

CONTRACT FOR WATER CONSERVATION STRATEGIC PLAN SERVICES

Contract No. 2018-38

This Contract is entered into this ____ day of _____, 2018 by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and Maddaus Water Management, Inc., a corporation in the State of California.

WHEREAS, the City of Flagstaff desires to receive, and Contractor is able to provide materials and/or services;

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

1. Scope of Work: Contractor shall provide the materials and/or services generally described as follows:

WATER CONSERVATION STRATEGIC PLAN

and as more specifically described in the scope of work attached hereto as Exhibit A.

2. Compensation: In consideration for the Contractor's satisfactory performance, City shall pay Contractor the compensation described in Exhibit A. Any price adjustment must be approved in writing and approved by the parties. The City Manager or his designee (the Purchasing Director) may approve an adjustment if the Contract price is less than \$50,000; otherwise City Council approval is required.
3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as Exhibit B are hereby incorporated in this Contractor by reference and shall apply to performance of this Contract, except to the extent modified in Exhibit A.
4. Insurance: Contractor shall meet insurance requirements of the City, set forth in Exhibit C.
5. Contract Term: The Contract term is for a period of two (2) years, commencing on _____, 2018 and continuing through _____, 2019.
6. Notice: Any formal notice required under this Contract shall be in writing and sent by certified mail and email as follows:

To the City:

Patrick Brown
City of Flagstaff
211 W. Aspen
Flagstaff, AZ 86001
pbrown@flagstaffaz.gov

With a copy to:

Tamara Lawless
tlawless@flagstaffaz.gov

To Contractor:

Lisa Maddaus
Maddaus Water Management, Inc.
105 Zephyr Place
Danville, CA 94526
lisa@maddauswater.com

With a copy to:

Michelle Maddaus
michelle@maddauswater.com

- 7. No Boycott of Israel. Pursuant to A.R.S. §§ 35-393 and 35-393.01, the Parties certify that they are not currently engaged in and agree, for the duration of the agreement, not to engage in a boycott of Israel
- 8. Authority: Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

(Please sign in blue ink. Submit original signatures – photocopies not accepted)

MADDAUS WATER MANAGEMENT, INC.

Print name: _____

Title: _____

CITY OF FLAGSTAFF

Barbara Goodrich
Interim City Manager

Attest:

City Clerk

Approved as to form:

City Attorney's Office
Notice to Proceed issued: _____, 2018

EXHIBIT A

SCOPE OF WORK

Detailed Scope of Work

Task 1 – Identify Water Efficiency Goals and Targets

The Plan will identify several options for appropriate water efficiency goals for all sectors. These goals will be vetted by the community through a community engagement process. Options will be provided to the City's Water Commission and to the City Council for final recommendation. Goals and targets will account for limitations of the wastewater treatment operation and collections system, including flows, velocities, and waste concentrations. Goals with annual targets will be provided for both indoor and outdoor use based on a recommended conservation program scenario evaluated in the DSS Model, an end-use model that distinguishes use characteristics (i.e., indoor/outdoor split) for all customer categories.

1-A Kick-Off Meeting with Staff and Steering Committee

Key Maddaus Water Management (MWM) staff members will meet with representatives from the City to discuss the project. The kick-off meeting will include the following steps:

- Discuss overall project goals and targets for the conservation program and the development of the Plan. Based on available information and budget, MWM will consider limitations in wastewater system design capacity through discussion and review of drainline slope (carry) and other identified issues based on available study references.
- Work through any adjustments to MWM's proposed strategy for public engagement throughout the planning process.
- Review the demand trends in recent reports to discuss seasonality of use by sectors and consider the indoor and outdoor use relative to goals, targets and the modeling effort.
- Adjust a proposed timeline, based on City feedback, for the staff and steering committee to engage with MWM. The schedule is dependent on timely responses by the City staff. MWM will work closely to assist the City staff in a timely manner, aiming to provide a minimum of two weeks for responses to informational and/or data requests and draft deliverables.
- Review the data collection workbook request and any additional support needs from City staff.
- Decide on next steps for the public engagement process.

1-B Data Collection and Resources Review

MWM will use our template data collection workbook in MS Excel to help guide the data collection effort. The effort is envisioned to include, but is not limited to, the following list of measures:

- Leak detection and follow-up
- Mandatory prohibitions on water waste
- Retrofit on change of service
- Residential and commercial water use surveys (indoor and outdoor)
- High-use letters
- Toilet rebates
- Turf buybacks
- Landscape regulations
- Promotional giveaways (aerators, showerheads, moisture sensors, hose nozzles)
- Public education and outreach
- Youth outreach
- Commercial outreach
- City ordinances and regulations or resol

Task 1 Deliverables

There will be two deliverables for this task:

1. Summary document of notes from the kick-off meeting with City staff and the Steering Committee
2. Data collection workbook

Task 2 – Prioritized Actions and Initiatives – “Areas of Opportunity”

MWM will review existing City practices and procedures to create a comprehensive list of water use efficiency measures currently in place. We will review relevant literature and practices of other agencies to determine potential measures that could be implemented by the City. Measures that include both qualitative and quantitative data will be categorized. We will also utilize a library of conservation measures to screen for new potential items.

We are highly skilled modelers and our preferred conservation program analysis tool is the DSS Model, an end-use model that functions from a baseline demand projection so an analysis can be conducted over a future planning period (i.e., 30 years). If City staff prefers, MWM can use the Alliance for Water Efficiency Tracking Tool. Both models rely on demand projections. It is assumed that existing demand projections (or population/employment forecasts) are to be used, as directed by the City. Based on an available budget, MWM can develop new demand projections for the purposes of conducting the conservation evaluation. It is assumed that one demand projection will be used in the modeling effort.

Task 2-A: Water Savings Potential

The Plan will compare various water efficiency initiatives and will assess factors such as likelihood of adoption and acre-feet potentially saved. MWM will follow the process outlined in the AWWA M52 Manual – Water Conservation Programs – A Planning Manual. We will use our master measures library and work with City staff to model current measures as well as screen for potential new measures based on qualitative criteria developed with the City. It is assumed that the up to 25 measures selected in the screening process will populate the DSS Model during Task 3. Feedback on new measures will be solicited throughout Task 2 after the initial modeling effort on the current program is complete. The measures will be combined into up to three scenarios for planning evaluation. Typically, these scenarios are: (a) current program measures; (b) new optimized program with recommended measures; and (c) all modeled measures (more of an upper boundary).

Task 2-B: Cost Effectiveness

MWM will compare various actions in terms of cost per volume of water saved and energy savings along with community benefits. In preparation for DSS Model development, MWM will review the time and materials needed for selected, existing and potential measures as well as help the City determine the full cost of implementation for each selected measure, including marketing, rebates, labor, administrative services and materials. It is assumed that the outcome of this task will be inputted into the chosen model for complete evaluation of cost effectiveness.

The City will provide data to quantify the value of:

- Reducing water system operating costs;
- Capital outlay for new facilities that was averted;
- Customer energy savings; and
- Costs of building any new infrastructure.

MWM will also review the wastewater system challenges and recent rate study associated with financial considerations as part of the planning effort. The model results will be presented as net present value over the planning period as well as a cost-per-unit volume saved for ease of measure comparison.

Task 2-C: Staff Resources

The Plan will compare various actions to determine the approximate number of staff hours required for implementation. The model includes a “marketing and administrative” feature that enables MWM to provide the hours worked by an equivalent employee on a full-time basis (FTEs) (i.e., 2000 hours worked) as part of the analysis. This may be presented in tabular or graphical form along with staffing roles descriptions and responsibilities. This will be formulated based on model outcome discussions in addition to the developed projected approach to water efficiency. For example, more aggressive outdoor water use measures targeting peak demand reductions may lead to shifting or adding staff with enhanced landscape expertise.

Task 2-D: Community Preference

MWM truly enjoys the opportunity to engage the public in dialogue relative to water use efficiency and shaping a community’s Water Conservation Strategic Plan. Project Lead, Lisa Maddaus, and MWM Senior Engineer, Michelle Maddaus, are accustomed to engaging both small and large groups (over 50 participants). They are well-versed in leading discussions to effectively review and select conservation-related project and program goals, targets and conservation measures, ultimately gaining consensus on a stakeholder-recommended scenario. A Shared Vision Planning Process is used to align and further inspire the community’s conservation values, building a conservation ethic and identity for Flagstaff staff, residents and businesses.

Through this community engagement process, the Plan will be designed to inspire action in addition to a notion of shared responsibility throughout the community. Success will be attributed to the commitment of the entire community, including civic leaders, City staff, visitors, and citizens. To this end, MWM will support a Steering Committee with individuals from City staff, volunteer-based Commissioners, local partner agencies, Northern Arizona University (NAU), the indigenous community and interested local environmental non-profits. It is assumed that an approximate 12-member Steering Committee will meet on an as-needed basis throughout the project, approximately every other month. MWM will facilitate the production of these meetings and co-lead them with City staff. The City will provide any summary notes or other documentation based on outcomes of the Steering Committee or larger community meetings for later inclusion in the Plan’s appendices. It is assumed that MWM will attend one meeting in-person and participate in other meetings via an online GOTO meeting account provided by MWM.

The following is a list of potential partners that are planned to be engaged during this project:

- Willow Bend Environmental Education
- Grand Canyon Trust
- Arboretum at Flagstaff
- Sunnyside Neighborhood Association/Killip Elementary School/Mercado de los Suenos
- Lowell Observatory
- Museum of Northern Arizona
- Friends of Flagstaff’s Future
- Water Commission/Sustainability Commission
- Friends of the Rio de Flag
- Grand Canyon Youth
- Northern Arizona University/Green Jacks/Office of Sustainability/Sustainable Communities Program
- Flagstaff Water Group
- Southside Neighborhood Association
- Downtown Business Alliance/Chamber of Commerce

- Natural Channel Designs
- AZ Game and Fish/Fish and Wildlife/Forest Service/National Park Service

In order to gain community input, MWM will facilitate and/or support community engagement in three primary steps:

Step 1. Input on conservation program goals and “areas of opportunity” with measures and actions

The Steering Committee will help frame the outreach approach, envisioned to include community meetings:

- Up to three meetings are tentatively planned of the City staff’s choosing; for time and cost efficiency, its assumed that these meetings would be scheduled in a two-day window. These community meetings may be facilitated sessions at the City’s choosing, which may involve an outsourced third-party expense.
- MWM will support the preparation by City staff (or Peak Democracy) of an online survey of various conservation measures/actions preferred by the community. The Steering Committee will review questions and the list of measures and actions being requested for community input. It is envisioned that this online survey will be a second way to comment besides the in-person meetings and be a means to gain broader and deeper community input. It is assumed that information regarding the online survey and direct access to it will be posted on the City’s web site and social media channels; City staff will support outreach to partner organizations; and MWM may conduct outreach to these organizations on an as-needed basis depending on availability of the task budget.
- City Staff will prepare two summary documents: one for the meeting recap and list of action items; and one for the optional online survey (can be reviewed by MWM to support the planning process). Both documents are assumed to be less than two pages and will be placed in one of the Plan appendices.

Step 2. Discuss the results of the modeling analysis with a recommended conservation program scenario

- MWM will prepare the modeling results for review by City staff and then by the Steering Committee. It is assumed one online meeting to be arranged to gain insights into the modeling results.
- Once the modeling results and a recommended program scenario have been framed, MWM may attend one City Council Meeting to support the City’s presentation of the community feedback, conservation program goals, results of the modeling and the recommended program scenario. The purpose of the City Staff presentation will be to seek direction for development of the planning document.

Step 3. Present the recommended Plan to solicit feedback and adoption by the City Council

- Based on City direction, MWM will prepare the planning document using the recommended scenario for review by City staff and the Steering Committee. The document will present background information on the planning process, including other alternative scenarios considered. One online administrative draft review meeting is assumed, to resolve any outstanding comments in the document. Additional input of management and community partners by City staff may be sought with MWM support.
- MWM will address one consolidated set of track change comments in the draft Plan. Once the planning document is prepared as a “public review draft”, MWM will support development of the City’s presentation to one City Water Commission and one City Sustainability Commission meeting.
- Once the Plan is completed with one set of consolidated public comments addressed by MWM, the Plan will be recommended for adoption by City Council. MWM will attend one

City Council meeting and, at the City's direction, assist with presenting the Plan. The purpose of this presentation will be to seek adoption of the Water Conservation Strategic Plan.

Assumptions:

In summary, it is assumed MWM will attend up to 5 total meetings in-person in some combination from the choices that follow:

- Steering Committee meeting (up to 5 maximum, with 1 in-person)
- Community meeting (up to 3 max., scheduled within 2-3 consecutive days, counted as one travel expense)
- Water Commission and Sustainability Commission meeting (review of presentation to be provided by City staff)
- City Council meeting (1 max., either for the recommended scenario or for Plan adoption)

For any meetings, it is assumed that facilitation and translation services will be provided through outside resources (i.e., NAU resources, Southwest Decision Resources or another third party) at the City's option and separately funded. It is also assumed that the City will assist with meeting logistics (attendance, location, food, handouts, etc.) and with the preparation of any meeting notes (summaries of community input, etc.).

It is assumed that the required deliverables for this project align with the planning process and are connected to this community engagement task. These deliverables include:

- DSS Model for presentation of the results
- Conservation measures list for public review
- Potential review of an online survey to seek community input on conservation preferences, goals, actions/measures
- Review of documentation of community input (provided by City staff)
- Administrative Draft Plan for City staff and Steering Committee review
- "Public Review Draft" for community input and review by Water Commission and Sustainability Commission
- Final Plan for adoption by the City Council
- Completed DSS Model

Task 2-E: Alignment with City Objectives and Policies

Throughout the planning process, MWM will seek to understand the approach to addressing water efficiency needs through the policies of the City. The Plan will consider how various actions may impact current City Council goals and objectives, City policies, and City code. The Plan will ensure that proposed actions comply with all applicable local, state and federal laws. Suggestions for future code or ordinance updates may be an outcome of the planning effort.

Task 2-F: Return on Investment

The Plan will present the DSS Model results, including the finalized detailed cost-benefit calculations for actions and initiatives (using methods such as present or net present valuation). The Plan will consider the lifecycle of investments in calculations of long-term benefits as part of the DSS Model.

MWM has a collaborative process that uses web-based screen-sharing platforms to support the development of various aspects of the DSS Model; accessing stakeholder input and achieving consensus are multiple stages of the analysis process. At the project end, the deliverables will include the model itself in MS Excel format, the Quick Start and User guides, and short online training videos

available for the various elements of the model. The DSS Model may be updated in the future by City staff; future software updates are available through MWM.

Task 2-G: Customer Billing Rate and Rate Structure Approaches Used in the Industry

MWM and City staff will determine if the City's current rate structure is a conservation measure to be included in the model. This approach of modeling the rate structure will ensure that the Plan considers how water rates can be used to achieve desired outcomes, including focusing on social equity, long-term benefits and community empowerment. It is assumed that a recent rate study is available for review. MWM will share information from recent research on rate structures that promote conservation from other utilities.

Task 2 Deliverables

The deliverables for this task are as follows:

- DSS Model with cost effectiveness calculations
- PowerPoint or other presentation materials for community meeting(s). Note that it is assumed that the City will provide one set of consolidated comments on a draft presentation and provide any handouts for community meetings based on camera ready final presentation materials prepared by MWM.
- Staffing matrix
- Comments review of any City-prepared meeting documentation derived from community meetings

Task 3 – Implementation

MWM will prepare the implementation strategy needed to help execute the plan. This section describes the Plan elements and the outreach strategy along with support for financing the conservation program.

Task 3-A: Plan Elements

The model, when prepared for each measure, includes a start year and end year. As a result, the Plan will include annual timelines, staff time requirements, estimated costs, expected results, and metrics for long-term monitoring. A matrix of implementation parameters for each conservation measure also will be prepared in a chapter of the plan. For example, the chapter in the Plan will include the following:

- Performance metrics related to each action or initiative in the Plan
- Recommendations regarding how progress on the Plan will be measured, evaluated, and reported to the public
- A template for annual reporting and communicating progress on conservation goals
- A strategy for reviewing and revising the Plan by staff and City Council

Task 3-B: Outreach Strategy

MWM has an extensive network of contacts and resources used for the preparation of successful and cost-effective outreach materials for programs instituted during the implementation phase of the conservation program, after the Plan is adopted. The Plan will include example marketing, education, and engagement materials prepared by other utilities for the benefit of the City's development of an outreach and education program. The process may include the following concepts for seeking on-going support for conservation program implementation:

- Seek On-going Community Input

- Input, actions, and recommendations should be contributed by residents and organizations from throughout the Flagstaff community
- Partner organizations and institutions can support the process through participation in the Steering Committee (see below) and the community engagement process
- Groups/committees
- Steering Committee Support
 - Community members and City staff may continue to support the program
- Potential Committee Development
 - Community Advisory Group – representing community groups, traditional indigenous knowledge, ecological knowledge, etc. This would be an additional expense as part of future implementation support (i.e., not in current budget).
 - Responsibility for the development and management of a group would be determined through consultation with MWM on an on-call support basis.

As an optional service under Task 5, MWM can support the development of new or revised materials associated with the City’s new conservation strategy.

Task 3-C: Funding Opportunities

MWM is familiar with an array of financial strategies to fund conservation measures and has written multimillion dollar grants on behalf of utilities. Our financial suggestions will be discussed throughout the modeling and planning process. The Plan will present the total “utility cost” to administer the conservation program. Some considerations and suggestions for private or outside funding opportunities that may augment the implementation process will be presented. This may include, for example, the creation of rebate programs that require matching funds from participating commercial or industrial customers as the DSS Model commutes the “customer costs” as one of the parameters of the modeling analysis. We have supported cost-sharing agreements between utilities, such as water and energy utility partnerships.

Task 3 Deliverable

The deliverable for this task will be an electronic administrative draft of the cost-effectiveness model for City staff to review. MWM will provide the DSS Model so City Staff can review notes throughout the model to document assumptions. MWM also will address one set of consolidated comments provided through the Action Tracker list in the model.

Task 4 – Water Conservation Strategic Plan Development

MWM will prepare a Water Conservation Strategic Plan as summarized in the following tasks.

Task 4-A: Prepare Draft Water Conservation Strategic Plan

MWM will work with City staff to prepare the Administrative Draft Plan based on an approved outline and potentially including some drafting of sections by City Staff. The full Draft Plan will be available for review in camera-ready electronic format for one set of consolidated comments using track changes in MS Word. It is assumed that the modeling effort will not be revisited. This Administrative Draft Plan is assumed to be on the order of 30-40 pages (with additional content supporting appendices) and will meet the requirements set by the City for acceptance and compliance. MWM’s Plan development will include a robust QA/QC process that we have derived through extensive experience. It is assumed that there will be one online GoTo Meeting with staff to review the Administrative Draft Plan. At City staff direction, MWM will support a brief MS PowerPoint presentation of the Draft Plan to the Water Commission and Sustainability Commission.

Task 4-B: Glossary

The Plan will define all technical terms for utilization by users outside the water conservation field in the form of a Glossary of Terms, included as an appendix in the Final Plan.

Task 4-C: Water Conservation Strategic Plan Revisions

MWM will address the initial revisions to the Draft Plan based on one consolidated set of comments with clear direction on how to address both City comment and City-reviewed public comment. MWM will conduct a call with City staff to clarify Draft Plan comments, as necessary.

Task 4-D: Final Plan and Board Presentation

MWM will produce the Final Plan for formal City Council adoption. The Project Manager will attend and/or assist with presentation to the City Council when seeking adoption of Plan. MWM assumes only one Council presentation of the Draft or Final Plan at the City's option. MWM is willing to provide additional presentations based on budget availability.

Task 4-E: Implementation, Monitoring and Evaluation

City staff will begin to implement the strategy presented in the Plan's "Implementation, Evaluation and Tracking" section. Based on budget availability, at the City's option, MWM will be on-call for assistance during this phase of the project. City staff will evaluate the chosen measures for ongoing efficiency and refinement.

Task 4 Deliverables:

The deliverables for this task will be an Administrative Draft Plan and a Final Plan summarizing the results of Task 1, Task 2 and Task 3.

- MWM will prepare electronic PDF and MS Word files of the Draft Water Conservation Strategic Plan for distribution and comment during the community engagement process.
- MWM will support the City's preparation of a PowerPoint or other presentation materials for the Draft Plan presentation (note that it is assumed that the City will provide one set of consolidated comments on a draft presentation and provide handouts for community meetings based on a camera-ready final presentation copy prepared by MWM).
- MWM will prepare an electronic PDF and MS Word file of the Final Water Conservation Strategic Plan for distribution and comment during the Plan adoption process based on the City's provided comments to be resolved by one online meeting. We have budgeted the attendance of one City Council meeting during the adoption process.

Task 5 – On-Call Support

MWM is available to offer more support to City staff as-needed, depending on budget availability.

Task 5-A: Provide Additional Technical and Outreach Assistance

The City may request ongoing support to help facilitate the success of the Plan's development and/or implementation. If additional budget is available, MWM can offer additional support to staff on an as-needed basis, such as MWM contracting with outsourced facilitation and translation services by a local third party, at the City's direction, during the community outreach tasks or allotted to support another task as needed. All work would be completed based on written authorization by City staff.

City of Flagstaff Water Conservation Strategic Plan Proposed Schedule

2018-2019

Task	Activities / Milestones	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	Identify Water Efficiency Goals and Targets															
1-A	Kick-off Meeting with Staff and Steering Committee - Project Start-Up		★													
1-B	Collect Data, Document and Review Measures			★												
2	Prioritized Actions and Initiatives - "Areas of Opportunity"															
2-A	Water Saving Potential															
2-B	Cost Effectiveness															
2-C	Staff Resources															
2-D	Community Preference (up to 3 meetings)															
2-E	Alignment with City Objectives and Policies															
2-F	Return on Investment															
2-G	Customer Billing Rate and Rate Structure Approaches Used in the Industry															
3	Identification and Prioritization of WUE Projects and Programs															
3-A	Plan Elements															
3-B	Outreach Strategy															
3-C	Funding Opportunities															
4	Water Conservation Strategic Plan Development															
4-A	Prepare Draft Water Conservation Strategic Plan															
4-B	Glossary															
4-C	Final Plan and Board Presentation															
4-D	Implement, Monitor, and Evaluate															
5	On-Call Support															
5-A	Additional Technical or Outreach Support As Needed															

★ Deliverables

★ In person or phone conference meeting (assume total of 5 meetings, with one being in-person meeting at the City's option)

★ Community Meetings (scheduled within same 2-3 days)

Task Name	Project Team Hours					Project Team Cost					Total Labor	
	Lisa Maddaus	Michelle Maddaus	Tess Kretschmann	Chris Matyas	Andrea Pacheco	Lisa Maddaus	Michelle Maddaus	Tess Kretschmann	Chris Matyas	Andrea Pacheco		
1 Identify Water Efficiency Goals and Targets												
1-A Kick-off Meeting with Staff and Steering Committee - Project Start-Up	8	2	-	-	2	\$1,760	\$430	-	-	\$200	\$2,390	
1-B Collect Data, Document and Review Measures	8	4	16	-	2	\$1,760	\$860	\$2,320	-	\$200	\$5,140	
Subtotal	16	6	16	-	4	\$3,520	\$1,290	\$2,320	-	\$400	\$7,530	
2 Prioritized Actions and Initiatives - "Areas of Opportunity"												
2-A Water Saving Potential	8	-	16	-	-	\$1,760	-	\$2,320	-	-	\$4,080	
2-B Cost Effectiveness	8	2	24	16	-	\$1,760	\$430	\$3,480	\$3,440	-	\$9,110	
2-C Staff Resources	4	-	2	-	2	\$880	-	\$290	-	\$200	\$1,370	
2-D Community Preference (up to 3 meetings)	24	8	8	4	8	\$5,280	\$1,720	\$1,160	\$860	\$800	\$9,820	
2-E Alignment with City Objectives and Policies	8	4	4	-	4	\$1,760	\$860	\$580	-	\$400	\$3,600	
2-F Return on Investment	8	2	4	4	2	\$1,760	\$430	\$580	\$860	\$200	\$3,830	
2-G Customer Billing Rate and Rate Structure Approaches Used in the Industry	1	8	6	-	-	\$220	\$1,720	\$870	-	-	\$2,810	
Subtotal	61	24	64	24	16	\$13,420	\$5,160	\$9,280	\$5,160	\$1,600	\$34,620	
3 Identification and Prioritization of WUE Projects and Programs												
3-A Plan Elements	12	4	-	-	8	\$2,640	\$860	-	-	\$800	\$4,300	
3-B Outreach Strategy	4	4	-	-	4	\$880	\$860	-	-	\$400	\$2,140	
3-C Funding Opportunities	4	-	-	-	2	\$880	-	-	-	\$200	\$1,080	
Subtotal	20	8	-	-	14	\$4,400	\$1,720	-	-	\$1,400	\$7,520	
4 Water Conservation Strategic Plan Development												
4-A Prepare Draft Water Conservation Strategic Plan	32	8	16	8	16	\$7,040	\$1,720	\$2,320	\$1,720	\$1,600	\$14,400	
4-B Glossary	2	-	-	-	4	\$440	-	-	-	\$400	\$840	
4-C Final Plan and Board Presentation	12	-	-	-	5	\$2,640	-	-	-	\$500	\$3,140	
4-D Implement, Monitor, and Evaluate	16	2	-	-	-	\$3,520	\$430	-	-	-	\$3,950	
Subtotal	62	10	16	8	25	\$13,640	\$2,150	\$2,320	\$1,720	\$2,500	\$22,330	
5 Optional Tasks												
Additional On-call Technical or Outreach Support (assumed approx. 10% 5-A contingency, may include outside subcontract services at City's direction)												
		As Needed - To Be Determined										
Project Total Labor	159	48	96	32	59	\$34,980	\$10,320	\$13,920	\$6,880	\$5,900	\$72,000	
Production Costs, Travel, Other Direct Costs											\$3,000	
Project Total Budget											\$75,000	

EXHIBIT B

CITY OF FLAGSTAFF STANDARD TERMS AND CONDITIONS

IN GENERAL

1. **NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.
2. **LICENSES AND PERMITS:** Contractor at its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.
3. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.
4. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, this Contract is non-exclusive and the City reserves the right to contract with others for materials or services.
5. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

6. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.
7. **QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials, and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.
8. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.
9. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturer's Warranties to City upon City's acceptance of the materials.
10. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.
11. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City actually receives the material at the point of delivery, and the City has completed

inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

12. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.
13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute shall deliver conforming materials, or services, in each installment or lot of the contract a breach of the contract as a whole.
14. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.
15. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.
16. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

17. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.
18. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.
19. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by

the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

20. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.
21. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.
22. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.
23. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.
24. **OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

25. **INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.
26. **CONTROL:** Contractor shall be responsible for the control of the work.
27. **WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.
28. **SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.
29. **QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.
30. **ACCEPTANCE:** If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.
31. **WARRANTY:** Contractor warrants all work for a period of one (1) year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one-year warranty is in addition to, and does not limit Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

INSPECTION, RECORDS, ADMINISTRATION

32. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.
33. **RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.
34. **PUBLIC RECORDS:** This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as “confidential”, the City will endeavor to notify Contractor prior to release of such information.
35. **CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City’s Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

36. **GENERAL INDEMNIFICATION:** Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney’s fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City’s Specific Terms and Conditions.
37. **INSURANCE:** Contractor shall maintain all insurance coverage required by the City, including public liability and worker’s compensation.
38. **INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorneys fees and costs resulting from such proceedings or settlement thereof. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

39. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.
40. **COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the parties.

41. **AMENDMENTS:** This Contract may be amended by written agreement of the parties.
42. **SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.
43. **NO WAIVER:** Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.
44. **ASSIGNMENT:** This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.
45. **BINDING EFFECT:** This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

46. **SUBCONTRACTING:** Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.
47. **NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition any Contractor located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02 Civil Rights which also prohibits discrimination based on sexual orientation, or gender identity or expression.
48. **DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy 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 personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.
49. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all State and Federal Immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty"). A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections. The

City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall 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).

- 50. NO BOYCOTT OF ISRAEL:** Pursuant to A.R.S. §§ 35-393 and 35-393.01, the parties certify that they are not currently engaged in and agree, for the duration of the agreement, not to engage in a boycott of Israel.

DEFAULT AND TERMINATION

- 51. TERMINATION FOR DEFAULT:** Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law in addition Contract remedies provided for herein.
- 52. CITY REMEDIES:** In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.
- 53. CONTRACTOR REMEDIES:** In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.
- 54. SPECIAL DAMAGES:** In the event of default, neither party shall be liable for incidental, special, or consequential damages.
- 55. TERMINATION FOR NONAPPROPRIATION OF FUNDS:** The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.
- 56. TERMINATION FOR CONVENIENCE:** Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.
- 57. TERMINATION DUE TO INSOLVENCY:** If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, at any time if

the Contractor 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 ability to perform under the Contract.

58. **PAYMENT UPON TERMINATION:** Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.
59. **CANCELLATION FOR GRATUITIES:** The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant ("Gratuities") in connection with award or performance of the Contract.
60. **CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511):** The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

61. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.
62. **NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. Notice may be sent by email as a secondary form of notice.
63. **THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.
64. **GOVERNING LAW:** This Contract shall be construed in accordance with the laws of Arizona.
65. **FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.
66. **ATTORNEYS FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs, professional fees and expenses.

EXHIBIT C

INSURANCE REQUIREMENTS

1. In General. Contractor shall maintain insurance against claims for injury to persons or damage to property, arising from performance of or in connection with this Contract by the Contractor, its agents, representatives, employees or contractors.
2. Requirement to Procure and Maintain. Each insurance policy required by this Contract shall be in effect at, or before, commencement of work under this Contract and shall remain in effect until all Contractor's obligations under this Contract have been met, including any warranty periods. The Contractor's failure to maintain the insurance policies as required by this Contract or to provide timely evidence of renewal will be considered a material breach of this Contract.
3. Minimum Scope and Limits of Insurance. The following insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City does not represent or warrant that the minimum limits set forth in this Contract are sufficient to protect the Contractor from liabilities that might arise out of this Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

Contractor shall provide coverage at least as broad and with limits not less than those stated below.

a. Commercial General Liability - Occurrence Form

General Aggregate	\$2,000,000
Products/Completed Operations	\$1,000,000
Each Occurrence	\$1,000,000

b. Umbrella Coverage \$2,000,000

c. Automobile Liability –
Any Automobile or Owned, Hired
and Non-owned Vehicles
Combined Single Limit Per Accident
for Bodily Injury & Property Damage \$1,000,000

d. Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	\$500,000
Disease - Each Employee	\$500,000
Disease - Policy Limit	\$500,000

4. Self-Insured Retention. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that the insurer reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and volunteers. Contractor shall be solely responsible for any self-insured retention amounts. City at its option may require Contractor to secure payment of such self insured retention by a surety bond or irrevocable and unconditional letter of credit.

5. Other Insurance Requirements. The policies shall contain, or be endorsed to contain, the following provisions:
- a. Additional Insured. In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents and employees shall be named and endorsed as additional insureds with respect to liability arising out of this Contract and activities performed by or on behalf of the Contractor, including products and completed operations of the Contractor, and automobiles owned, leased, hired or borrowed by the Contractor.
 - b. Broad Form. The Contractor's insurance shall contain broad form contractual liability coverage.
 - c. Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, agents and employees, shall be in excess of the coverage of the Contractor's insurance and shall not contribute to it.
 - d. Each Insured. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Not Limited. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
 - f. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Contractor for the City.
6. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Buyer listed in the original Solicitation and shall reference the Contract Number:
- Attention: Patrick Brown, Purchasing Manager
Contract No. 2018-38
Purchasing Department
City of Flagstaff,
211 W. Aspen Avenue
Flagstaff, Arizona 86001
dbutkay@flagstaffaz.gov
7. Acceptability of Insurers. Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
8. Certificates of Insurance. The Contractor shall furnish the City with certificates of insurance (ACORD form) as required by this Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City project/contract number and project description shall be noted on the certificates of

insurance. The City must receive and approve all certificates of insurance and endorsements before the Contractor commences work.

9. Policies. The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by this Contract at any time. The City shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under this Contract.
10. Modifications. Any modification or variation from the insurance requirements in this Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.