivalent by owner approval only), seal resurfacing shall not be accepted.
    - v. Rotating fits checked and corrected as necessary, knurling shall not be considered in course of repairs.
    - vi. Pump/Motor operations test (test Stator windings with Megohmmeter and hi- pot).
    - vii. All repaired or completely overhauled motors shall be cleaned and freshly painted in a –like new exterior appearance.
    - viii. All repairs and complete overhauls for the City will require new bearings regardless of existing bearing conditions.
    - ix. Check of all hardware (nuts, bolts, washers) replacement of any hardware found to be deficient using 316 stainless steel hardware.
    - x. Check of impeller tolerances/impeller wear ring and volute suction ring, replace if necessary.
    - xi. Check of pump volute for wear, corrosion/erosion, and repair as necessary.
    - xii. Check and/or replace zinc anode(s) if equipped.
    - xiii. Check of external cooling jacket for corrosion/perforations, repair as necessary.

- xiv. Check of all CAS/Winding related hardware electrically ie: moisture sensors, RTD, Thermocouples, replace if necessary.
- xv. Reassemble and perform Hydrostatic pressure test or full load test as required by type of pump, run amp check and check bearings.
- xvi. Dynamic balance of rotor and impeller assembly per industry standards, a balance result sheet shall be provided to the customer.
- xvii. All repaired or completely overhauled motors shall have a separate metal tag screwed or riveted next to the manufacturer's I.D. metal plate with the Contractor's name, contact information and date of repair.
- xviii. Final assembly using industry best practices, Pump external surfaces shall be free of corrosion before being coated with a durable industrial epoxy paint to resist corrosion, Paint to match existing color.

2) Level 2 Service

- a) All pump repairs shall include all of Level 1 Service and Stator rewind:
  - i. The minimum class of insulation shall be class –H11 as specified by NEMA.
  - ii. Upon completion and before leaving the shop a motor overhaul or rewind, the motor or stator will be certified as surge comparison tested for winding condition and interrelationship. Include written test results and work orders with delivery ticket.
- b) Stator rewind shall include clean, dip and bake.
- c) Vacuum Pressure Impregnation (VPI) shall be included on motors 15 HP and above.

E. Estimates for Repairs (**ALL unless otherwise notated**)

- 1) Prior to the Contractor performing any repair work, the Contractor shall provide an estimate for pump and/or motor repair before proceeding with any work. Contractor shall return an estimate/quote for cost of repair to the department within two (2) business days. The estimate will be a line item quote with details of the suggested repair and designated costs showing contract discounts.
- 2) Downtime is a critical factor for the City's pumps; therefore, the motor repair, overhaul and/or rewind time is a critical factor. Maximum motor repair time shall not exceed seven (7) working days for the City; this includes the time taken to provide an estimate.
- 3) In some cases, the City will require expedited service and motor repair time shall not exceed four (4) working days when requested, including the time taken to provide an estimate.
- 4) The City reserves the right to make a determination at any time during the repair process to replace the motor with a new one, depending upon the situation.
- 5) No additional costs other than for the tear down and the estimate will be charged to the City if the pump/motor unit is not repaired. All non-repaired pump/motor units and parts will be returned to the City (upon request).

F. Pick-up and Delivery (**FIELD ONLY**)

- 1) Contractor shall be responsible for all vibration analysis, dismantling, removal, pick-up, reinstallation, and delivery of all pump/motor units when and where requested by the City. The Contractor shall perform all pick-up or delivery within three business days of notification by the City.
- 2) Contractor shall have sufficient vehicle/trailer capacity to transport pumps/equipment up to 4000 pounds or 500HP.
- 3) Pick-up and delivery shall be F.O.B. Destination Freight Prepaid and Allowed to and from various City locations.

- 4) Contractor shall return completed repair items to the City within an agreed upon time frame from date of authorization to proceed, or department approval of estimate/quote.
  - 5) The Contractor may be requested to pick-up disassembled pumps/motors.
- G. **Lock Out / Tag Out (ALL unless otherwise notated)**
- 1) Contractor must provide personnel trained and properly equipped for Lock-Out Tag- Out.
    - a) Offeror shall describe their Lock-Out/Tag-Out Program including the amount and frequency of training for all employees.
    - b) The Contractor is responsible for the lock out/tag out of all electrical equipment affected by the work. The Contractor's personnel will be responsible for notifying City site staff, and disconnecting/reconnecting equipment as required during the course of the site work.
    - c) Contractor shall strictly enforce OSHA lock out/tag out procedures. Initial infractions shall result in a warning; additional infractions may result in contract cancellation.
- H. **Disinfection (ALL unless otherwise notated)**
- 1) The Contractor shall be responsible for cleaning and disinfection of City potable water equipment prior to and during installation (field only) in conformance with the minimum requirements of the Maricopa County Department of Environmental Services for potable water facilities. The Contractor shall protect all potable water piping from any and all potential sources of contamination.
- I. **Cleanup (FIELD ONLY)**
- 1) The Contractor shall clean, repaint / recoat and restore all pipe work and equipment disturbed or damaged as a result of their work to match the existing paint and/or coatings. Any damage caused by the Contractor to site appurtenances, structures, and perimeter fencing shall be restored to pre-construction conditions. Site landscaping, including decomposed granite or aggregate surfacing, shall be restored to pre- construction condition.
  - 2) After all work under the Contract has been completed, the Contractor shall remove all debris, spoils, unused materials, temporary structures, and construction equipment from the site.
- J. **Protection of Excavations or Partially Finished Work (FIELD ONLY)**
- 1) The Contractor shall properly identify, isolate, and protect all excavations or partially finished work, and shall be responsible for the same until the entire contract is completed.
- K. **Dumping and Disposal of Waste (FIELD ONLY)**
- 1) The Contractor shall provide for and facilitate the safe disposal of all contaminated waste products, hazardous materials, construction debris, etc., at on off-site location authorized and designed for such materials. Any disposal/dumping of waste products or unused materials shall conform to applicable federal, state and local regulations. Copies of regulated materials disposal documentation shall be provided to the City.
- L. **Vendor Requirements (ALL unless otherwise notated) Added per Addendum #1.**
- 1) Contractor is allowed to sub-contract work to a qualified shop. Contractor is required to name any sub-contractor that will be used in this contract and Contractor shall submit all of the qualifications and required certificates of that sub-contractor. The City will contract ONLY with the Contractor listed in this Agreement. Contractor shall

not change sub-contractors throughout the term of the contract without written permission from the City. The term Contractor shall now mean "Contractor (and their sub-contractor(s)) for the purpose of this section.

6. **RESPONSE TIMES. (FIELD ONLY)**

- A. Emergency response time for City pumps and motors at wells, sewage lift stations, treatment plants, and booster stations shall be within twelve (12) hours after notification.
- B. Non-emergency response time and warranty response time for City repairs shall be within seventy-two (72) hours after notification.

7. **ESTIMATES AND REPAIR TIMES. (ALL unless otherwise notated)**

- A. Estimates for repairs shall be given within twenty-four (24) hours.
- B. Emergency Repairs shall be completed within twenty-four (24) hours after acceptance of repair quote. If emergency repairs cannot be completed within the twenty-four (24) hours, the City may ask the Contractor to supply a rental pump at a discounted rate while waiting for the repairs.
- C. Non-emergency repairs shall be completed within seventy-five (75) days after acceptance of repair quote. The City may ask the Contractor to supply a rental pump at a discounted rate while waiting for the repairs.
- D. If repair parts are not readily available to meet the above repair times, the Contractor must notify the Plant Manager of the delay and estimated time of arrival (ETA) for completion of repair.

8. **REPAIR & REPLACEMENT PARTS AND EQUIPMENT. (ALL unless otherwise notated)**

- A. Repair parts quoted shall be OEM or City of Mesa pre-approved manufacturer.
- B. Mechanical seals must be manufactured by OEM or City of Mesa pre-approved manufacturer.
- C. The City may choose to purchase replacement and new pump/motor units from the Contractor. The price to be paid to the Contractor by the City will be billed at the Bid price for models named in this bid and Manufacturer's List Price less the percentage discount offered on the pricing sheet for any other models not specifically named.
- D. Awarded Contractor shall provide the current MSRP reference material (catalog or website) for each brand of equipment offered within ten (10) days of award notification.
- E. The Contractor is responsible for furnishing the City with the current MSRP reference material annually or when it is updated.
- F. The City reserves the right to purchase equipment directly from the manufacturer or from other Contractor if it is in the City's best interest to do so.
- G. If Contract is awarded to more than one Contractor, pumps/motors and installation may be competitively quoted among the awarded Contractor to achieve deeper discounts.
- H. The City reserves the right to supply spares from its current inventory.

9. **VIBRATION ANALYSIS. (ALL unless otherwise notated)**

- A. Repairs performed under this contract shall be subject to analysis by vibration monitoring equipment and must comply with the original manufacturers minimum specifications.

10. **WARRANTY. (ALL unless otherwise notated)**
- A. Contractor shall warrant that all equipment and parts furnished as new under this contract are newly manufactured and free from defects in material and workmanship for no less than one (1) year from the date the equipment is delivered.
  - B. Contractor shall warrant that all rebuilt or repaired equipment and parts furnished under this contract meet manufacturer's specifications and are free from defects in material and workmanship for no less than one (1) year from the date the equipment is delivered.
  - C. Warranty shall include accepted trade standards of quality, fitness for the intended uses, and conformance to promises or specified specifications. No other express or implied warranty shall eliminate the Contractor's liability as stated herein.
  - D. Contractor shall warrant that all labor involved in the rewind and repair of electric motors and associated equipment for no less than one (1) year from the date the equipment is delivered. This includes, but is not limited to, general, welding and machine work labor.
11. **ADDITIONAL / DELETED LOCATIONS AND EQUIPMENT. (FIELD ONLY)**
- A. The City of Mesa reserves the right to add new or delete inactive sites and equipment similar to those referenced in this solicitation.
12. **REPAIR QUOTATIONS. (ALL unless otherwise notated)**
- A. A written quote shall be submitted by the Contractor prior to acceptance and issuance of a Delivery order. The written quote shall itemize parts and services on a line by line basis that match with the proposal submittal.
  - B. The Contractor agrees to establish, monitor, and manage an effective agreement administration process that assures compliance with all requirements of the agreement. In particular, the Contractor agrees that they shall not provide goods or services in excess of the executed agreement items, item quantity, item amount, or agreement amount without prior written authorization by agreement revision properly executed and issued by the City.
  - C. Any items provided in excess of that stated in the agreement shall be at the Contractor's own risk. Contractor shall decline verbal requests to deliver items in excess of the agreement.
13. **ACCEPTANCE OF SERVICES. (ALL unless otherwise notated)**
- A. Acceptance of the services pursuant to the executed agreement shall be made by the City by issue of Delivery Order(s). The Delivery Order(s) will be furnished to Contractor via facsimile, e- mail, or telephone. If the Delivery Order is given verbally, the City Department that issued the Delivery Order will transmit a confirming Delivery Order document to the Contractor within five (5) workdays of the date the verbal Delivery Order is given.
  - B. Contractor is prohibited from supplying materials or services that are not authorized by a Delivery Order at the time of provision. The Contractor agrees that the City accepts no responsibility regarding this agreement for control or payment for materials or services not documented by a City Delivery Order.
14. **COMPENSATION AND PAYMENT. (ALL unless otherwise notated)**
- A. Contractor shall submit Invoices to the location and entity defined by the City's Delivery Order. All Invoice documents shall reference the City's Delivery Order number under which the services were ordered.
  - B. Invoices shall itemize the parts and labor required for the repair. The City's financial software system must code parts separately from labor. Invoices should match quoted pricing as well as proposal pricing. Invoices that include line items or unit prices that do

not match those submitted for this proposal may be returned to the Contractor unprocessed for correction.

- C. Standard payment terms are Net 30 days from the date of valid invoice document and shall not commence until Contractor's Invoice is received and verified by City Financial Operations. The Delivery Order issued to accept Contractor quote will define the not to exceed amount of the agreement. Contractor shall not accept orders, or provide services or products that cumulatively exceed that amount.
- D. Unless otherwise stipulated by this agreement or the City's order, all pricing shall be F.O.B. Destination with Freight Prepaid and Allowed ("F.O.B. Destination"), delivered to and unloaded at the destination(s) defined by the Delivery article of this agreement or accepted Order for services or products and all freight cost shall be included in the offered Unit Price. Although State and City sales tax are paid when applicable and invoiced, taxes should not be included in the unit price of this solicitation.
- E. Price Warranty - Seller shall give the City benefit of any price reduction before actual time of shipment. Sellers agree that all pricing given includes all costs required to conduct aggressive and active cost control and reduction activities.
- F. No guarantee is made regarding actual orders issued for items or quantities during the term of the agreement. The City shall not be responsible for Contractor inventory or order commitment.
- G. Unit Prices offered shall include all incidentals and associated costs required to comply with and satisfy all requirements referred to or included in this solicitation which includes the Instructions to Bidders, Standard Terms and Conditions and Offer Agreement. No payments will be made for items not included in the agreement.

15. **OVERHAUL AND REPAIR OF RHODES FLOWRIDER VERTICAL SUBMERSIBLES. (ALL unless otherwise notated) Parks, Recreation & Commercial Facilities (PRCF) Department**  
1) Level 1 Service

- a) All pump repairs shall include the following sequence:
  - i. Disassemble pump
  - ii. Clean and inspect all parts
  - iii. Isolation Check: Check that resistance between earth and phase lead is more than 5 MΩ for drive unit 905 – 945, 965, 975. For 1, 2 – 6, 6 kV drive units 9501, 960, 985, 995 the resistance value is related to motor voltage and should have min. value of 5 MΩ/Kv at a temperature of 77 °F. (e.g. for 6 kV motor the resistance between earth and phase lead should be more than 30 MΩ)  
Recommended test voltage 500 V DC (max. 1000 V DC)
  - iv. Check electrical cabinets. Clean and dry.
  - v. Cable: Check that the rubber sheathing (jacket) is undamaged. Replace if necessary.
  - vi. Check level regulators and function. Replace if necessary.
  - vii. Drain the oil and replace with new, replace the filling plug O-rings.
  - viii. Replace sleeves, packing/mechanical seals, bearings, o-rings and gaskets as needed.
  - ix. Installation of new inner and outer seals, OEM or (Equivalent by owner approval only), seal resurfacing shall not be accepted.
  - x. Rotating fits checked and corrected as necessary, knurling shall not be considered in course of repairs.
  - xi. Pump/Motor operations test (test Stator windings with Megohmmeter and hi- pot).
  - xii. All repaired or completely overhauled motors shall be cleaned and freshly painted in a —like new exterior appearance.
  - xii. All repairs and complete overhauls for the City will require new bearings regardless of existing bearing conditions.

- xiv. Check of all hardware (nuts, bolts, washers) replacement of any hardware found to be deficient using 316 stainless steel hardware.
- xv. Check of impeller tolerances/impeller wear ring and volute suction ring, replace if necessary.
- xvi. Check of pump volute for wear, corrosion/erosion, and repair as necessary.
- xvii. Check and/or replace zinc anode(s).
- xviii. Check of external cooling jacket for corrosion/perforations, repair as necessary.
- xix. Check of all CAS/Winding related hardware electrically ie: moisture sensors, RTD, Thermocouples, replace if necessary.
- xx. Reassemble and perform Hydrostatic pressure test or full load test as required by type of pump, run amp check and check bearings.
- xxi. Dynamic balance of rotor and impeller assembly per industry standards, a balance result sheet shall be provided to the customer.
- xxii. All repaired or completely overhauled motors shall have a separate metal tag screwed or riveted next to the manufacturer's I.D. metal plate with the Vendor's name, contact information and date of repair.
- xxiii. Final assembly using industry best practices, Pump external surfaces shall be free of corrosion before being coated with a durable industrial epoxy paint to resist corrosion, Paint to match existing color.

## 2) Level 2 Service

- a) All pump repairs shall include all of Level 1 Service and Stator rewind:
  - i. The minimum class of insulation shall be class —H11 as specified by NEMA.
  - ii. Upon completion and before leaving the shop a motor overhaul or rewind, the motor or stator will be certified as surge comparison tested for winding condition and interrelationship. Include written test results and work orders with delivery ticket.
- b) Stator rewind shall include clean, dip and bake.
- c) Vacuum Pressure Impregnation (VPI) shall be included on motors 15 HP and above.

**EXHIBIT B  
PRICING**

Pursuant to all the contract specifications enumerated and described in this agreement, Contractor agrees to furnish **Repair Services for Submersible Pump/Motor Units** to the City of Mesa at the price(s) stated below.

**A. PURCHASE OF NEW SUBMERSIBLES**

**Contractor must provide the current MSRP for the models priced below upon request. The MSRP will be kept confidential but will be used to determine the pricing structure for future orders from that manufacturer.**

	<b>Manufacturer</b>	<b>Model (') indicates depth for cord. All others assume Industry Standard</b>	<b>Serial #</b>	<b>Impeller Code (if available)</b>	<b>HP</b>	<b>Voltage</b>	<b>Contractor Price including freight</b>	<b>Will same pricing structure used here be offered on any future orders of this brand of unit? Answer Yes or No</b>
<b>1</b>	ANSIMAG	KF6410 (6.0X4.0-10)	unavailable	unavailable	15	460	\$ 18,750.00	Yes
<b>2</b>	EMU	T17-6/12KE4	unavailable	unavailable	4	480	\$ -	
<b>3</b>	Fairbanks Morse	D5432MV	unavailable	unavailable	40	460	\$ -	
<b>4</b>	Fairbanks Morse	DJ5434SMV	unavailable	unavailable	3	460	\$ -	
<b>5</b>	Flygt	CP3085.438	050208	428 MT	3	460	\$ 5,106.00	Yes
<b>6</b>	Flygt	CP3102.180 (40')	9750883	unavailable	5	460	\$ 5,956.00	Yes
<b>7</b>	Flygt	CP3127.485	0560725	200mm	7.5	460	\$ 8,876.00	Yes
<b>8</b>	Flygt	CT3400X.755 & 830	531159	505 trim	230	460	\$ 127,908.00	Yes
<b>9</b>	Flygt	CZ3231.775	511133	63-430-450 trim	335	460	\$ 123,132.00	Yes
<b>10</b>	Flygt	CZ3231X.445FM	s9851060	455 HT-445mm	335	460	\$ 123,132.00	Yes

11	Flygt	NP3085.092	1530063	465 MT	3	208	\$	5,106.00	Yes
12	Flygt	NP3102.180/1PH (42')	s0027932	unavailable	5	460	\$	5,956.00	Yes
13	Flygt	NP3153.090 (25')	s0310058	unavailable	15	460	\$	19,604.00	Yes
14	Flygt	NP3171.090 (90')	s0310097	unavailable	25	460	\$	25,610.00	Yes
15	Flygt	NP3174.434	50430038	434	30	480	\$	26,822.00	Yes
16	Goulds	4SD52J4AA	unavailable	unavailable	7.5	480	\$	-	
17	Goulds	4SD52K4FA	unavailable	unavailable	7.5	480	\$	-	
18	Hayward Gordon	chopX4A (s)	301870	unavailable	15	460	\$	-	
19	KSB	KRT	E80-200/34XG	168mm	5	480	\$	-	
20	KSB	KRT	K40-250/05	unavailable	0.75	480	\$	-	
21	KSB	KRT	E80-251-66X6	270mm	7.5	480	\$	-	
22	Paco	2070-0	JOB 94-3245	unavailable	0.75	480	\$	-	
23	Pumpex	KP84-3180	84002850	unavailable	3.5	480	\$	-	
24	Weil	13051XXX BRC	292-501	unavailable	3	480	\$	-	
25	Weil	2.5-130414-5	292-498	831 Iron	5	480	\$	-	
26	Weil	W-1303-12	498-827	unavailable	3	480	\$	-	
27	Weil	2.5-130416-1.5	292-504	unavailable	1.5	480	\$	-	
28	Wemco	CFS2 6x4	unavailable	unavailable	15	460	\$	-	
29	Flygt	P7061/665-0811069 (65')	0665.000- S0811069	unavailable	140	460	\$	70,458.00	Yes
30	Flygt	P7061/665-0811052 (65')	0665.000- S0811052	unavailable	140	460	\$	70,458.00	Yes
31	Flygt	D-3067 (25')	unavailable	unavailable	1.3	230	\$	2,788.00	Yes

The pump pricing listed here will be valid for twelve (12) months from the date of the bid opening (11/10/2015)

**EXHIBIT C**  
**MESA STANDARD TERMS AND CONDITIONS**

1. **INDEPENDENT CONTRACTOR.** It is expressly understood that the relationship of Contractor to the City will be that of an independent contractor. Contractor and all persons employed by Contractor, either directly or indirectly, are Contractor's employees, not City employees. Accordingly, Contractor and Contractor's employees are not entitled to any benefits provided to City employees including, but not limited to, health benefits, enrollment in a retirement system, paid time off or other rights afforded City employees. Contractor employees will not be regarded as City employees or agents for any purpose, including the payment of unemployment or workers' compensation. If any Contractor employees or subcontractors assert a claim for wages or other employment benefits against the City, Contractor will defend, indemnify and hold harmless the City from all such claims.
2. **SUBCONTRACTING.** Contractor may not subcontract work under this Agreement without the express written permission of the City. If Contractor has received authorization to subcontract work, it is agreed that all subcontractors performing work under the Agreement must comply with its provisions. Further, all agreements between Contractor and its subcontractors must provide that the terms and conditions of this Agreement be incorporated therein.
3. **ASSIGNMENT.** This Agreement may not be assigned either in whole or in part without first receiving the City's written consent. Any attempted assignment, either in whole or in part, without such consent will be null and void and in such event the City will have the right at its option to terminate the Agreement. No granting of consent to any assignment will relieve Contractor from any of its obligations and liabilities under the Agreement.
4. **SUCCESSORS AND ASSIGNS, BINDING EFFECT.** This Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
5. **NO THIRD PARTY BENEFICIARIES.** This Agreement is intended for the exclusive benefit of the parties. Nothing set forth in this Agreement is intended to create, or will create, any benefits, rights, or responsibilities in any third parties.
6. **NON- EXCLUSIVITY.** The City, in its sole discretion, reserves the right to request the materials or services set forth herein from other sources when deemed necessary and appropriate. No exclusive rights are encompassed through this Agreement.
7. **AMENDMENTS.** There will be no oral changes to this Agreement. This Agreement can only be modified in a writing signed by both parties. No charge for extra work or material will be allowed unless approved in writing, in advance, by the City and Contractor.
8. **TIME OF THE ESSENCE.** Time is of the essence to the performance of the parties' obligations under this Agreement.
9. **COMPLIANCE WITH APPLICABLE LAWS.**
  - a. **General.** Contractor must procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of business. Contractor must stay fully informed of existing and future federal, state, and local laws, ordinances, and regulations that in any manner affect the fulfillment of this Agreement and must comply with the same at its own expense. Contractor bears full responsibility for training, safety, and providing necessary equipment for all Contractor personnel to achieve throughout the term of the Agreement. Upon request, Contractor will demonstrate to the City's satisfaction any programs, procedures, and other activities used to ensure compliance.
  - b. **Drug-Free Workplace.** Contractor is hereby advised that the City has adopted a policy establishing a drug-free workplace for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor will require a drug-free workplace for all Contractor personnel working under this Agreement. Specifically, all Contractor personnel who are working under this Agreement must be notified in writing by Contractor that they are prohibited from the manufacture, distribution,

dispensation, possession, or unlawful use of a controlled substance in the workplace. Contractor agrees to prohibit the use of intoxicating substances by all Contractor personnel, and will ensure that Contractor personnel do not use or possess illegal drugs while in the course of performing their duties.

- c. **Federal and State Immigration Laws.** Contractor agrees to comply with the Immigration Reform and Control Act of 1986 (IRCA) in performance under this Agreement and to permit the City and its agents to inspect applicable personnel records to verify such compliance as permitted by law. Contractor will ensure and keep appropriate records to demonstrate that all Contractor personnel have a legal right to live and work in the United States.
  - i. As applicable to Contractor, under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor 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 "Contractor Immigration Warranty").
  - ii. A breach of the Contractor Immigration Warranty will constitute as a material breach of this Agreement and will subject Contractor to penalties up to and including termination of this Agreement at the sole discretion of the City.
  - iii. The City retains the legal right to inspect the papers of all Contractor personnel who provide services under this Agreement to ensure that Contractor or its subcontractors are complying with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections.
  - iv. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any subcontractor to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed.
  - v. Neither Contractor nor any subcontractor will be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214 (A).
- d. **Nondiscrimination.** Contractor represents and warrants that it does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and represents and warrants that it complies with all applicable federal, state, and local laws and executive orders regarding employment. Contractor and Contractor's personnel will comply with applicable provisions of Title VII of the U.S. Civil Rights Act of 1964, as amended, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and applicable rules in performance under this Agreement.
- e. **State Sponsors of Terrorism Prohibition.** Per A.R.S. § 35-392, Contractor must not be in violation of section 6(j) of the Federal Export Administration Act and subsequently prohibited by the State of Arizona from selling goods or services to the City.

10. **SALES/USE TAX, OTHER TAXES.**

- a. Contractor is responsible for the payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's services under this Agreement, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees as required. If any taxing authority should deem Contractor or Contractor employees an employee of the City, or should otherwise claim the City is liable for the payment of taxes that are Contractor's responsibility under this Agreement, Contractor will indemnify the City for any tax liability, interest, and penalties imposed upon the City.

- b. The City is exempt from paying certain federal excise taxes and will furnish an exemption certificate upon request. The City is not exempt from state and local sales/use taxes.
11. **AMOUNTS DUE THE CITY.** Contractor must be current and remain current in all obligations due to the City during the performance of services under the Agreement. Payments to Contractor may be offset by any delinquent amounts due the City or fees and charges owed to the City.
12. **PUBLIC RECORDS.** Contractor acknowledges that the City is a public entity, subject to Arizona's public records laws (A.R.S. § 39-121 et. seq.) and that any documents related to this Agreement may be subject to disclosure pursuant to state law in response to a public records request or to subpoena or other judicial process.
- 12.1. If Contractor believes document related to the Agreement contains trade secrets or other proprietary data, Contractor must notify the City and include with the notification a statement that explains and supports Contractor's claim. Contractor also must specifically identify the trade secrets or other proprietary data that Contractor believes should remain confidential.
- 12.2. In the event the City determines it is legally required to disclose pursuant to law any documents or information Contractor deems confidential trade secrets or proprietary data, the City, to the extent possible, will provide Contractor with prompt written notice by certified mail, fax, email or other method that tracks delivery status of the requirement to disclose the information so Contractor may seek a protective order from a court having jurisdiction over the matter or obtain other appropriate remedies. The notice will include a time period for Contractor to seek court ordered protection or other legal remedies as deemed appropriate by Contractor. If Contractor does not obtain such court ordered protection by the expiration of said time period, the City may release the information without further notice to Contractor.
13. **AUDITS AND RECORDS.** Contractor must preserve the records related to this Agreement for six (6) years after completion of the Agreement. The City or its authorized agent reserves the right to inspect any records related to the performance of work specified herein. In addition, the City may inspect any and all payroll, billing or other relevant records kept by Contractor in relation to the Agreement. Contractor will permit such inspections and audits during normal business hours and upon reasonable notice by the City. The audit of records may occur at Contractor's place of business or at City offices, as determined by the City.
14. **BACKGROUND CHECK.** The City may conduct criminal, driver history, and all other requested background checks of Contractor personnel who would perform services under the Agreement or who will have access to the City's information, data, or facilities in accordance with the City's current background check policies. Any officer, employee, or agent that fails the background check must be replaced immediately for any reasonable cause not prohibited by law.
15. **SECURITY CLEARANCE AND REMOVAL OF CONTRACTOR PERSONNEL.** The City will have final authority, based on security reasons: (i) to determine when security clearance of Contractor personnel is required; (ii) to determine the nature of the security clearance, up to and including fingerprinting Contractor personnel; and (iii) to determine whether or not any individual or entity may provide services under this Agreement. If the City objects to any Contractor personnel for any reasonable cause not prohibited by law, then Contractor will, upon notice from the City, remove any such individual from performance of services under this Agreement.
16. **DEFAULT.**
- a. A party will be in default if that party:
- i. Is or becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's capability to perform under the Agreement;
  - ii. Is the subject of a petition for involuntary bankruptcy not removed within sixty (60) calendar days;

- iii. Conducts business in an unethical manner as set forth in the City Procurement Rules Article 7 or in an illegal manner; or
    - iv. Fails to carry out any term, promise, or condition of the Agreement.
  - b. Contractor will be in default of this Agreement if Contractor is debarred from participating in City procurements and solicitations in accordance with Article 6 of the City's Procurement Rules.
  - c. **Notice and Opportunity to Cure.** 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 receipt of the 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 notice of the default does not waive any rights under the Agreement.
  - d. **Anticipatory Repudiation.** 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 five (5) calendar days, the City may treat this failure as an anticipatory repudiation of the Agreement.
17. **REMEDIES.** The remedies set forth in this Agreement are not exclusive. Election of one remedy will not preclude the use of other remedies. In the event of default:
- a. The non-defaulting party may terminate the Agreement, and the termination will be effective immediately or at such other date as specified by the terminating party.
  - b. The City may purchase the services required under the Agreement from the open market, complete required work itself, or have it completed at the expense of Contractor. If the cost of obtaining substitute services exceeds the contract price, the City may recover the excess cost by: (i) requiring immediate reimbursement to the City; (ii) deduction from an unpaid balance due to Contractor; (iii) collection against the proposal and/or performance security, if any; (iv) collection against liquidated damages (if applicable); or (v) a combination of the aforementioned remedies or other remedies as provided by law. Costs includes any and all, fees, and expenses incurred in obtaining substitute services and expended in obtaining reimbursement, including, but not limited to, administrative expenses, attorneys' fees, and costs.
  - c. The non-defaulting party will have all other rights granted under this Agreement and all rights at law or in equity that may be available to it.
  - d. Neither party will be liable for incidental, special, or consequential damages.
18. **CONTINUATION DURING DISPUTES.** Contractor agrees that during any dispute between the parties, Contractor will continue to perform its obligations until the dispute is settled, instructed to cease performance by the City, enjoined or prohibited by judicial action, or otherwise required or obligated to cease performance by other provisions in this Agreement.
19. **TERMINATION FOR CONVENIENCE.** The City reserves the right to terminate this Agreement in part or in whole upon thirty (30) calendar days' written notice.
20. **TERMINATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511).** Pursuant to A.R.S. § 38-511, the City may cancel this Agreement within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, securing, drafting, or creating the Agreement for the City becomes an employee or agent of Contractor.
21. **TERMINATION FOR NON-APPROPRIATION AND MODIFICATION FOR BUDGETARY CONSTRAINT.** The City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines that it does not have funds to meet its obligations under this Agreement, the City will have the right to terminate

the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, the City agrees to provide written notice of its intent to terminate thirty (30) calendar days prior to the stated termination date.

22. **PAYMENT TO CONTRACTOR UPON TERMINATION.** Upon termination of this Agreement, Contractor will be entitled only to payment for those services performed up to the date of termination, and any authorized expenses already incurred up to such date of termination. The City will make final payment within thirty (30) calendar days after the City has both completed its appraisal of the materials and services provided and received Contractor's properly prepared final invoice.
23. **NON-WAIVER OF RIGHTS.** There will be no waiver of any provision of this agreement unless approved in writing and signed by the waiving party. Failure or delay to exercise any rights or remedies provided herein or by law or in equity, or the acceptance of, or payment for, any services hereunder, will not release the other party of any of the warranties or other obligations of the Agreement and will not be deemed a waiver of any such rights or remedies.
24. **INDEMNIFICATION/LIABILITY.**
- a. To the fullest extent permitted by law, Contractor agrees to defend, indemnify, and hold the City, its officers, agents, and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys', witnesses', and expert witnesses' fees, and expenses incident thereto, relating to, arising out of, or resulting from: (i) the services provided by Contractor personnel under this Agreement; (ii) any negligent acts, errors, mistakes or omissions by Contractor or Contractor personnel; and (iii) Contractor or Contractor personnel's failure to comply with or fulfill the obligations established by this Agreement.
  - b. Contractor will update the City during the course of the litigation to timely notify the City of any issues that may involve the independent negligence of the City that is not covered by this indemnification.
  - c. The City assumes no liability for actions of Contractor and will not indemnify or hold Contractor or any third party harmless for claims based on this Agreement or use of Contractor-provided supplies or services.
25. **WARRANTY.** Contractor warrants that the services and materials will conform to the requirements of the Agreement. Additionally, Contractor warrants that all services will be performed in a good, workman-like and professional manner. The City's acceptance of service or materials provided by Contractor will not relieve Contractor from its obligations under this warranty. If any materials or services are of a substandard or unsatisfactory manner as determined by the City, Contractor, at no additional charge to the City, will provide materials or redo such services until in accordance with this Agreement and to the City's reasonable satisfaction.
- Unless otherwise agreed, Contractor warrants that materials will be new, unused, of most current manufacture and not discontinued, will be free of defects in materials and workmanship, will be provided in accordance with manufacturer's standard warranty for at least one (1) year unless otherwise specified, and will perform in accordance with manufacturer's published specifications.
26. **THE CITY'S RIGHT TO RECOVER AGAINST THIRD PARTIES.** Contractor will do nothing to prejudice the City's right to recover against third parties for any loss, destruction, or damage to City property, and will at the City's request and expense, furnish to the City reasonable assistance and cooperation, including assistance in the prosecution or defense of suit and the execution of instruments of assignment in favor of the City in obtaining recovery.
27. **NO GUARANTEE OF WORK.** Contractor acknowledges and agrees that it is not entitled to deliver any specific amount of materials or services or any materials or services at all under this Agreement and acknowledges and agrees that the materials or services will be requested by the City on an as needed basis at the sole discretion of the City. Any document referencing quantities or performance frequencies represent the City's best estimate of current requirements, but will not bind the City to purchase, accept, or pay for materials or services which exceed its actual needs.

28. **OWNERSHIP.** All deliverables, services, and information provided by Contractor or the City pursuant to this Agreement (whether electronically or manually generated) including without limitation, reports, test plans, and survey results, graphics, and technical tables, originally prepared in the performance of this Agreement, are the property of the City and will not be used or released by Contractor or any other person except with prior written permission by the City.
29. **USE OF NAME.** Contractor will not use the name of the City of Mesa in any advertising or publicity without obtaining the prior written consent of the City.
30. **PROHIBITED ACTS.** Pursuant to A.R.S. § 38-504, a current or former public officer or employee within the last twelve (12) months shall not represent another organization before the City on any matter for which the officer or employee was directly concerned and personally participated in during their service or employment or over which they had a substantial or material administrative discretion. Further, while employed by the City and for two (2) years thereafter, public officers or employees are prohibited from disclosing or using, without appropriate authorization, any confidential information acquired by such personnel in the course of his or her official duties at the City.
31. **FOB DESTINATION FREIGHT PREPAID AND ALLOWED.** All deliveries will be FOB destination freight prepaid and allowed unless otherwise agreed.
32. **RISK OF LOSS.** Contractor agrees to bear all risks of loss, injury, or destruction of goods or equipment incidental to providing these services and such loss, injury, or destruction will not release Contractor from any obligation hereunder.
33. **SAFEGUARDING CITY PROPERTY.** Contractor will be responsible for any damage to City real property or damage or loss of City personal property when such property is the responsibility of or in the custody of Contractor or its employees.
34. **WARRANTY OF RIGHTS.** Contractor warrants it has title to, or the right to allow the City to use, the materials and services being provided and that the City may use same without suit, trouble or hindrance from Contractor or third parties.
35. **PROPRIETARY RIGHTS INDEMNIFICATION.** Without limiting the foregoing, Contractor will without limitation, at its expense defend the City against all claims asserted by any person that anything provided by Contractor infringes a patent, copyright, trade secret or other intellectual property right and must, without limitation, pay the costs, damages and attorneys' fees awarded against the City in any such action, or pay any settlement of such action or claim. Each party agrees to notify the other promptly of any matters to which this provision may apply and to cooperate with each other in connection with such defense or settlement. If a preliminary or final judgment is obtained against the City's use or operation of the items provided by Contractor hereunder or any part thereof by reason of any alleged infringement, Contractor will, at its expense and without limitation, either: (a) modify the item so that it becomes non-infringing; (b) procure for the City the right to continue to use the item; (c) substitute for the infringing item other item(s) having at least equivalent capability; or (d) refund to the City an amount equal to the price paid, less reasonable usage, from the time of installation acceptance through cessation of use, which amount will be calculated on a useful life not less than five (5) years, plus any additional costs the City may incur to acquire substitute supplies or services.
36. **CONTRACT ADMINISTRATION.** The contract will be administered by the Purchasing Administrator and/or an authorized representative from the using department. All questions regarding the contract will be referred to the administrator for resolution. Supplements may be written to the contract for the addition or deletion of services. Payment will be negotiated and determined by the contract administrator(s).
37. **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, 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.

38. **COOPERATIVE USE OF CONTRACT.** The City has entered into various cooperative purchasing agreements with other Arizona government agencies, including the Strategic Alliance for Volume Expenditures (SAVE) cooperative. Under the SAVE Cooperative Purchasing Agreement, any contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of Contractor. 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.

The City currently holds or may enter into Intergovernmental Governmental Agreements (IGA) with numerous governmental entities. These agreements allow the entities, with the approval of Contractor, to purchase their requirements under the terms and conditions of this Agreement.

A contractor, subcontractor or Contractor or any employee of a contractor, subcontractor or Contractor who is contracted to provide services on a regular basis at an individual school shall obtain a valid fingerprint clearance card pursuant to title 41, chapter 12, article 3.1. A school district governing board shall adopt policies to exempt a person from the requirements of this subsection if the person's normal job duties are not likely to result in independent access to or unsupervised contact with pupils. A school district, its governing board members, its school council members and its employees are exempt from civil liability for the consequences of adoption and implementation of policies and procedures pursuant to this subsection unless the school district, its governing board members, its school council members or its employees are guilty of gross negligence or intentional misconduct.

Additionally, Contractor will comply with the governing body's fingerprinting policy of each individual school district and public entity. Contractor, subcontractors, Contractor and their employees will not provide services on school district properties until authorized by the school district.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City is not responsible for any disputes arising out of transactions made by others.

39. **FUEL CHARGES AND PRICE INCREASES.** No fuel surcharges will be accepted. No price increases will be accepted without proper request by Contractor and response by the City's Purchasing Division.
40. **NOTICES.** All notices to be given pursuant to this Agreement must be delivered to the parties at their respective addresses. Notices may be (i) personally delivered; (ii) sent via certified or registered mail, postage prepaid; (iii) sent via overnight courier; or (iv) sent via facsimile. If provided by personal delivery, receipt will be deemed effective upon delivery. If sent via certified or registered mail, receipt will be deemed effective three (3) calendar days after being deposited in the United States mail. If sent via overnight courier or facsimile, receipt will be deemed effective two (2) calendar days after the sending thereof.
41. **GOVERNING LAW, FORUM.** This Agreement is governed by the laws of the State of Arizona. The exclusive forum selected for any proceeding or suit in law or equity arising from or incident to this Agreement will be Maricopa County, Arizona.
42. **INTEGRATION CLAUSE.** This Agreement, including all attachments and exhibits hereto, supersede all prior oral or written agreements, if any, between the parties and constitutes the entire agreement between the parties with respect to the work to be performed.

43. **PROVISIONS REQUIRED BY LAW.** Any provision required by law to be in this Agreement is a part of this Agreement as if fully stated in it.
44. **SEVERABILITY.** If any provision of this Agreement is declared void or unenforceable, such provision will be severed from this Agreement, which will otherwise remain in full force and effect. The parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.
45. **SURVIVING PROVISIONS.** Notwithstanding any completion, termination, or other expiration of this Agreement, all provisions which, by the terms of reasonable interpretation thereof, set forth rights and obligations that extend beyond completion, termination, or other expiration of this Agreement, will survive and remain in full force and effect. Except as specifically provided in this Agreement, completion, termination, or other expiration of this Agreement will not release any party from any liability or obligation arising prior to the date of termination.
46. **A.R.S. SECTIONS 1-501 and 1-502.** Pursuant to Arizona Revised Statutes Sections 1-501 and 1-502, any person who applies to the City for a local public benefit (the definition of which includes a grant, contract or loan) must demonstrate his or her lawful presence in the United States. As the Agreement is deemed a local public benefit, if Contractor is an individual (natural) person or sole proprietorship, Contractor agrees to sign and submit the necessary documentation to prove compliance with the statutes as applicable.

EXHIBIT B  
TO  
COOPERATIVE PURCHASING AGREEMENT  
BETWEEN  
THE CITY OF AVONDALE  
AND  
JAMES, COOKE & HOBSON, INC.

[Work Orders]

See following pages (to be attached subsequent to execution).



## CITY COUNCIL AGENDA

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**SUBJECT:**

Second Amendment to Cooperative Purchasing Agreement - Utility Construction Company, Inc.

**MEETING DATE:**

10/17/2016

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**TO:** Mayor and Council**FROM:** Tracy Stevens, Development and Engineering Services Director**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff is requesting that City Council approve the Second Amendment to the Cooperative Purchasing Agreement with Utility Construction Company, in the amount of \$75,000 annually for the ongoing removal and replacement of damaged and deteriorating streetlight poles.

**BACKGROUND:**

The City of Avondale owns, operates, and maintains approximately 7,900 streetlights; excluding lights in privately maintained neighborhoods, parking lots, parks, facilities, and/or along private drives. The City streetlight maintenance operations include maintenance on primarily electrical components such as fuses, photocells, fixtures, luminaires, light shields, and wiring. Any structural damage, usually due to vehicular collision, have been handled by an outside contractor through a separate contract. The work of maintaining and removing or replacing streetlight poles requires equipment that the City does not possess. As with most Cities, Avondale has utilized a contract with a specialized vendor, Utility Construction Company, Inc. (UCC), to complete this work. The City of Avondale's agreement with UCC is the result of a City of Chandler cooperative agreement with the same vendor.

**DISCUSSION:**

In May of 2015, Avondale contracted with Phoenix National Laboratories (PNL) to conduct a structural evaluation of all streetlight poles. PNL evaluated the north half of the City in 2015 and determined that 22 poles were in a state of failure and 23 were predicted to fail within the next year. Staff utilized the contract with UCC and replaced the initial 22 poles in 2015.

While the overall structural evaluation by PNL identified additional poles predicted to fail in outlying years, it was the direction of Council to handle those poles set to fail within the next 2-3 years with the LED Conversion Project, and to monitor streetlights set to fail beyond 3 years out and replace them nearer to the end of their life-cycle.

In 2016 PNL evaluated the south half of the City and determined 1 additional pole was predicted to fail within the next year. Thus, the UCC Contract needs to be extended to replace the 24 light poles expected to fail this year throughout the City, as well as to handle future knockdowns.

The City of Chandler's contract with UCC is effective through September 30, 2017. Staff is pleased with the services provided by UCC thus far and would like to continue to utilize this agreement with them for the next term, through September 30, 2017.

**BUDGET IMPACT:**

The Agreement is in an amount not to exceed \$75,000 per fiscal year. The agreement provides for up to two one-year extensions. The total contract is not to exceed \$274,000 (\$49,000 - original contract, \$75,000 - 2nd amendment, \$150,000 - two renewals), subject to budget approval.

Funding for the replacement of streetlight knockdowns in the amount of \$50,000 is available in Risk Management's Self-Insured operating line item 605-5165-00-6480 and funding for repair or replacement of failing fixtures in the amount of \$25,000 is available in line item 201-5925-00-7692, Streetlights, within the Traffic Engineering operating budget.

**RECOMMENDATION:**

Staff recommends that the City Council approve the Second Amendment to the Cooperative Purchase Agreement with Utility Construction Company, in the amount of \$75,000 annually for the ongoing repair and replacement of damaged or deteriorating streetlight poles.

**ATTACHMENTS:****Description**

[2nd Amendment to CPA with UCC](#)

**SECOND AMENDMENT  
TO  
COOPERATIVE PURCHASING AGREEMENT  
BETWEEN  
THE CITY OF AVONDALE  
AND  
UTILITY CONSTRUCTION COMPANY, INC.**

THIS SECOND AMENDMENT TO COOPERATIVE PURCHASING AGREEMENT (this "Second Amendment") is entered into as of October 17, 2016, between the City of Avondale, an Arizona municipal corporation (the "City"), and Utility Construction Company, Inc., an Arizona corporation (the "Contractor").

RECITALS

A. After a competitive procurement process, the City of Chandler, Arizona ("Chandler") entered into Contract No. TD4-968-3404 dated September 29, 2014, as amended by Amendment Number One, dated July 23, 2015, Amendment Number Two, dated October 8, 2015, and Amendment Number Three, dated September 28, 2016, with the Contractor for the Contractor to provide streetlight pole replacement (the "Chandler Contract"). A copy of Amendment Number Three is attached hereto as Exhibit 1 and incorporated herein by reference.

B. The City and the Contractor entered into a Cooperative Purchasing Agreement, No. 14169C, dated September 8, 2015 (the "Initial Agreement"), based upon the Chandler Contract, for the Contractor to provide the City with streetlight pole replacement (the "Materials and Services").

C. The Initial Agreement was amended once on January 6, 2016, to extend the term of the Agreement (the "First Renewal Term"). The Initial Agreement and the First Amendment are collectively referred to herein as the "Agreement." All capitalized terms not otherwise defined in this Second Amendment have the same meanings as contained in the Agreement.

D. The City has determined that additional Materials and Services by the Contractor are necessary (the "Additional Materials and Services").

E. The City and the Contractor desire to enter into this Second Amendment to (i) extend the term of the Agreement and (ii) provide for the increase in compensation to the Contractor for the Additional Materials and Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Contractor hereby agree as follows:

1. Term of the Agreement. The term of this Agreement (as previously amended) is hereby extended and shall remain in full force and effect until September 30, 2017 (the “Second Renewal Term”), unless terminated as otherwise provided pursuant to the terms and conditions of the Agreement or the Chandler Contract. After the expiration of the Second Renewal Term, this Agreement may be renewed for up to two successive one-year terms (each, a “Subsequent Renewal Term”) if (i) it is deemed in the best interests of the City, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) the term of the Chandler Contract has not expired or has been extended, (iii) at least 30 days prior to the end of the then-current term of this Agreement, the Contractor requests, in writing, to extend this Agreement for an additional one-year term and (iv) the City approves the additional one-year term in writing (including any price adjustments approved as part of the Chandler Contract), as evidenced by the City Manager’s signature thereon, which approval may be withheld by the City for any reason. The Contractor’s failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the City may, at its discretion and with the agreement of the Contractor, elect to waive this requirement and renew this Agreement. The initial term, First Renewal Term, Second Renewal Term and any Subsequent Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Compensation. The City shall pay Contractor an amount not to exceed \$75,000.00 for the Second Renewal Term and each Subsequent Renewal Term, if any, for the Additional Materials and Services at the rates set forth in the Chandler Contract, resulting in an increase of the aggregate not-to-exceed compensation from \$49,000.00 to \$274,000.00.

3. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

4. Non-Default. By executing this Second Amendment, the Contractor affirmatively asserts that (i) the City is not currently in default, nor has been in default at any time prior to this Second Amendment, under any of the terms or conditions of the Agreement and (ii) any and all claims, known and unknown, relating to the Agreement and existing on or before the date of this Second Amendment are forever waived.

5. Israel. Contractor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in, a “boycott” of Israel, as that term is defined in ARIZ. REV. STAT. § 35-393.

6. Conflict of Interest. This Second Amendment and the Agreement may be canceled by the City pursuant to ARIZ. REV. STAT. § 38-511.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

“City”

CITY OF AVONDALE,  
an Arizona municipal corporation

\_\_\_\_\_  
David W. Fitzhugh, City Manager

ATTEST:

\_\_\_\_\_  
Carmen Martinez, City Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

On \_\_\_\_\_, 2016, before me personally appeared David W. Fitzhugh, the City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the City of Avondale.

\_\_\_\_\_  
Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]



EXHIBIT 1  
TO  
SECOND AMENDMENT  
TO  
COOPERATIVE PURCHASING AGREEMENT  
BETWEEN  
THE CITY OF AVONDALE  
AND  
UTILITY CONSTRUCTION COMPANY, INC.

[Chandler Amendment Number Three]

See following page.

18-2297

AMENDMENT NUMBER THREE  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
UTILITY CONSTRUCTION COMPANY, INC.  
FOR STREETLIGHT POLE REPLACEMENT  
AGREEMENT NO. TD4-968-3404

This Amendment No. 3 to that certain Agreement between the City of Chandler (City) and Utility Construction Company, Inc. (Contractor) for streetlight pole replacement dated, September 29, 2014 and is entered into this 28 day of September 2016.

WHEREAS, the parties entered into an Agreement for one year with provisions to extend for four (4) additional one-year terms. This is the second renewal option.

NOW THEREFORE, the parties agree as follows:

1. This Agreement is extended for a one-year period, October 1, 2016 through September 30, 2017.
2. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this 28 day of September 2016.

CITY OF CHANDLER:

By: Jay Jikhraemy  
Mayor

CONTRACTOR:

By: Bob Martin  
Title: Bob Martin, Vice President

APPROVED AS TO FORM:

[Signature]  
City Attorney

ATTEST: (If corporation)

[Signature]  
Secretary  
Suzette Nickum

ATTEST:

[Signature]  
City Clerk

WITNESS: (If individual or Partnership)

\_\_\_\_\_





## CITY COUNCIL AGENDA

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**SUBJECT:**

Resolution 3341-1016 - City Council Handbook

**MEETING DATE:**

10/17/2016

---

**TO:** Mayor and Council

**FROM:** David Fitzhugh

**THROUGH:** David Fitzhugh, City Manager

**PURPOSE:**

Staff request the City Council adopt a Resolution approving the City Council Handbook to serve as a guide and resource for Council Members and staff.

**BACKGROUND:**

The makeup of the Avondale City Council will be significantly changed when the new Council is seated in January. Three new Council Members will take the oath of office. Additionally, the Mayor's seat will go into a runoff election in November.

Staff is a resource to provide accurate information to newly elected Council Members and to assist their understanding of the organization, various governing documents, processes and procedures. Currently we organize and offer an orientation to new Council Members that covers the above topics.

Since the breadth and depth of the topics covered in the orientation is extensive, it is appropriate to provide a single document that briefly summarizes many of the above items including sections dealing with roles and responsibilities of Council, the City Manager and staff. While it has not been a significant issue, I thought it important to include information regarding Council's expectations of staff and staff's expectations of Council. A mutual understanding of expectations minimizes misunderstandings and unfulfilled expectations resulting in enhanced relations between Council and staff.

This item was discussed in the July 11th Council Work Session and edited in response to Council comments, minor reorganization and to reduced verbiage in some sections of the handbook. In response to the Mayor and Vice Mayor's comments, Section 10 - INTERACTION WITH STAFF was significantly rewritten to clarify expectations between Council and staff. A specific discussion is included to establish a staff contact hierarchy to facilitate communication between Council and staff. Section 4 – GUIDING DOCUMENTS, Section 7 – POSITIONS APPOINTED BY COUNCIL AND Section 8 – FINANCIAL MATTERS were edited for brevity.

A comment was made to clarify staff support for Council Members serving on boards or committees. Section 11.1.1 was added to state support is available as long as the board or committee's purpose is directly related to the City of Avondale and supported by the Council.

Staff returned to Council at the August 1 works session with revised language in Section 10 for further discussion. Following the discussion staff was directed to include additional links to existing

documents to ensure continuity between the Handbook and referenced documents and to bring the amended document back to Council in a future meeting for adoption.

**DISCUSSION:**

The Council Handbook has been updated as requested by the City Council at the August 1, 2016 work session. Links have been added to the appropriate referenced documents to facilitate access to them. Staff respectfully requests the City Council adopt a resolution approving the City Council Handbook.

**BUDGET IMPACT:**

There is no Budgetary Impact

**RECOMMENDATION:**

Staff recommends the City Council adopt a Resolution approving the Council Handbook.

**ATTACHMENTS:**

Description

[Resolution 3341-1016](#)

**RESOLUTION NO. 3341-1016**

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE,  
ARIZONA, ADOPTING A CITY COUNCIL HANDBOOK.

**BE IT RESOLVED** BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The “City Council Handbook” is hereby adopted in substantially the form and substance attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. If any section, subsection, sentence, clause, phrase or portion of this Resolution or any part of the “City Council Handbook” adopted herein 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 3. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Resolution.

**PASSED AND ADOPTED** by the Council of the City of Avondale, Arizona, October 17, 2016.

---

Kenneth N. Weise, Mayor

ATTEST:

---

Carmen Martinez, City Clerk

APPROVED AS TO FORM:

---

Andrew J. McGuire, City Attorney

EXHIBIT A  
TO  
RESOLUTION NO. 3341-1016

(City Council Handbook)

See following pages.



# Avondale

Aspiring. Achieving. Accelerating.

[CLICK HERE TO VIEW ENTIRE DOCUMENT](#)

## CITY COUNCIL HANDBOOK



## CITY COUNCIL AGENDA

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**SUBJECT:**

Resolution 3342-1016 - Strategic Transportation Safety Plan (STSP)

**MEETING DATE:**

10/17/2016

---

**TO:** Mayor and Council**FROM:** Tracy Stevens, Development & Engineering Services Director**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff requests that the Mayor and City Council adopt a resolution approving the Strategic Transportation Safety Plan (STSP).

**BACKGROUND:**

A final draft report of the STSP was presented to the Mayor and City Council on September 19, 2016. Staff and the consultant Michael Baker Jr. summarized the purpose, goals, objectives, methodologies, and implementation plan. The final report reflects the recommendation by Council to partner with private companies (i.e. insurance companies) to assist with the educational strategy of the plan.

Safety is an ongoing emphasis for the City of Avondale. From the beginning of 2010 through 2014 (five years), there were 5,368 crashes within the jurisdiction of Avondale. From the total number of crashes, 75 percent occurred on arterial, collector and local roadways while the remaining 25 percent were recorded on the freeway system. These crashes include motorized and non-motorized vehicles (primarily bicycle) and pedestrians.

The City currently has no comprehensive formal process to evaluate and prioritize crash locations which is required in order to qualify for federal funding for road safety improvements. The Avondale 2012 Transportation Plan specifically identified safety concerns within the City of Avondale for all modes of transportation. In 2014, the City submitted an application to utilize the Maricopa Association of Governments' (MAG) sub-allocation of Highway Safety Improvement Program (HSIP) funds for the development of the Avondale STSP. The Avondale STSP Study project was approved by the MAG Regional Council on February 17, 2015.

**DISCUSSION:**

The STSP provides a comprehensive plan which 1) effectively identifies and measures transportation-related crashes involving fatalities and injuries, 2) evaluates and plans a program of appropriate counter measures aimed at reducing these crashes, 3) identifies and earmarks applicable funding sources for implementation, and 4) perform annual audits to measure changes/reductions in fatal/injury-related crashes after the Plan elements have been implemented.

The Transportation Safety Stakeholders Group (TSSG) was created to provide oversight to the development of the Plan. The TSSG met on a regular basis to:

- Review the current state of Avondale road safety and funding sources (covered in Tech Memo 1)
- Provide direction on the development of goals and objectives for the STSP (Tech Memo 2),
- Identify potential action areas, strategies and performance measures (Tech Memo 3)
- Develop a detailed methodology for prioritization of Avondale’s road safety needs (Tech Memo 4), and finally
- Provide oversight on the development of a proposed Implementation Plan covering the next ten years (2017-2027) as incorporated in Tech Memo 5.

The TSSG adopted a vision statement of “Everyone Alive—Everyday” with a goal of “10 for 10 – To reduce death and serious injuries related to crashes by 10 percent every year for 10 years for all modes.” Although this is an aggressive goal, there are several strategies represented by the “Four E’s”--- Education, Engineering, Enforcement and Emergency Response-- that have proven to reduce the number of fatal and injury-related crashes. The following Action Areas were identified in collaboration with the TSSG based on an extensive review of crash data for the five-year period of 2010-2014 and from public surveys conducted locally:

1. Speeding
2. Distracted Driving
3. Intersection Safety
4. Young Drivers
5. Vulnerable Road Users (pedestrians, non-motorized uses)

The input from the public surveys and crash data were used to identify, evaluate and rank the most deficient City-controlled intersections and road segments. Specific strategies were then developed for the highest ranking locations that would help address and reduce the crash severity and frequency. Existing funding sources from the federal, state and local levels were then identified to finance these strategies whether they were through educational, engineering, enforcement or emergency response efforts.

The tasks described above are the Plan itself which will be an ongoing program to proactively reduce the number of fatal and injury crashes in Avondale.

**BUDGET IMPACT:**

Pending adoption, the STSP requires adequate funding to implement and achieve the desired vision and goal of reducing fatality and injury-related crashes. Some of these strategies are already incorporated in existing Capital Improvement Program (CIP) projects and other city programs, however some have been suspended; for example, the Neighborhood Traffic Management Program (NTMP) is a program that was suspended 5-6 years ago when local budget cut-backs were required due to the recession. The STSP calls for reinstatement of the NTMP.

The STSP study estimated that if all of the improvement measures were implemented on an annual basis, the annualized average cost (CIP/Operations) for the City is approximately \$151,000 (29.3%) of the total \$516,000 as outlined below:

Governor’s Office of Highway Safety (GOHS)	\$ 302,000 (58.6% total cost)
Highway Safety Improvement Program (HSIP)	\$ 50,000 (9.7%)
MAG Funding	\$ 13,000 (2.5%)
<b>New CIP (Local Match)</b>	<b>\$ 71,000 (13.7%)</b>
<b>Reinstated CIP (NTMP*)</b>	<b>\$ 40,000 (7.8%)</b>
<b>Local Operating Budget</b>	<b>\$ 40,000 (7.7%)</b>
Total STSP Annualized Cost	\$ 516,000 (100%)

\* --Neighborhood Traffic Management Program. Formerly funded in late 2000’s

**RECOMMENDATION:**

Staff recommends the Mayor and City Council adopt a resolution approving the Strategic Transportation Safety Plan (STSP).

**ATTACHMENTS:****Description**

[Resolution 3342-1016](#)

[Strategic Transportation Safety Plan](#)

**RESOLUTION NO. 3342-1016**

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ADOPTING THE CITY OF AVONDALE STRATEGIC TRANSPORTATION SAFETY PLAN.

**BE IT RESOLVED** BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The City of Avondale Strategic Transportation Safety Plan, Final Report, dated September 23, 2016, is hereby approved in substantially the form and substance on file with the City Clerk.

SECTION 2. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

**PASSED AND ADOPTED** by the Council of the City of Avondale, Arizona, October 17, 2016.

---

Kenneth N. Weise, Mayor

ATTEST:

---

Carmen Martinez, City Clerk

APPROVED AS TO FORM:

---

Andrew J. McGuire, City Attorney

CITY OF AVONDALE STRATEGIC TRANSPORTATION SAFETY PLAN

DUE TO ITS SIZE, THIS DOCUMENT  
HAS BEEN POSTED SEPARATELY

PLEASE CLICK ON THE LINK BELOW TO VIEW

<http://www.avondale.org/DocumentCenter/View/39146>



## CITY COUNCIL AGENDA

---

**SUBJECT:**

FY 2016 Annual Financial Update

**MEETING DATE:**

10/17/2016

---

**TO:** Mayor and Council

**FROM:** Abbe Yacoben, Finance and Budget Director (623) 333-2011

**THROUGH:** David Fitzhugh, City Manager

**PURPOSE:**

Staff will give the City Council an update on the City's main operating funds' performance through June 30th, 2016.

**BACKGROUND:**

Each year, staff closes the City's books at the end of August to any new transactions. Staff continues to make closing entries through the month of September and compiles the City's financial statements during the month of October. The annual audit of the City's financial statements occurs during the end of October/beginning of November.

While it takes a bit of time to close the City's books and prepare the annual financial statements for audit, staff thought it was important to share preliminary unaudited financial information to the City Council in preparation for the upcoming retreat/strategic planning session in December.

**DISCUSSION:**

Staff's presentation will focus on operating funds, as trends in operating budgets can indicate budgetary accuracy, sound financial planning, and compliance with Council-adopted financial policies. The presentation will be focused on the significance of each fund (its purpose), its size in terms of revenue and expenditures, and variances in the revenue or expenditures. Capital projects funds are equally important, but these funds tend to be expended in larger increments without trends as they account for projects vs operations.

**BUDGET IMPACT:**

There is no budgetary impact, as this is simply a status update.

**RECOMMENDATION:**

This item is for discussion only, and no recommendation is needed at this time.



## CITY COUNCIL AGENDA

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**SUBJECT:**

Resolution 3340-1016 - Notice of Intent to Increase Water and Wastewater Rates

**MEETING DATE:**

10/17/2016

---

**TO:** Mayor and Council**FROM:** Abbe Yacoben, Finance and Budget Director (623) 333-2011**THROUGH:** David Fitzhugh, City Manager**PURPOSE:**

Staff is requesting that the City Council adopt a resolution authorizing a notice of intent to increase water and wastewater user charges or rate components.

**BACKGROUND:**

On February 16th, 2016, the City Council adopted a resolution to increase water and wastewater rates at 7.5% and 6%, respectively in the first year with subsequent 6% rate increases in each fund each year thereafter through FY2021. In order to stay on schedule to reach the city's goal of reaching a positive net cash flow while reserving 5% of undepreciated assets and nine months of operating capital reserves staff is asking the City Council to approve the second year of rate increases of 6% in each fund.

**DISCUSSION:**

As directed by council on February 16th, 2016, staff has made appropriate changes in the water and wastewater rate model to reflect annual increases of 6% in each fund through FY2021. Based on the schedule, as seen on page four of the attached report, this rate increase will keep the city on track to reach its goal of reserving 5% of undepreciated assets and nine months of operating capital reserves in each of the two funds.

The impact to the residential customer at different usages can be found on page 15 of the attached report. The increase to a user of 5,000 gallons of water per month (4,000 gallons of sewer generated) is \$1.75 per month or 3.1%. Other examples of residential and commercial users are also provided in the report.

The Council will hold a public hearing on the water and wastewater rate increases on November 21, 2016, and in order to do so must adopt a Notice of Intent resolution and publish in the newspaper.

**BUDGET IMPACT:**

The new rates and associated reserve policies will impact the cash flows of the funds in a positive way. The funds both begin to have positive cash flow during FY2023 (based on current assumptions), which means that not only will the City be able to keep up with its infrastructure and operating needs, the funds will both be in compliance with the nine months of expenses benchmark for working capital reserves and five percent of asset value for capital reserves. Staff will conduct a rate analysis each year to update assumptions and projections and propose any necessary changes to the annual rate increases.

**RECOMMENDATION:**

Staff recommends that the City Council adopt a resolution authorizing a notice of intent to increase water and wastewater user charges or rate components.

**ATTACHMENTS:****Description**

[Resolution 3340-1016](#)

[Water and Wastewater Rate Analysis](#)

**RESOLUTION NO. 3340-1016**

A RESOLUTION OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, ADOPTING A NOTICE OF INTENT TO INCREASE WATER AND WASTEWATER USER CHARGES, SETTING A PUBLIC HEARING ON THE PROPOSED INCREASES AND FILING A WRITTEN REPORT SUPPORTING THE PROPOSED INCREASES WITH THE CITY CLERK.

**WHEREAS**, pursuant to the provisions of ARIZ. REV. STAT. § 9-511.01, the Council of the City of Avondale (the “City Council”) may increase water and wastewater rates if (i) a written report supporting the increased rate or rate component, fee or service charge has been prepared and made available to the public by filing a copy in the office of the City Clerk at least 30 days before the public hearing, (ii) a notice of intention to increase water or wastewater rates or rate components has been adopted, (iii) a public hearing is held on the proposed increase, which shall be held not less than 30 days after adoption of the notice of intention and (iv) a copy of the notice of intention showing the date, time and place of such hearing shall be published one time in a newspaper of general circulation within the boundaries of the municipality not less than 20 days before the public hearing date; and

**WHEREAS**, City Staff has (i) performed a revenue sufficiency and cost of service analysis, (ii) determined that the City of Avondale’s water and wastewater rates or rate components need to be increased and (iii) documented their findings in a written report (the “Report”); and

**WHEREAS**, a copy of the Report was filed with the City Clerk on October 17, 2016, and made available to the public; and

**WHEREAS**, the City Council desires to declare its intention to increase rates consistent with the findings of the Report; and

**WHEREAS**, a public hearing will be held to receive input from Avondale citizens regarding possible increases in water and wastewater user charges; and

**WHEREAS**, a copy of this Resolution/Notice of Intention, showing the date, time and place of such hearing, shall be published one time in a newspaper of general circulation.

**NOW, THEREFORE, BE IT RESOLVED** BY THE CITY COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. Upon adoption, this Resolution shall serve as the Notice of Intention to increase water and wastewater user charges.

SECTION 3. A public hearing on the proposed increases shall be held before the City Council on November 21, 2016, at 7:00 p.m. in the Council Chambers of the Avondale Civic Center, 11465 West Civic Center Drive, Avondale, Arizona.

SECTION 4. The Report supporting the proposed increases in water and wastewater user charges shall remain in the office of the City Clerk for public use and inspection.

SECTION 5. The City Clerk is hereby directed to publish a copy of this Notice in a newspaper of general circulation in the City not less than 20 days prior to November 21, 2016.

SECTION 6. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to execute all documents and take all steps necessary to carry out the purpose and intent of this Resolution.

**PASSED AND ADOPTED** by the Council of the City of Avondale, Arizona, October 17, 2016.

---

Kenneth N. Weise, Mayor

ATTEST:

---

Carmen Martinez, City Clerk

APPROVED AS TO FORM:

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Andrew J. McGuire, City Attorney

## Table of Contents

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I.	Introduction/Background .....	2
II.	Revenue Sufficiency Analysis.....	3
A.	Historical Trend Analysis .....	3
B.	Baseline Expense Projections .....	4
C.	Baseline Revenue Projections .....	4
III.	Cost of Service Analysis .....	7
A.	Allocation of Costs to Water Cost Components.....	7
B.	Allocation of Costs to Wastewater Cost Components .....	7
IV.	Rate Analysis and Design.....	8
A.	Allocation of Costs to Water Customers .....	8
B.	Allocation of Costs to Wastewater Customers.....	9
C.	Water Rates .....	11
D.	Sewer Rates .....	12
E.	Local Rate Comparisons.....	12
F.	Estimated Impact on Customer Bills.....	14
V.	Sample Bills.....	15
VI.	Recommendations.....	16
VII.	Appendix.....	17

## I. Introduction/Background

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The City currently uses a rate revenue analysis model developed in 2004 by Red Oak Consulting, which at that time was a division of Malcolm Pirnie, Inc. The primary objective of the model is to assess water and wastewater revenue, costs and required rates. City staff regularly completes a study of the water and wastewater enterprises to determine if the current schedule of rates and charges are sufficient to generate the revenue necessary to meet operating and capital needs in an equitable manner while encouraging water conservation. Staff proposed a six-year forecast including rate increases to the City Council during December, January, and February of 2015-2016. The Council approved the first year of rate increases which became effective on March 17<sup>th</sup>, 2016 and approved the conceptual model and subsequent increases. The FY 2017 rate increase is scheduled and proposed to be six percent in both water and sewer enterprises.

This first rate increase in several years (since 2009) was necessary at this time, as increasing costs and asset depreciation in the water and sewer funds were starting to have an impact and both water and wastewater funds have had declines in net position (commonly referred to as fund balance). The City Council recently completed its first strategic planning process, and included an initiative entitled “Foster Sustainable Community Development”. This includes the concept of sturdy and stable infrastructure. As the water and sewer funds are self-sustaining and do not receive other funds, this means that rate revenue must create a sustainable enterprise. Staff has been assigned the task of updating the 2015 model for the upcoming January, 2017 increase.

The Finance & Budget staff has been working with the City’s capital improvement program in addition to operating budgets to assess the financial impact of the current operations and capital project needs. The methodology used to conduct the analysis is summarized below:

- ▣ Revenue sufficiency analysis
  - Historical trend analysis
  - Baseline projections
- ▣ Cost of service analysis
- ▣ Rate design
  - Local market comparison
  - Customer impact

The historical trends are reviewed over the last ten years while the projected study period includes the current fiscal year and five additional years. The projection years are referred to as the study period.

In summary, staff’s analysis has concluded both the water and wastewater enterprises require rate adjustments in order to sustain the current service levels, fund infrastructure improvements, add additional debt service and also establish much needed reserves. The water fund requires, at minimum, a 6% adjustment in the first year, followed by 6% adjustments to revenue each year for the following four years. The wastewater fund requires, at minimum, a 6% adjustment annually over the same five year period. While this recommended plan does not achieve all stated objectives immediately, it puts the City in a position to reach the desired goals over a period of time that softens the impact on customers. This report documents the analysis conducted by staff in updating the rate model.

## II. Revenue Sufficiency Analysis

Revenue sufficiency analysis helps determine if the annual rate revenue projected over the study period is sufficient to fund the water and wastewater system financial requirements, including operating expenses, debt service and the capital improvements program. In order to update the model, staff evaluates utility expenses, current budgets, capital projects, debt requirements and the impact on operations from the capital program. These expenses are then updated in the model to keep it current. In evaluating the expenses it is clear that the rising costs of treating and distributing water and maintaining the system components have continued to accelerate at rates that are currently outpacing the normal consumer inflation rates.

Another driving factor in the rates is the need to fund the replacement of system components. As indicated in the City of Avondale's Municipal Code §24-117, the user charge rates for sewer should be revised as needed to pay for the total operations, maintenance and replacement costs for the system. While the Code is not specific on the water system it is prudent to ensure the rates also recover sufficient revenue to ensure the timely replacement of water system components. Due to the aging system in some areas of the City, additional replacement funding is required to ensure the timely replacement of system components.

### A. Historical Trend Analysis

Over the last ten years, Avondale population has increased an average of 1.5% while the number of net new single family water and sewer accounts has increased an average of 2% over the same time frame. Actual billed water volume has increased an average of 4% per year and treated wastewater inflows have also increased 4.2% per year on average. The most recent completed fiscal year, however, indicates a decline in both water & wastewater volumes.

Inflation as measured by the Consumer Price Index (CPI) has averaged 2.16% per year during the ten year period. Costs have increased by approximately 3% each year in water operations while wastewater operations have increased on average by over 6.4% each year since Fiscal Year 2006. The most rapidly increasing costs in wastewater operations are salaries and electricity.

Rate increases have averaged only 2.0% in water and 1.0% in wastewater over the same ten year time frame. The 2016 rate increase was the first since 2009. The following table shows the revenue adjustment percentages from FY 2007 through FY 2016.

Table 1 - Revenue Adjustment History

Year	Water	Wastewater
2016	7.5%	6%
2015	0%	0%
2014	0%	0%
2013	0%	0%
2012	0%	0%
2011	0%	0%
2010	0%	0%
2009	3.8%	1.76%
2008	3.4%	2.4%
2007	5.5%	0%

## B. Baseline Expense Projections

The model was updated to include all new expenses and other revenue needs for a five year study period in addition to the current budget year. Baseline expense projections for the forecast period assumed the following:

- ✓ Based on the historical trend analysis, the majority of operating expenses and transfers out increase by 3% per year with the exception of the following:
  - Salary related expenses – increase by 3% in year one and 2% each year thereafter in the forecast period
  - Employee Benefits – increase of 4% each year in the forecast period
  - Maintenance contracts – increase an average of 2% per year.
- ✓ Annual debt service expenses and debt service coverage requirements were taken from the current outstanding debt information and only projected to increase in years in which additional debt is projected.

Capital projects included in the baseline projections reflect the current adopted capital improvement plan (CIP) with the following additions/changes:

- ✓ Water reservoir coating and rehabilitation
- ✓ Sewer pipe relining
- ✓ Additional large diameter pipe rehabilitation
- ✓ Lift station rehabilitation
- ✓ Water reclamation facility upgrades

Complete CIP schedules are included in the appendix in exhibit 1. Additional projects have also been included in the years beyond this study period. The projects are subject to change each year based on new development and existing infrastructure conditions.

## C. Baseline Revenue Projections

Baseline revenue projections were assumed to exclude additional revenue from rate increases. The following assumptions were used to project annual changes in baseline revenue during the period:

- ✓ Baseline water and wastewater rate revenue, that is, rate revenue increases that are exclusive of programmed rate increases, was projected to increase at 2.4% annually to reflect projected annual growth in the water and wastewater customer base.
- ✓ FY 2017 Budgeted miscellaneous revenue (turn on/off charges, late fees, etc.) was projected to remain constant during the forecast period.
- ✓ Water and wastewater development fee revenue was projected to remain constant during the forecast period.
- ✓ Planned bond revenue from the City's CIP is included and the model also assumes additional bonds will be issued to match development fee and/or operating transfer shortfalls.
- ✓ Interest income was calculated by the model based on projected fund balances during the period and assumed interest earnings rate of 1.0% per year.

Other Revenue Requirements

In addition to operating expenses, the City has set a management objective to maintain a working capital reserve in an amount equal to at least nine months of operations and maintenance. The City Council has also set an objective to develop a long-range asset replacement plan for water and wastewater. In order to fund such a plan a funding mechanism must be developed that will ensure the rate revenue will be sufficient to fund existing system upgrades and replacement while also funding a reserve for replacement that will be available for future or emergency needs. The current net position in both water and wastewater have declined in recent years so in order to fund replacement needs and reserves, the rate revenue must increase to improve cash flow in both funds. The full funding of these reserves will need to be implemented over a period of a few years to avoid drastic increases. Staff included an initial reserve requirement of 5% of existing asset cost for illustration purposes.

Financial Projections associated with the Revenue Sufficiency Analysis Phase

The results of the revenue sufficiency analysis are presented in Table 2 - Cash Flow Analysis. As indicated on the lines 7 and 31 of Table 2, rate increases are necessary in both funds over the next five years.

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**Table 2 - Cash Flow Analysis**

**City of Avondale, Arizona**  
 Revenue Sufficiency Analysis  
 Pro-Forma and Cash Flow Analysis - By Fund

	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
<b>Water Operating Fund</b>						
<b>Beginning Balances</b>	<b>28,333,338</b>	<b>26,888,568</b>	<b>24,544,578</b>	<b>23,938,297</b>	<b>23,571,336</b>	<b>25,171,462</b>
Water Rate Revenue	13,312,230	14,110,964	15,316,605	16,625,255	18,045,717	19,587,543
Plus: Growth	0.0%	2.4%	2.4%	2.4%	2.4%	2.4%
Water Rate Revenue After Growth	13,312,230	14,449,627	15,684,203	17,024,261	18,478,814	20,057,644
<b>Pct Change in Water Rates</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>2.00%</b>
Pct of Year Rate Increase Effective	50%	50%	50%	50%	50%	50%
Water Rate Revenue After Growth and Rate Increase	13,711,597	14,883,116	16,154,729	17,534,989	19,033,179	20,258,221
Other Revenue	680,420	680,420	680,420	680,420	680,420	680,420
Interest Income	276,767	258,540	243,862	240,688	248,492	268,674
Total Revenue	14,668,784	15,822,075	17,079,011	18,456,097	19,962,090	21,207,315
O&M	(11,673,011)	(14,335,068)	(14,854,607)	(15,157,415)	(15,705,571)	(16,094,385)
Debt Service	(36,934)	(330,997)	(330,685)	(665,644)	(656,393)	(680,960)
Capital Outlay	(778,610)	-	-	-	-	-
Transfers Out	(3,500,000)	(3,500,000)	(2,500,000)	(3,000,000)	(2,000,000)	(2,000,000)
Cash Funded Capital	(125,000)	-	-	-	-	-
<b>Net Cash Flow</b>	<b>(1,444,770)</b>	<b>(2,343,990)</b>	<b>(606,281)</b>	<b>(366,962)</b>	<b>1,600,126</b>	<b>2,431,970</b>
Restricted Reserve for Required New Debt	-	-	-	(335,338)	(335,338)	(359,984)
Restricted Reserve for Replacement/Refurbishment	-	(15,046,060)	(15,204,858)	(15,365,331)	(15,527,498)	(15,691,376)
<b>Ending Unrestricted Balances</b>	<b>26,888,568</b>	<b>9,498,518</b>	<b>8,733,440</b>	<b>7,870,667</b>	<b>9,308,626</b>	<b>11,552,072</b>
Working Capital Reserve	8,754,758	10,751,301	11,140,955	11,368,061	11,779,178	12,070,789
<b>Surplus/(Deficit)</b>	<b>18,133,809</b>	<b>(1,252,783)</b>	<b>(2,407,515)</b>	<b>(3,497,394)</b>	<b>(2,470,552)</b>	<b>(518,717)</b>
<b>Sewer Operating Fund</b>						
<b>Beginning Balances</b>	<b>10,573,066</b>	<b>12,301,669</b>	<b>10,612,391</b>	<b>11,402,703</b>	<b>12,877,687</b>	<b>14,979,900</b>
Sewer Rate Revenue	8,830,001	9,359,801	10,159,502	11,027,530	11,969,723	12,992,416
Plus: Growth	0.0%	2.4%	2.4%	2.4%	2.4%	2.4%
Sewer Rate Revenue After Growth	8,830,001	9,584,436	10,403,331	11,292,191	12,256,996	13,304,234
<b>Pct Change in Sewer Rates</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>
Pct of Year Rate Increase Effective	50%	50%	50%	50%	50%	50%
Sewer Rate Revenue After Growth and Rate Increase	9,094,901	9,871,969	10,715,430	11,630,957	12,624,706	13,703,361
Other Revenue	1,238,840	1,238,840	1,297,766	1,328,293	1,359,554	1,391,564
Interest Income	197,016	217,144	239,829	278,623	323,593	379,065
Total Revenue	10,530,757	11,327,954	12,253,025	13,237,873	14,307,852	15,473,990
O&M	(5,811,339)	(6,059,330)	(6,146,917)	(6,237,862)	(6,545,330)	(6,711,833)
Debt Service	(1,052,265)	(1,877,359)	(2,140,092)	(2,133,770)	(2,139,070)	(2,030,417)
Capital Outlay	(208,550)	(181,875)	(48,500)	-	(310,400)	-
Transfers Out	(1,000,000)	(2,568,667)	(2,597,203)	(2,626,257)	(2,655,840)	(2,685,961)
Cash Funded Capital	(730,000)	(2,330,000)	(530,000)	(765,000)	(555,000)	(530,000)
<b>Net Cash Flow</b>	<b>1,728,603</b>	<b>(1,689,278)</b>	<b>790,312</b>	<b>1,474,984</b>	<b>2,102,212</b>	<b>3,515,778</b>
Restricted Reserve for Required New Debt	(417,655)	(417,655)	(687,723)	(687,723)	(822,354)	(822,354)
Restricted Reserve for Replacement/Refurbishment	-	(15,686,675)	(15,972,029)	(16,262,573)	(16,558,402)	(16,859,613)
<b>Ending Unrestricted Balances</b>	<b>11,884,014</b>	<b>(5,491,939)</b>	<b>(5,257,048)</b>	<b>(4,072,609)</b>	<b>(2,400,857)</b>	<b>813,710</b>
Working Capital Reserve	4,358,504	4,544,497	4,610,188	4,678,396	4,908,997	5,033,875
<b>Surplus/(Deficit)</b>	<b>7,525,510</b>	<b>(10,036,436)</b>	<b>(9,867,236)</b>	<b>(8,751,005)</b>	<b>(7,309,855)</b>	<b>(4,220,165)</b>
<b>Summary Results of Combined Water and Sewer Fund</b>						
<b>Debt Service Coverage Calculation</b>						
Rate Revenue	22,806,498	24,755,085	26,870,160	29,165,946	31,657,884	33,961,581
Other Revenue	1,919,260	1,919,260	1,978,186	2,008,713	2,039,974	2,071,984
Interest Income	473,783	475,684	483,691	519,311	572,084	647,739
Total Revenue	25,199,541	27,150,029	29,332,036	31,693,971	34,269,942	36,681,305
O&M	(17,484,350)	(20,394,397)	(21,001,524)	(21,395,277)	(22,250,901)	(22,806,218)
Net Income	7,715,191	6,755,632	8,330,512	10,298,694	12,019,041	13,875,087
Debt Service - Existing	1,089,199	2,208,356	2,470,777	2,799,415	2,795,462	2,711,377
<b>Debt Service Coverage</b>	<b>7.08</b>	<b>3.06</b>	<b>3.37</b>	<b>3.68</b>	<b>4.30</b>	<b>5.12</b>
<b>Summary of Increase in Rate Revenue (excluding Growth related increases)</b>						
Total Full Year Rate Revenue Increase (excluding Growth)	23,470,765	24,879,011	27,004,673	29,311,953	31,816,366	33,751,255
Total Rate Revenue Before Rate Increase	22,142,231	23,470,765	25,476,107	27,652,786	30,015,440	32,579,959
<b>Annual Pct Rate Revenue Increase</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>3.60%</b>
Revenue Requirement Water Allocation	67.2%	67.3%	67.7%	68.8%	67.9%	69.4%
Revenue Requirement Sewer Allocation	32.8%	32.7%	32.3%	31.2%	32.1%	30.6%

### III. Cost of Service Analysis

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Cost of service analysis helps determine the cost to serve water and wastewater customers and allocate those costs to rate components and customer classes based on a review of line-item operating, debt service and capital costs.

#### A. Allocation of Costs to Water Cost Components

Customer related costs, such as billing, customer service costs and meter reading for water customers were allocated directly to the water customer charge rate component. Meter related costs, such as meter repair and replacement costs associated with maintaining the utility's readiness to serve customers were allocated to the meter, or readiness to serve, charge. Other costs, such as transmission costs and treatment costs that are associated with flow-related activity, were allocated to the flow charge.

#### B. Allocation of Costs to Wastewater Cost Components

Customer related costs, such as billing and customer service costs, for wastewater customers were allocated directly to the wastewater customer charge rate component. Costs related to the collection system are allocated to a volume charge and treatment costs are allocated to strength charge both of which are then combine into a single flow charge.

The cost allocation process resulted in the percentage of the rate revenue requirement identified in the revenue sufficiency analysis that is to be recovered through the following rate components for each Utility:

**Table 3 - Rate Cost Components**

Water Rate Components		Wastewater Rate Components	
Customer charge	6.5%	Customer Charge	18%
Readiness to serve charge	20.5%	Flow Charge	33%
Flow Charge	73%	Strength Charge	49%

As demonstrated in Table 3, the majority of the costs associated with the water and wastewater systems can be attributed to the level of usage. This helps with rate development that achieves the following objectives:

- ✓ Revenue stability
- ✓ Discouragement of wasteful water use
- ✓ Promotion of fairness and equity among rate-payers
- ✓ Understandability of rates
- ✓ Allocation of costs of wastewater treatment based on estimated contribution to the wastewater system by user class.

## IV. Rate Analysis and Design

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To ensure fair and equitable rates utilizing the current rate model, the rate revenue requirement for each rate component is apportioned by customer class based on the allocation of the cost components.

### A. Allocation of Costs to Water Customers

- ✓ Customer charge – The number of customers, by customer class, was compiled from the most recent fiscal year’s utility billing data to determine the number of customers and number of bills issued per year. The total costs were allocated on a per bill basis to develop the monthly charge.
- ✓ Readiness to serve charge – In order to properly apportion the rate revenue requirement for the readiness to serve charge among customer classes, equivalent units for each customer class were calculated in the following manner:
  - Equivalent Residential Units (ERUs) - The number of equivalent units for all customers, except multi-unit customers, was determined by calculating the equivalent residential units by meter size by class. Equivalent residential units for each class were calculated by multiplying the number of meters times the meter equivalency factor for each meter size. The meter equivalency factors used are established by the American Water Works Association (AWWA). The number of equivalent units was calculated by multiplying the number of units for multi-unit customers by the ratio of average monthly demand for multi-unit customers (4,700 gallons per month) as compared to single family residential customers (10,000 gallons per month), or 47%.

The rate revenue requirement for the readiness to serve charge is then apportioned based on the pro-rata portion of equivalent residential units for each class based on meter size.

- ✓ Flow rate – The water conservation component of the water rate design includes the development of four (4) blocks of water usage. The volume of water flow, by customer class, was compiled in order to determine the distribution of flow by class and rate block. The rate revenue requirement for the flow rate was then apportioned based on the pro-rata portion of customers for each class. One of the main objectives in the development of the current rate structure was to incorporate a conservation rate structure which alters the apportionment of the rate revenue requirement among customer classes based on their usage patterns.

The calculation of a user's monthly water bill is represented by the following formula:

$$\text{Water Charge} = \text{CC} + (\text{R} \times \text{M} \times \text{U}) + [(\text{B1} \times \text{V1}) + (\text{B2} \times \text{V2}) + (\text{B3} \times \text{V3}) + (\text{B4} \times \text{V4})]$$

Where:

*B1= Rate per 1,000 gallons in block one*

*B2= Rate per 1,000 gallons in block two*

*B3= Rate per 1,000 gallons in block three*

*B4= Rate per 1,000 gallons in block four*

*CC = Customer charge per bill*

*M=Meter equivalency factor*

*R=Readiness to serve charge for 0.75" Meter per unit*

*U=Number of units*

*V1= Water usage in thousands of gallons in block one*

*V2= Water usage in thousands of gallons in block two*

*V3= Water usage in thousands of gallons in block three*

*V4= Water usage in thousands of gallons in block four*

The blocks for water usage are determined using the ¾" meter as the base. Except for hydrant meters and residential customers with a ¾" or 1" meter, all blocks are adjusted by the meter equivalency factor. Hydrant meters have relatively high capacity when compared to the standard meter and are therefore calculated separately.

## B. Allocation of Costs to Wastewater Customers

The rate revenue requirement for each rate component for wastewater was apportioned by customer class in the following manner:

- ✓ Customer charge – The number of customers, by customer class, was compiled from the most recent fiscal year's utility billing data to determine the number of customers and number of bills issued per year. The total costs were allocated on a per bill basis to develop the monthly charge.
- ✓ Flow rate – The volume of wastewater flow, adjusted to reflect the assumed return factors by customer was compiled in order to determine the distribution of flow by class. The volume charge was developed using volume data from the last fiscal year's billing data. The costs of the collection system were reduced to a cost per 1,000 gallons based on total billed volumes. The second component is the allocation of treatment costs. Strength of wastewater is measured based on wastewater loadings of Biochemical Oxygen Demand (BOD) and Suspended Solids (SS). The costs of treatment were apportioned between the two categories based on the estimated pounds of BOD and SS removed from wastewater by user class. Except for the residential class, these estimated pounds were calculated based on typical (Industry Standards) user strength characteristics developed by the California State Water Resources Control Board in 1998. The residential strength characteristics are based on the local residential contributions estimated by the Public Works Department staff. These loadings by customer class are presented in 4.

**Table 4-Typical User Strengths**

<b>Standard Classifications</b>	<b>BOD (mg/l)</b>	<b>SS (mg/l)</b>
Residential	331	383
Auto Steam Cleaning	1,150	2150
Bakery, wholesale	1,000	600
Bars without dining facilities	200	200
Car Wash	20	150
Department and Retail Store	150	150
Hospital and Convalescent	250	100
Hotel with dining facilities	500	600
Hotel/Motel without dining	310	120
Industrial Laundry	670	680
Laundromat	150	110
Laundry, commercial	450	240
Market with garbage grinders	800	800
Mortuary	800	800
Professional Office	130	80
Repair Shop and Service Station	180	280
Restaurant	1,000	600
School and College	130	100
Septage	5,400	12,000
Soft Water Service	3	55

The calculation of a user's monthly wastewater bill is represented by the following formula:

$$\text{Wastewater Charge} = CC + Vs[(Bc \times 0.00834 \times Bm) + (Sc \times 0.00834 \times Sm)]$$

Where:

*Bc*= Cost of treatment per unit of Biochemical Oxygen Demand (BOD)

*Bm*= Concentration of BOD in milligrams per liter

*CC*= Customer charge per bill

*Sc*= Cost of treatment per unit of Suspended Solids (SS)

*Sm*= Concentration of SS in milligrams per liter

*Vs*= Volume of wastewater in thousands of gallons

Volumes of wastewater are determined based on 80% of the average winter quarter (December, January and February) water usage for single family residential customers. Multi-family customer wastewater volumes are based on 100% of billed water volume. Laundries and Car Washes wastewater volumes are based on 70% of billed water usage each month. All other customer class wastewater volumes are based on 80% of billed water usage.

### C. Water Rates

The current rates for water consumption are compared to the proposed rates in Table 5. Two additional meter sizes have been added to the rate schedule.

**Table 5-Water Rates**

<b>Water Rates</b>	<b>Current</b>	<b>Proposed</b>
Customer Charge Per Bill - all users	\$ 3.30	\$ 3.20
<b><u>Meter Size-Base Fee all users</u></b>		
3/4" Meter	\$ 7.70	\$ 8.00
1" Meter	19.30	19.90
1 1/2" Meter	38.60	39.90
2" Meter	61.70	63.80
3" Meter	115.70	119.70
4" Meter	192.80	199.50
6" Meter	385.70	399.00
8" Meter	617.10	638.30
10" Meter	887.10	917.60
Hydrant Meter	192.80	199.50
<b><u>Residential Usage Charge per 1,000 gallons</u></b>		
0-4,000 gal	\$ 1.06	\$ 1.15
5,000-8,000 gal	1.69	1.83
9,000-12,000gal	2.47	2.68
13,000 + gal	3.88	4.20
<b><u>Non-Residential Usage Charge per 1,000 gallons</u></b>		
0-8,000 gal	\$ 1.69	\$ 1.83
9,000-12,000gal	2.47	2.68
13,000 + gal	3.88	4.20
Hydrant Usage – all gal	3.88	4.20

Multi-family rates are adjusted by the 47% unit equivalency factor and rate blocks are adjusted by the meter equivalency factor.

## D. Sewer Rates

The current rates for wastewater services are compared to the proposed rates in Table .

**Table 6 - Wastewater Rates**

	<b>Current</b>	<b>Proposed</b>	
<b><u>Customer Charge all users</u></b>	\$ 6.42	\$ 6.50	
<b><u>Customer Class</u></b>	<b><u>Volume charge per 1,000 gal</u></b>	<b><u>Volume charge per 1,000 gal</u></b>	<b><u>Return Factor</u></b>
Residential	\$ 3.52	\$ 3.82	80%
Multi-family	3.52	3.82	100%
Mobile Home Park	3.52	3.82	80%
Auto Steam Cleaning	8.58	11.13	70%
Bakery Wholesale	5.41	7.49	80%
Hospital & Convalescent	2.74	2.89	80%
Markets with Garbage Disposal	6.68	6.89	80%
Repair Shop and Service Station	2.74	2.88	80%
Restaurant	7.14	7.49	80%
Schools & Colleges	2.21	2.30	80%
Bars W/O Dining	2.73	2.83	80%
Laundromat	2.32	2.42	70%
Commercial Laundry	3.93	4.13	70%
Car Wash	1.83	1.86	70%
Professional Office	2.16	2.27	80%
Department Store & Retail	2.40	2.49	80%
Hotel w/Dining	4.92	5.05	80%
Hotel w/o Dining	3.05	3.22	80%
Mortuaries	6.68	6.89	80%

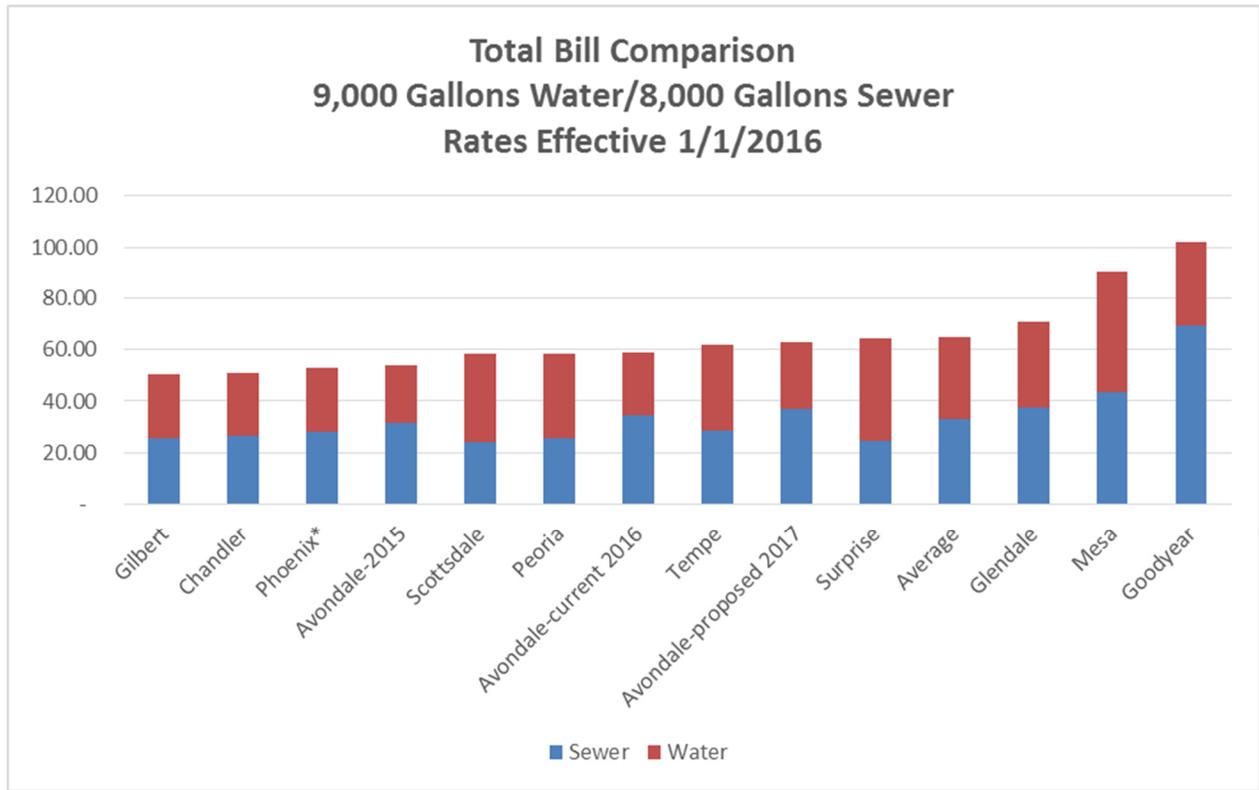
\*Residential charges are calculated using the average water usage for the months of December, January and February, adjusted by the listed return factor.

## E. Local Rate Comparisons

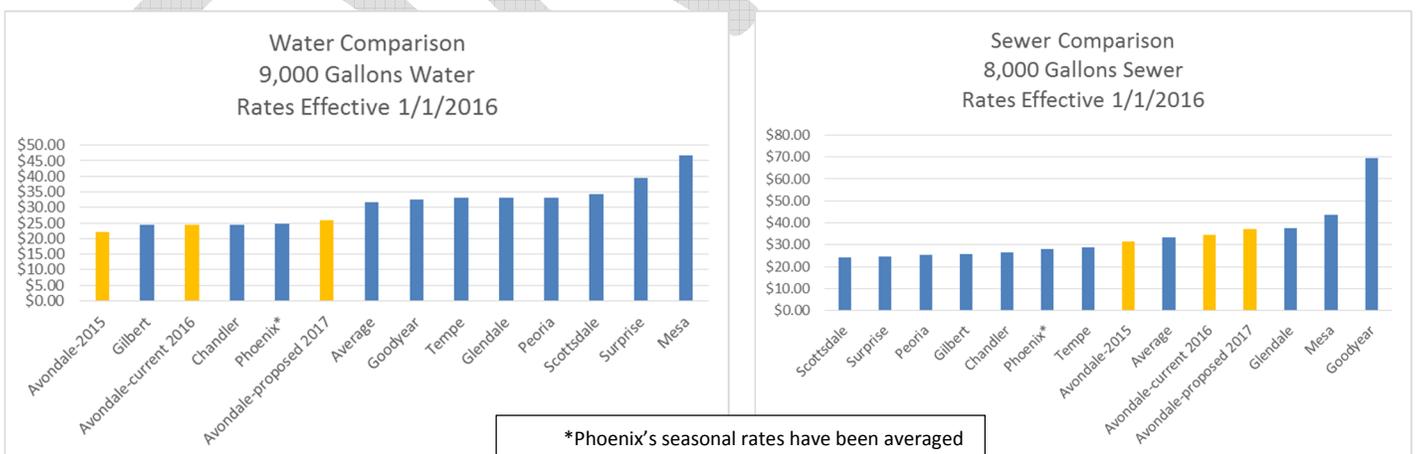
The proposed water and wastewater rates are still very competitive with rates around the Phoenix valley area. Water rates for the average usage are still among the lowest in the valley. The comparison values for water assume a 9,000 gallon residential water bill and the wastewater bill assumes average water usage of 8,000 gallons during the winter months. As indicated in the media, various other cities are also considering rate hikes so the rates depicted in Figure 1 and Figure 2 may change within the next year depending on the action taken by the respective City Councils.

**Figure 1 -Valley-Wide Water and Sewer Bills Total Bill Comparison**

Please note that the Cities’ rates are listed effective 1/1/2016 which is before the City of Avondale adopted its current rates. Staff has included the effective rates at the time in order to compare the rates as of 1/1/2016, current rates, and the future rates vs other cities’ current rates.



**Figure 2 - Valley-Wide Individual Water and Sewer Bill Comparison**



Avondale water rates remain among the lowest in the valley when comparing the City’s current rates to comparable-cities’ current rates. Staff has included the proposed rate increase in this graph

in order to show that even with the increase, the City is among the averages if sewer and water are considered together. (This assumes no other City adopts new rates.)

**F. Estimated Impact on Customer Bills**

The customer impact of each of this plan is presented in Figure 3 for residential customers with a 3/4" meter. The average billed volume for residential customers is 9,000 gallons per month. Sixty-five percent (65%) of all residential bills issued are between 0 and 9,000 gallons.

Figure 3 - Percent Change in Residential Monthly Water Bill

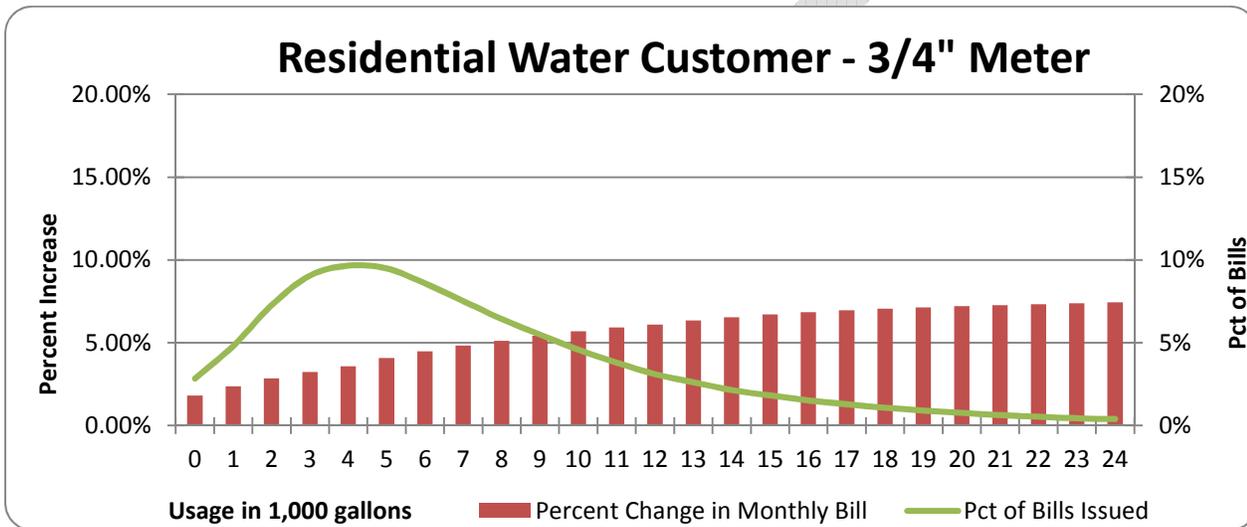
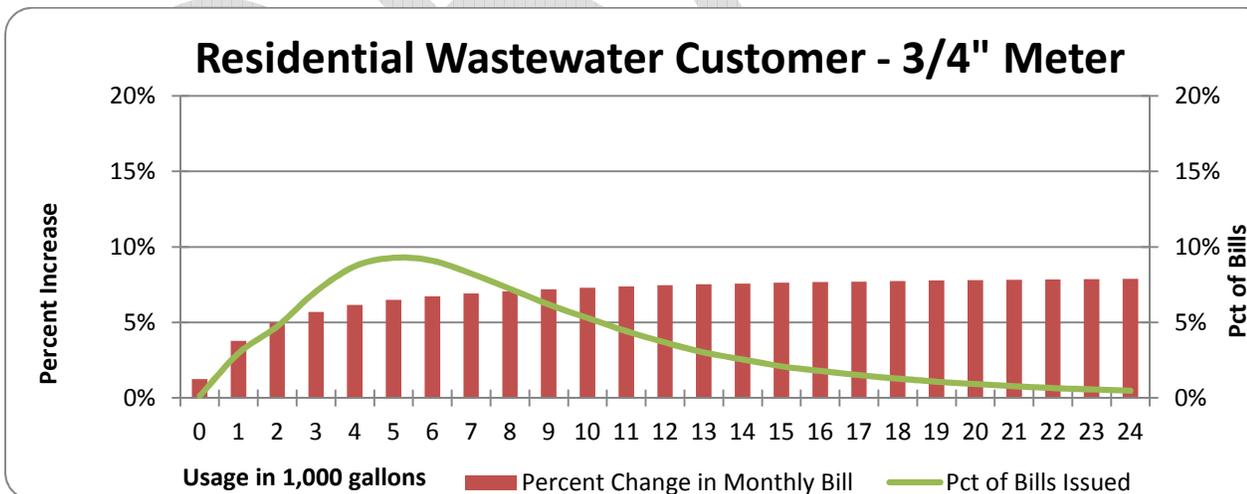


Figure 4 - Percent Change in Residential Monthly Wastewater Bill



The graphs depict the percent increase in monthly bills along with the percentage of bills issues for the billed volume on average. Water usage tends to vary while wastewater bills remain constant once set in July based on 80% of the average water usage during the winter months of December, January and February.

## V. Sample Bills

For comparison purposes, examples of monthly bills are presented on the following pages. The figures include a full month utility bill including all water, wastewater and sanitation services. The impact varies from 3.1% to 5.2% for most residential customers with a ¾" or 1" meter.

Figure 5 - 5,000 Gallons Water Usage – Residential ¾" Meter

Residential	Gallons Billed	Current	Proposed
<b>Water</b>	5		
Base Fee <input meter"="" type="text" value="3/4"/>		\$ 11.00	\$ 11.20
Volume Charge		5.93	6.43
Sub-Total		16.93	17.63
<b>Sewer (Winter Average)</b>	4		
Base Fee		\$ 6.42	\$ 6.50
Volume Charge on 80%	3	10.56	11.46
Sub-Total		16.98	17.96
Sanitation		20.00	20.00
Environmental Fee		1.00	1.00
<b>Taxes</b>		1.53	1.60
Total		<b>\$ 56.44</b>	<b>\$ 58.19</b>
Total Bill Change		\$ 1.75	
% Bill Change			3.1%

Figure 6 - 12,000 Gallons Water Usage – Residential ¾" Meter

Residential	Gallons Billed	Current	Proposed
<b>Water</b>	12		
Base Fee <input meter"="" type="text" value="3/4"/>		\$ 11.00	\$ 11.20
Volume Charge		20.88	22.64
Sub-Total		31.88	33.84
<b>Sewer (Winter Average)</b>	10		
Base Fee		\$ 6.42	\$ 6.50
Volume Charge on 80%	8	28.16	30.56
Sub-Total		34.58	37.06
Sanitation		20.00	20.00
Environmental Fee		1.00	1.00
<b>Taxes</b>		2.95	3.13
Total		<b>\$ 90.41</b>	<b>\$ 95.03</b>
Total Bill Change		\$ 4.62	
% Bill Change			5.1%

Figure 8 - 105,000 Gallons Usage - Non-Residential 3" Meter

Non-Residential	Gallons Billed	Current	Proposed
<input type="text" value="Hotel w/Dining"/>			
<b>Water</b>	105		
Base Fee <input meter"="" type="text" value="3"/>		\$119.00	\$122.90
Volume Charge		177.45	192.15
Sub-Total		296.45	315.05
<b>Sewer</b>	84		
Base Fee		\$6.42	\$ 6.50
Volume Charge		413.28	424.20
Sub-Total		419.70	430.70
Environmental Fee			1.00
<b>Taxes</b>		18.05	20.72
Total		<b>\$ 734.20</b>	<b>\$ 767.47</b>
Total Bill Change		\$ 33.28	
% Bill Change			4.5%

Figure 7 - 15,000 Gallons Water Usage – Residential 1" Meter

Residential	Gallons Billed	Current	Proposed
<b>Water</b>	15		
Base Fee <input meter"="" type="text" value="1"/>		\$ 22.60	\$ 23.10
Volume Charge		32.52	35.24
Sub-Total		55.12	58.34
<b>Sewer (Winter Average)</b>	10		
Base Fee		\$ 6.42	\$ 6.50
Volume Charge on 80%	8	28.16	30.56
Sub-Total		34.58	37.06
Sanitation		20.00	20.00
Environmental Fee		1.00	1.00
<b>Taxes</b>		5.07	5.36
Total		<b>\$ 115.77</b>	<b>\$ 121.76</b>
Total Bill Change		\$ 5.99	
% Bill Change			5.2%

## VI. Recommendations

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Based on the findings of the rate analysis, it is recommended that the City implement a rate plan that helps the City continue to fund the water and wastewater operations, contribute to system development and improvement, meet all required debt service requirements for existing and planned bond issues, maintain working capital reserves at nine months of operations and begin building reserves for future asset replacement. The suggested rate plan includes recommended increases for the next six years.

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Water	6.00%	6.00%	6.00%	6.00%	6.00%	2.00%
Wastewater	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

In conjunction, staff recommends that a fund balance policy be considered that would begin reserving net position in an amount of at least 5% of undepreciated assets along with the working capital reserves

Staff will hold two public meetings on October 25<sup>th</sup>, afternoon and evening, to provide information on the system analysis and to solicit customer feedback on the required rate adjustments. In addition, the Neighborhood and Family Services Commission has asked to be briefed on the proposed increases. Staff will be attending an NFS Commission meeting on October 26<sup>th</sup> to brief that Commission.

## VII. Appendix-Revenue Sufficiency Analysis-Ten Year Capital Improvements Program

Raw Project Amounts														Non Expansion													
Project Type	Eligible Project Funding Sources										% Related to Expansion of System Capacity	Project Description	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	Expansion Portion	Non Expansion Portion	Total	
	Other Fund	Water Development Fee	Bond Funds Restricted for Capital Projects - Water	EPA, State, Tribal GO Bonds	Capital Asset Replacement Fund																						
TRT	N	N	Y	N	N	25%	WA1068 Wellhead Treatment	1,600,000															400,000	1,200,000	1,600,000		
SOS	N	Y	N	N	N	100%	WA1090 Well 26	500,000	2,000,000															2,500,000	-	2,500,000	
SOS	N	Y	N	N	N	100%	WA1131 Future Well					500,000	2,000,000											2,500,000	-	2,500,000	
DIST	N	Y	N	N	N	100%	WA1133 99th Waterline - Thomas to McDowell							800,000										800,000	-	800,000	
GEN	N	N	N	N	N	0%	TMP9286 Integrated Utility Master Plan		125,000						125,000									-	250,000	250,000	
SOS	N	Y	N	N	N	100%	WA1142 Future Well										500,000	2,000,000						2,500,000	-	2,500,000	
TRT	Y	N	N	N	N	0%	TMP9290 Wetland Liner Study	125,000																-	125,000	125,000	
SOS	N	Y	N	N	N	100%	WA1201 Well 22				500,000	1,000,000												1,500,000	-	1,500,000	
SOS	N	Y	N	N	N	100%	WA1214 Well 27							500,000	2,000,000									2,500,000	-	2,500,000	
DIST	N	Y	N	N	N	100%	WA1231 Dysart Waterline - Whyman to Lower Buckeye							500,000										500,000	-	500,000	
SOS	N	Y	N	N	N	25%	WA1285 White Mountain Tribe Lease		2,000,000															500,000	1,500,000	2,000,000	
DIST	N	Y	N	N	N	100%	WA1302 Dysart Waterline - Reser Alignment							1,000,000											1,000,000	-	1,000,000
SOS	N	Y	N	N	N	100%	WA1315 Well Relocation - 107th & McDowell							500,000	2,000,000									2,500,000	-	2,500,000	
DIST	N	Y	N	N	N	100%	WA1318 Central Avondale Waterlines								2,000,000	2,000,000								2,700,000	-	2,700,000	
DIST	N	Y	N	N	N	100%	WA1320 El Mirage Waterlines - Lower Buckeye to Southern							1,000,000	2,500,000									3,500,000	-	3,500,000	
DIST	N	Y	N	N	N	100%	WA1321 El Mirage Waterlines - Southern to Indian Springs									500,000	1,000,000							1,500,000	-	1,500,000	
DIST	N	Y	N	N	N	100%	WA1322 Southern Waterline - Dysart to Avondale																	1,200,000	-	1,200,000	
TRT	N	Y	Y	N	N	50%	WA1340 Nitrate Removal System		500,000	3,000,000														1,750,000	1,750,000	3,500,000	
SOS	N	Y	N	N	N	100%	WA1341 Coldwater Booster Expansion					500,000	3,000,000											3,500,000	-	3,500,000	
SOS	Y	N	N	N	N	0%	TMP9291 Increase in CAP Water Costs			12,000	140,000	250,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000					-	1,427,000	1,427,000
DIST	N	N	Y	N	N	0%	WA1057 Citywide Water Improvements (combined with WA1343)																		-	-	-
DIST	N	N	Y	N	N	0%	WA1162 CDBG Waterline Improvements		1,200,000		1,000,000			1,000,000				800,000							-	4,000,000	4,000,000
DIST	N	N	Y	N	N	0%	WA1169 Rio Vista Waterline Replacement				1,400,000	1,500,000													-	2,900,000	2,900,000
SOS	N	N	Y	N	N	0%	WA1298 Well #7 Site Improvements				500,000	1,200,000													-	1,700,000	1,700,000
DIST	N	N	Y	N	N	0%	WA1343 Water System Line Replacements and Expansions	1,500,000	1,100,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000								-	14,600,000	14,600,000
DIST	N	N	Y	N	N	0%	WA1344 System Pressure Reducing Stations																		-	-	-
SOS	N	N	Y	N	N	0%	Reservoir Coating and Rehabilitation (onetime)	750,000	750,000	500,000	500,000														-	2,500,000	2,500,000
DIST	N	Y	N	N	N	100%	WA1323 Southern Avondale Waterline - Lower Buckeye to Southern																	1,000,000	-	1,000,000	
Total								\$ 4,475,000	\$ 7,675,000	\$ 5,012,000	\$ 5,540,000	\$ 6,450,000	\$ 7,830,000	6,005,000	10,205,000	6,205,000	4,905,000							\$ 32,350,000	\$ 31,952,000	\$ 64,302,000	

Raw Project Amounts														Non Expansion													
Project Type	Eligible Project Funding Sources										% Related to Expansion of System Capacity	Project Description	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	Expansion Portion	Non Expansion Portion	Total	
	Other Fund	Sewer Development Fee	Bond Funds Restricted for Sewer Capital	EPA, State, Tribal GO Bonds	Capital Asset Replacement Fund																						
COLL	Y	N	N	N	N	0%	SW 1047 Sewer pipe relining (ongoing)	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	
LS	N	Y	N	N	N	100%	SW1233 Lift Station - Southern & Dysart																	\$ 3,500,000	-	3,500,000	
COLL	N	Y	N	N	N	100%	SW1234 Southern Ave Sewerline - Dysart to Avondale																	\$ 3,200,000	-	3,200,000	
TRT	N	Y	Y	N	N	100%	SW1237 Phase II Expansion - WRF					2,500,000					2,500,000	24,600,000	15,400,000					\$ 45,000,000	\$ -	45,000,000	
TRT	N	Y	Y	N	N	50%	SW1304 Tertiary Filters at WRF											5,400,000						\$ 2,700,000	\$ 2,700,000	5,400,000	
LS	N	N	N	N	N	0%	TMP9285 Lift Station Security System Upgrades	50,000	50,000															\$ -	\$ 100,000	100,000	
TRT	N	Y	Y	N	N	25%	TMP9242 Secondary Clarifier at WRF	3,000,000																\$ 750,000	\$ 2,250,000	3,000,000	
COLL	Y	N	N	N	N	0%	SW1108 Backup Force Main - 10th St LS to El Mirage	200,000	1,800,000															\$ -	\$ 2,000,000	2,000,000	
COLL	N	N	N	N	N	0%	SW1270 McDowell Rd Sewerline			200,000														\$ -	\$ 200,000	200,000	
TRT	N	N	Y	N	N	0%	SW1339 - WRF Facility Upgrades	8,829,000																	\$ -	\$ 8,829,000	8,829,000
COLL	N	N	N	N	N	0%	SW1356 Large Diameter Pipe Rehab Program (ongoing)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				\$ -	\$ 11,000,000	11,000,000	
COLL	N	N	Y	N	N	0%	TMP9225 Sewer system repairs "hot spots" (onetime)	500,000	275,000	800,000	650,000														\$ -	\$ 2,225,000	2,225,000
COLL	N	N	Y	N	N	0%	TMP9226 Dysart Main Replacement - Western to Riley							700,000											\$ -	\$ 700,000	700,000
COLL	N	Y	Y	N	N	50%	TMP9227 Dysart Sewer Extension - Riley to Lower Buckeye							1,500,000											\$ 750,000	\$ 750,000	1,500,000
COLL	N	Y	Y	N	N	50%	TMP9286 Integrated Utility Master Plan		125,000																\$ 62,500	\$ 62,500	125,000
LS	Y	N	Y	N	N	0%	TMP9250 Lift Station Rehab Program	180,000	180,000	180,000	415,000	205,000	180,000	390,000	180,000	285,000									\$ -	\$ 2,375,000	2,375,000
LS	N	N	Y	N	N	0%	TMP9284 Relocate Riley Lift Station							500,000											\$ -	\$ 500,000	500,000
Total								\$ 14,109,000	\$ 3,780,000	\$ 2,530,000	\$ 2,415,000	\$ 4,055,000	\$ 1,530,000	6,940,000	31,530,000	17,035,000	8,230,000	1,350,000							\$ 55,962,500	\$ 37,541,500	\$ 93,504,000

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