FINAL AGENDA - *A M E N D E D

REGULAR COUNCIL MEETING
TUESDAY
JULY 16, 2013

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

4:00 P.M. MEETING

Individual Items on the 4:00 p.m. meeting agenda may be postponed to the 6:00 p.m. meeting.

1. CALL TO ORDER

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

A. Consideration and Approval of Minutes: City Council Work Session of June 25, 2013; the Regular Council Meeting of July 2, 2013; the Special Meeting (Executive Session) of July 9, 2013; and the Combined Special Meeting/Work Session of July 9, 2013.

RECOMMENDED ACTION:

Amend/approve the minutes of the City Council Work Session of June 25, 2013; the Regular Council Meeting of July 2, 2013; the Special Meeting (Executive Session) of July 9, 2013; and the Combined Special Meeting/Work Session of July 9, 2013.

5. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

6. PROCLAMATIONS AND RECOGNITIONS

None

7. APPOINTMENTS

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. **Consideration of Appointments:** Magistrates and Presiding Magistrate for the Flagstaff Municipal Court.

RECOMMENDED ACTION:

Approve the appointments of Michael Araujo as Magistrate, Charlotte Beyal as Magistrate and Thomas L. Chotena as Presiding Magistrate, with all compensation increases and benefits to be the same as other City employees.

8. LIQUOR LICENSE PUBLIC HEARINGS

A. **Consideration and Action on Liquor License Application:** Randy Nations, “Sprouts Farmers Market #26", 1540 Riordan Ranch St., Series 10S (beer and wine store), New License.

RECOMMENDED ACTION:

Open the public hearing.
Receive citizen input.
Close the public hearing.

The City Council has the option to:
1) Forward the application to the State with a recommendation for approval;
2) Forward the application to the State with no recommendation; or
3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

B. **Consideration and Action on Liquor License Application:** Randy Nations, "The Museum Club", 3404 E. Route 66, Series 06 (bar- all spirituous liquor), Person Transfer.

RECOMMENDED ACTION:

Open the public hearing.
Receive citizen input.
Close the public hearing.

The City Council has the option to:
1) Forward the application to the State with a recommendation for approval;
2) Forward the application to the State with no recommendation; or
3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

9. **CONSENT ITEMS**

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated , expenditures approved by Council are budgeted items.

A. **Consideration and Approval of Construction Contract:** Route 66 Waterline Woody Mountain Rd. to McAllister Ranch.

RECOMMENDED ACTION:

1) Approve the construction contract with CLM Earthmovers in the amount of $305,965.00 which includes a $40,500 contract allowance and a 90 calendar day contract time;
2) Approve change order authority to the City Manager in the amount of $26,547.00 (10% of the contract amount, less allowance) to cover potential costs associated with unanticipated items of work; and
3) Authorize the City Manager to execute the necessary documents.

B. ***Consideration and Approval of Settlement Agreement:** **Fred Nackard Land Co, et al v. City of Flagstaff.**

RECOMMENDED ACTION:

Approve Settlement Agreement with Fred Nackard Land Company, et al, as previously discussed in Executive Sessions on April 9, 2013 and July 9, 2013.

10. **ROUTINE ITEMS**

A. **Consideration and Adoption of Ordinance No. 2013-16:** An ordinance authorizing the sale of two access easements that encumber a portion of parcel 109-02-001P and benefit parcel 109-05-081A currently owned by Cedar West Capital LLC.

RECOMMENDED ACTION:

1) Read Ordinance No. 2013-16 by title only for the final time
2) City Clerk reads Ordinance No. 2013-16 by title only for the final time (if approved above)
3) Adopt Ordinance No. 2013-16

B. **Consideration and Adoption of Resolution No. 2013-18:** abandonment of a portion of a Vehicular No Access Easement located along the north side of Churchill Dr. on Lot 121 of the Aspen Place at the Sawmill subdivision.

RECOMMENDED ACTION:

1) Read Resolution No. 2013-18 by title only
2) City Clerk reads Resolution No. 2013-18 by title only (if approved above)
3) Adopt Resolution No. 2013-18

C. **Consideration and Approval of an Intergovernmental Agreement:** Between the City of Flagstaff and Northern Arizona University (NAU) for finanical contribution to the Innovation Mesa Business Accelerator Project.

RECOMMENDED ACTION:

Approve the Intergovernmental Agreement (IGA) with NAU for the Innovation Mesa Business Accelerator Project in the amount of $1,100,000 ($1,000,000 for project construction / $100,000 for operating expenses).

D. **Consideration and Approval of Consulting Contract:** Innovation Mesa Business Accelerator and Emergency Operations Center.

RECOMMENDED ACTION:

1) Award the Architectural and Engineering Design Professional Services Contract to APMI, Inc. of Scottsdale, Arizona in an amount not to exceed $604,071, including a $40,000 contract allowance and a 775 calendar day contract period; and
2) Approve Change Order Authority to the City Manager in the amount of $55,000 (10% of contract amount excluding allowance) for unanticipated or additional items of work; and
3) Authorize the City Manager to execute the necessary documents.

E. **Consideration and Adoption of Resolution 2013-17:** A resolution of the City Council of the City of Flagstaff, Arizona, granting a public utility easement to Arizona Public Service Company in Coconino County located at the intersection of Highway 89A and Fairgrounds Road, as more particularly described and depicted in the attachments appended to the staff summary.

RECOMMENDED ACTION:

1) Read Resolution No. 2013-17 by title only
2) City Clerk reads Resolution No. 2013-17 by title only (if approved above)
3) Adopt Resolution No. 2013-17

F. **Consideration and Adoption of Ordinance No. 2013-15:** Authorizing the transfer of City-owned property to the State of Arizona in accordance with the Purchase Agreement for APN 116-13-001C (Tract No. 1 in Warranty Deed - full taking) and APN 116-13-001D (Tract No. 2 Parcel 1 and 2 - partial taking), located adjacent to existing Beulah Blvd. near Fort Tuthill.

RECOMMENDED ACTION:

1) Read Ordinance No. 2013-15 by title only for the first time
2) City Clerk reads Ordinance No. 2013-15 by title only (if approved above)
3) Read Ordinance No. 2013-15 by title only for the final time on July 16, 2013
4) City Clerk reads Ordinance No. 2013-15 by title only (if approved above)
5) Adopt Ordinance No. 2013-15 on July 16, 2013

G. **Consideration and Adoption of Ordinance No. 2013-17;** An ordinance of the Mayor and Council of the City of Flagstaff, Arizona amending Title 3-10-001-0001, Planning Fees, Section 3-10-001-0002, Engineering Fees, and Section 3-10-001-0005, Recreation Fees; providing for a savings clause; and providing that all ordinances or any part of the Flagstaff City Code in conflict with the provisions of this ordinance shall be repealed upon the effective date of this ordinance.

RECOMMENDED ACTION:

1) Read Ordinance No. 2013-17 by title only for the first time on July 9, 2013.
2) Read Ordinance No. 2013-17 by title only for the second time on July 16, 2013.
3) Adopt Ordinance No. 2013-17 on July 16, 2013.

RECESS

6:00 P.M. MEETING

RECONVENE

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

11. **ROLL CALL**

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

12. **CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA**

13. **PUBLIC HEARING ITEMS**

None

14. **REGULAR AGENDA**

A. **Discussion, consideration and possible adoption of Energy Codes.**

Consideration and Adoption of Resolution No. 2013-20 and Ordinance No. 2013-19: A Resolution declaring as a Public Record that certain document filed with the City Clerk entitled the *"(Version A-2009 / Version B-2012) Energy Conservation Code and the 2013 Amendments to City Code / (Version A-2009 / Version B-2012) Energy Conservation Code, Title 4, Building Regulations*"; and an Ordinance adopting said document by reference.

RECOMMENDED ACTION:

1) Discuss and consider which Energy Conservation Code to be adopted
   A - MOVE to remain with the 2006 Energy Conservation Code and amendments (this action is not required, but may be desired for clarity)
   B - MOVE to move forward with 2009 Energy Conservation Code and amendments (Version A)
   C - MOVE to move forward with 2012 Energy Conservation Code and amendments (Version B)
2) Read Resolution No. 2013-20 by title only
3) Clerk reads Resolution No. 2013-20 by title only (if approved above)
4) Adopt Resolution No. 2013-20
5) A - Read Ordinance No. 2013-19 by title only for the first and final time (Purs. to Charter AVII, S6 , requires unanimous vote of Council present)
   B - Should this not be a unanimous vote of Council present: Read Ordinance No. 2013-19 by title only for the first time
6) City Clerk reads Ordinance No. 2013-19 by title only (if approved above)
7) If Step 5-A approved above, adopt Ordinance No. 2013-19

B. **Consideration and Approval of Street Closure(s):** 2014 Dew Downtown Flagstaff Urban Ski and Snowboard Festival
Consideration and Approval of Amplification Exception: 2014 Dew Downtown Flagstaff Urban Ski and Snowboard Festival

RECOMMENDED ACTION:

- Approve the street closure at San Francisco Street between Birch Avenue and Dale Avenue on February 6, 2014 at 8:00 pm through February 9, 2014 at 11:59 pm; and
- Approve the street closure at San Francisco Street between Aspen Avenue and Birch Avenue on February 7, 2014 at 6:00 pm through February 9, 2014 at 6:00 am
- Approve the amplification exception (to allow start box commentary, play-by-play commentary) on Sunday, February 9, 2014 between the hours of 8:00 am-12:00 noon.

C. **Consideration and Approval of Grant Agreement:** with the Arizona Criminal Justice Commission for the Edward Byrne Justice Assistance Grant in the amount of $293,693.00 for the Northern Arizona Street Crimes Task Force (METRO unit).

RECOMMENDED ACTION:

Approve the Grant Agreement between the Arizona Criminal Justice Commission (ACJC) and the City of Flagstaff for the Edward Byrne Justice Assistance Grant in the amount of $293,693.00 for the FY2014 Northern Arizona Street Crimes Task Force (METRO unit).

D. **Consideration and Adoption of Resolution No. 2013-19 and Ordinance No. 2013-18:** A resolution of the City Council of the City of Flagstaff, Arizona adopting a Procurement Code Manual and establishing an effective date; and an Ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 1, Administrative Chapter 1-20, Contracts and Property Transactions, by repealing Section 1-20-001-0004 Determination of Responsibility of Bidders and providing for a new Section 1-20-001-0004 Procurement Code Manual relating to City procurements of goods, services and construction, and disposal of surplus personal property; providing for repeal of conflicting Ordinances, severability, authority for clerical corrections and establishing an effective date.

RECOMMENDED ACTION:

1) Read Resolution No. 2013-19 by title only
2) City Clerk reads Resolution No. 2013-19 (if approved above)
3) Adopt Resolution No. 2013-19
4) Read Ordinance No. 2013-18 by title only for the first time
5) City Clerk reads Ordinance No. 2013-18 (if approved above)
6) Read Ordinance No. 2013-18 by title only for the final time on August 26, 2013
7) Adopt Ordinance No. 2013-18 on August 26, 2013

15. **DISCUSSION ITEMS**

None

16. **POSSIBLE FUTURE AGENDA ITEMS**

Verbal comments from the public on any item under this section must be given during Public Participation (#5) near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

A. Street Closure Criteria

B. Ordinance 2002-07 re Reclaimed Water

17. **PUBLIC PARTICIPATION**

18. **INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, REQUESTS FOR FUTURE AGENDA ITEMS**

19. **ADJOURNMENT**

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____ , at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2013.

*A M E N D E D and reposted on Monday, July 15, 2013, at 2:00 p.m.

_____
Elizabeth A. Burke, MMC, City Clerk

4. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Elizabeth A. Burke, City Clerk
Date:	07/12/2013
Meeting Date:	07/16/2013

TITLE

Consideration and Approval of Minutes: City Council Work Session of June 25, 2013; the Regular Council Meeting of July 2, 2013; the Special Meeting (Executive Session) of July 9, 2013; and the Combined Special Meeting/Work Session of July 9, 2013.

RECOMMENDED ACTION:

Amend/approve the minutes of the City Council Work Session of June 25, 2013; the Regular Council Meeting of July 2, 2013; the Special Meeting (Executive Session) of July 9, 2013; and the Combined Special Meeting/Work Session of July 9, 2013.

INFORMATION

Attached are copies of the minutes of the City Council Work Session of June 25, 2013; the Regular Council Meeting of July 2, 2013; the Special Meeting (Executive Session) of July 9, 2013; and the Combined Special Meeting/Work Session of July 9, 2013.

Attachments: 06.25.2013.CCWS.Minutes
07.02.2013.CCRM.Minutes
07.09.2013.CCSM.Minutes
07.09.2013.CCWS.Minutes

MINUTES

WORK SESSION
TUESDAY, JUNE 25, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

1. Call to Order.

Mayor Nabours called the Work Session of June 25, 2013, to order at 6:02 p.m.

2. Pledge of Allegiance.

The City Council and audience recited the Pledge of Allegiance.

3. Roll Call

Councilmembers present:	**Councilmembers absent:**
MAYOR NABOURS	None
VICE MAYOR EVANS	
COUNCILMEMBER BAROTZ	
COUNCILMEMBER BREWSTER	
COUNCILMEMBER ORAVITS	
COUNCILMEMBER OVERTON	
COUNCILMEMBER WOODSON	

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea.

4. *Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.*

Kay Doggett, resident, addressed the issue of dead pine trees along corridors of the City.

Mr. Burke noted that this issue has been scheduled for discussion at the July 9, 2013, Work Session.

The following individuals addressed the Council, voicing support for the Dew Downtown:

- Linda Fleisher
- Lee Cowin

Kevin Ty addressed the Council regarding the upcoming user fees discussion on July 9 and the need to maintain the City's facilities properly.

A. **Highlights of Recreational Activities - July as *Parks and Recreation Month***

Recreation Director Brian Grube said that July was Parks and Recreation Month and the following members of the Recreation staff then reported on upcoming activities:

- Louis Lucero
- Matt Faull
- Danny Neal
- Shauna Fisher
- Eric Bobkowski
- Jessica Foos
- Claire Harper
- Katherine Suhr
- Mark Stento
- Kris Walsh
- Glorice Pavey
- Jonathan Bordwell

Mayor Nabours then stated that he would propose combining Items 5 and 7, to be discussed at the same time.

5. **Preliminary Review of Draft Agenda for the July 2, 2013, City Council Meeting.***

** Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

7. **Review of Draft Agenda Items for the July 2, 2013, City Council Meeting.***

** Public comment on draft agenda items will be taken at this time, at the discretion of the Mayor.*

Jeff Knorr, resident and member of NABA and the Chamber, but speaking on his own behalf, pleaded with the Council to not increase building fees.

Councilmember Oravits said that since last Tuesday he has been crunching numbers and trying to find what it was going to cost to build at the newer codes. Late this afternoon he received two additional studies and he forwarded those to Mr. Burke, hoping to get them in next week's packet. He said that he was also going to e-mail a spreadsheet to show how much a mortgage would go up.

Councilmember Oravits asked Mr. Knorr how much of a factor it was when these costs were increased. Mr. Knorr said that it was not just that rising cost, it goes back to the

2001 Regional Plan. He said that when things like this are added, they have to increase their costs to make a certain margin and it artificially inflates the cost of existing housing.

Mayor Nabours asked that they focus on alerting staff to information they need for next week's meeting or getting public comment.

Councilmember Oravits asked Mr. Scheu where the study was on the effect of these codes on commercial applications. Mr. Scheu said that he has searched the Internet trying to get data on commercial and cannot find any as there are so many different variables.

Councilmember Overton said that did not want to get into the merit of the codes, but he did have an interesting discussion with a truss manufacturer and there are some concerns from vendors regarding the implementation dates. He said that their software was not compatible with the 2012 Suite of Codes and will need to purchase that to bring their engineering standards up. They were concerned with those plans they have on their desks today.

After brief discussion, Councilmember Overton asked that staff provide alternate language prepared for the meeting that would enable the Council to have a 60-day or 90-day effective date.

Mayor Nabours asked if it was possible for staff to issue some type of rating re energy efficiency once they have done their final inspection of a new house. Mr. Scheu said that staff was not trained to do a HERS or LEED certification. It takes a lot of training and currently the code does require an insulation certification be maintained in the electrical box. He said that it would have to be a third party to provide such a rating.

Councilmember Oravits said that he has crunched some numbers based on the Department of Energy Study, but it would be nice to have them coming from staff. Mr. Burke said that he was not comfortable having staff validating a Department of Energy Study and stating that the City agrees or disagrees. Mayor Nabours said that he did not think that staff had the expertise and training to do a Department of Energy type of study.

Mr. Scheu briefly reviewed the amendments and staff was asked to include as attachments the PowerPoint and four amendments.

6. **Debrief the FY14 Budget Process**

Mr. Burke said that now that the budget has been adopted, staff wanted to check in with Council about the process, to discuss what worked and what did not. Each of the Councilmembers gave their opinions as noted below:

<u>Mayor Nabours</u>

The min-retreats were indispensible; could be even more. They need a mini-retreat early on, perhaps to discuss goals and identify financial issues. Through the process he had some concern that there were major expenditures not being reviewed by Council, or it was not user-friendly on how the Council could find the related information. He would

like very clear information such as: 1) how much they have in the bank and why; 2) how much they would be spending; and 3) how much would be left. He said that one example was the transportation tax. He did not recall having any discussion about priorities for use of that funding.

Mr. Burke said that how the projects get selected would be a good topic for a mini-retreat. He said that they have a five-year Capital Improvement Plan, but have generally focused on the current year. Perhaps another mini-retreat could be review of the five-year plan.

Councilmember Brewster

She did like the fund level, which allows them to see where the money was going at the working level. She liked the mini-retreats as it gave them more time to digest the information. She liked the April format and found it useful. She agreed it was a good idea to start with a review of goals and accomplishments. She agreed with having a mini-retreat on the five-year plan and attaching some of their monies to those projects. She said that overall it was much easier and less painful than in the past.

Councilmember Overton

He said that he had a few concerns with the mini-retreats as they seemed somewhat disjointed. There were big decision points, and if it was for information only they need to understand that. If there is a programming change or major policy shift it needs to happen at the conclusion of the budget retreats; no one ever committed. Additionally, he said that they were staff-intensive. It required a lot of preparation, even at the retreat itself, and perhaps they should limit it to those that are speaking. He did agree that it was important to look at goals. They stayed focused on one or two key goals, and they need to make sure they are giving attention to others as well.

Vice Mayor Evans

She said that she was not overjoyed with the extra days they had; she would prefer the boot camp version. She agreed that the mini-retreats did feel disjointed. She said that the issue of user fees was spread out in different meetings, and she also worried about public participation and interaction with the budget. She suggested that they create a simple video talking about Governmental Budgeting 101 that could address the Annual City Budget, talk about the General Fund and other funds, without getting into a lot of depth. They could put it on the website somewhere and also have a section with Barbara (Goodrich) talking about truth in taxation and the tax levy. It would also be nice if there was a way for the public to leave comments about the budget.

She said that she would also like to provide a summary of each of the mini-retreats on the website. This year tweets were sent out about something being done, and they were taken out of context, resulting in the Council needing to put out fires. At the end of each day they could summarize into five or six key things, review the basic conversation and the direction moving forward. That could then be posted on the website and forwarded to the Council.

Councilmember Woodson

Councilmember Woodson suggested that they then take that summary and place it first on the next agenda to receive public input on those items. He agreed with reaffirming the goals with Council early on.

Mr. Burke asked if they needed to get back together again for a status report on their goals, or do it again in September or part of November. Councilmember Woodson said that he thought they were approaching economic recovery and they should have a discussion on the impact of that to the City.

He agreed that the mini-retreats worked well. He has been through this the old way and neither is perfect, but the mini-retreats worked well although they were sometimes difficult to attend. He said that the CIP did not focus on future years, and he would like to see a list of projects and related dollar amounts. He closed by stating that staff did a great job.

Councilmember Oravits

He said that he thought the mini-retreats were great. Being one of the three “newbies” they were helpful for him and he would like to see them continued. He said that it was important to continue filming the retreats for those times when questions may arise.

Councilmember Barotz

She said that she liked the mini-retreats and agreed with other comments that they need to be tied together better. The information provided in April was fine for her. She was okay with starting with the accomplishments, but would like to keep that brief, from a high elevation, and see how they are connected to the Council goals. She said that she would like to find a way to where the Council did not have their backs to staff. She also supported visiting goals in September with the impact of changes in the economy.

Mayor Nabours asked Council if they were okay with a morning for a few hours to review the goals and goal setting for next year. Mr. Burke asked if there was any chance they would be interested in the last week of their summer recess. After brief discussion, he said that staff would begin polling Council to see if they would all be available.

Mayor Nabours said that in some of the more recent policy issues, staff has presented Council with the issue, and then asked Council to select an option. He believed that idea could lend itself to some aspects of the budget process.

8. **Public Participation**

Andy Fernandez, resident, addressed the Council on a variety of issues.

9. **Informational Items To/From Mayor, Council, and City Manager.**

Councilmember Barotz reported that she attended the Navajo Rug Auction and it was a fascinating experience. She noted it would be back in October.

Councilmember Brewster asked if Mr. Grube would be taking over Elizabeth Anderson's duties since her position was not being filled. Mr. Burke said that during the budget they redid the structure and Recreation has returned to Public Works and Mr. Grube will be a section head and Library is returning to Management Services.

Councilmember Oravits said that last Friday they had State Representatives at City Hall where they held a hearing on water. They are going around the state talking about water, and Representative Barton is the chairman.

Vice Mayor Evans wished Councilmember Barotz a happy birthday (Saturday). She also noted that she provided the key note address for the College of America's graduation. Additionally, she attended Juneteenth.

Councilman Overton reported that this weekend would be the Environmental Aircraft Association Young Eagle program which provides for local aviation pilots to take 8-17 year olds up in an airplane. It is from 10 a.m. to 2 p.m.

He also reported that he attended the official unveiling of the James Cullen Park, although it was not an official ceremony. He said that the sign was completed and on Father's Day the family had a semiprivate barbecue activity. He thanked Steve Zimmerman for assisting with the completion of this project.

Mayor Nabours said that last Friday he attended a meeting of the Greater Mayors Association, and he found they were all dealing with the same issues. It was good to trade points of view and at times they may take things for granted here. He said that they had one councilmember state that their budget review consisted of the City Manager saying, "Here's the budget, let me know if you have any questions." Another councilmember asked him if Flagstaff Council sets goals.

Councilmember Barotz noted that Vice Mayor Evans birthday had been on June 21, 2013, and wished her a happy birthday as well.

Mr. Burke reminded everyone that their next meeting would be on Thursday, June 27, 2013, at 4:30 p.m. to discuss water.

10. **Adjournment**

The Flagstaff City Council Work Session of June 25, 2013, adjourned at 7:47 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

MINUTES

REGULAR COUNCIL MEETING
TUESDAY, JULY 2, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

1. **CALL TO ORDER**

Mayor Nabours called the meeting to order at 4:03 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **ROLL CALL**

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Present:

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke and City Attorney Michelle D'Andrea.

3. **PLEDGE OF ALLEGIANCE AND MISSION STATEMENT**

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. **APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

A. **Consideration and Approval of Minutes**: Special Council Meeting (Executive Session) of June 6, 2013; Special Council Meeting (Executive Session) of June 11, 2013; Joint Work Session of June 17, 2013; and the Regular Council Meeting of June 18, 2013.

Councilmember Overton moved to approve [the minutes of the Special Council Meeting (Executive Session) of June 6, 2013; Special Council Meeting (Executive Session) of June 11, 2013; Joint Work Session of June 17, 2013; and the Regular Council Meeting of June 18, 2013]; seconded; passed unanimously.

5. **PUBLIC PARTICIPATION**

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

Lucy Huffman, employee, stated that she was leaving the City of Flagstaff to take a position in Oregon, but wanted to publicly tell the Council what a great staff they had in the City's Sustainability Department and she appreciated the opportunity she had been given to work with them.

6. **PROCLAMATIONS AND RECOGNITIONS**

None

7. **APPOINTMENTS**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

None

8. **LIQUOR LICENSE PUBLIC HEARINGS**

A. **Consideration and Action on Liquor License Application:** Danny Thomas, "The State Bar", 10 East Route 66, Series 07 (beer and wine bar), Person Transfer and Location Transfer.

Councilmember Overton moved to open the Public Hearing; seconded; passed unanimously.

Agent Danny Thomas introduced himself and then his client, Brian Webb. Mr. Webb gave a brief background of himself and the business he was opening.

Mayor Nabours moved to closed the Public Hearing; seconded; passed unanimously.

Councilmember Oravits moved to forward the application to the State with a recommendation for approval; seconded; passed unanimously.

9. **CONSENT ITEMS**

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

A. **Consideration of Purchase under the Strategic Alliance for Volume Expenditures (S.A.V.E.) Contract:** Contract Employment Program for Retirees - Employee leaseback.

B. **Consideration and Approval of License Agreement:** National Bank of Arizona License Agreement for temporary use of property for Aquaplex staff parking.

Mayor Nabours stated that Councilmember Overton requested that item 9-A be pulled from the Consent Agenda.

Councilmember Brewster moved to approve the purchase from Smart Works Plus for an annual amount up to $800,000 plus applicable taxes; seconded; passed 6-1 with Councilmember Overton casting the dissenting vote.

With regard to Item 9-B, Sustainability Manager Nicole Woodman stated that the Bank had requested one change to the indemnity clause within the agreement, a copy of which had been placed on the dais. Assistant City Attorney David Womochil said that Legal was fine with the change.

Ms. Woodman explained that the parking lot would not be open to the public and they would be installing signage to that effect. She had consulted with the Risk Manager, Margaret Penado, and she was okay with it as well.

Councilmember Overton moved to authorize [License Agreement with National Bank of Arizona for temporary use of their property located east of the northeast corner of 4th Street and Route 66 for Aquaplex staff parking through September 30, 2013] as amended; seconded; passed unanimously.

10. **ROUTINE ITEMS**

A. **Consideration and Approval of Grant Application:** U.S. Department of Justice, FY2013 Edward Byrne Memorial Justice Assistance Grant in the amount of $23,249 to pay for Police Staff Overtime and 14 ballistic body armor vests for Coconino County Sheriff's Department and authorizing the acceptance upon award of the grant agreement.

Police Chief Kevin Treadway reviewed Items 10-A and 10-B together as they were related. He said that the Edward Byrne Memorial Justice Assistance Grant (JAG) Program allows states, tribes, and local governments to support a broad range of activities to prevent and control crime based on their own local needs and conditions. JAG blends the previous Byrne Formula and Local Law Enforcement Block Grant (LLEBG) Programs to provide agencies with the flexibility to prioritize and spend funds where they are most needed. The JAG formula program provides agencies with the flexibility to prioritize and place justice funds where they are needed most. The formula calculates direct allocations for local governments within each state, based on their share of the total violent crime reported with the state.

The JAG formula program provides agencies with the flexibility to prioritize and place justice funds where they are needed most. The formula calculates direct allocations for local governments within each state, based on their share of the total violent crime reported with the state.

The City has been certified as disparate and must submit a joint application for the aggregate of funds allocated. The JAG disparate jurisdictions are certified by the Director of the Bureau of Justice Assistance (BJA), based in part on input from the state's Attorney General. The disparate allocation occurs when the City is scheduled to receive one and one half times more than County, while the County bears more than 50% of the costs of prosecution of incarceration that arise for Part 1 violent crimes committed in the City.

City funds will be used to supplement overtime for community policing and property crime interdiction initiatives. As citizens request additional patrols or when they can identify an area that would benefit from additional Police presence, these funds will be a key factor in assuring that they can provide necessary services. As part of the joint application process an IGA is required to be submitted to the funding agency indicating who will serve as applicant/fiscal agent for the joint funds. The IGA will authorize payment to the County in the amount of $6,975 of the JAG funds.

Mayor Nabours moved to approve the submission of a grant application and authorize acceptance upon award for the U.S. Department of Justice, FY 2013 Edward Byrne Memorial Justice Assistance Grant (JAG) for an amount of $23,249; and moved to approve the Intergovernmental Agreement with Coconino County for the FY 2013 Edward Byrne Memorial Justice Assistance Grant in an amount of $6,975 for the purchase of 14 ballistic body armor vests; seconded; passed unanimously.

B. **Consideration and Approval of an Intergovernmental Agreement:** Between the City of Flagstaff and Coconino County (County) for submission of a grant application to the U.S. Department of Justice, FY 2013 Edward Byrne Memorial Justice Assistance (JAG) Grant.

See motion above.

C. **Consideration and Adoption of Ordinance No. 2013-15:** Authorizing the transfer of City-owned property to the State of Arizona in accordance with the Purchase Agreement for APN 116-13-001C (Tract No. 1 in Warranty Deed - full taking) and APN 116-13-001D (Tract No. 2 Parcel 1 and 2 - partial taking), located adjacent to existing Beulah Blvd. near Fort Tuthill.

Project Manager Bret Peterson reviewed the project and the related transfer of property. He noted that once the project is complete ADOT will be returning the remaining property back to the City.

Mayor Nabours asked if staff was sure this would not interfere with the anticipated substation. Mr. Peterson said that they were as sure as they could be at this point. They do believe they have enough square footage, but they will have to get further along in the planning process to ensure 100%.

Councilmember Overton moved to read Ordinance No. 2013-15 by title only for the first time; seconded; passed unanimously.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE TRANSFER OF TITLE TO CITY PROPERTY WITHIN AND ADJACENT TO THE BEULAH ROAD RIGHT-OF-WAY LOCATED AT APPROXIMATELY AIRPORT ROAD AS IS MORE FULLY DESCRIBED AS TRACT ONE AND TRACT TWO, PARCELS 1 AND 2, IN EXHIBIT "A" TO THE STATE OF ARIZONA THROUGH THE ARIZONA DEPARTMENT OF TRANSPORTATION, AND PROVIDING AUTHORITY FOR THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS AND AUTHORITY FOR THE CITY CLERK TO MAKE CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

D. **Consideration and Adoption of Ordinance No. 2013-13:** AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2014.

Councilmember Oravits moved to read Ordinance No. 2013-13 by title only for the final time; seconded; passed unanimously.

AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE;

PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2014

Councilmember Brewster moved to adopt Ordinance No. 2013-13; seconded; passed unanimously.

RECESS

The Flagstaff City Council Regular Meeting of July 2, 2013, recessed at 4:35 p.m.

6:00 P.M. MEETING

RECONVENE

The Flagstaff City Council Regular Meeting of July 2, 2013, reconvened at 6:03 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

11. **ROLL CALL**

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Present:

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke and City Attorney Michelle D'Andrea.

12. **CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA**

None

13. **PUBLIC HEARING ITEMS**

None

14. **REGULAR AGENDA**

A. **Consideration and Approval of Street Closure(s):** Hopi Market Arts and Craft Festival.

Ms. Pavey briefly reviewed the application, noting that this was a continuation from the last meeting. The businesses and representatives of the Hopi Market met and the City is providing free encroachment permits to businesses along the closure route.

Lisa Talayumptewa of the Hopi Tribe said that this was their fourth year, but it was the first year they were requesting to close the street.

The following individuals spoke against the street closure:

- Mark Lamberson
- Nancy Wardell

Mayor Nabours said that he needs to hear from people or businesses individually when these types of issues come before the Council.

Brief discussion was held on the need to have a more general discussion in the near future on criteria for street closures in the downtown area.

Councilmember Barotz asked Ms. Talayumptewa if it was their intent to hold the event in the Square should the Council deny the closure. Ms. Talayumptewa said that they would remain in the Square, but it would be only Hopi and not encompass other Native American vendors.

Councilmember Overton said that he does look forward to a conversation in the future, and believes they will need to say no at some point. He appreciated the applicant's wiliness to move the booths out and work with adjacent businesses.

Councilmember Barotz asked Mr. Grube if during his time with the City the Council has ever said no to a street closure request. Mr. Grube said that they have not in his five years with the City. Ms. Pavey said that she has been with the City longer and they have never said no, although they did place time restrictions for Halloween.

Mayor Nabours moved to approve the street closure at Aspen Avenue between San Francisco Street and Leroux Street on 9/28/13 at 6 am through 9/29/13 at 6 pm. He asked Ms. Wardell and Mr. Lamberson, and other merchants as well, to report back to Council and tell them how it worked. He also encouraged that they help start building some criteria for whether it is the right thing to do in the future.

Councilmember Woodson seconded. He said that there has been a lot of good discussion, but they need some criteria; others agreed.

Motion passed unanimously.

B. **Consideration and Approval of Contract:** Fiscal year 2014 funding for Intake triage Services to include an Alcohol Stabilization Unit (ASU) at the Guidance Center.

Deputy Police Chief Dan Musselman briefly reviewed the request, and introduced Jeff Callohan with the Guidance Center who gave a PowerPoint presentation which addressed:

- ALCOHOL STABILIZATION UNIT (ASU) OVERVIEW
- CHART – REFERRAL SOURCE
- FUNDING
- COMMUNITY BENEFITS

Chief Musselman noted that there was one modification made to the Scope of Work and that modification was placed on the Council dais. He said that if Council were to approve the request, they would ask that it be approved with this amendment.

Councilmember Overton moved to award the service contract to The Guidance Center, Inc. in the amount of $74,250 for fiscal year 2014 to provide Intake Triage Services to include an Alcohol Stabilization Unit, as amended; seconded; passed unanimously.

D. **Consideration and Adoption of Ordinance No. 2013-12:** An ordinance of the City Council of the City of Flagstaff, Arizona, adopting the "2012 International Family of Codes, and the 2013 Amendments to City Code, Title 4, Building Regulations, and the ICC A117.1 Accessible and Usable Buildings and Facilities Standard, 2009 Edition" by reference and fixing the effective date thereof; repealing all sections of said code in conflict with this ordinance; preserving rights and duties that have already matured and proceedings that have already begun thereunder and providing penalties for the violation thereof.

Brief discussion was held on the effective date of the building portion of codes. Mr. Scheu said that he spoke with the ISO and they go from the effective date, not the date adopted.

Councilmember Barotz asked what the difference was between the 2009 and the 2012 Energy Code with the 4 amendments. Mr. Scheu replied that they were close to the same, but not identical.

The following individuals spoke in opposition to the new 2012 Energy Code:

- Dylan Lefler
- Bill McCullough
- Joy Staveley
- Judy Louks
- Keith Sherman
- Mike Sistak
- Ryan Mann

The following individuals spoke in favor of the new 2012 Energy Code:

- Ed Dunn
- Amanda Acheson
- Eva Putzová
- Eric Marcus

Councilmember Barotz asked if the City was in a process similar to this one. Ms. Acheson replied that they were currently looking at adopting the 2012 Codes, including the 2012 International Energy Conservation Code. They would like to align with the City to make it easier.

Councilmember Barotz asked Mr. Sherman if he was familiar with the energy efficient mortgages. Mr. Sherman replied that he was more on the commercial side of mortgages and was not familiar with them.

Councilmember Oravits asked Mr. Mann to explain how appraisals work. Mr. Mann replied that appraisers look at various things such as square footage, age built, proximity to other homes, condition, amenities, upgrades, etc., but if they are not visual they do not get realized.

A break was held from 7:30 p.m. to 7:39 p.m.

Richard Bowen then addressed the Council regarding the Codes. Councilmember Barotz said that she could not understand his comments and asked what he would urge the Council to do. Mr. Bowen suggested that they focus on what they already have with the Sustainability Office, educating businesses and individuals the value, socially, economically, and financially, of being more environmentally green. He was concerned that if they imposed the 2012 Code they could push builders away. He said that he would suggest they stay with the 2006 Code and work that trade-off.

Councilmember Barotz asked Mr. Bowen how he would feel in another six years if they had stayed with the 2006 Code. Mr. Bowen said that it would depend.

Vice Mayor Evans asked Mr. Bowen if he was speaking on behalf of himself or ECONA. Mr. Bowen said that he agrees with the building and safety codes, but they have to draw the line of balance.

Public comment continued with the following individuals speaking against the 2012 Codes:

- Gabor Kovacs
- Andy Fernandez
- Rob Wilson
- Terry O'Neal
- Joanna Estes
- Daniel Edel

The following individuals spoke in favor of the 2012 Code:

- Tom Broderick
- Vance Peterson
- Justin Erickson

Mayor Nabours moved to amend Resolution No. 2013-10 by excluding the 2012 Energy Code and amendments thereto; seconded; passed 6-1 with the following roll call vote:

Councilmember Overton	YES
Councilmember Woodson	YES
Mayor Nabours	YES
Vice Mayor Evans	NO
Councilmember Barotz	YES
Councilmember Brewster	YES
Councilmember Oravits	YES

Mayor Nabours moved to read Ordinance No. 2013-12 by title only for the final time, as amended to remove the 2012 Energy Code and amendments thereto, with an effective date of September 10, 2013; seconded; passed 6-1 with the following roll call vote:

Councilmember Woodson	YES
Mayor Nabours	YES
Vice Mayor Evans	NO
Councilmember Barotz	YES
Councilmember Brewster	YES
Councilmember Oravits	YES
Councilmember Overton	YES

*AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, ADOPTING THE **"2012 INTERNATIONAL FAMILY OF CODES, THE 2013 AMENDMENTS TO CITY CODE, TITLE 4, BUILDING REGULATIONS, AND THE ICC A117.1 ACCESSIBLE AND USABLE BUILDINGS AND FACILITIES STANDARD, 2009 EDITION AS AMENDED ON JULY 2, 2013, TO EXCLUDE THE 2012 ENERGY CODE AND AMENDMENTS THERETO",** BY REFERENCE AND FIXING THE EFFECTIVE DATE THEREOF; REPEALING ALL SECTIONS OF SAID CODE IN CONFLICT WITH THIS ORDINANCE; PRESERVING RIGHTS AND DUTIES THAT HAVE ALREADY MATURED AND PROCEEDINGS THAT HAVE ALREADY BEGUN THEREUNDER AND PROVIDING PENALTIES FOR THE VIOLATION THEREOF*

Mayor Nabours moved to adopt Ordinance No. 2013-12 as amended to remove the 2012 Energy Code and amendments thereto, with an effective date of September 10, 2013; seconded; passed 6-1 with the following roll call vote:

Mayor Nabours	YES
Vice Mayor Evans	NO
Councilmember Barotz	YES
Councilmember Brewster	YES

Councilmember Oravits	YES
Councilmember Overton	YES
Councilmember Woodson	YES

Councilmember Barotz moved to bring back the 2009 Energy Code for discussion and possible action at the next meeting; seconded; passed 5-2 with the following roll call vote:

Vice Mayor Evans	YES
Councilmember Barotz	YES
Councilmember Brewster	YES
Councilmember Oravits	NO
Councilmember Overton	YES
Councilmember Woodson	YES
Mayor Nabours	NO

Ms. Burke noted that there was a Combined Special Meeting/Work Session on July 9, 2013, and first read of the 2009 could be considered at that time, with second read and adoption to take place on July 16, 2013, before the Council went on break.

Councilmember Overton said that he would also like to be able to further discuss the 2006 Code at the same meeting.

C. **Consideration and Adoption of Ordinance No. 2013-16:** An ordinance authorizing the sale of two access easements that encumber a portion of parcel 109-02-001P and benefit parcel 109-05-081A currently owned by Cedar West Capital LLC.

Mayor Nabours declared a conflict of interest and left the meeting room. Project Manager Gary Miller briefly reviewed the request.

Councilmember Woodson moved to read Ordinance No. 2013-16 by title only for the first time; seconded; passed 6-0 with Mayor Nabours abstaining.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AUTHORIZING THE SALE OF TWO ACCESS EASEMENTS ENCUMBERING PARCEL NUMBER 109-02-001P AND BENEFITING PARCEL NUMBER 109-05-081A, AS IS MORE FULLY DESCRIBED IN THE LEGAL DESCRIPTION ATTACHED AS EXHIBIT A, TO CEDAR WEST CAPITAL LLC AND PROVIDING AUTHORITY FOR THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS AND AUTHORITY FOR THE CITY CLERK TO MAKE CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Mayor Nabours returned to the meeting at this time.

15. **DISCUSSION ITEMS**

None

16. **POSSIBLE FUTURE AGENDA ITEMS**

Verbal comments from the public on any item under this section must be given during Public Participation (#5) near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

Councilmember Barotz and Vice Mayor Evans both requested that Ordinance No. 2002-07 regarding reclaimed water be place on the next agenda for Possible Future Agenda Items.

17. **PUBLIC PARTICIPATION**

Andy Fernandez, resident, spoke on a variety of issues.

Joanna Estes, Flagstaff Liberty Alliance, spoke on a possible resolution regarding local sustainable agriculture. Mayor Nabours asked her to contact him directly to see if he could assist her further.

18. **INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, REQUESTS FOR FUTURE AGENDA ITEMS**

Vice Mayor Evans reported that she would not be at next week's meeting, but would be calling in and asked the Mayor to have the Building Code discussion at the front of the agenda. Councilmember Woodson noted that he would be absent from next week's meeting as well.

Further discussion was held and it was agreed that adoption of the Energy Code was not time sensitive so they would have first read of any ordinance at the July 16, 2013, meeting when everyone could attend and final read and adoption when they return from break.

Councilmember Barotz acknowledged Cindy Cole from the Arizona Daily Sun and thanked her for her service to the community, as she was leaving Flagstaff.

19. **ADJOURNMENT**

The Regular Meeting of the Flagstaff City Council held July 2, 2013, adjourned at 9:06 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CERTIFICATION

STATE OF ARIZONA)
ss.)
County of Coconino)

I, ELIZABETH A. BURKE, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the meeting of the Council of the City of Flagstaff held July 2, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 16th day of July, 2013.

_____
CITY CLERK

MINUTES OF THE SPECIAL MEETING (EXECUTIVE SESSION) OF THE FLAGSTAFF CITY COUNCIL HELD ON TUESDAY, JULY 9, 2013, IN THE STAFF CONFERENCE ROOM, SECOND FLOOR OF THE FLAGSTAFF CITY HALL, 211 WEST ASPEN, FLAGSTAFF, ARIZONA

1. Call to Order

Mayor Nabours called the meeting to order at 4:04 p.m.

2. Roll Call

Present:	Absent:
MAYOR NABOURS	VICE MAYOR EVANS
COUNCILMEMBER BAROTZ	COUNCILMEMBER WOODSON
COUNCILMEMBER BREWSTER	
COUNCILMEMBER ORAVITS	
COUNCILMEMBER OVERTON	

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea; Deputy City Manager Josh Copley; Deputy City Manager Jerene Watson; Deputy City Clerk Stacy Saltzburg.

3. Recess into Executive Session

Mayor Nabours moved to recess into Executive Session; seconded; passed unanimously. The Flagstaff City Council recessed into Executive Session at 4:04 p.m.

4. **EXECUTIVE SESSION:**

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to ARS Section 38-431.03(A)(3) and (4), respectively.

i. Nackard v. City of Flagstaff

ii. Nackard et al v. City of Flagstaff

iii. Elevations, Campus Crest, Flagstaff Senior Meadows Development/Sewer Capacity Fees.

5. ADJOURNMENT

The Flagstaff City Council reconvened into Open Session at 5:19 p.m. at which time the Special Meeting of July 9, 2013, adjourned.

_____
MAYOR

ATTEST:

_____
CITY CLERK

MINUTES

COMBINED SPECIAL COUNCIL MEETING / WORK SESSION
TUESDAY, JULY 9, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

1. Call to Order.

Mayor Nabours called the Flagstaff Combined Special City Council Meeting/Work Session of July 9, 2013, to order at 6:02 p.m.

2. Pledge of Allegiance.

The City Council and audience recited the Pledge of Allegiance.

3. Roll Call

Councilmembers present:	**Councilmembers absent:**
MAYOR NABOURS	VICE MAYOR EVANS
COUNCILMEMBER BAROTZ	COUNCILMEMBER WOODSON
COUNCILMEMBER BREWSTER	
COUNCILMEMBER ORAVITS	
COUNCILMEMBER OVERTON	

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea.

4. <u>Consideration and Adoption of Ordinance 2013-17:</u> An ordinance of the Mayor and Council of the City of Flagstaff, Arizona amending Title 3-10-001-0001, Planning Fees, Section 3-10-001-0002, Engineering Fees, and Section 3-10-001-0005, Recreation Fees; providing for a savings clause; and providing that all ordinances or any part of the Flagstaff City Code in conflict with the provisions of this ordinance shall be repealed upon the effective date of this ordinance.

Management Services Director Barbara Goodrich presented a PowerPoint Presentation regarding the FY2013 Revenue Increases.

- FY2013 REVENUE INCREASES
- FEE RECOVERY LEVELS
    - Level 1 – Direct cost only
    - Level 2 – Direct cost plus section admin
    - Level 3 – All of level 3 plus city administrative services
    - Level 4 – All of level 4 plus all other City section that provide any ancillary service/review

Planning Director Jim Cronk continued the presentation with information on proposed increases in planning fees.

City Engineer Rick Barrett continued the presentation with information on the proposed fees for the Materials Testing Lab.

Mr. Barrett indicated that there is currently no cost recovery of any kind for the Materials Testing Lab; without instituting fees for the service the City would no longer provide the testing. The testing would be put back on the client; currently the contractor is given no other option than for the City to do the testing. Staff has performed a comparison with the private sector testing facilities in town and the City cost to the customer is about 30% below the private sector.

Recreation Supervisor Shauna Fisher continued the presentation with information on the proposed fee increase for recreation.

Councilmember Barotz noted that even with the increase, the cost to put on a large event seemed very low when compared to other venues.

Revenue Director Andy Wagemaker continued the presentation with information on the water sales tax.

The reason for this tax is so the City stays in compliance with the Model City Tax Code.

Public Information Office Kimberly Ott continued the presentation with information on Cityscape. Ms. Ott offered that the City will attempt to place ads within Cityscape. The proposal is to hire someone on commission to sell camera ready ads for Cityscape. She stated that the next issue of Cityscape may be delayed as the process is worked through; there are already interested parties for advertising.

Ms. Goodrich finished the presentation with a summary of next steps. The ordinance can be read for the first time at this meeting with the second read coming at the Council meeting of July 16, 2013.

Mayor Nabours indicated that the fee increases at Jay Lively and the current status of the rink are two different issues but very much related. He asked City Manager Kevin Burke to give a status report and update on Jay Lively and the chiller repairs.

Mr. Burke reported that the ice rink is having difficulty with the primary chiller. The chiller is five plus years old and it is the only chiller used to make and maintain ice. The City has been in very serious financial times and the maintenance of this chiller has been deferred to preserve service. There was a proposal in this year's budget to install a new chiller for $150,000 but that was rejected for other needed repairs. Funds have been reallocated to repair the existing compressor in the amount of $60,000. The second step is to get the second chiller installed. Staff has been in negotiations with the vendor and installers and can get a minimal installation in the amount of $75,000. While this is not a fix all it will repair one chiller and get the other one up and going with the remainder being addressed in the FY15 budget. BBB monies continue to grow and funding can potentially come from there next year.

Public Works Director Erik Solberg addressed Council and offered that Trane has located a new compressor in Chicago, it has been shipped and should be here in a week and then installed over two days. Estimated time to get everything up and running is August 27, 2013. This would include trying to get the second chiller modified and

installed.

Because the second chiller will be considered a backup it will support the first chiller only when needed. The unit comes with a heat exchanger and some other components that the system can operate without. The heat exchanger is what is needed for the full install; it helps to keep the overall operating costs down.

The following spoke against increased fees at Jay Lively:

Denny Lauritsen
Robert Gooch
Kevin Tye
Ken Lane
Bruce Grubbs
Makaya Perks
Lon Owen

Council inquired about the status of dasher board advertising. Deputy City Manager Jerene Watson indicated that an RFP is being drafted and should go out soon.

Council asked if the user fees collected at the rink are used only for the ice rink. Mr. Burke stated that the fees go into the general fund and the general fund pays for the operation and maintenance of the facility; it is not a direct one for one. If the ice rink was a standalone operation, it would not be able to pay for itself.

Ice Rink Manager Mike Abeyta offered that the rink generally operates at a 70% cost recovery.

Mayor Nabours moved to read Ordinance No. 2013-17 for the first time by title only; seconded; passed unanimously.

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AMENDING TITLE 3-10-001-0001, PLANNING FEES, SECTION 3-10-001-0002, ENGINEERING FEES, AND SECTION 3-10-001-0005, RECREATION FEES; PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING THAT ALL ORDINANCES OR ANY PART OF THE FLAGSTAFF CITY CODE IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE SHALL BE REPEALED UPON THE EFFECTIVE DATE OF THIS ORDINANCE.

6. Adjournment

The Flagstaff Combined Special City Council meeting adjourned at 7:28 p.m.

WORK SESSION

1. Call to Order

Mayor Nabours called the Flagstaff Work Session of July 9, 2013, to order at 7:28 p.m.

2. Public Participation *(Non-Agenda Items Only):*

Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

The following individuals addressed Council with regard to repairing the chillers at the ice rink:

Natalie Choi
Kevin Tye
Rene Aurther
Abby Clayton
Kim Austin
Lon Owen
Maryanne Holland

A break was held from 7:42 p.m. to 7:54 p.m.

3. Preliminary Review of Draft Agenda for the July 16, 2013, City Council Meeting.*

** Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

Mayor Nabours requested information to be included on why a non-local engineering firm was selected for item 9B.

Mr. Burke reported that item 10C needs to be pulled from the agenda because the grant dollars will not be received until later this year.

Councilmember Oravits noted that item 14E is a hot button issue and requested that the item be moved up in the agenda closer to 6:00 p.m. for the public.

Mr. Burke offered clarification on the process for item 14E. The recommended action is to choose one of the three options. Once decided, the Council could do the first and second read on the same night if it has a unanimous vote of those present. If the Council does not want to do the first and second read on the same night the second read would be at the August 26th meeting.

4. Discussion of De-Icer and Tree Impacts.

Public Works Section Head Mike O'Connor presented a PowerPoint presentation on de-icer and tree impact.

Mr. O'Connor offered four different options for Council to consider:

Option 1 – Continue current operations
Option 2 – All cinder application
Option 3 – Impact Analysis
Option 4 – Reduce de-icer to major hills and target areas

Mayor Nabours stated that the staff summary mentioned the testing of surface water and asked for the findings of those tests. Environmental Program Manager Scott Donovan reported that the tests showed that there was sodium in the run-off from the surface water.

Council inquired about any analysis of damage to concrete and vehicles in town. Mr. O'Connor reported he learned that fly ash added to concrete minimizes the damage of salt and the concrete used in town is treated with fly ash. There has been no analysis of concrete damage or vehicle damage other than observing how the City's fleet responded to the application.

Mayor Nabours asked about the ADOT presentation that was done in 2007 and whether tree mortality had been discussed. Mr. O'Connor stated that ADOT did indicate that they had observed tree mortality with the use of de-icer.

There were questions about the cost savings with using de-icer over cinders. Mr. O'Connor indicated that there would be an increase to go back to cinders due to the need for additional funding for cleanup efforts but the overall saving affects many programs differently, savings in some higher costs in others.

Council expressed concern on the legality of a City operation causing damage to private property and the property owner bearing the cost of repair.

Councilmember Brewster voiced concern for the safety of the NAIPTA and FUSD buses.

Councilmember Barotz responded that in her conversations with NAIPTA, they would find a way to get the buses where they needed to go regardless of the direction Council takes with regard to de-icer or cinders.

The following individuals addressed Council in opposition of de-icer and support for cinders only:

Robert Caskey
Kay Doggett
Nat White
Peter Wainwright
Anne Witthe
Janice Ribelin
Andy Fernandez
Brad Garner

Mayor Nabours asked for the Police Department perspective on the use of de-icer. Officer Higgins stated that the Police Department will support whatever aids in public safety. Every option to address snow has hazards and positives. There are areas in town that de-icer makes sense and there are areas where cinders make sense.

Council discussed the need for more resources in the Street Section to increase cleanup efforts with street sweeping, drainage clean outs, etc.

Council also discussed the need for a good outreach campaign to get the word out about winter driving conditions and how the use of cinders vs. de-icer will impact how people drive.

The consensus of the Council is to return to an all cinder snow removal application.

5. Consider moving forward a preliminary design and cost estimate to construct the Rio de Flag Flood Control Project according to FEMA standards.

Mr. Burke addressed Council about the status of the Rio de Flag Flood Control Project. He stated that there was some movement recently on the Limited Re-evaluation Report; the bad news though is that the cost estimate has now risen to over $100 million and continues to get larger at each turn. The intent of the preliminary design and cost estimate is to evaluate the pros and cons with moving away from the current plan. The estimates would allow the City to evaluate if it can manage the project on its own.

Council expressed concern about the message this action could send to the City's federal partners. There are some risks and the City needs to be prepared for the Army Corp of Engineers to walk away.

Council agreed to move forward with the preliminary design and cost estimates.

8. Review of Draft Agenda Items for the July 9, 2013, City Council Meeting.

None

9. Public Participation

Marcus Vispasian addressed the Council about many personal concerns.

10. Informational Items To/From Mayor, Council, and City Manager.

Councilmember Barotz thanked Rand Jenkins who put on a fabulous benefit concert last week with proceeds going to the Granite Mountain Hotshots.

Mayor Nabours thanked the Recreation Section for pulling together a number of things this last week.

Councilmember Overton reported that he and some other Councilmembers walked in the Fourth of July parade and that it was a fun event that was well attended. He also attended the fireworks event and although they had to go early because of the weather they were great. He thanked staff for all their hard work.

11. Adjournment

The Flagstaff City Council Work Session of July 9, 2013, adjourned at 9:51 p.m.

_____
MAYOR

ATTEST:

_____
CITY CLERK

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Don Jacobson, Court Administrator
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration of Appointments: Magistrates and Presiding Magistrate for the Flagstaff Municipal Court.

RECOMMENDED ACTION:

Approve the appointments of Michael Araujo as Magistrate, Charlotte Beyal as Magistrate and Thomas L. Chotena as Presiding Magistrate, with all compensation increases and benefits to be the same as other City employees.

Policy Decision or Reason for Action:

Appointment of all magistrates is required to be completed by Flagstaff City Council for a two year term under both the City Charter and FCC **SECTION 1-15-001-0002(A)**. Appointment of judges for the Municipal Court allows for ongoing operations of the court without interruption. Magistrates hear cases stemming from criminal misdemeanor, civil traffic and local code violations occurring within the Flagstaff City Limits.

Financial Impact:

Funding for judicial positions is included in the approved court budget.

Connection to Council Goal:

Effective governance

Improving public safety by providing uninterrupted coverage of cases required to be heard at the Flagstaff Municipal Court. This supports the roles of law enforcement and prosecutors in the effective oversight of safety to the public.

Has There Been Previous Council Decision on This:

All magistrate candidates have been appointed by previous City Councils and have been serving in the Municipal Court for between twelve and twenty-two years.

Options and Alternatives:

Approve the appointments.
Don't approve the appointments and request additional candidates for Council consideration.
Don't approve the appointment for a Magistrate and request additional candidates to consider.

Background/History:

Magistrates hear criminal, civil and traffic matters that are filed in the Flagstaff Municipal Court. They conduct trials, both jury and non-jury, and sentence individuals within the parameters set by law. Magistrates are required for the ongoing operational needs of the Municipal Court and must be appointed by the City Council under City Charter and FCC **SECTION 1-15-001-0002(A)**.

The Presiding Magistrate not only has the same responsibilities and duties of the other Magistrates within the court, but also is responsible for the operation of the court. Under Arizona Supreme Court Administrative Order 2005-32 the Presiding Magistrate works with the Court Administrator to administer justice and provide a safe, fair and efficient environment for the resolution of conflicts.

Magistrates are critical to the criminal and civil processes of the judicial branch.

Key Considerations:

These appointments help maintain an independent judiciary that is necessary for the ongoing operations of all government entities. A strong, independent and fair judicial branch adds balance to criminal and civil matters that occur within an open and free society.

Community Benefits and Considerations:

Approving these appointments allows the court to not only maintain fairness in managing its caseload, but also supports the appearance of fairness to the public.

Community Involvement:

Inform

Expanded Options and Alternatives:

Should the City Council decide not to appoint one or more of the candidates then a recruitment process would need to be initiated and additional judicial coverage would have to be provided by existing judges.

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, Deputy City Clerk
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Action on Liquor License Application: Randy Nations, “Sprouts Farmers Market #26", 1540 Riordan Ranch St., Series 10S (beer and wine store), New License.

RECOMMENDED ACTION:

Open the public hearing.
Receive citizen input.
Close the public hearing.

The City Council has the option to:
1) Forward the application to the State with a recommendation for approval;
2) Forward the application to the State with no recommendation; or
3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

Policy Decision or Reason for Action:

Randy Nations with Sprouts Farmers Market #26 has submitted a liquor license application for a new business that requires a Series 10 (beer and wine store) license. The application includes sampling privileges.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Connection to Council Goal:

Effective governance - regulatory action.

Has There Been Previous Council Decision on This:

Not applicable.

Options and Alternatives:

1) Table the item if additional information or time is needed.
2) Make no recommendation.
3) Forward the application to the State with a recommendation for approval.
4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Background/History:

An application for a new Series 10S (beer and wine store w/sampling) liquor license was received from Randy Nations for Sprouts Farmers Market #26, 1540 Riordan Ranch St. This is an new business that wants to sell beer and wine including sampling privilages.

A background investigation performed by Sgt. Matt Wright of the Flagstaff Police Department resulted in a recommendation for approval.

A background investigation performed by Gregory Brooks, Code Compliance Officer II, resulted in no active code violations being reported.

Sales tax and licensing information was reviewed by Ranbir Cheema, Tax, Licensing & Revenue Manager, who stated that the business is in compliance with the tax and licensing requirements of the City.

Key Considerations:

Because the application is for a new license, consideration may be given to both the applicant's personal qualifications and the location.

A Series 10S (beer and wine store w/sampling) license allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

The deadline for issuing a recommendation on this application is July 25, 2013.

For a Series 10S (beer and wine store w/sampling) license, the applicant is required to provide the distance between the applicant’s business and the nearest church or school for government; the State does not require a geological map or list of licenses in the vicinity for any license series.

Expanded Financial Considerations:

This business will contribute to the tax base of the community. We are not aware of any other relevant considerations.

Community Benefits and Considerations:

The application was properly posted on June 18, 2013. No written protests have been received to date.

Expanded Options and Alternatives:

1) Table the item if additional information or time is needed.
2) Make no recommendation.
3) Forward the application to the State with a recommendation for approval.
4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Attachments: Sprouts - Letter to Applicant
Hearing Procedures
Series 10 Description

Sprouts - Section 13
Sprouts - PD Memo
Sprouts - Code Memo
Sprouts - Tax Memo

OFFICE OF THE CITY CLERK

July 3, 2013

Sprouts Farmers Market #26
Attn: Randy Nations
P.O. Box 2502
Chandler, AZ 85244

Dear Mr. Nations:

Your application for a Series 10 liquor license for Sprouts Farmers Market #26 at 1540 Riordan Ranch St., was posted on June 18, 2013. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 16, 2013 which begins at 4:00 p.m.**

It is important that you or your representative attend this Council Meeting and be prepared to answer any questions that the City Council may have. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application will expire on July 8, 2013 and the application may be removed from the premises at that time.

If you have any questions, please feel free to call me at 928-213-2077.

Sincerely,

Stacy Saltzburg
Deputy City Clerk

Enclosure

City of Flagstaff

Liquor License Application
Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will accept a motion to open the public hearing on the item.

2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.

3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.

4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.

5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.

6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.

7. By motion, Council will then close the public hearing.

8. By motion, the Council will then vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

License Types: Series 10 Beer and Wine Store License (Beer and wine only)

Non-transferable
Off-sale retail privileges
Note: Terms in **BOLD CAPITALS** are defined in the glossary.

PURPOSE:
Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:
A retailer with off-sale privileges may deliver spirituous liquor off of the licensed premises in connection with a retail sale. Payment must be made no later than the time of **DELIVERY**. The retailer must complete a Department approved "Record of Delivery" form for each spirituous liquor retail delivery.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept delivery of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

'13 MAY 16 Liq. Lic. PM 4:27

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: .2MI ft. Name of school Montessori School of Flagstaff
   Address 575 W. University Ave. Flagstaff, Arizona 86001
   City, State, Zip
2. Distance to nearest church: .2MI ft. Name of church Lutheran Campus Ministry
   Address 500 W. Riordan Rd. Flagstaff, Arizona 86001
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name LLN Enterprises, Inc.
   Address 1490 N. Riordan Ranch Rd. Flagstaff, Arizona 86001
   City, State, Zip

4a. Monthly rental/lease rate $ 11,916.67 What is the remaining length of the lease 10 yrs. 0 mos.

4b. What is the penalty if the lease is not fulfilled? $_____ or other Still owe term
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Grocery store

SECTION 13 - continued

'13 MAY 16 Liq. Lic. PM 4:27

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?

☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☐ YES ☒ NO If yes, give license number and licensee's name:

License #_____(exactly as it appears on license) Name _____

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
   If yes, give the name of licensee, Agent or a company name:

   _____ and license #: _____
   Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

   _____
   applicant's signature

   As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

   _____
   applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

   ☒ Entrances/Exits ☒ Liquor storage areas Patio: ☐ Contiguous
   ☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
   If yes, what is your estimated opening date? 08/01/13
   month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

applicants initials

Memo # 13-070-01

MEMORANDUM

TO **Chief Treadway**

FROM **Sgt. Matt Wright #704**

DATE **June 27, 2013**

REF **LIQUOR LICENSE APPLICATION – SERIES 10- FOR "Sprouts Farmers Market"**

On June 27, 2013, I initiated an investigation into an application for a series 10 liquor license filed by Randy Nations the listed agent for Sprouts Farmers Market. Randy is listed on the application for administrative purposes for the liquor license but will not have any responsibility for the day to day operations of the business. Sprouts Farmers Market is located at 1540 Riordan Ranch in Flagstaff but is not open for business yet. Also listed in the application are several Controlling Persons who will not be responsible for the day to day operations and they are: Andrew Jhawar, Kevin Easler, Stanley Boney, George Golleher, Leon Black, Marc Rowan, and Joshua Harris. James Sanders also listed as a Control Person who will be assisting with the day to day operations and provided proof that he completed the mandatory liquor law training course. The liquor license application number is 10033185. Sampling privileges have also been applied for at this location under this liquor license number. Sprouts Farmers Market is located more than 300 feet away from the nearest school or church.

I conducted a local records and a public access check on Randy Nations, Andrew Jhawar, Kevin Easler, Stanley Boney, George Golleher, Leon Black, Marc Rowan, Joshua Harris, and James Sanders. No criminal record was found for any of the listed applicants. Sprouts Farmers Market has several stores and liquor licenses in eight states. The application lists some previous liquor law violations at stores in California, Arizona and Texas. Six total violations were disclosed since 2007 and all fines were paid.

As a result of this investigation, I can find no reason to oppose this application. Recommendation to Council would be approval.

Planning and Development Services Memorandum

June 17, 2013

TO: Stacy Saltzburg, Deputy City Clerk

THROUGH: Roger Eastman, AICP, Comprehensive Planning and Code Administrator

FROM: Gregory Brooks, Code Compliance Officer II

RE: Application for Liquor License #10033185
1540 S. Riordan Ranch St., Flagstaff, Arizona 86001
Assessor's Parcel Number 108-09-001W
Randy Nations on behalf of Sprouts Farmers Market #26

This application is a request for a Series 10 (Beer and Wine Only) new liquor license from Randy Nations on behalf of Sprouts Farmers Market #26, located in the Community Commercial (CC) Zone. This district allows for beer and wine stores.

There are no active zoning code violations associated with Randy Nations or Sprouts Farmers Market #26 at this time.

This liquor license is recommended for approval.

Memo

To: Stacy Saltzberg, Deputy City Clerk

From: Ranbir Cheema - Tax, Licensing & Revenue Manager

Date: June 21, 2013

Re: Series 10 Liquor License – New License – Sprouts Farmers market

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Sunflower Farmers Market LLC DBA Sprouts Farmers Market is in process of obtaining a City Sales Tax license. They do not anticipate opening this business until August 28, 2013; therefore there are no taxes or returns due at this time. I have no reason to hold up this liquor license application.

/liquor licenses/Sprouts.doc

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, Deputy City Clerk
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Action on Liquor License Application: Randy Nations, “The Museum Club", 3404 E. Route 66, Series 06 (bar- all spirituous liquor), Person Transfer.

RECOMMENDED ACTION:

Open the public hearing.
Receive citizen input.
Close the public hearing.

The City Council has the option to:
1) Forward the application to the State with a recommendation for approval;
2) Forward the application to the State with no recommendation; or
3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

Policy Decision or Reason for Action:

Series 06 (bar- all spirituous liquor) licenses are obtained through the person transfer of an existing license from another business. The person transfer is from Brandyn Tullis for The Museum Club located at 3404 E. Route 66, Flagstaff, Arizona to Randy Nations.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Connection to Council Goal:

Effective governance - regulatory action.

Has There Been Previous Council Decision on This:

Not applicable.

Options and Alternatives:

1) Table the item if additional information or time is needed.
2) Make no recommendation.
3) Forward the application to the State with a recommendation for approval.
4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Background/History:

An application for a person transfer Series 06 liquor license was received from Randy Nations for The Museum Club at 3404 E. Route 66. The person transfer is from Brandyn Tullis for The Museum Club located at 3404 E. Route 66, Flagstaff, Arizona to Randy Nations.

A background investigation performed by Sgt. Matt Wright of the Flagstaff Police Department resulted in a recommendation for approval.

A background investigation performed by Gregory Brooks, Code Compliance Officer II, resulted in no active code violations being reported.

Sales tax and licensing information was reviewed by Ranbir Cheema, Tax, Licensing & Revenue Manager, who stated that the business is in compliance with the tax and licensing requirements of the City.

Key Considerations:

Because the application is for a person transfer, consideration may only be given to the applicant's personal qualifications.

A Series 06 (bar - all spirituous liquor) allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

The deadline for issuing a recommendation on this application is July 25, 2013.

For a Series 06 liquor license, the applicant is required to provide the distance between the applicant's business and the nearest church or school; the State does not require a geological map or list of licenses in the vicinity for any license series.

Expanded Financial Considerations:

This business will contribute to the tax base of the community. We are not aware of any other relevant considerations.

Community Benefits and Considerations:

The application was properly posted on March 28, 2013. No written protests have been received to date.

Expanded Options and Alternatives:

1) Table the item if additional information or time is needed.
2) Make no recommendation.
3) Forward the application to the State with a recommendation for approval.
4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Attachments:

Museum Club - Letter to Applicant
Hearing Procedures
Series 06 Description
Museum Club - Section 13
Museum Club - PD Memo
Museum Club - Code Memo

Museum Club - Tax Memo

OFFICE OF THE CITY CLERK

July 3, 2013

The Museum Club
Attn: Randy Nations
P.O. Box 2502
Chandler, AZ 85244

Dear Mr. Nations:

Your application for a Series 6 person transfer liquor license for The Museum Club at 3404 E. Route 66., was posted on June 18, 2013. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 16, 2013 which begins at 4:00 p.m.**

It is important that you or your representative attend this Council Meeting and be prepared to answer any questions that the City Council may have. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application will expire on July 8, 2013 and the application may be removed from the premises at that time.

If you have any questions, please feel free to call me at 928-213-2077.

Sincerely,

Stacy Saltzburg
Deputy City Clerk

Enclosure

City of Flagstaff

Liquor License Application
Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will accept a motion to open the public hearing on the item.

2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.

3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.

4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.

5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.

6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.

7. By motion, Council will then close the public hearing.

8. By motion, the Council will then vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

License Types: Series 06 Bar (all spirituous liquor)

Transferable (From person to person and/or location to location within the same county only)
On & off-sale retail privileges
Note: Terms in **BOLD CAPITALS** are defined in the glossary.

PURPOSE:
Allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:
A retailer with off-sale privileges may deliver spirituous liquor off of the licensed premises in connection with a retail sale. Payment must be made no later than the time of **DELIVERY**. The retailer must complete a Department approved "Record of Delivery" form for each spirituous liquor retail delivery.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept delivery of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Off-sale ("To Go") package sales of spirituous liquor can be made on the bar premises as long as the area of off-sale operation does not utilize a separate entrance and exit from the ones provided for the bar.

A hotel or motel with a Series 06 license may sell spirituous liquor in sealed containers in individual portions to its registered guests at any time by means of a minibar located in the guest rooms of registered guests. The registered guest must be at least twenty-one (21) years of age. Access to the minibar is by a key or magnetic card device and not furnished to a guest between the hours of 2:00 a.m. and 6:00 a.m. Monday through Saturday and 2:00 a.m. and 10:00 a.m. on Sundays.

Bar, beer and wine bar, and restaurant licensees must pay an annual **SURCHARGE** of $20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 0.3 Mi ft. Name of school John Q Thomas Elementary School
   Address 3330 E Lockett Rd Flagstaff AZ 86004
   City, State, Zip
2. Distance to nearest church: 0.3 Mi ft. Name of church Greenlaw Baptist Church
   Address 3330 E Lockett Rd Flagstaff AZ 86004
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name Martin Zanzucchi
   Address 5150 Country Club Dr Flagstaff AZ 86004
   City, State, Zip

4a. Monthly rental/lease rate $ 6,661.41 What is the remaining length of the lease 5 yrs. ____ mos.

4b. What is the penalty if the lease is not fulfilled? $_____ or other option to sublease
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Bar

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
   ☐ YES ☒ NO If yes, attach explanation.
8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO
9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 06030041 (exactly as it appears on license) Name Randy D. Nations

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SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
   If yes, give the name of licensee, Agent or a company name:

   _____ and license #: _____
   Last First Middle
2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

   _____
   applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

_____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

   ☒ Entrances/Exits ☒ Liquor storage areas Patio: ☒ Contiguous
   ☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
   If yes, what is your estimated opening date? _____
   month/day/year
3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

RDN
applicants initials

MEMORANDUM

Memo # 13-069-01

TO: **Chief Kevin Treadway**

FROM: **Sgt. Matt Wright**

DATE: **June 27, 2013**

REF **Series 6 Liquor License Person Transfer for The Museum Club**

On June 27, 2013, I initiated an investigation into an application for a series 06 (bar) liquor license person to person transfer. The liquor license application has been filed by Randy Nations owner of Arizona Liquor Industry Consultants, on behalf of Russell Branon Bauer and Branydn Michael Tullis owners of The Museum Club. The Museum Club is located at 3404 E. Route 66 in Flagstaff. The license number being applied for is 06030041 a full bar license.

I conducted a query through local systems and public access on Russell Branon Bauer and Branydn Michael Tullis. No derogatory records were found on Branydn Tullis. Russell was found to have been charged for hit and run in 2013. The criminal charge was later reduced by Flagstaff City Court to a civil speeding ticket of which Russell paid the fine for. The Museum Club has not had any liquor law violations in the last five years. They received two violations in 2007 failing to request identification and for selling alcohol to an underage person. Both fines were paid and the license is in good standing with the Arizona Department of Liquor License and Control.

In speaking with Branydn Tullis he explained he took on a new partner, Russell Bauer, which resulted in the name change of his LLC to Red Dirt Entertainment. This ownership change of The Museum Club requires that the liquor license also reflects the name changes. Branydn confirmed he had already taken the required liquor law training course. Russell had not yet taken the course but they are planning to do so with their entire staff in the near future.

As a result of the investigation, I can find no reason to oppose the series 06 application for person transfer. Recommendation to council would be for approval.

Planning and Development Services Memorandum

June 17, 2013

TO: Stacy Saltzburg, Deputy City Clerk

THROUGH: Roger Eastman, AICP, Comprehensive Planning and Code Administrator

FROM: Gregory Brooks, Code Compliance Officer II

RE: Application for Liquor License #06030041
3404 E. Rt. 66, Flagstaff, Arizona 86004
Assessor's Parcel Number 108-06-003D
Randy Nations on behalf of The Museum Club

This application is a request for a Series 06 (Bar) person transfer liquor license from Randy Nations on behalf of The Museum Club, located in the Highway Commercial (HC) Zone. This district allows for bars.

There are no active zoning code violations associated with Randy Nations or The Museum Club at this time.

This liquor license is recommended for approval.

Memo

To: Stacy Saltzberg, Deputy City Clerk

From: Ranbir Cheema - Tax, Licensing & Revenue Manager

Date: June 21, 2013

Re: Series 6 Liquor License – Person Transfer – The Museum Club

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Red Dirt Entertainment LLC DBA The Museum Club as the buyer and JBS Entertainment LLC as the seller are in compliance with the City of Flagstaff for sales tax licensing, remittance and returns filing requirements. They are currently in good standing with the sales tax section.

OK per Andy

/liquor licenses/Museum Club.doc

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Tiffin Miller, Project Manager, Community Development
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Approval of Construction Contract: Route 66 Waterline Woody Mountain Rd. to McAllister Ranch.

RECOMMENDED ACTION:

1) Approve the construction contract with CLM Earthmovers in the amount of $305,965.00 which includes a $40,500 contract allowance and a 90 calendar day contract time;
2) Approve change order authority to the City Manager in the amount of $26,547.00 (10% of the contract amount, less allowance) to cover potential costs associated with unanticipated items of work; and
3) Authorize the City Manager to execute the necessary documents.

Policy Decision or Reason for Action:

Award of the contract will authorize the construction of the Route 66 Waterline Woody Mountain Rd. to McAllister Ranch project in accordance with the approved Public Improvements Plans prepared by AZ-Tech Design, Inc.

Financial Impact:

The project is budgeted in FY 2014 Utilities Division Account in the amount of $900,000 for the Route 66 Waterline Woody Mountain Rd. to McAllister Ranch project in account no. 201-5251-771.

Connection to Council Goal:

1. Repair Replace maintain infrastructure (streets & utilities)

Previous Council Decision on This:

No

Options and Alternatives:

- Approve the award as recommended
- Reject bids and re-advertise the project

Background/History:

The bid solicitation was published twice; June 20, 2013 and June 27, 2013. Nine bids were received on July 2, 2013 at the office of the City Purchasing Agent. A summary of the bids received is below:

Bidder	Total Bid
Engineer's Estimate	$607,230.00
CLM Earthmovers	$305,965.00
Eagle Mountain Construction	$311,830.50
Alliance Street Works	$312,436.70
Kinney Construction	$318,149.00
C.J. Excavating	$341,271.77
L.P.'s Excavating	$356,786.90
Hunter Contracting	$398,184.00
RK Sanders	$405,564.00
Rawlings Specialty	$493,890.20

Key Considerations:

The scope of the project includes a new 18" water main in the northern shoulder of Route 66 from Woody Mountain Road to the McAllister Ranch. The work also includes two new fire hydrants and an air release valve.

Construction impacts may include traffic delays.

Community Benefits and Considerations:

This new 18" transmission water main will allow the new City of Flagstaff pumphouse located on the McAllister property to be connected to the existing water distribution system. The addition of the new well water resources allows for additional community growth and development on the west side of the City and increases the reliability of our overall water supply system. The project also has the added benefit of being a key pipeline component in the WL Gore Westside waterline extension. The latter project will allow for additional expansion by WL Gore at the Woody Mountain production facility.

Community Involvement:

Inform - Construction progress up-dates will be provided to residents and property owners during the project.

Attachments: Vicinity Map
Sample Contract

Route 66 Waterline Improvement

-- Woody Mtn Rd. to McAllister Ranch --

1.) - COF Proj. No. 525100

2.) - COF File No. 03-13008

1,000 500 0 1,000 Feet

June 26, 2013

SAMPLE CONTRACT

CONSTRUCTION CONTRACT

City of Flagstaff, Arizona
And
_____

This Construction Contract ("Contract") is made and entered into this _____ day of _____ 2012, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Owner") and _____ _____ ("Contractor") with offices at_____ . Contractor and the Owner may be referred to each individually as a "Party" and collectively as the "Parties."

RECITALS

A. Owner desires to obtain construction services; and

B. Contractor has available and offers to provide personnel and materials necessary to accomplish the work and complete the Project as described in the Scope of Work within the required time in accordance with the calendar days included in this Contract.

NOW, THEREFORE, the Owner and Contractor agree as follows:

1. Scope of Work. The Contractor shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities required to perform all work for the construction of __ _____(the "Project"). Contractor shall construct the Project for the Owner in a good, workmanlike and substantial manner and to the satisfaction of the Owner through its engineers and under the direction and supervision of the City Engineer, or his properly authorized agents including but not limited to project managers and project engineers. Contractor's work shall be strictly pursuant to and in conformity with the Contract.

1.1 A Pre-Construction Conference will be held with the successful Contractor after the Notice of Award is issued. The date and time of the Conference will be agreed upon between the Contractor and the Engineer. The meeting will be held at City Hall, 211 West Aspen Avenue, Flagstaff, AZ 86001. The purpose of the meeting is to outline specific construction items and procedures that the City of Flagstaff (the "Owner") feels require special attention on the part of the Contractor. The Contractor may also present any variations in procedures to improve the workability of the Project, reduce the cost, or reduce inconvenience to the public. The Contractor shall submit a written proposal at this conference outlining intended plans for pavement replacement, maintaining continuous access to residences and businesses along the construction site, and traffic control.

2. Contract; Ownership of Work. Contractor shall furnish and deliver all of the materials and perform all of the work in accordance with this Contract; Construction Plans; Special Provisions; the City of Flagstaff Engineering Design and Construction Standards and Specifications; the latest version of the Maricopa Association of Governments ("MAG") Specifications for Public Works Construction and City revisions to the MAG Specifications for

SAMPLE

Public Works Construction ("Exhibit A"); and any Arizona Department of Transportation (A.D.O.T.) Standards that may be referenced on the Plans or in the specifications, incorporated in this Contract by reference, plans and associated documents. All provisions of the Invitation for Construction Bids, Performance Bond, Payment Bond, Certificates of Insurance, Addenda, Change Orders and Field Orders, if any, are hereby incorporated into this Contract. All materials, work, specifications and plans shall be the property of the Owner.

The following exhibits are incorporated by reference and are expressly made a part of this Contract:

2.1.1 Revisions of MAG Standard Specifications for Public Works Construction ("Flagstaff Addendum to MAG") Exhibit A
2.1.2 Special Provisions Exhibit B

3. Payments. In consideration of the faithful performance of the work described in this Contract, the Owner shall pay an amount not to exceed _____to the Contractor for work and materials provided in accordance with the bid schedule, which amount includes all federal, state, and local taxes, as applicable. This amount shall be payable through monthly progress payments, subject to the following conditions:

3.1 Contractor shall promptly submit to the Owner all proper invoices necessary for the determination of the prices of labor and materials;

3.2 Progress payments shall be made in the amount of ninety percent (90%) of the value of labor and materials incorporated in the work, based on the sum of the Contract prices of labor and material, and of materials stored at the worksite, on the basis of substantiating paid invoices, as estimated by the Owner, less the aggregate of all previous payments, until the work performed under this Contract is fifty percent (50%) complete. When and after such work is fifty (50%) complete, the ten percent (10%) of value previously retained may be reduced to five percent (5%) of value completed if Contractor is making satisfactory progress as determined by the Owner, and providing that there is no specific cause or claim requiring a greater amount to be retained. If at any time the Owner determines that satisfactory progress is not being made, the ten percent (10%) retention shall be reinstated for all subsequent progress payments made under this Contract;

3.3 The City Engineer shall have the right to finally determine the amount due to Contractor;

3.4 Monthly progress payments shall be made by the Owner, on or before fourteen (14) calendar days after the receipt by the Owner of an approved estimate of the work completed;

3.5 Contractor agrees that title to materials incorporated in the work, and stored at the site, shall vest with the Owner upon receipt of the corresponding progress payment;

SAMPLE

3.6 The remainder of the Contract price, after deducting all such monthly payments and any retention, shall be paid within sixty (60) days after final acceptance of completed work by the Owner. The release of retention or alternate surety shall be made following the Owner's receipt and acceptance of: Contractor's Affidavit Regarding Settlement of Claims, Affidavit of Payment, Consent of Surety for Final Payment, and Unconditional Full and Final lien waivers from all subcontractors and suppliers who have filed an Arizona Preliminary 20 Day Lien Notice in accordance with A.R.S. §§ 33-992.01 and 33-992.02.

4. Time of Completion. Contractor agrees to complete all work as described in this Contract within **_90__ calendar days** from the date of the Owner's Notice to Proceed free of all liens, claims and demands of any kind for materials, equipment, supplies, services, labor, taxes and damages to property or persons, in the manner and under the conditions specified within the time or times specified in this Contract.

5. Performance of Work. All work covered by this Contract shall be done in accordance with the latest and best accepted practices of the trades involved. The Contractor shall use only skilled craftsmen experienced in their respective trades to prepare the materials and to perform the work.

6. Acceptance of Work; Non Waiver. No failure of the Owner during the progress of the work to discover or reject materials or work not in accordance with this Contract shall be deemed an acceptance of, or a waiver of, defects in work or materials. No payment shall be construed to be an acceptance of work or materials which are not strictly in accordance with the Contract.

7. Delay of Work. Any delay in the performance of this Contract due to strikes, lockouts, fires, or other unavoidable casualties beyond the control of the Contractor and not caused by any wrongful act or negligence of the Contractor shall entitle the Contractor to an extension of time equal to the delay so caused. The Contractor shall notify the Owner in writing specifying such cause within twenty-four (24) hours after its occurrence. In the event such delay is caused by strikes, lockouts, or inability to obtain workmen for any other cause, the Owner shall have the right but shall not be obligated to complete the work on the same basis as is provided for in Section 13 below (Contract Violations).

8. Failure to Complete Project in Timely Manner. If Contractor fails or refuses to execute this Contract within the time specified in Section 3 above, or such additional time as may be allowed, the proceeds of Contractor's proposal guaranty shall become subject to deposit into the Treasury of the municipality as monies available to compensate the Owner for damages as provided by A.R.S. § 34-201 for the delay in execution of this Contract, and bonds and the performance of work under this Contract, and the necessity of accepting a higher or less desirable bid from such failure or refusal to execute this Contract and bond as required. If Contractor has submitted a certified check or cashier's check as a proposal guaranty, the check shall be returned after execution of this Contract. The certified check or cashier's check of other Bidders shall be returned at the expiration of thirty (30) days from the date of opening of proposals or sooner, if this Contract is executed prior to that time.

SAMPLE

9. Labor Demonstration. It is understood that the work covered by this Contract is for the Owner's business purposes and that any unfavorable publicity or demonstrations in connection with the work will have a negative effect upon the Owner. If Contractor's actions in performance of the Contract result in any public demonstration on behalf of the laborers or organized labor in the vicinity of the Owner's premises, whether such demonstration is in the form of picketing, posting of placards or signs, violence, threats of violence or in any other form, which in the Owner's judgment, might convey to the public the impression that the Owner or the Contractor or any subcontractor is unfair to laborers or to organized labor, the Owner shall have the right to terminate this Contract immediately, unless the Contractor shall have caused such demonstration to be discontinued within two (2) days after request of the Owner to do so. In the event any such demonstration is attended by violence, the Owner may fix lesser time within which a discontinuance shall be accomplished. In the event of Contract termination, the Contractor agrees to remove from the Premises within twenty-four (24) hours of termination, all machinery, tools, and equipment belonging to it or to its subcontractors. All obligations or liabilities of the Owner to the Contractor shall be discharged by such termination, except the obligation to pay to the Contractor a portion of the Contract price representing the value based upon the Contract prices of labor and materials incorporated in the work as established by the Owner, less the aggregate of all previous payments, but subject to all of the conditions pertaining to payments generally.

10. Material Storage. During the progress of the work, the Contractor shall arrange for office facilities and for the orderly storage of materials and equipment. Contractor shall erect any temporary structures required for the work at his or her own expense. The Contractor shall at all times keep the premises reasonably free from debris and in a condition which will not increase fire hazards. Upon completion of the work, the Contractor shall remove all temporary buildings and facilities and all equipment, surplus materials and supplies belonging to the Contractor. Contractor shall leave the Premises in good order, clean, and ready to use by the Owner. The establishment of any temporary construction yard, material storage area or staging area to be located within City of Flagstaff limits and outside the public right-of-way or Project limits generally requires a Temporary Use Permit. (See Exhibit A, Section 107.2.1.)

11. Assignment. Contractor shall not assign this Contract, in whole or in part, without the prior written consent of the Owner.

12. Notices. All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

If to Owner:	**If to Contractor:**
Patrick Brown, C.P.M. Senior Procurement Specialist 211 West Aspen Avenue	

SAMPLE

Flagstaff, AZ 86001

13. Contract Violations. In the event of any of the provisions of this Contract are violated by the Contractor or by any of Contractor's subcontractors, the Owner may serve written notice upon the Contractor and the Surety of its intention to terminate such Contract (the "Notice to Terminate"). The Contract shall terminate within five (5) days of the date Contractor receives the Notice to Terminate, unless the violation ceases and Contractor makes arrangements for correction satisfactory to the Owner. In the event of any such termination, the Owner shall immediately serve notice of the termination upon the Surety by registered mail, return receipt requested. The Surety shall have the right to take over and perform the Contract. If the Surety does not commence performance within ten (10) days from the date of receipt of the Owner's notice of termination, the Owner may complete the work at the expense of the Contractor, and the Contractor and his or her Surety shall be liable to the Owner for any excess cost incurred by the Owner to complete the work. If the Owner completes the work, the Owner may take possession of and utilize such materials, appliances and plants as may be on the worksite site and necessary for completion of the work.

14. Contractor's Liability and Indemnification. To the fullest extent permitted by law, the Contractor shall defend, indemnify and hold harmless the Owner, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the Contractor, its employees, agents, or any tier of subcontractors in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify the Owner, its agents, representatives, officers, directors, officials and employees shall arise in connection with the claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting there from, caused by any acts, errors, mistakes, omissions, work or services in the performance of this Contract including any employee of the Contractor or any tier of subcontractor or any other person for whose acts, errors, mistakes, omissions, work or services the Contractor may be legally liable. The amount and type of insurance coverage requirements set forth in the Contract (Section 103.6 of Exhibit A) will in no way be construed as limiting the scope of the indemnity in this paragraph.

15. Non Appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the Owner to meet the Owner's obligations under this Contract, the Owner will notify Contractor in writing of such occurrence, and this Contract will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Contract are exhausted. No payments shall be made or due to the other party under this Contract beyond these amounts appropriated and budgeted by the Owner to fund the Owner's obligations under this Contract.

16. Amendment of Contract. This Agreement may not be modified or altered except in writing and signed by duly authorized representatives of the parties.

SAMPLE

17. Subcontracts. Contractor shall not enter into any subcontract, or issue any purchase order for the completed work, or any substantial part of the work, unless in each instance, prior written approval shall have been given by the Owner. Contractor shall be fully responsible to the Owner for acts and omissions of Contractor's subcontractors and all persons either directly or indirectly employed by them.

18. Cancellation for Conflict of Interest. This Contract is subject to the cancellation provisions of A.R.S. § 38-511.

19. Compliance with All Laws. Contractor shall comply with all applicable laws, statutes, ordinances, regulations and governmental requirements in the performance of this Contract.

20. Employment of Aliens. Contractor shall comply with A.R.S. § 34-301, which provides that a person who is not a citizen or ward of the United States shall not be employed upon or in connection with any state, county or municipal public works project.

21. Compliance with Federal Immigration Laws and Regulations. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. 23-214.A. Contractor acknowledges that pursuant to A.R.S. 41-4401 a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this contract, and that the City retains the legal right to inspect the papers of any employee who works on the contract to ensure compliance with this warranty.

22. Business Operations in Sudan/Iran. In accordance with A.R.S. § 35-397, the Contractor certifies that the Contractor and its affiliates and subsidiaries do not have scrutinized business operations in Sudan or Iran. If the City determines that the Provider's certification is false, the City may impose all legal and equitable remedies available to it, including but not limited to termination of this Agreement.

23. Contractor's Warranty. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214.A, Verification of Employment Eligibility. Contractor shall not employ aliens in accordance with A.R.S. § 34-301, Employment of Aliens on Public Works Prohibited. Contractor acknowledges that pursuant to A.R.S. § 41-4401, Government Procurement; E-Verify Requirement; Definitions, a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this Contract, and that the Owner retains the legal right to inspect the papers of any employee who works on the Contract to ensure compliance with this warranty.

24. Jurisdiction and Venue. This Agreement shall be administered and interpreted under the laws of the State of Arizona. The Contractor hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

25. Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as

SAMPLE

the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

26. Time is of the Essence. Contractor acknowledges that the completion of the Contract by the dates specified final completion is critical to the Owner, time being of the essence of this Contract.

27. Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Contract.

28. Severability. If any part of this Contract is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Contract shall remain in full force and effect unless the stricken provision leaves the remaining Contract unenforceable.

IN WITNESS WHEREOF, the Owner and Contractor, by their duly authorized representatives, have executed this Contract as of the date written above.

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

Owner, City of Flagstaff

_____

Kevin Burke, City Manager

Attest:

_____

City Clerk

Approved as to form:

_____

City Attorney

Contractor

_____

Signature

_____

Printed Name

SAMPLE

SAMPLE CONTRACT

CITY OF FLAGSTAFF, ARIZONA
PAYMENT BOND

PROJECT NAME: **Route 66 Waterline Woody Mtn. Rd. to McAllister Ranch**
PROJECT NUMBER: 525100 BID NUMBER: 2013-

STATUTORY PAYMENT BOND PURSUANT TO TITLE 34
CHAPTER 2, ARTICLE 2, OF THE ARIZONA REVISED STATUTES
(Penalty of this Bond must be 100% of the Contract Amount)

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (Hereinafter called the Principal), as Principal, and, _____ _____, a corporation organized and existing under the laws of the State of _____, with its principal office in the City of _____ ("Surety"), as Surety, are held and firmly bound unto the City of Flagstaff, Arizona ("Obligee"), in the amount of _____ _____Dollars ($_____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the Obligee, dated this _____ day of_____, 20___, to the City of Flagstaff which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

Now, therefore, the condition of this obligation is such, that if the principal promptly pays all monies due to all persons supplying labor or materials to the principal or the principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

Provided, however, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of said Title and Chapter, to the same extent as if it were copied at length in this Contract.

SAMPLE

SAMPLE CONTRACT

The prevailing party in a suit on this bond shall recover as a part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____ 20___.

_____	_____
Principal (Seal)	Surety (Seal)
By: _____	By: _____
_____	_____
Agency of Record	Agency Address

SAMPLE

SAMPLE CONTRACT

CITY OF FLAGSTAFF, ARIZONA
PERFORMANCE BOND

PROJECT NAME: **Route 66 Waterline Woody Mtn. Rd. to McAllister Ranch**
PROJECT NUMBER: 525100 BID NUMBER: 2013-

STATUTORY PERFORMANCE BOND PURSUANT TO TITLE 34
CHAPTER 2, ARTICLE 2, OF THE ARIZONA REVISED STATUTES
(Penalty of this Bond must be 100% of the Contract Amount)

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (hereinafter called the Principal), as Principal, and, _____ _____, a corporation organized and existing under the laws of the State of _____ _____, with its principal office in the City of _____ ("Surety"), as Surety, are held and firmly bound unto the City of Flagstaff, Arizona ("Obligee"), in the amount of _____Dollars ($_____ _____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the Obligee, dated this ____day of _____ 200__ in the City of Flagstaff which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

Now, therefore, the condition of this obligation is such, that if the principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of contract during the original term of the contract and any extension of the contract, with or without notice to the surety, and during the life of any guaranty required under the contract, and also performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

Provided, however, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in

SAMPLE

accordance with the provisions of said Title and Chapter, to the extent as if it were copied at length in this Contract.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____20__.

_____	_____
Principal (Seal)	Surety (Seal)
By: _____	By: _____
_____	_____
Agency of Record	Agency Address

SAMPLE

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: David Womochil, Senior Assistant City Attorney

Date: 07/15/2013

Meeting Date: 07/16/2013

TITLE:

<u>*Consideration and Approval of Settlement Agreement:</u> Fred Nackard Land Co, et al v. City of Flagstaff.

RECOMMENDED ACTION:

Approve Settlement Agreement with Fred Nackard Land Company, et al, as previously discussed in Executive Sessions on April 9, 2013 and July 9, 2013.

Policy Decision or Reason for Action:

Resolve lawsuit.

Financial Impact:

Connection to Council Goal:

Effective governance.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

1) Approve the Settlement Agreement with Fred Nackard Land Co., et al.
2) Do not approve the Settlement Agreement with Fred Nackard Land Co., et al.

Attachments: <u>Nackard Settlement</u>

SETTLEMENT AND RELEASE AGREEMENT

THIS SETTLEMENT AND RELEASE AGREEMENT ("Agreement") is made and entered into as of the __ day of July 2013 ("Execution Date"), by Plaintiffs Fred Nackard Land Company ("Nackard"), LNN Enterprises, Inc ("LNN"), Richard Henderson ("Henderson"), West Village Estates, Inc. ("West Villages"), together with the City of Flagstaff, an Arizona municipal corporation ("the City") in settlement of all claims and disputes existing between them. Plaintiffs and the City will be referred to collectively in the Agreement as the "parties," or, individually, as a "party".

R E C I T A L S

A. In 2004, Plaintiffs filed suit against the City in Coconino County Superior Court, Case NO. CV 2004-0371. In April 2008, the Coconino County Superior Court granted summary judgment to the City. Plaintiffs appealed and the Arizona Court of Appeals remanded Plaintiffs' as-applied constitutional claim. Plaintiffs then filed a Second Amended Complaint, which the City removed to federal court. At all times, Plaintiffs lawsuit (the "Lawsuit") sought, *inter alia*, declaratory relief and monetary damages.

1. While the action was originally provisionally certified as a class action when it was still in state court, the Arizona Federal District Court, by Order dated July 10, 2013, has decertified the provisional class. As a result, the parties agree they need not conform with the specific requirements for settling class actions set forth in Rule 23, Fed R. Civ. P., including those related to giving notice. Further, this settlement is not subject to court approval.

B. The Lawsuit continues.

C. Each party to this Agreement has made a careful and independent investigation of all of the facts deemed by such party to be material. Because of the expense and uncertain outcome of any litigation involving the claims asserted in the Lawsuit, the parties desire to enter into this Agreement in order to forever resolve all past and present disputes or claims existing between them which relate to the Lawsuit.

D. Each party acknowledges this Agreement is the product of arm's length negotiation and the compromise and settlement of disputed claims. The parties further agree and acknowledge that this Agreement is not intended to be, and shall not be construed as, a confession or admission of liability by any party, or an admission of any disputed issue of fact. Without limiting the foregoing, the parties further agree that this Agreement does not manifest an acceptance of the factual or legal positions asserted by the other party in the Lawsuit.

IN CONSIDERATION OF the mutual representations, warranties, covenants,

agreements and releases set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

A G R E E M E N T

1. **Accuracy of Recitals.** The foregoing Recitals are incorporated as a part of this Agreement, and the parties represent and warrant the truth of all that is contained in the Recitals. The parties agree the Recitals are contractual and not mere recitals.

2. **Settlement Payment.** The City agrees to pay Plaintiffs', through counsel, $80,000.00 (the "Settlement Payment"). The Settlement Payment will be made no later than ten (10) business days after the filing of the Stipulation of Dismissal.

3. **Dismissal of the Lawsuit.** Within three (3) business days of the execution of this Agreement, the parties shall authorize and direct their respective counsel to file the requisite Stipulation to Dismiss the Lawsuit.

4. **Plaintiffs' Release of Claims.** Plaintiffs, for themselves, their companies, agents, principals, representatives, employees, attorneys, heirs, executors, administrators, successors in interest and assignees, hereby irrevocably release and discharge the City, its current and former mayors, council members, department managers, employees, agents, representatives, agents, predecessors and successors in interest, assignees, and attorneys, from all sums of money, damages, accounts, charges (including, without limitation, costs and attorneys' fees), suits, proceedings, claims, contracts, judgments, losses, obligations, liabilities, demands or other causes of action of any kind or nature, asserted or unasserted known or unknown, fixed or contingent, liquidated or non-liquidated, whether based on constitutional rights (state or federal), statute (state or federal) tort, equity or any other theory of recovery (collectively, the "Plaintiffs' Claims") that Plaintiffs have, had, or may have, and that relate or related to, arise or arose from, or are or were incurred in connection with the subject matter of the Lawsuit , including all claims related to the creation and implementation of the City's Stormwater Utility and that Utility's fee and credit structure, to include all takings, reverse takings, due process, unconstitutional taxation, and/or equal protection claims.

Plaintiffs represent, warrant, and covenant that they have the (i) sole right and exclusive authority to execute this Agreement; (ii) have not sold, assigned, transferred, conveyed, or otherwise disposed of any of their claims; and (iii) no other person or entity has an interest in their claims.

Notwithstanding anything to the contrary, none of the parties waive, release, or discharge rights and obligations created by this Agreement. Each of the parties reserves the right to bring an action to enforce the terms of this Agreement.

5. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Arizona, without regard to conflict of laws principles. The state court located in Maricopa County, Arizona shall have exclusive jurisdiction over any dispute concerning the formation, interpretation, and/or performance of this Agreement, and all parties irrevocably consent to exclusive jurisdiction and venue in such court for such purposes.

6. **Severability.** In the event that any portion of this Agreement is found to be unenforceable for any reason, the unenforceable provision shall be enforced to the extent allowed under the law and in a manner that reflects the parties' intentions to fully and finally resolve their dispute as set forth herein. If the portion is entirely unenforceable, it shall be construed to be severable. The remainder of this Agreement shall continue to be in full force and effect as if the invalid/unenforceable provision was never contained in this Agreement.

7. **No Construction Against Drafter**. The parties acknowledge that this is a negotiated agreement. In no event shall any of the terms or provisions of this Agreement be construed against either party on the basis that such party or its counsel drafted this Agreement.

8. **Comprehension of Document.** The parties acknowledge that they have read and understand the terms of this Agreement and have had the opportunity to have attorneys of their choosing clarify any unclear portions. The parties voluntarily enter into this Agreement, and neither had made or relied upon any representations or statements by the other that is not contained herein.

9. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, representatives and assigns.

10. **Third-Party Beneficiaries.** There are no third-party beneficiaries to this Agreement.

11. **Attorneys' Fees.** Each party is responsible for its own attorneys' fees and costs that arose from the Lawsuit. Should any litigation be commenced between the parties concerning the terms of this Agreement, or the rights and duties created hereunder, the prevailing party or parties in such proceeding or litigation shall be entitled, in addition to such other relief as may be granted, to payment of all of its costs, expenses (including, but not limited to, expert fees), and reasonable attorneys' fees incurred in connection with the dispute.

12. **Entire Agreement.** This Agreement contains the entire understanding

between the parties relating to its subject matter and supersedes all prior agreements, understandings, representations, and statements, oral or written, with respect to such subject matter. This Agreement may not be modified except by a writing signed by both parties.

13. **Waivers.** Neither any failure nor any delay on the part of any party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver; nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of any other right, remedy, power or privilege.

14. **Confidentiality.** The parties agree that they will not disclose the terms or existence of this Agreement to any other individual or entity except to the extent required by law. Notwithstanding the foregoing, the parties may disclose this Agreement and the terms of this Agreement to their attorneys and accountants and to such other persons who have a legitimate need for such disclosures and who have a duty to retain the confidentiality of the Agreement and the terms of the Agreement.

15. **Authority of the Parties.** Each person executing this Agreement warrants that he or she is a duly authorized representative and is fully empowered by the respective party to sign this Agreement on its behalf.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The parties have executed this Agreement as of the Execution Date.

Fred Nackard Land Company	**CITY OF FLAGSTAFF**
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

LNN Enterprises, Inc.

By: _____

Its: _____

Date: _____

Richard Henderson

By: _____

Its: _____

Date: _____

West Village Estates, Inc.

By: _____

Its: _____

Date: _____

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Gary Miller, Project Manager
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Adoption of Ordinance No. 2013-16: An ordinance authorizing the sale of two access easements that encumber a portion of parcel 109-02-001P and benefit parcel 109-05-081A currently owned by Cedar West Capital LLC.

RECOMMENDED ACTION:

1) Read Ordinance No. 2013-16 by title only for the final time
2) City Clerk reads Ordinance No. 2013-16 by title only for the final time (if approved above)
3) Adopt Ordinance No. 2013-16

Policy Decision or Reason for Action:

Staff has received a request from Cedar West Capital LLC to purchase two access easements across parcel 109-02-001P owned by the City of Flagstaff. The access driveways have been in place and utilized for over the past 20 years without the appropriate easements. Selling these two access easements will provide legal access along the existing driveways across parcel 109-02-001P.

Financial Impact:

Cedar West Capital LLC will purchase the access easement rights from the City of Flagstaff in the amount of $500.00 as determined by the attached opinion of value.

Connection to Council Goal:

5. Retain, expand, and diversify economic base

Has There Been Previous Council Decision on This:

The City Council discussed this and held first reading of the Ordinance at their July 2, 2013, meeting.

Options and Alternatives:

The Council may approve the easement sale request: Approval of the request will provide legal access to the existing development.

The Council may deny the request for easements: Denial of the request will maintain the current access situation, and complicate the sale of the property.

Background/History:

City of Flagstaff Development Review Board approved a site plan for Flagstaff Cedar Center in 1989. The attached site plan identifies two access driveways across parcel 109-02-001P, owned by the City of Flagstaff, with a note that states "ACCESS EASEMENT TO BE GIVEN BY CITY". To date these access driveways have been utilized by the current development without the easements in place. The property owner is currently attempting to sell the property, but has been unable to finalize the real estate transaction due to this situation.

Community Involvement:

None

Attachments:

Ord. 2013-16
Easement
Valuation Letter
Area Map
Site Plan

ORDINANCE NO. 2013-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AUTHORIZING THE SALE OF TWO ACCESS EASEMENTS ENCUMBERING PARCEL NUMBER 109-02-001P AND BENEFITING PARCEL NUMBER 109-05-081A, AS IS MORE FULLY DESCRIBED IN THE LEGAL DESCRIPTION ATTACHED AS EXHIBIT A, TO CEDAR WEST CAPITAL LLC AND PROVIDING AUTHORITY FOR THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS AND AUTHORITY FOR THE CITY CLERK TO MAKE CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff (the "City") owns parcel 109-02-001P which abuts West Street and the parcel 109-05-081A owned by Cedar West Capital, LLC; and

WHEREAS, the Cedar West Capital LLC wishes to purchase two access easements, as described in Exhibit A, from the City to establish legal access to its property from West Street.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the City is hereby authorized to sell the two access easements described in Exhibit A to Cedar West Capital LLC for the amount of $500.00.

SECTION 2. That the City Manager is authorized to execute any other documents necessary to effectuate this sale.

SECTION 3. The City Clerk is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary related to this ordinance as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency within thirty (30) days following adoption by the City Council.

SECTION 4. This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council and approved by the Vice Mayor of the City of Flagstaff this 16th day of July, 2013.

_____

VICE MAYOR

ATTEST:

_____

CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY

When recorded return to:

Cedar West Capital, LLC
10 East Dale Avenue
Flagstaff, AZ 86001

EASEMENT

Grantor, The City of Flagstaff, is the owner of the parcel of property described in Exhibit A in the document recorded in Coconino County as Instrument 3216350. Such parcel consists of 1.38 acres. (Coconino County Assessor Parcel 109-02-001P)

Grantor desires to create two easements across said property for ingress and egress for the benefit of the current and future owners of the property immediately adjacent to the east, the current owner being Cedar West Capital, LLC. ("Grantee") (Coconino County Assessor Parcels 109-05-081A and 001G)

Therefore, for the consideration of $500 and other consideration Grantor does hereby grant to Grantee two easements for ingress/egress described as follows:

"Ingress/Egress Easement 1" as described on page 4 of 6 of the document recorded in Coconino County as Instrument 3516350 and as depicted in the Arizona Engineering Company drawing recorded as page 6 of 6 of Instrument 3516350; and

"Ingress/Egress Easement 2" as described on pages 4-5 of 6 of the document recorded in Coconino County as Instrument 3516350 and as depicted in the Arizona Engineering Company drawing recorded as page 6 of 6 of Instrument 3516350.

Grantee shall have the exclusive obligation to improve, maintain and control such easements.

City of Flagstaff

By:_____
Gerald W. Nabours, Mayor

Attest: _____
City Clerk

Approved as to form:

_____

Michelle D'Andrea, City Attorney

HILTON HARRIS REAL ESTATE

Commercial Real Estate Services

June 27, 2013

Michelle D'Andrea
Flagstaff City Attorney
211 W. Aspen
Flagstaff, AZ 86001

Re: Assessor's parcel
109-02-001P

The above referenced parcel is owned by the City of Flagstaff and lies along the west edge of the Cedar Safeway Shopping Center at 1500 East Cedar Avenue. A very narrow portion of the City's property separates the shopping center property from West Street. For over 20 years there have been two driveways providing access into the center from West Street.

You have asked me for my observations regarding the consideration to be paid to the City for two easements formally establishing the use of the driveways.

The portion of the City's property where the easements would be located is unusable for any other purpose. The conveyance of the easements would not be detrimental to the City's property in any way. Therefore, the consideration would be nominal. I would think that $500 to defray the cost of preparing the easement document would be a fair consideration.

Thank you

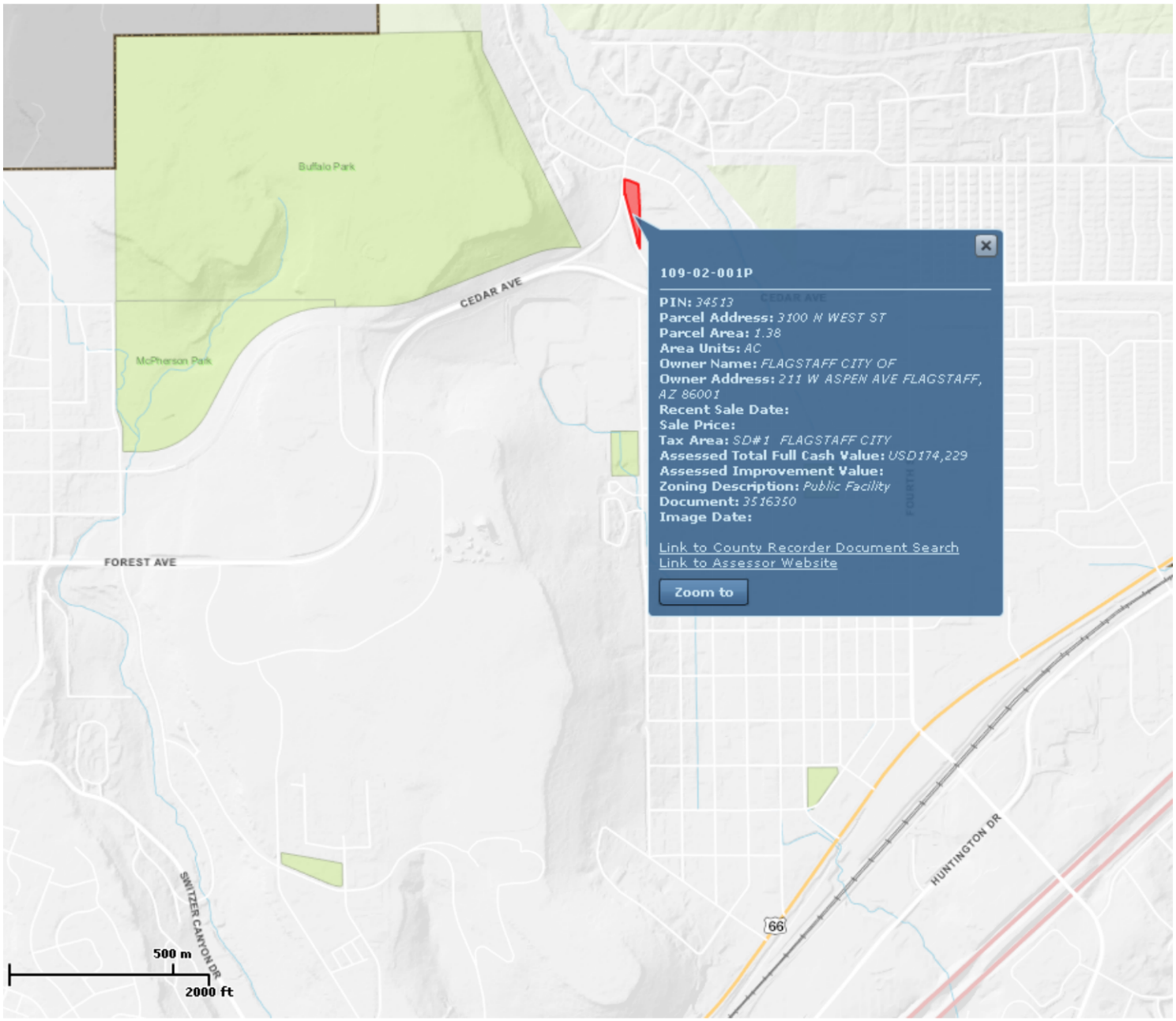
Hilton Harris

Hilton Harris, Broker
Hilton Harris Real Estate

405 N. Beaver Street, Suite 7 • Flagstaff, Arizona 86001 • (928) 779-3600 • Fax (928) 774-1160
hilton@hiltonharris.com www.hiltonharris.com

Cedar Shopping Center

Area Map



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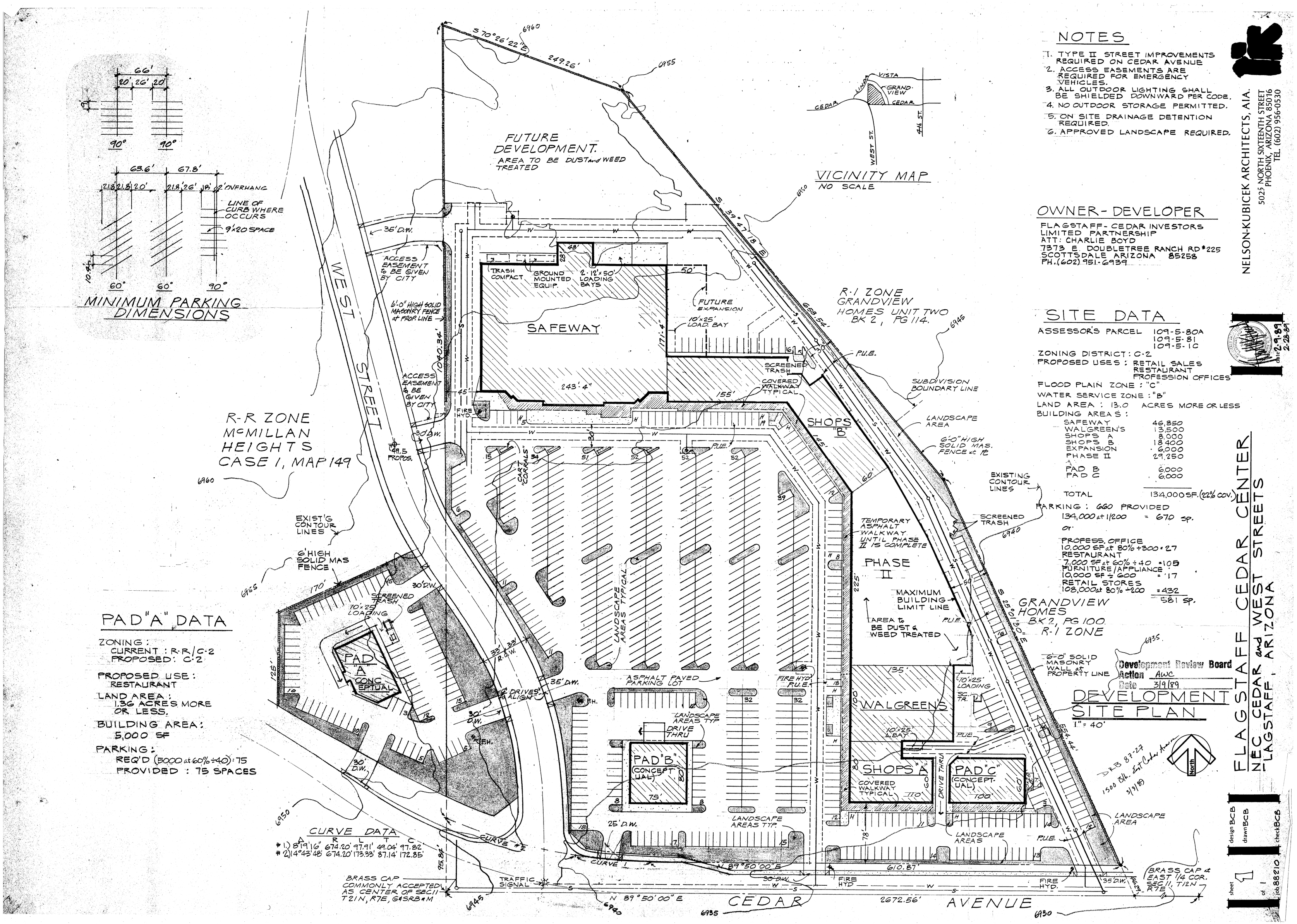


NOTES

1. TYPE II STREET IMPROVEMENTS REQUIRED ON CEDAR AVENUE
2. ACCESS EASEMENTS ARE REQUIRED FOR EMERGENCY VEHICLES.
3. ALL OUTDOOR LIGHTING SHALL BE SHIELDED DOWNWARD PER CODE.
4. NO OUTDOOR STORAGE PERMITTED.
5. ON SITE DRAINAGE DETENTION REQUIRED.
6. APPROVED LANDSCAPE REQUIRED.

OWNER-DEVELOPER

FLAGSTAFF-CEDAR INVESTORS
LIMITED PARTNERSHIP
ATT: CHARLIE BOYD
7373 E. DOUBLETREE RANCH RD #225
SCOTTSDALE ARIZONA 85258
PH. (602) 951-6939

SITE DATA

ASSESSOR'S PARCEL 109-5-80A
109-5-81
109-5-1C

ZONING DISTRICT: C-2
PROPOSED USES: RETAIL SALES
RESTAURANT
PROFESSION OFFICES

FLOOD PLAIN ZONE: "C"
WATER SERVICE ZONE: "B"
LAND AREA: 13.0 ACRES MORE OR LESS
BUILDING AREAS:

SAFEWAY	46,850
WALGREEN'S	13,500
SHOPS A	8,000
SHOPS B	18,400
EXPANSION	6,000
PHASE II	29,250
PAD B	6,000
PAD C	6,000
TOTAL	134,000 SF. (22% COV.)

PARKING: 660 PROVIDED
134,000 at 1/200 = 670 sp.
or
PROFESS. OFFICE
10,000 SF at 80% ÷ 300 = 27
RESTAURANT
7,000 SF at 60% ÷ 40 = 105
FURNITURE/APPLIANCE
10,000 SF ÷ 600 = 17
RETAIL STORES
108,000 at 80% ÷ 200 = 432
581 sp.

PAD "A" DATA

ZONING:
CURRENT: R-R/C-2
PROPOSED: C-2

PROPOSED USE:
RESTAURANT

LAND AREA:
1.36 ACRES MORE OR LESS.

BUILDING AREA:
5,000 SF

PARKING:
REQ'D (5000 at 60% ÷ 40): 75
PROVIDED: 75 SPACES

CURVE DATA

	A	R	L	T	C
#1)	8°19'16"	674.20'	97.91'	49.04'	97.82
#2)	14°43'48"	674.20'	173.33'	87.14'	172.85'

Development Review Board
Action AWC
Date 3/9/89

DEVELOPMENT SITE PLAN

1" = 40'

FLAGSTAFF CEDAR CENTER

NEC CEDAR and WEST STREETS
FLAGSTAFF, ARIZONA

NELSON-KUBICEK ARCHITECTS, AIA.
5025 NORTH SIXTENTH STREET
PHOENIX, ARIZONA 85016
TEL (602) 956-0330

date 2-9-89
2-28-89

design BCB
drawn BCB
check BCB
sheet 1 of 1
job 88210

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Gary Miller, Project Manager
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Adoption of Resolution No. 2013-18: abandonment of a portion of a Vehicular No Access Easement located along the north side of Churchill Dr. on Lot 121 of the Aspen Place at the Sawmill subdivision.

RECOMMENDED ACTION:

1) Read Resolution No. 2013-18 by title only
2) City Clerk reads Resolution No. 2013-18 by title only (if approved above)
3) Adopt Resolution No. 2013-18

Policy Decision or Reason for Action:

Staff has received a request for the abandonment of a Vehicular No Access Easement (VNAE) located at Aspen Place at the Sawmill subdivision. The adjacent property owners have been notified of this potential abandonment. This request has been made in order to allow the development of the new REI retail store located at 323 S Windsor Ln., by property owner RED Development. The area requested for abandonment is no longer necessary due to minor modifications made to the master plan for the Aspen Place at the Sawmill subdivision. In addition, upon Inter-Departmental Staff (IDS) review of the proposed site plan, it was determined that a driveway along Churchill Dr. is allowed by the City of Flagstaff Engineering Design Standards. Abandoning this VNAE allows much needed access to the site to make the proposed development viable.

Financial Impact:

There is no financial implication to the City.

Connection to Council Goal:

Retain, expand, and diversify economic base.

Has There Been Previous Council Decision on This:

No

Options and Alternatives:

1) The Council may approve the abandonment request: Approval of the request will allow the development of the REI retail store as proposed by RED Development, LLC.
2) The Council may deny the abandonment request: Denial of the request will require major redesign of the proposed development if not abandonment of the project altogether.

Background/History:

The VNAE requested to be abandoned was originally put in place by the Aspen Place at the Sawmill subdivision at the request of city staff. The easement was intended to serve as restriction to the developer in order to comply with the master plan for the area. Due to minor modifications to this master plan, and IDS review of the currently proposed development, staff agrees the VNAE in this area is no longer necessary.

Key Considerations:

The minor modifications to the Sawmill subdivision master plan provide additional benefits not seen by the original master plan. Although the proposed development has a larger building footprint, the total square footage of the building has been reduced by eliminating a second story to the building. The larger building footprint, required by this development, does not allow for the same parking lot circulation originally proposed by the master plan. Therefore, the building footprint has been moved to the southwest corner of the lot, which has the benefit of eliminating a parking lot along Churchill Dr. This parking lot would have been directly across the street from the Campus Crest residential townhomes/apartments project currently under construction. However, to access the proposed truck loading area a driveway is necessary on Churchill Dr. Finally, screening and landscape buffer are being constructed in accordance with the City's Zoning Code.

Providing a driveway entrance along Churchill Dr. will introduce traffic turning movements on to and off of the street that were not originally planned for. Additional turning movements will come from delivery vehicles as well as customers. Although the additional turning movements were not planned, the original master plan had other traffic concerns, and IDS believes this proposed driveway and parking configuration is an improvement to the original master plan.

Expanded Financial Considerations:

None

Community Involvement:

Involve

Staff has determined that there are only two property owners directly affected by the VNAE abandonment, RED Development and Campus Crest. With RED Development making the abandonment request, staff notified Campus Crest of the proposed abandonment by letter on June 17, 2013, and offered them a chance to comment and provide feedback by July 5th.

Expanded Options and Alternatives:

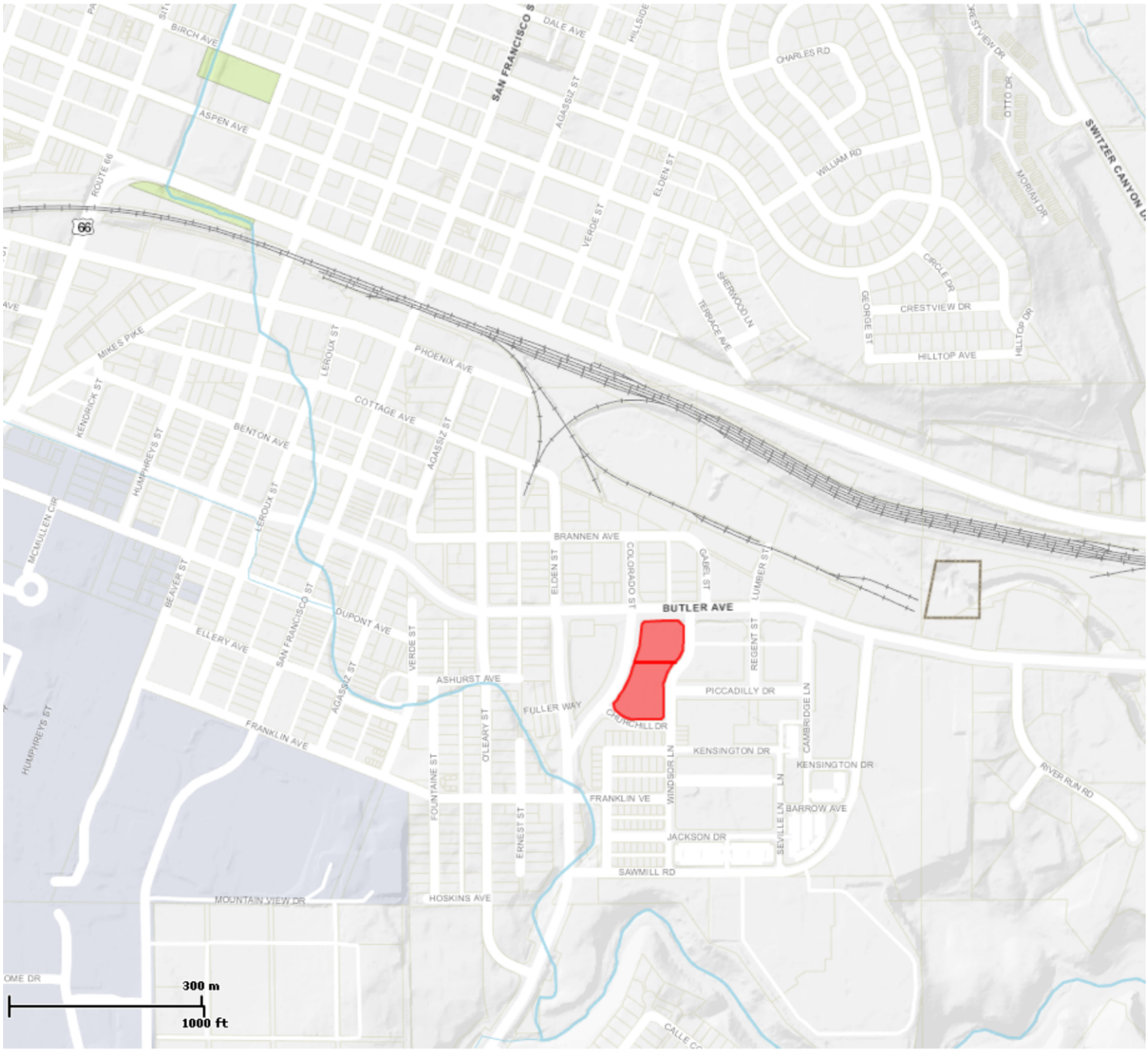
None

Attachments:

Area Map
Site Plan
Abandonment Request
Res. 2013-18
Release Agreement
Vacation
Legal Description

REI

Area Map



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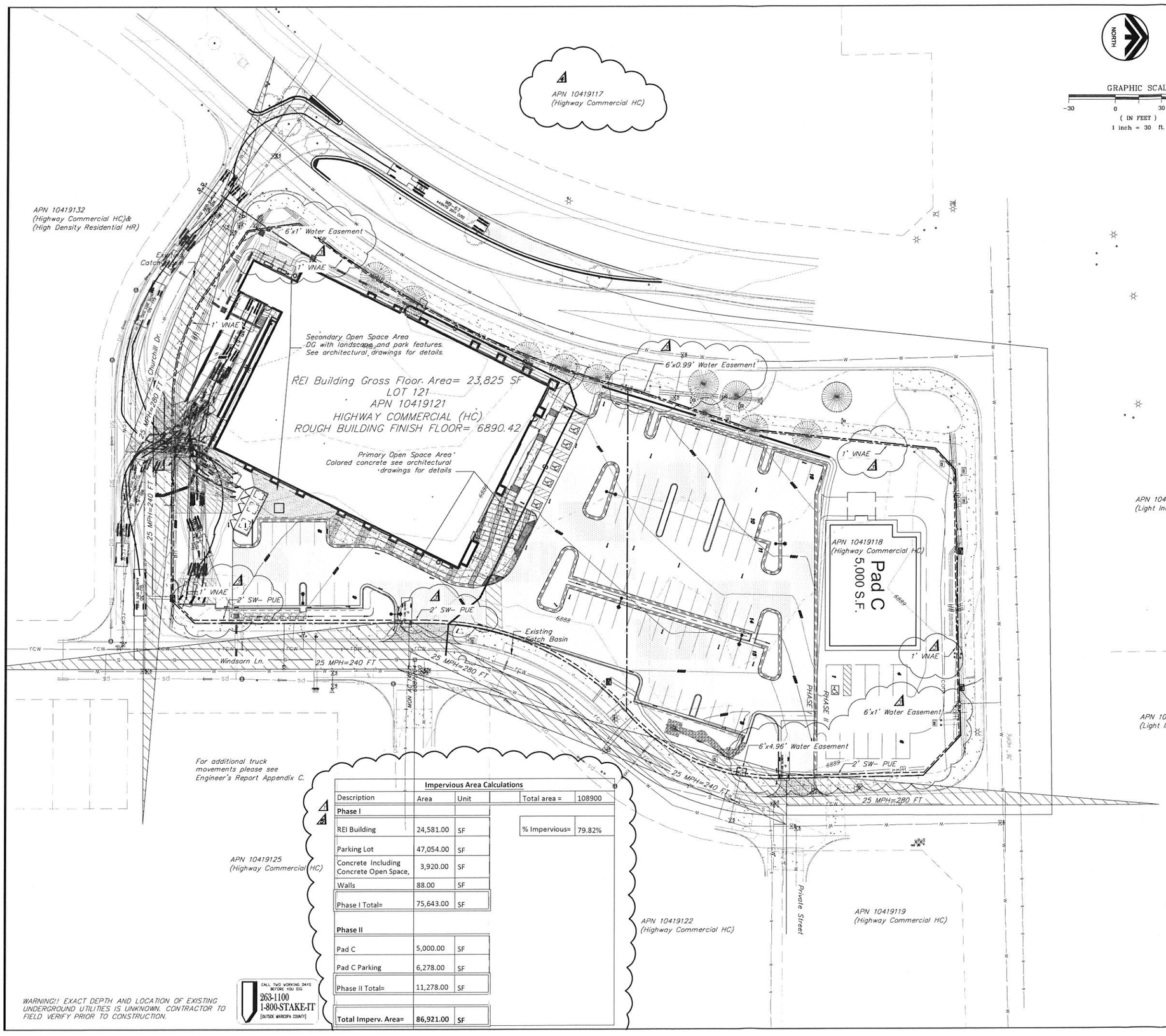

Impervious Area Calculations					
Description	Area	Unit		Total area =	108900
Phase I					
REI Building	24,581.00	SF		% Impervious=	79.82%
Parking Lot	47,054.00	SF			
Concrete Including Concrete Open Space,	3,920.00	SF			
Walls	88.00	SF			
Phase I Total=	75,643.00	SF			
Phase II					
Pad C	5,000.00	SF			
Pad C Parking	6,278.00	SF			
Phase II Total=	11,278.00	SF			
Total Imperv. Area=	**86,921.00**	**SF**			

CALL TWO WORKING DAYS BEFORE YOU DIG
263-1100
1-800-STAKE-IT
[OUTSIDE MARICOPA COUNTY]

WARNING!! EXACT DEPTH AND LOCATION OF EXISTING UNDERGROUND UTILITIES IS UNKNOWN. CONTRACTOR TO FIELD VERIFY PRIOR TO CONSTRUCTION.

*2.2.4– The Zone district is Highway Commercial (HC).

*2.2.17– Minimum Set Backs for zoning district HC are Front=0'[2], Side=0' (Exterior min. 10'[3]), Rear=0, Please see sheet C4 for set back dimensions.

*2.2.9– For a clearer site triangle exhibit please see The Engineers Report Appendix C.

*2.2.10– For Parking lot circulation please see The Engineers Report Appendix C.

*2.2.13–Open space area
–Primary Open Space=1130 SF
–Secondary Open Space=2038 SF
–Total Open Space Area=3168 SF
–Lot 121=62,290 SF
–% Open Space=5.08%

*2.2.15– Public utilities are with in the public right of way of the public streets. There is an existing Public Utility (PUE) and Sidewalk Easement that is 2' behind the east property line of Lot 118 and 121. There are 3 water easements on lot 118 and one water easement on Lot 121. There is also a 1' Vehicle No Access Easement (VNAE) that goes from the south property line of Lot 121 around to the west property line of Lot 121 and 118 and along the north property line of lot 118. An easement vacation is requested for the 1' VNAE along the south property line of Lot 121 adjacent to Churchill Dr. At this time it is not foreseen that any new easements will be necessary for this project.

*2.2.21–Total Impervious area= 86,921.00 SF
–Phase I= 75,643 SF
Phase II= 11,278.00 SF
–Per Carter and Burgess Drainage Report Supplement For Aspen Park Flagstaff, Arizona the site was designed for 90% Impervious. The site is 108,927.96 SF and our proposed Impervious area is 87,319.00 SF a total of 79.82%. See Cater Burgess "Drainage Report Supplement for Aspen Park" Flagstaff, Arizona. Dated December 8, 2006.

*2.2.23– There are existing underground detention facilities designed and in place for this site. See Cater Burgess Onsite Master Drainage Report, Onsite Addendum Master Drainage Report and Drainage Report Supplement for Aspen Park Flagstaff, Arizona.

*2.2.25–Estimated Building Finish Floor (BFF)=6890.42. The BFF elevation is preliminary only. The Final BFF elevation may change during final grading.

*2.3.9–There are no public or private drainage easements on Lot 121 and 118. At this time it is not foreseen that any public or private drainage easement will be needed. All existing drainage is either under or within the Windsor Ln. or Churchill Dr. rights of way in large conveyance pipes or large underground detention facilities. The curb and gutters of Windsor Ln. and Churchill Dr. also catch water runoff that eventually ends up in the underground system.

*5.2.– Per preliminary grading the entire site will be fill. There will only be some cut in the drainage ditches ,with in the first 20 of the entrances, and for the loading doc. The furthest west elevation line is the limits of fill.
The cut and fill is preliminary only. Final cut and fill may change during final grading.

*5.3.– Please refer to the Cater and Burgess drainage report for information on underground detention and discharge locations with in Sawmill Development. Phase I and Phase II of Cater and Burgess has information on underground detention and discharge location and direction of existing drainage.

*Total Parking Stalls= 102
Phase I=91 Phase II=11
*ADA Parking Stalls= 6 Phase I=5 Phase II=1

CQF Project # PSPR 2012-036

REVISIONS	
Table With Impervious Claculations	4/24/13
Note 2.3.9	4/24/13
Revision to note 2.2.15 to discripe easements and easements shown on plans	4/24/13
Revision to Zoning Refrence from HR to HC	5/13/13
Revision to Drawing to Reflect Pad C	5/13/13
Revision to Parking. Reduced to 102 stalls	5/13/13

Site Over View
REI
Flagstaff, Arizona

PLATEAU ENGINEERING
CIVIL ENGINEERS AND LAND SURVEYORS
202 EAST BIRCH AVENUE
FLAGSTAFF, ARIZONA 86001
(928) 556-0311 FAX (928) 213-9614

		DATE
JOB NO.	1188	4/9/2013
DESIGNED BY	NR	4/9/2013
DRAWN BY	NR	4/9/2013
CHECKED BY	JDH	4/9/2013

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

SHT. NO. TOTAL SHTS.
C3 OF 12

RED DEVELOPMENT, LLC One East Washington Street Suite 300 Phoenix, AZ 85004 480.947.7772 voice 480.947.7997 fax

May 22, 2013

Mr. Rick Barrett
City Engineer
City of Flagstaff, Arizona
211 West Aspen Avenue
Flagstaff, AZ 86001

RE: Request for Easement Vacation

Dear Mr. Barrett,

This letter is to request that the City of Flagstaff vacate the 1.0 foot wide Vehicular No-Access Easement along the southerly limits of Lot 121, Aspen Place at the Sawmill. This easement currently prohibits access to Churchill Drive from Lot 121.

RED Development is proposing development and improvement of Lot 121, to include a sporting goods (REI) department store. This project is currently in the final stages of Site Plan review. The Site plan includes a commercial driveway onto Churchill Drive from Lot 121. City staff has reviewed the driveway location and configuration, and have made suggestions for driveway configuration. These suggestions have been incorporated into the Site Plan and staff has approved the current driveway concept.

The easement vacation is necessary to allow for driveway construction as depicted on the attached legal description and exhibit. RED Development appreciates the City's consideration on this matter. Should you have any questions, or if I may provide any additional information, please do not hesitate to contact me.

Sincerely,

Gary Meyers
Development Manager | RED Development, LLC

WWW.REDDEVELOPMENT.com

RESOLUTION NO. 2013-18

A RESOLUTION APPROVING AN INSTRUMENT OF PARTIAL RELEASE AND PARTIAL RECONVEYANCE OF A VEHICULAR NON-ACCESS EASEMENT ON LOT 121, ASPEN PLACE AT THE SAWMILL

RECITALS:

WHEREAS, Flagstaff Aspen Place, LLC ("Owner") and the City of Flagstaff have entered into an Agreement and Release whereby Owner makes certain agreements, representations and warranties in exchange for a Partial Release and Partial Reconveyance of a Portion of a Non Vehicular Access Easement on Lot 121, Aspen Place At The Sawmill (the "Easement") granted to the City by Owner's predecessor; and

WHEREAS, the portion of the Easement affected is described in the attached Exhibit to this Resolution; and

WHEREAS**,** the City desires to release and reconvey the portion of the Easement described in the Exhibit.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the Partial Release and Partial Reconveyance of a Portion of a Non Vehicular Access Easement on Lot 121, Aspen Place at the Sawmill is hereby approved.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 16th day of July, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGREEMENT AND RELEASE

NON VEHICULAR ACCESS EASEMENT

As an inducement to the City of Flagstaff to approve Resolution No. 2013-18 regarding the partial release and partial reconveyance of a non vehicular access easement, the undersigned Flagstaff Aspen Place, LLC("Owner") hereby makes certain agreements, representations, and warranties (collectively, the "Assurances") in favor of the City as follows:

1. Owner agrees that:
   - 1.1 Owner shall proceed entirely at Owner's own risk as to any damages, loss, difficulties, injury or other harm of any nature that Owner or any third party may now or hereafter suffer due to the release of the Easement described in Resolution No. 2013-18. Owner releases the City from any and all legal or other responsibility for any such harm.
   - 1.2 All of the Assurances run with the land in favor of the City of Flagstaff upon the property described in the Easement.
   - 1.3 The City of Flagstaff would not have approved the Resolution without the Assurances.
2. Owner makes the Assurances on behalf of Owner and Owner's heirs, successors and assigns, and the Assurances are binding upon all of them.
3. Owner warrants and represents that:
   - 3.1 Owner is the owner of the fee title to the land across which the Easement passes.

DATED this 8th day of July, 2013.

Mike Ebert

Owner

vice president of its sole member

Title

Flagstaff Aspen Place, LLC

State of Arizona)
)ss
County of ~~Coconino~~ Maricopa)

This instrument was acknowledged before me this 8th day of July, 2013, by Michael L. Ebert.

AMY MCCLAUGHRY
Notary Public, State of Arizona
Maricopa County
My Commission Expires
March 02, 2016

NOTARY PUBLIC SIGNATURE

My commission expires 3/2/2016

WHEN RECORDED, RETURN TO:
City Clerk
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

CITY OF FLAGSTAFF
PARTIAL RELEASE AND PARTIAL RECONVEYANCE OF
NON VEHICULAR ACCESS EASEMENT

The City of Flagstaff ("Grantor"), a municipal corporation, for valuable consideration, hereby releases and reconveys to Flagstaff Aspen Place, a Limited Liability Company ("Grantee"), its successors and assigns, a portion of a perpetual easement for vehicular non-access across the following described real property situated in the City of Flagstaff, State of Arizona:

A Non Vehicular Access Easement
As Described on the Legal Description and
As Depicted on the Sketch Attached Hereto
And Made Part Thereof

Grantor is the owner of the above-described Easement by the Amended Plat recorded on December 21, 2010 at instrument number 3583171 in the Official Records of Coconino County. Grantor hereby convenants that it is lawfully seized and possessed of this interest in land; that it has good and lawful right to release and reconvey it; and that it will warrant the title and quiet possession thereto against the lawful claim of all persons.

Dated this_____ day of _____, 2013.

_____
Mayor

State of Arizona)
) ss
County of Coconino)

This instrument was acknowledged before me this _____ day of _____, 2013 by Gerald W. Nabours, Mayor of the City of Flagstaff.

In witness wherof I hereunto set my hand and official seal.

_____
Notary Public

LEGAL DESCRIPTION

EXHIBIT A

Vehicular Non Access Easement Abandonment

Flagstaff Aspen Place LLC: Assessor's Parcel: 104-19-121

The following describes a portion of the Northwest quarter of Section 22, Township 21 north, Range 7 east, Gila and Salt River Base and Meridian, Coconino County, Arizona:

That portion of Lot 121, Amended Final Subdivision Plat for Aspen Place at the Sawmill, Instrument 3583171, dated December 21, 2010, Coconino County Records, lying within a 1-foot-wide strip of land, the southeasterly, southerly, and southwesterly line of said strip being described as follows:

Commencing at the southeast corner of said parcel, from whence the southwest corner of said parcel lies South 90°00'00" West a distance of 128.74 feet per said Instrument 3583171;

Thence along the southeasterly line of said parcel, and the northerly Right of Way line of Churchill Drive, North 45°00'00" East a distance of 21.21 feet to the **Point of Beginning** of the line;

Thence along said southeasterly line and said northerly Right of Way line, South 45°00'00" West a distance of 21.21 feet;

Thence along said northerly Right of Way line and the southerly line of said parcel the following courses:

South 90°00'00" West a distance of 128.74 feet to the beginning of a curve concave to the northeast having a radius of 126.50 feet;

Thence westerly 75.53 feet along said curve through a central angle of 34°12'28" to the end of curve per said Instrument 3583171 and the **Terminus** of the line.

Dimensions shown are record per Instrument 3583171, dated December 21, 2010, Coconino County Records.

This parcel contains 225 square feet or 0.005 acre more or less.

For a drawing of this parcel, see the attached *Exhibit B*, which is made a part hereof by this reference.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
54403
DAVID W.
HILL
Date Signed 5-20-13
ARIZONA, U.S.A.
Expires: 03/31/2016

PLATEAU ENGINEERING, INC.

Flagstaff File Number: _____

323 NORTH SAN FRANCISCO STREET, SUITE 201
FLAGSTAFF, AZ 86001
(928) 556-0311

FLAGSTAFF ASPEN PLACE, LLC

LOT 121

APN: 104-19-121

AMENDED FINAL SUBDIVISION PLAT FOR ASPEN PLACE AT THE SAWMILL,
INSTRUMENT 3583171, DATED 12-21-10,
COCONINO COUNTY RECORDS

NORTHWEST 1/4, SECTION 22, TOWNSHIP 21 NORTH, RANGE 7 EAST,
GILA AND SALT RIVER BASE AND MERIDAIN

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
54403
DAVID W.
HILL
Date Signed 5-20-13
ARIZONA, U.S.A.
Expires: 03/31/2016

DIMENSIONS SHOWN ARE RECORD PER INSTRUMENT 3583171. A FIELD SURVEY WAS NOT PERFORMED.

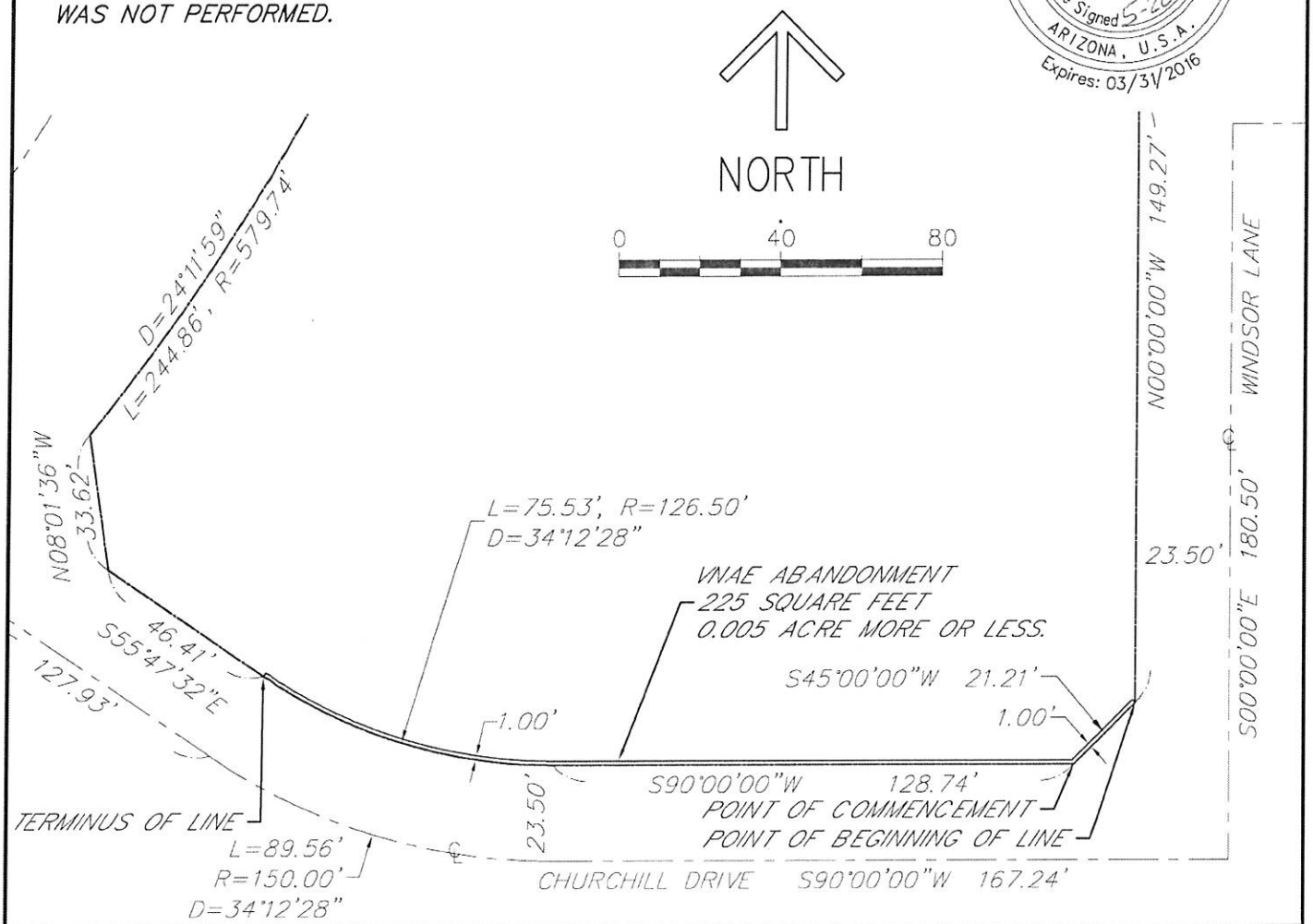

Exhibit B:
Flagstaff Aspen Place LLC
APN 104-19-121
Vehicular Non-Access Easement (VNAE)
Abandonment

PLATEAU ENGINEERING

CIVIL ENGINEERS AND LAND SURVEYORS
323 N. SAN FRANCISCO ST., SUITE 201
FLAGSTAFF, ARIZONA 86001
(928) 556-0311 fax (928) 213-9614

JOB NO.	1188	DATE	
DESIGNED BY	dh	05-20-13	
DRAWN BY	jp	05-20-13	
CHECKED BY	dh	05-20-13	

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacey Brechler-Knaggs, Grants Manager
Co-Submitter:	Stacey Button, Economic Vitality Director
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Approval of an Intergovernmental Agreement: Between the City of Flagstaff and Northern Arizona University (NAU) for finanical contribution to the Innovation Mesa Business Accelerator Project.

RECOMMENDED ACTION:

Approve the Intergovernmental Agreement (IGA) with NAU for the Innovation Mesa Business Accelerator Project in the amount of $1,100,000 ($1,000,000 for project construction / $100,000 for operating expenses).

Policy Decision or Reason for Action:

NAU recently was awarded $1.0 million from the Arizona Commerce Authority to partner with the City of Flagstaff and NACET. Acceptance of the IGA will provide the remaining funds needed to design, construct and operate the Innovation Mesa Business Accelerator.

Financial Impact:

The total project cost is estimated to be $7,762,500. Funding is broken down as follows:

- $4,000,000 - Federal Economic Development Administration Grant
- $2,662,500 - City match via Bond capacity
- $1,100,000 - Northern Arizona University

Connection to Council Goal:

- Retain, expand, and diversify economic base
- Effective governance

Has There Been Previous Council Decision on This:

Yes, Council approved the EDA grant on November 6, 2012, for the Innovation Mesa Business Accelerator.

Options and Alternatives:

- Approve the IGA between the City and NAU to allow the funding for the project.
- Reject the IGA between the City and NAU which would not allow the project to proceed, or the City would have to provide the remaining funds.

Background/History:

The Science and Technology Park was conceived in 2003, and during the 2004 election bonds in the amount of $61.2 million were approved by the voters to advance the project. The bonds are paid with revenue from the project and not property tax revenue. McMillan Mesa was chosen as an ideal site due to the existing, nearby USGS Campus. Through investigation, a critical part of the science park would be a business incubator for entrepreneurs and business start-ups. An overall science park master plan was developed around 2005.

The master plan included a remodeled USGS Campus, a 10,000 square foot business incubator, and a science park on nine acres of adjacent land. The business incubator was constructed in 2008 through a U.S. Department of Commerce Economic Development Administration (EDA) grant and is currently operated by Northern Arizona Center for Entrepreneurship and Technology (NACET), a separate private non-profit.

The Innovation Mesa Business Accelerator and Emergency Operations Center is intended to be the first of three buildings located adjacent to the USGS Campus and the business incubator, and will include a 25,000 square foot building featuring wet and dry labs/office space (80%) and light manufacturing space (20%), a conference room/alternate secondary EOC, and server facilities. The primary purpose of the Business Accelerator is to provide space for Tier 2 companies and graduates of NACET, as well as grow business startups and advance entrepreneurship and economic gardening programs within the region, and to retain and expand existing businesses through the creation of 300 jobs and $20 million in private investment. The building will feature a secondary or alternate EOC (as part of the conference room) should disaster related circumstances arise and warrant the need by either City and/or County personnel. It is not the City's intent to develop the remaining 50,000 square feet of this campus. Rather, upon completion of the Business Accelerator, an evaluation will be done with Council to determine the disposition of the remaining development.

Key Considerations:

The Innovation Mesa Project is a shared vision with federal, state, local, and private entities. This collaborative partnership involves the City of Flagstaff, Northern Arizona University, Economic Collaborative of Northern Arizona, Northern Arizona Council of Governments, U.S. Department of Commerce Economic Development Administration, and the Northern Arizona Center for Entrepreneurship and Technology. This collaborative partnership has already shown a proven ability to work together to advance the economic needs of the region.

More specifically, this project will allow NAU to house its expanded venture acceleration and ongoing business incubation work on Innovation Mesa. This will be an important step forward for Northern Arizona, the City and NAU in accelerating job creation and capital investment through:

- Access to the technical expertise, mentoring, and consulting of NAU business and engineering faculty, NAU economic development practitioners, research faculty, MBA and engineering graduate students, interns, engineering, marketing, finance, and laboratory equipment.
- Intellectual property and technology transfer developed by NAU and cooperating universities such as ASU, UA, MIT, Stanford, and many more.
- Connections to local, state, and national business incubation and acceleration resources.
- Assistance and access to capital in the form of grants from the EDA, NSF, NIH, U.S. Department of Commerce, SBIR grants, and many more.
- Access to capital from angel and venture investors.
- Mentoring from a network of professionals such as patent attorneys, CPAs, experienced entrepreneurs, engineers, as well as sales and marketing professionals.
- Laboratory, production, and manufacturing space with advanced technology and equipment.
- Incubation and acceleration coaching and oversight.

Community Benefits and Considerations:

This project will enable the region to create an environment that provides facilities for incubator graduates and Tier 2 companies to expand and grow their businesses. It also provides other agencies an alternate secondary emergency operations center for first responders to efficiently deliver vital services to communities and tribal nations during natural disasters. The facility helps build economic resiliency through long term economic stability in the community. It will benefit the following groups:

- High technology and bioscience startups will result from technology transfer and commercialization of research conducted by NAU faculty and students.
- Local entrepreneurs will become more competitive in the global market through the technical and business advice from NAU Venture Acceleration Program, NACET staff and their statewide mentors group.
- Existing firms and new firms will locate in Northern Arizona to take advantage of Innovation Mesa's facilities and to be near growing industry clusters; however, this facility is unlikely to compete with existing commercial facilities due to small lease areas, non-traditional finance terms, and access to lab space not available in the current commercial real estate market.
- Native American culturally specific businesses will be encouraged to expand their service areas through guidance from and access to NAU and NACET staff, business leaders, and programs.

Community Involvement:

Inform and Collaborate

Expanded Options and Alternatives:

- Approve the IGA between the City and NAU to allow the funding for the project.
- Reject the IGA between the City and NAU which would not allow the project to proceed, or the City would have to provide the remaining funds.

Attachments: IGA betwwn NAU and City of Flagstaff for Innovation Mesa Business Accelerator
NAU Funding Committment Letter

INNOVATION MESA BUSINESS ACCELERATOR PROJECT

INTERGOVERNMENTAL AGREEMENT

between
Arizona Board of Regents
and
City of Flagstaff

This agreement ("Agreement") is entered into this _____ day of _____, 2013, between the Arizona Board of Regents for and on behalf of Northern Arizona University ("University"), and the City of Flagstaff ("City"). The University and the City may be referred to in this Agreement collectively as the "parties" and singularly as a "party."

WHEREAS, City is designing, constructing and operating a business accelerator and emergency operations center called the Innovation Mesa Business Accelerator (the "Project") for the purpose of retaining, expanding and diversifying the economic base of the City of Flagstaff and the surrounding area; and

WHEREAS, the Project will include an approximately 25,000 square foot building featuring wet and dry labs, office space, light manufacturing space, a conference room that will also function as an alternate secondary emergency operations center, and server facilities; and

WHEREAS, the Project will provide space for Tier 2 companies and graduates of the Northern Arizona Center for Entrepreneurship and Technology and to assist business startups and retain and expand existing businesses; and

WHEREAS, the City obtained funding from the United States Department of Commerce Economic Development Administration and the City Council approved that grant on November 6, 2012 to partially fund the Project; and

WHEREAS, the University obtained funds from the Arizona Commerce Authority to strengthen Arizona's economy and facilitate the creation of quality jobs for its citizens by supporting and attracting businesses in targeted, high-value base sectors through the state; and

WHEREAS, the University wishes to contribute the funds it received from the Arizona Commerce Authority to support the Project; and

WHEREAS, the Project is expected to create 300 or more new jobs over the next five years;

NOW THEREFORE, the parties agree as follows.

1. University's Obligation

The University will provide to the City one million dollars for the purpose of funding the design and construction of the Project and one hundred thousand dollars for the purpose of funding the operation of the Project within one month of the University's receipt of the grant funding from the Arizona Commerce Authority.

2. City's Obligation

   The City will use the funds received from the University only for the purpose of funding the design, construction and operation of the Project in the proportions indicated in Section 1 of this Agreement. The City will provide to the University a summary accounting of the use of the funds within a reasonable time after completion of the construction of the Project.

3. Term

   The term of this Agreement shall begin on the date indicated in the first paragraph above and shall continue until the City provides the summary accounting of the use of the funds pursuant to paragraph 2.

4. Indemnification

   Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (collectively referred to as "Claims") including those arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

5. Cancellation for Conflict of Interest

   The parties agree that this Agreement may be cancelled for conflict of interest in accordance with A.R.S. 38-511.

6. Amendment

   This Agreement may be amended in writing by the parties upon mutual consent.

7. Inspection and Audit

   All books, accounts, reports, files and other records relating to this Agreement shall be subject at all reasonable times to inspection and audit by the Arizona Board of Regents, the University, the City of Flagstaff, or the Auditor General of the State of Arizona, or their agents for five (5) years after completion of this Agreement. Such records shall be produced at Northern Arizona University, or such other location as designated by the University, upon

DRAFT

reasonable notice to the City, or at the City upon reasonable notice to the University.

8. Confidentiality Language

The parties acknowledges the University and the City are public entities subject to the provisions of the Arizona Public Records Laws, A.R.S. § 39-121. et seq. In the event that a public records request is received by the University or the City requesting records described as confidential, which the University or the City determines must be disclosed, the University or the City shall notify the other party prior to disclosure.

8. Sudan and Iran

Pursuant to A.R.S. §§35-391.06(A) and 35-393.06(B), City and the University each certifies that it does not have a "scrutinized business operation" in either Sudan or Iran, as that term is defined in ARS §§ 35-391(15) and 35-393(12), respectively.

The undersigned have read the foregoing Agreement and, as duly authorized signatories of their respective entities, hereby agree to be bound by its requirements, terms and conditions.

The Arizona Board of Regents for and on Behalf of Northern Arizona University

By: _____

Approved as to form:

_____

Attorney for the Board of Regents

City of Flagstaff

By: _____

Mayor Gerald W. Nabours

Attest:

_____

City Clerk

Approved as to form:

_____

City Attorney

DRAFT

NORTHERN ARIZONA UNIVERSITY

Office of Economic Development | Campus Box 4074 Flagstaff, AZ 86011 | 928-523-8831 www.nau.edu

July 3, 2013

Stacey Brechler-Knaggs
City of Flagstaff
211 West Aspen Avenue
Flagstaff, AZ 86001

Re: Letter of Funding Commitment – Innovation Mesa Project

Northern Arizona University (NAU) is pleased to partner with the City of Flagstaff and NACET in the development and construction of the Innovation Mesa Project.

Business incubation and advanced venture acceleration are critical components for Northern Arizona's economy to grow and prosper. Northern Arizona has developed a robust and growing knowledge based economy in the biosciences, technology, science based companies, software, advanced manufacturing, astronomical sciences, education, and medical services. Fostering growth and expansion in the knowledge based companies will allow the region's economy to compete nationally and globally.

To that end Northern Arizona University committed $100,000 for operations of the Innovation Mesa project. Recently NAU was awarded $1.0 million from the Arizona Commerce Authority to partner with the City of Flagstaff and NACET for the purpose of developing and constructing the Innovation Mesa project.

Additionally NAU will work closely with NACET and the City of Flagstaff to expand its venture acceleration programs. NAU research scientists along with partners at TGEN North have created intellectual property and discoveries that have been turned into new companies such as Pathogene and Protein Genomics. NAU faculty and students have created new companies that are currently in business incubation and will soon be ready for the venture acceleration as they become tier two companies. In addition the work of NAU in economic development and the NAU collaboration with the regional economic development organization Economic Collaborative of Northern Arizona (ECoNA) is bringing new start-up technology and bioscience companies to the region that will want and need access to venture acceleration facilities and programs.

This letter is to confirm that NAU is committing a total of $1.1 million for the Innovation Mesa Project. $1.0 million when received from the Arizona Commerce Authority will be transferred to the City of Flagstaff for the construction costs of the Innovation Mesa Project. When required to operate the Innovation Mesa Project NAU will transfer $100,000 to the City of Flagstaff.

Sincerely,

Richard M. Bowen
Associate Vice President

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	James Duval, Sr. Project Manager
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Approval of Consulting Contract: Innovation Mesa Business Accelerator and Emergency Operations Center.

RECOMMENDED ACTION:

1) Award the Architectural and Engineering Design Professional Services Contract to APMI, Inc. of Scottsdale, Arizona in an amount not to exceed $604,071, including a $40,000 contract allowance and a 775 calendar day contract period; and
2) Approve Change Order Authority to the City Manager in the amount of $55,000 (10% of contract amount excluding allowance) for unanticipated or additional items of work; and
3) Authorize the City Manager to execute the necessary documents.

Policy Decision or Reason for Action:

- Provide for Architectural and Engineering design services for the Innovation Mesa Business Accelerator – Emergency Operations Center project

Financial Impact:

- The total project cost is estimated to be $7,762,500
- Funding is broken down as follows:
  - $4,000,000 – Federal EDA Grant
  - $2,662,500 – City match via Bond Capacity
  - $1,100,000 – Northern Arizona University

Connection to Council Goal:

- Retain, expand and diversify economic base
- Effective governance

Has There Been Previous Council Decision on This:

- Council approved an Economic Development Administration grant on November 6, 2012 for the Innovation Mesa Business Accelerator

Options and Alternatives:

- Approve the award as recommended.
- Direct staff to continue negotiations with APMI, Inc. to reduce their scope and fee.
- Reject approval of the award and direct staff to re-advertise the Request for Statements of Qualifications. This would have the effect of delaying the project for approximately 3 months.
- Reject approval of the award. This option would have the effect of the City not proceeding with design and construction of the project and forfeiting the EDA Grant.

Background/History:

The Science and Technology Park was conceived in 2003, and during the 2004 election, bonds in the amount of $61.2 million were approved by the voters to advance the project. The bonds are paid with revenue from the project and not property tax revenue. McMillan Mesa was chosen as an ideal site due to the existing, nearby USGS Campus. Through investigation, a critical part of the science park would be a business incubator for entrepreneurs and business start-ups. An overall science park master plan was developed around 2005.

The master plan included a remodeled USGS Campus, a 10,000 square foot business incubator, and a science park on nine acres of adjacent land. The business incubator (Phase 1) was constructed in 2008 through a U.S. Department of Commerce Economic Development Administration (EDA) grant and is currently operated by Northern Arizona Center for Entrepreneurship and Technology (NACET), a separate private non-profit.

Innovation Mesa Business Accelerator and Emergency Operations Center is intended to be the first of three buildings located adjacent to the USGS Campus and the business incubator (Phase 1), and will include a 25,000 square foot building featuring wet and dry labs/office space (80%) and light manufacturing space (20%), a conference room/alternate secondary EOC, and server facilities. The primary purpose of Phase 2 is to provide space for Tier 2 companies and graduates of NACET. The facility will also grow business start-ups and advance entrepreneurship and economic gardening programs within the region. In addition it will help to retain and expand existing businesses while creating 300 jobs. The building will feature a secondary or alternate EOC (as part of the conference room). This alternate EOC will be used should disaster related circumstances arise and warrant the need by either City and/or County personnel. It is not the intent for the City to act as developer for the remaining 50,000 square feet of this campus. Rather, upon completion of Phase 2, an evaluation will be done with Council to determine the disposition of the remaining development.

Key Considerations:

APMI, Inc. was selected by a four-member evaluation committee as the best qualified service provider for the Innovation Mesa Business Accelerator- Emergency Operation Center Project pursuant to the evaluation and ranking process per A.R.S. 34-603 and modified by H.B. 2579. All sub-consultants chosen by AMPI for their team are located and operate their businesses in Flagstaff.

APMI, Inc. will prepare contract bid-ready plans and specifications and provide construction and post-construction services in accordance with the attached Scope of Services. Design completion is anticipated by April 2014, award of the construction contract by May 2014 and Certificate of Occupancy by May 2015.

Expanded Financial Considerations:

Project expenditures will be funded as follows:
- EDA Grant share of $4,000,000
- City Bond Capacity of $2,662,500 repaid through tenant leases in the facility
- Northern Arizona University contribution of $1,100,000

The project is currently funded in the amount of $1,074,000 in account No. 404-2439-691 for FY 14.

Community Benefits and Considerations:

Innovation Mesa Business Accelerator and Emergency Operations Center project will provide "soft landing" space for Tier 2 companies and graduates exiting NACET's incubation program, and allow new companies wishing to enter the program to have space in Phase 1. This project is intended to create over 300 jobs and $20 million in private investment within the first three years of operation. The addition of wet and dry laboratories in this next phase is critical to expand and grow existing companies in the region as there are no other, known existing lab space for them to locate to. This project will allow our community to retain local businesses that may have otherwise left the region to seek these types of services and facilities.
Specifically, this project will benefit four groups:

- High technology and bioscience startups will result from technology transfer and commercialization of research conducted by NAU faculty and students
- Local entrepreneurs will become more competitive in the global market through the technical and business advice from NACET staff and their statewide mentors group
- Existing firms and new firms will locate facilities in Northern Arizona to take advantage of the Innovation Mesa's facilities and to be near growing industry clusters. However, this facility is unlikely to compete with existing commercial facilities due to small lease areas, non-traditional finance terms, and filling a lack of lab space.
- Native American culturally specific businesses will be encouraged to expand their service areas through guidance from and access to NACET staff and business leaders serving on NACET's Advisory Committee

Lastly, the purpose of the project is twofold: It will enable the City of Flagstaff to create an environment to recapture job losses by providing a facility for incubator graduates to expand and grow their businesses. Secondly, it provides other agencies a secondary emergency operations center for first responders to efficiently deliver vital services to communities and tribal nations during natural disasters. The facility helps build economic resiliency through long term economic stability in the community.

Community Involvement:

Collaborate - This project is a shared vision with state, local, and private entities. This collaborative partnership involves the City of Flagstaff, Arizona Commerce Authority, Northern Arizona University, Economic Collaborative of Northern Arizona, Northern Arizona Council of Governments, and Northern Arizona Center for Entrepreneurship and Technology. This collaborative partnership has already shown a proven ability to work together to advance the economic needs of the region.

Staff presented the project to the Northern Arizona Council of Governments in the spring of 2012 and received full support of the project. On June 12, 2012 staff presented the project to Council outlining the EDA grant and business pro forma. In addition, on August 30, 2012, staff conducted a public meeting as part of the Public Participation Plan associated with a Rezoning Application for Innovation Mesa - Phase 2.

Expanded Options and Alternatives:

Attachments: Vicinty Map
Proposal
Fee Breakdown
Schedule
Service Contract

Innovation Meas Business Accelerator & Emergency Operations Center Project

Title: Innovation Mesa BA & EOC Project
COF Proj. No. 243913
COF File No. 03-12005

0 255 510 1,020 1,530 2,040 Feet

April 18, 2013

PROPOSAL / BID RESPONSE

A/E SERVICES

FOR

Innovation Mesa Business Accelerator and EOC

Submittal Date: 1 July 2013

APMI, Inc.
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ARCHITECTURE PLANNING INTERIORS

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1 July 2013

City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

Attn: James Duval
Capital Improvements, Senior Project Manager

Re: A/E Services Proposal
Innovation Mesa – Business Accelerator and EOC
2201 West Gemini
Flagstaff, Arizona 86001

Dear Mr. Duval:

APMI, Inc. is pleased to have this opportunity to submit the following proposal for Architectural and Engineering Services to develop the design of the Innovation Mesa Business Accelerator and EOC. This proposal is being submitted in accordance with documents provided to APMI outlining the project scope, including the Architectural & Engineering Services Contract, Attachment "A" and Attachment "B" documents. This proposal is also based on email exchanges between City Staff and APMI and the meeting on 6/25/13 conducted between James Duval and Adam Siros.

The Attachment "A" and "B" documents prepared by the City of Flagstaff are quite thorough and will act as the basis of our proposed scope of services with the following clarifications, exclusions and assumptions. This proposal shall govern should there be any modifications of or discrepancies between the proposal and the attached documents.

Clarifications to the Architectural & Engineering Services Contract:

1. Section 5: The third sentence in this paragraph states the following: *"It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Provider from and against any and all claims."* It should be noted that this specific language is not insurable. This statement makes the indemnitee 100% responsible for claims where they may only be 1% negligent or responsible. APMI proposes removing this statement.
2. Section 6.1: APMI and its consultants agree to provide insurance certificates meeting the required limits of insurance noted in section 6.1 with the following exception:
    a. It is understood that it is acceptable to provide reduced professional liability limits for the Landscape Architect. The proposed limits are $500,000.00 for each claim and $500,000.00 aggregate.
    b. Section 6.3.8: This section does not include any clause relative to errors and omission insurance. Except as noted above, the professional liability limits will be met. If an errors and omissions clause is included a provision for betterment should be included.

1 July 2013

Clarifications to Attachment "B" Fee & Schedule:

1. As discussed with City Staff, APMI proposes that the contract be structured as a lump sum contract however, it is understood that the fee provided is scope driven. If a specific design service is not performed it will either not be billed or only be billed to the percentage completed.
2. A proposed design schedule has been included and is attached.
3. Section IV indicates that the overall construction budget is $6,019,452 and states that the "drawings plans and specifications prepared by the A/E will be expected to result in a bid for construction" within that budget amount. While APMI cannot control the bid results we do agree that design documents will be prepared working toward that goal.

Project Scope Clarifications (Listed by Discipline):

General:

1. Site visits have been allocated according to the quantity outlined in the scope clarifications below. If either fewer or additional site visits are required by the project, the fee will be adjusted accordingly.

Architecture:

1. APMI Inc, will provide Architectural design and project management services for a new 25,000 square foot Business Accelerator and Emergency Operations Center for the City of Flagstaff. This includes the associated phase one site improvements relative to the project scope. The Attachment "A' document prepared by the City thoroughly outlines the architectural scope, however APMI would like to clarify the following items:
    a. Design is limited to Phase One improvements and the on-site infrastructure to support Phase One. Design of subsequent phases and off-site infrastructure is not included.
    b. It is understood that the City does want to obtain a permit for the site work early. APMI has prepared the cost proposal assuming that two design packages will be prepared. One for the site and one for the building. Additional drawing packages have not been included.
    c. APMI will provide the required documentation and submit the required drawing sets for periodic review as required by the EDA Grant Funding provisions.
    d. APMI has assumed a construction duration of approximately one year. As outlined in Attachment "A", weekly construction progress meetings are anticipated. In addition, it is assumed that the construction observation site visits will occur bi-weekly in lieu of "bi-monthly". It is assumed that these construction observation visits will occur at the same time as the standard weekly progress meetings. A total of (52) fifty-two meetings for progress/site visits during construction have been included in this scope.

Landscape Architecture:

1. Pam Symond Landscape Architect (PSLA) will provide Landscape Architecture design services for a new 25,000 square foot Business Accelerator and Emergency Operations Center for the City of Flagstaff. This includes the associated phase one site improvements relative to the landscaping scope. There are no additional clarifications beyond the basic scope of services. Design meetings and periodic site observations are included.

Civil Engineering:

1. Peak Engineering will provide Surveying and Civil Engineering design services for a new 25,000 square

foot Business Accelerator and Emergency Operations Center for the City of Flagstaff. This includes the associated phase one site improvements relative to the civil scope. The project scope is further clarified as follows:

a. Programming Phase: The work for this phase is substantially complete. We have included time to participate in a team design review meeting to verify the existing program and determine if changes are needed to the site plan documents.
b. Schematic Design Phase: The work for this phase is substantially complete and the City prefers minimal revision to the site design. We anticipate minor revisions to the current site plan based on the updated topographic information obtained via survey.
    i. We will address the civil engineering related comments listed in the conditions of approval of the site plan dated December 11, 2012.
    ii. We will perform an AutoTurn analysis to show on-site vehicular movements for trash collection and emergency access vehicles.
    iii. This task includes verification of the preliminary drainage calculations (LID & detention basins) provided by others in support of the concept design. We will summarize recommended changes, if any, to the drainage concept in a design memo including supporting documentation.
    iv. We will estimate quantities and prepare an Opinion of Probable Construction Cost (OPCC) for the site improvements. The OPCC will be based on recent unit bid prices for projects in the Flagstaff area for major work items.
c. Design Development Phase: Design development documents include preliminary civil engineering of grading, on and off-site improvements (in support of Phase 1 design), storm water management, Low Impact Development (LID) features, water and sewer utilities, and resource protection.
    i. Design development documents include plans, outline specifications and the OPCC. Plans will be prepared using appropriate standards including but not limited to the City of Flagstaff Engineering Standards, MAG Standards and Specifications, ADOT Standards for Road and Bridge Construction and ADA Guidelines.
    ii. The sewer design includes gravity lines, force main(s) and a lift station and extends beyond the Phase 1 project boundary to connection with a public gravity sewer main approximately 800 feet north of the lease boundary. The new force main will parallel an existing force main that currently serves the NACET building. The sewer mains and services will be shown in plan view only; we do not intend to prepare profile views for the sewer force main. We intend to specify a packaged lift station design based on anticipated design flows. A custom lift station design is not included. It is understood that our scope will also include sizing and designing the piping only for the future force mains based on the building sizes shown on the current approved site plan. This piping will be installed in a common trench with the piping for phase one.
    iii. The water design includes extension of an 8” main from an existing 12” main in Gemini Drive. The design plans will show plan and profile views of the water main design. The profile views will show utility crossings and geotechnical information, if available. The design will include stub-outs for future phases and hydrant(s) as required.
    iv. We will prepare a project construction control sheet showing horizontal and vertical control. Control will be based on existing benchmarks and local control set during the topographic survey.
    v. The design development plans will show preliminary grading and drainage design and utility alignments but will not be fully detailed. Construction notes will be listed on the plans and proposed elements will be keynoted but not fully dimensioned. Quantities will not be listed per sheet in the plans; however, total quantities will be shown on the general

notes sheet.

vi. This phase includes regular coordination meetings with the design team and a design team quality control and coordination workshop.

vii. We will submit plans to franchise utility companies (UniSource, SuddenLink, Century Link and APS) for review and comment. This effort includes a coordination meeting with utility companies to present the project and plans, answer questions and collect existing conditions information. We will prepare a utility approval form to be included with the plan submittal.

1. It is understood that the City will process any payments to the private utility companies for design separately from APMI's contract, upon approval and recommendation by APMI. It is the City's intent to include any fees for private utility infrastructure (conductor, gas main, fiber optic, etc.) in the contract for construction. Therefore, APMI will make this clarification in the bidding documents that it will be the Contractor's responsibility to include this cost in their bid.

d. Construction Document Phase: We will prepare construction ready documents for the site improvements. Construction ready documents include the plan set, project specifications and special provisions and the OPCC.

e. Approvals/Permitting Phase: We will be responsible for the following permit approvals/submittals:

i. Grading permit application,

ii. Rough grading certification. The grading certificate requires the Civil Engineer, Contractor, Geotechnical Engineer and Surveyor to certify rough grading. The task includes a field visit to verify compliance.

iii. Final grading certification. The grading certificate requires the Civil and Geotechnical Engineer to certify final grading. The task includes a field visit to verify compliance.

iv. ADEQ Approval to Construct - water and sewer facilities

v. ADEQ Approval of Construction - water and sewer facilities

vi. Franchise Utility Approval (Unisource, APS, SuddenLink, Century Link)

f. Bidding / Contract Award Phase: We will participate in a pre-bid meeting and participate in answering questions of potential bidders related to the site improvements. We will prepare addenda, as necessary, to clarify construction documents and/or address changes during the bid phase. We will review bid items related to site improvements and document any irregularities to aid in the recommendation of contract award.

g. Construction Phase (Office): We have included for the following construction phase activities:

i. Material/Shop Drawing review

ii. QC testing result review for civil construction elements (compaction, density, concrete)

iii. Responses to requests for information

iv. Exhibits to modify design based on unknown field conditions or construction phase changes. We have included eight hours of designer time and two hours of project manager time to address changes.

h. Construction Phase (Field): We have included for the following construction phase activities:

i. We anticipate site visits during construction of site improvements to document progress and observe construction progress. We will document field visits with observation reports with a summary of work underway and project photographs. We have budgeted for (4) four site visits for site improvements recognizing that the site work will be performed in phases over the total construction duration. We anticipate a total of 4 hours per visit, including the time to document the site visit.

ii. Peak Engineering will provide a site inspection of the installed BMPs to verify compliance with the SWPPP. We will document any deficiencies or corrections required.

iii. Peak Engineering will observe start-up and operation of the sewage lift station.

i. Record Drawing Phase: Peak Engineering will prepare record drawings of the site improvements in CAD format. We will supplement the Contractor's as-built information with our own site measurements to verify the accuracy of the record measurements. The record drawings will be sealed by a registered professional engineer (civil) and provided to the City in PDF format. Please note, record drawings are required for the water and sewer main installation to obtain an Approval of Construction from ADEQ.

2. Cost estimating services have not been itemized. The required cost estimating will be provided within each project phase.

Structural Engineering:

1. Hubbard-Merrell Engineering (HME) will provide Structural engineering design services, including all required calculations, for a new 25,000 square foot Business Accelerator and Emergency Operations Center for the City of Flagstaff. There are no additional clarifications beyond the basic scope of services. Design meetings and periodic site observations are included.

Mechanical/Plumbing/Electrical/Fire Protection Engineering:

1. Taylor-Rymar Corporation (TRC) will provide Mechanical, Plumbing, Electrical and Fire Protection engineering design services for a new 25,000 square foot Business Accelerator and Emergency Operations Center for the City of Flagstaff. This includes the associated phase one site improvements for their respective disciplines. During design TRC will attend (1) Programming meeting, (2) Owner review meetings and (2) Design team meetings. The project scope is further clarified as follows:
   a. **Electrical:** Design and Drafting of Electrical Construction Drawings. Drawings shall include: Single Line Diagram(s), Panel Schedules, Power and Lighting Floor Plans, and Load Calculations. Design emergency generator for dedicated EOC use. Design and Drafting of fire alarm device locations and typical fire alarm riser diagram. Perform Short Circuit Study. Design conduits, back-boxes, and power connections for data, voice, video, or other Owner provided special systems. Provide utility company coordination for new electrical service to the site. Provide point x point lighting calculations for site lighting. Submission of documentation to LEED® On-line.
   b. **Mechanical:** Design and Drafting of Mechanical Construction Drawings. Drawings shall include: HVAC Floor Plans, Details, and Schedules. Perform building heating, ventilation and air conditioning load calculations which includes energy modeling for LEED Submittal. Provide design/layout drawings for the installation of HVAC equipment, ductwork and air devices. Provide design/layout of exhaust fans serving the lab areas. Provide design/layout for separate exhaust fans to serve restrooms and janitor's closet. Submission of documentation to LEED® On-line.
   c. **Plumbing:** Design and Drafting of Plumbing Construction Drawings. Drawings shall include: Plumbing Floor Plans, Isometrics, Details, Schedules, and fixture Load Calculations. Provide design/layout drawings for the installation of new plumbing fixtures and piping. Note: all potable and sanitary water piping will be terminated 5'-0" beyond building. Perform separate supply water pressure calculations, sanitary waste and vent calculation for new plumbing fixture installations. Perform natural gas calculations, and provide design/layout drawings for gas piping to HVAC equipment and hot water heaters. Provide water and waste piping isometrics on drawings. Provide layout for drain piping from new HVAC units. Provide design/layout of building roof and overflow drain piping to retention area as indicated by architectural construction documents. Submission of documentation to LEED® On-line.
   d. **Fire Protection:** Design and Drafting of Fire Protection Construction Drawings. Drawings shall

include: Floor Plans, Calculations, Details, and Schedules. Perform and submit hydraulic calculations based on NFPA Chapter 13 for city submittal. Coordinate and obtain fire flow hydrant test data to utilize in hydraulic calculations.

2. TRC will also provide construction support services including RFI response, shop drawing review and (2) two construction site visits followed with a written observation report.

Geotechnical/Soils Investigation Services:

1. Speedie and Associates will provide Geotechnical Investigation for the Innovation Mesa Project. The scope of work includes the following:
   a. For the structure, we will drill and sample sufficient test borings to adequately determine subsoil conditions and provide samples for laboratory testing. Sufficient laboratory tests will be conducted to properly classify the soils encountered and provide data for engineering design. We presently anticipate drilling, and rock coring as necessary, 4 structural borings (one of which will be in the sewer lift station location) to depths of 20 feet below existing ground surface. Two additional structural borings will be conducted within the building footprint will be excavated to 20 feet below existing ground surface or auger refusal whichever occurs first. Two additional borings will be conducted to 5 feet below existing ground surface elevation within proposed pavement areas and two borings within LID basins for percolation testing at depths within the upper 4 feet. Access to the site by conventional truck-mounted drilling equipment is assumed to be free and unencumbered.
   b. To help provide additional information regarding the depth of rock and excavation conditions across the site and within utility right-of-ways, we propose to supplement the borings with the addition of test pits excavated with a rubber-tired backhoe. This option will provide information regarding the existing soils, native and fill, and limited information regarding the condition of the basalt bedrock. We will excavate and sample sufficient test pits to adequately determine subsoil conditions and provide samples for laboratory testing. Sufficient laboratory tests will be conducted to properly classify the soils encountered and provide data for engineering design. We presently anticipate excavating 8 test pits to a depth of 10 feet below existing ground surface, or refusal, whichever comes first. Access to the site by conventional rubber-tired backhoe is assumed to be free and unencumbered.
      i. All of the soils and geotechnical data collected during the design phase will be made available to the contractors for bid purposes so they can appropriately bid the amount and type of excavation needed. The geotechnical scope proposed by APMI has been increased, above what might be considered ‘standard’ for design services, specifically to provide additional information for the contractor. However, the contractor will be responsible for interpreting and applying the data provided for their bidding purposes. The APMI Team will also allow each bidding contractor to visit the Flagstaff offices of Speedie and Associates to view the rock cores obtained during the geotechnical investigation. This will allow them to view the samples and confirm any assumptions they have made based on the information provided by the design team.
      ii. BlueStake will be contacted for marking of public utilities and the electrical as-built prepared on 10/19/11 will be used for rough locations of empty conduits not located by BlueStake services.
   c. We will analyze the data obtained from field and laboratory testing and prepare a report presenting all data obtained, together with our conclusions and recommendations regarding:
      i. Design data, allowable bearing pressure and depth, for shallow spread footings.
      ii. Alternate foundation systems and data design, if indicated by soil conditions.
      iii. Settlement estimated for each foundation system considered.

iv. Lateral pressures on temporary and permanent retaining and foundation walls.
v. Groundwater conditions, if any, to the depths which will influence design and/or construction of the proposed development.
vi. Swell potential of in-situ and compacted soils and recommendations for control if highly expansive.
vii. Pavement design to provide economy and adequate service.
viii. Suitability of the site soils for use as compacted fill and preferred earthwork methods, including clearing, stripping, excavation, and construction of engineered fill.
ix. Local excavation and trenching conditions and stability considerations.
x. Suitability of subsoils to permit dissipation of storm water.

Construction and Materials Testing / Special Inspection:

1. Speedie and Associates will provide Construction/Materials Testing and Special Inspections for the Innovation Mesa Project. The scope of work includes the following:
   a. Personnel will perform all tests and specimen preparation and will prepare a Daily Field Report for each day spent at the site. These reports, together with all test data, will be transmitted on a timely basis to those parties designated by the client.
   b. We have provided a budget estimate for the amount of work required for this project based on based on our experience on similar projects. The estimate is based on a total of 165 trips to the site with an average of 3.0 hours on site per visit. This includes time for field density testing during mass grading activities, on building pad preparation, drainage improvements, utilities and parking lot improvements. Time is also included for concrete testing, grout testing, and structural special inspections.
2. A detailed breakdown of the individual different scope items of the project is provided as an attachment to this proposal. It should be noted, that we have no control over the contractor's construction methods and work schedule. Actual charges will be billed according to the attached unit rates on a portal to portal basis with no daily minimum charge.

Archeological Monitoring:

1. SWCA will provide Archeological Monitoring for the Innovation Mesa Project. The scope of work outlined below involves periodic archaeological monitoring of construction activities. The scope of work includes three components.
   a. MONITORING PLAN: SWCA Environmental Consultants (SWCA) will prepare a monitoring plan detailing the methods to be used during construction monitoring and in event of a discovery. SWCA will submit a draft plan to the City for review and consultation. SWCA shall address the City's comments and develop a final monitoring plan. The City will submit to SHPO for concurrence.
   b. ARCHAEOLOGICAL MONITORING: In accordance with the City's scope of work, SWCA will provide one archaeologist to periodically monitor construction, record any archaeological artifacts or features discovered during construction and treat them in accordance with the approved monitoring plan, and to recommend archaeological site and feature protection measures during the undertaking. It is our understanding that one monitor will be needed for four, two hour visits during the construction period. Additionally, SWCA can provide an archaeologist if a discovery is made during construction activities, in order to satisfy the requirements of the monitoring plan, at the daily rate listed below. SWCA archaeologists are available Monday through Friday from 5 a.m. to 5 p.m. only.
   c. MONITORING RESULTS REPORT: After fieldwork, SWCA will prepare a summary report that

includes a cover, title page, introduction, project description, environmental setting, cultural setting, background research results, methods, results of monitoring, recommendations, and references cited. SWCA will submit to the City a copy of the draft report for review and will incorporate the City's comments into the final report. At the close of the project, SWCA will prepare and submit the necessary archaeological site and survey project records for permanent curation at the Arizona State Museum, as required by SWCA's Arizona Antiquities Act (AAA) permit.

LEED Documentation/Certification/Commissioning Services:

1. APMI, Taylor-Rymar Corporation (TRC), Pam Symond Landscape Architect (PSLA) and Peak Engineering will provide LEED Documentation and Certification services for the Innovation Mesa project. LEED Commissioning services will be provided by TRC. This includes achieving a minimum certification level of Silver. The LEED project scope is further clarified as follows:
    a. APMI, TRC, PSLA and Peak will develop, document and submit all required documentation to LEED® On-line.
    b. We anticipate the credits could include the following:
        i. Site: SS prereq 1; SS1; SS2; SS4.3; SS4.4; SS5.1; SS5.2; SS6.1; SS6.2; SS7.1 SS7.2; RP credits; WE1
        ii. Building: SS8; WE prereq 1; WE3; EA prereq 1,2&3; EA1; EA4; IEQ prereq1; IEQ1; IEQ2; IEQ7.1; MR prereq 1; MR4; MR5; MR6; MR7; IEQ prereq2; IEQ4.1; IEQ4.2; IEQ4.3; IEQ4.4; IEQ5; IEQ7.2; IEQ8.1; IEQ8.2.
        iii. Construction: MR2; IEQ3.1; IEQ3.2
    c. LEED Fees are based on the USGBC fee schedule as of the date of this proposal. If USGBC registration and certification fees increase or decrease, the fee structure will need to be adjusted.
2. Energy modeling to comply with LEED requirements will be included.
3. APMI, Taylor-Rymar Corporation (TRC), Pam Symond Landscape Architect (PSLA) and Peak Engineering will provide the required periodic onsite observations to LEED compliance during construction.
4. LEED Commissioning will consist of the following:
    a. Provide Commissioning Plan and Specifications as required.
    b. Attend two (2) LEED®/Cx Meetings during the completion of the design and construction documents.
    c. Meet the requirements of E&A Prerequisite 1: Fundamental Commissioning of Building Energy Systems. Systems required to be commissioned per LEED® requirements:
        i. HVAC Systems and associated Building Controls
        ii. Lighting and Daylighting Controls
        iii. Domestic Hot water Systems
        iv. Renewable Energy Systems as applicable.
5. Conduct one (1) kick-off and four (4) site commissioning meetings and field visits during construction.
6. Provide pre-functional check lists for commissioned systems.
7. Prepare documentation and conduct Functional Testing of systems to be commissioned.
8. Attend final Cx meeting/Project Closeout
9. Prepare Final Commissioning Report.
10. Submission of documentation to LEED® On-line.
11. This proposal assumes one retest of any individual component that fails the first functional test during commissioning.

PROJECT EXCLUSIONS:
All of the following exclusions can be provided by the APMI Team should they become necessary or should The City of Flagstaff desire them. These services would be individually negotiated, based on the scope of services desired.

1. Design services that would be required to manage, coordinate and prepare separate design packages to facilitate a multi-phased or fast track construction process, except as may be identified in the scope of services or by a separate fee in the fee proposal section.
2. Work outside of the immediate site or Phase 1 areas, except for that which may be required to support phase one grading/drainage design and utility connections.
3. Design of the extension of reclaimed water to serve the site is not included. Per the City's utility atlas, the nearest reclaimed water is approximately at the north end of Gemini Drive at the existing reclaimed water storage tank.
4. Custom design of a lift station is not included; we intend to specify a package system similar to the existing system serving NACET.
5. Native Plant Resources Survey is excluded.
6. Design and specification of "special systems", i.e., telecommunications, security, data, etc. An empty conduit raceway system will be provided based on equipment supplier's layouts provided by Client's Vendor.
    a. For each of the special systems such as data/security/phone/fire for the project, including that for the EOC, we will create a performance specification to allow the contractors to appropriately bid the scope. We will identify locations of devices and provide wiring and performance specs. Due to the fact that each vendor will design their systems around their specific hardware/equipment we do not include "specific" special system design. This allows for competitive pricing and a non-proprietary spec which allows multiple vendors to bid on the project. The APMI Team will work with the contracted vendor to ensure that the proposed system meets the requirements of our specifications and meets needs of the project.
7. Preparation and submission of applications for exhaust permits to the County and/or State. It is assumed that the tenants within the building will require general exhaust only and that specialty exhaust systems are not required.
8. Permitting and pan review fees to the City of Flagstaff or to local utility companies. It is understood that the City will pay these fees directly.

PROJECT ASSUMPTIONS:
The proposed fee for professional services has been based on the anticipated level of services that will be required to accomplish the project as described. The following assumptions have been made in determining the extent of professional services required and the resultant professional fee:

1. Design is limited to Phase One improvements and the on-site infrastructure to support Phase One. Design of subsequent phases and off-site infrastructure is not included.
2. It is understood that the project has an approved site plan and that minor modification may be required. Significant changes requiring re-approval of the site plan may result in additional design fees.
3. The Contractor will be responsible for installation of BMPs related to the SWPPP and will be responsible for filing the NOI and NOT with ADEQ. The Contractor will also be responsible for daily monitoring and reporting.
4. The City will observe the water and sewer pressure/leakage testing and the water quality testing.
5. It is assumed that no hazardous materials are to be used within the interior of the building. As stated in the basic scope of services, the building use will consist of office, wet/dry laboratory, light manufacturing

space and a secondary EOC.

6. Due to the fact that APMI, Inc. does not hold direct contracts with the various Construction Contractors, APMI, Inc., its Consultants and their Staff assumes no responsibility for the means and methods of construction utilized by the various contractors that will be involved in construction or will be supplying materials or equipment to the project site. Means and Methods of construction and thereby any and all safety programs shall remain the responsibility of the various contractors and material or equipment suppliers.
7. Periodic Observations by the Staff of APMI, Inc. or its Consultants shall not be construed to assume any liability for Contractor's Means and Methods through their presence at a project site, either prior to, during or after a possible incident or observance of a potential safety infraction.
8. The following assumptions relate to the Archeological Monitoring portion of the scope:
    a. It is assumed that this in non-site monitoring only and can be done under SWCA's AAA blanket permit. If a site is discovered, a project specific permit from the Arizona State Museum will be required and a separate cost will be prepared.
    b. It is assumed any features encountered during monitoring will be recorded only. This cost does not include data recovery of any features encountered during construction. If cultural features are found, a separate cost will be prepared for the data recovery of the discovered features, if necessary.
    c. It is assumed that no human burials are located within the project area. If burials are encountered, a separate cost will be prepared for the excavation, removal, and repatriation of the burials.
    d. It is assumed that all artifact analysis will occur in the field and no artifacts will be collected. If artifact collection is necessary, a separate cost will be prepared for laboratory analysis and curation of the artifacts at the Arizona State Museum.

FEE PROPOSAL SECTION:

Attached is a proposed Cost Proposal Breakdown for the project and services as described. Should the scope of the project or services change in any way, the professional fee shall be modified accordingly. The proposed professional fee is exclusive of reimbursable expenses as defined under reimbursable expenses.

REIMBURSABLE EXPENSES:

An estimate of reimbursable expenses is included on the attached Cost Proposal Breakdown. The estimate of reimbursable expenses does not include cost of reproduction or distribution for bidding or construction purposes or the cost of agency document reviewing or permitting fees.

Reimbursable expenses shall be defined as all reproduction, plotting, postage, messenger services, shipping,; mileage paid to staff, out of town travel expenses and other similar out of pocket expenses. Expenses shall be billed at the cost of the expenses to APMI plus ten percent (10%) to cover processing. Expenses will be billed and will become due on a monthly basis as part of the regular invoice process. Cost of all agency fees shall be paid for directly by the City of Flagstaff.

1 July 2013

PROPOSAL CONCLUSION:

I trust that this proposal meets with your approval. After acceptance, please sign this proposal below and return a copy to APMI, Inc. Upon receipt of a signed copy of this proposal or a Notice To Proceed, APMI, Inc. shall commence work on the referenced project in accordance with the accepted project schedule.

Sincerely,

APMI, Inc.

Adam Siros, AIA
Principal

Accepted:

City of Flagstaff

By: Title:
Date:

Attachments: APMI Cost Proposal Breakdown
Proposed A/E Design Schedule
APMI Hourly Rate Schedule
Speedie Unit Rate Schedule for Construction/Materials Testing and Special Inspection

Architectural & Engineering Services Contract (provided by the City of Flagstaff)
Attachment “A” – Architectural and Engineering Services (provided by the City of Flagstaff)
Attachment “B” – Fees and Schedule (provided by the City of Flagstaff)

cc: File

APMI, Inc. - Architects / Planners / Interiors

File Name:	IM - FeePropForm.xls
Date Prepared:	1 July 2013
Date Revised:	N/A

Client:	City of Flagstaff
Sub-Project Name:	**Innovation Mesa - Business Accelerator and EOC**
Client Project Number:	**13-12005**
Contract Type:	**Lump Sum**
Contract Number:	**NA**
APMI Project Number:	APMI Project No. 13109.00
Discipline:	Architectural & Engineering Summary

SUMMARY - COST PROPOSAL

DESIGN - ARCHITECTURAL & ENGINEERING SUMMARY

ESTIMATED DIRECT LABOR A/E SERVICES

No.	TASK	APMI, Inc.	Civil Engineering	Structural Engineering	Mech/Plumb Engineering	Electrical Engineering	Fire Protection	Landscape Architecture	Other	Total By Phase
1	Field Investigations	$2,680.00	$390.00	$250.00	$0.00	$0.00	$0.00	$97.50	$0.00	$3,417.50
2	Programming	$14,060.00	$1,500.00	$3,440.00	$2,265.00	$1,460.00	$340.00	$0.00	$0.00	$23,065.00
3	Schematic Design	$10,379.00	$6,520.00	$5,310.00	$5,920.00	$3,100.00	$980.00	$520.00	$0.00	$32,729.00
4	Design Development	$18,320.00	$17,300.00	$8,060.00	$8,980.00	$5,700.00	$2,110.00	$455.00	$0.00	$60,925.00
5	Construction Documents	$61,660.00	$25,415.00	$15,920.00	$6,755.00	$6,220.00	$1,960.00	$780.00	$0.00	$118,710.00
6	Approvals / Permitting	$5,400.00	$5,115.00	$1,100.00	$1,635.00	$990.00	$385.00	$65.00	$0.00	$14,690.00
7	Bidding / Contract Award	$4,800.00	$2,500.00	$500.00	$170.00	$650.00	$235.00	$260.00	$0.00	$9,115.00
8	Construction - Office	$35,000.00	$4,230.00	$4,640.00	$1,170.00	$650.00	$745.00	$97.50	$0.00	$46,532.50
9	Construction - Field	$54,375.00	$3,160.00	$1,780.00	$520.00	$260.00	$340.00	$260.00	$0.00	$60,695.00
10	Cost Estimating	$16,260.00	$0.00	$0.00	$715.00	$925.00	$745.00	$130.00	$0.00	$18,775.00
11	Record Drawings	$4,550.00	$4,880.00	$1,700.00	$610.00	$1,445.00	$555.00	$162.50	$0.00	$13,902.50
12	Project Closeout	$4,550.00	$0.00	$1,160.00	$495.00	$665.00	$555.00	$97.50	$0.00	$7,522.50
										$410,079.00
	TOTAL HOURS:	2290.232	703	484	317	200	72	3250	0	
	LABOR COST:	$232,034.00	$71,010.00	$43,860.00	$29,235.00	$22,065.00	$8,950.00	$2,925.00	$0.00	

Total Estimated Professional Fees: **$410,079**

ESTIMATED INTERNAL EXPENSES
Listed by item at Estimated Actual Cost

Total Estimated Expenses: **$12,175**

ESTIMATED DIRECT LABOR LEED/COMMISIONING SERVICES

No.	TASK	Arch	Civil	Struct	Mech/Plumb	Elect	FP	Lndscp	Cx Agent	Total
13	LEED Documentation/Compliance	$21,620.00	$6,015.00	$0.00	$2,765.00	$4,435.00	$0.00	$325.00	$17,000.00	$52,160.00
14										$0.00

Total Estimated Professional Fees: **$52,160**

USGBC Registration/Certification Fees: **$5,060**

ESTIMATED OUTSIDE SERVICES - CONSULTANTS

Listed by Firm or Name at Estimated Cost

Task	Method of Compensation: Firm	T&M, LS, etc.	Cost
Land Survey & Mapping	AZ Surveying	LS	$7,200.00
Soils Borings / Report	Speedie	LS	$11,850
Fire Line Flow Test	Taylor-Rymar	Each	$350
Archeological/SHPO Plan	SWCA	LS	$4,567
Archeological Monitoring/Reports	SWCA	T&M	$8,544
Construction Materials Testing	Speedie	T&M	$26,345
Special Structural Inspections	Speedie	T&M	$13,095
Special Geotech Inspections	Speedie	T&M	$2,010

Total Estimated Outside Services:	$73,961
10.00% Multiplier:	$7,396
Total Estimated Consultants:	**$81,357**

TOTAL ESTIMATED BASIC FEE: **$560,831**

POTENTIAL DESIGN ALTERNATES

Task	Method of Compensation: Firm	T&M, LS, etc.	Cost	
Easement Preparation	AZ Surveying	Per Exhibit	$470.00	(Rate to prepare easement dedication document)
Archeological Monitoring (If Additional Observation is Needed)	SWCA	Daily Rate	$765.00	(Daily Rate for Visits Beyond what is included in the base fee)
Architectural Site Visit	APMI	Per Visit	$750.00	(Per Visit Charge for those Beyond what is included in the base fee)
MEP Site Visit	Taylor-Rymar	Per Visit	$350.00	(Per Visit Charge for those Beyond what is included in the base fee)
Civil Site Visit	Peak	Per Visit	$610.00	(Per Visit Charge for those Beyond what is included in the base fee)

Total Estimated Outside Services:	$2,945
10.00% Multiplier:	$295
Total Additional Services:	**$3,240**

TOTAL ESTIMATED BASIC FEE (with Alternates): **$564,071**

APMI, Inc. - Architects / Planners / Interiors

File Name:	IM - FeePropForm.xls
Date Prepared:	1 July 2013
Date Revised:	N/A

Client:	City of Flagstaff
Sub-Project Name:	**Innovation Mesa - Business Accelerator and EOC**
Client Project Number:	**13-12005**
Contract Type:	**Lump Sum**
Contract Number:	**NA**
APMI Project Number:	APMI Project No. 13109.00
Discipline:	APMI, Inc. - Project Management & Architectural

COST PROPOSAL BREAKDOWN

APMI, Inc. - Project Management & Architectural

ESTIMATED DIRECT LABOR

No.	TASK	Principal	Project Manager/Arch	Senior Architect	Architectural Designer	Job Captain	CAD Draftsperson	Word Processing	TOTAL
1	Field Investigations	0	4	0	0	8	16	0	28
2	Programming	8	40	20	0	12	32	8	120
3	Schematic Design	2	20	32.2	0	0	40	0	94.232
4	Design Development	16	40	0	0	32	80	0	168
5	Construction Documents	8	96	20	40	120	320	32	636
6	Approvals / Permitting	0	16	0	0	0	40	0	56
7	Bidding / Contract Award	0	16	0	0	0	32	0	48
8	Construction - Office	4	120	0	0	80	100	0	304
9	Construction - Field	4	312	0	0	25	0	75	416
10	LEED Documentation/Compliance	8	16	120	0	0	20	24	188
11	Cost Estimating	8	60	0	0	20	40	12	140
12	Record Drawings	2	8	0	0	0	40	0	50
13	Project Closeout	2	16	0	0	0	24	0	42
									2290.232
	TOTAL HOURS:	62	764	192.232	40	297	784	151	2290.232
	% PARTICIPATION:	3%	33%	8%	2%	13%	34%	7%	
	HOURLY RATE:	$175.00	$150.00	$125.00	$110.00	$110.00	$75.00	$55.00	
	LABOR COST:	$10,850.00	$114,600.00	$24,029.00	$4,400.00	$32,670.00	$58,800.00	$8,305.00	

Total Estimated Professional Fees: **$253,654**

ESTIMATED INTERNAL EXPENSES

Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting:	1	$2,000.00	Allowance	$2,000
Reproduction	1	$4,500.00	Allowance	$4,500
Messenger/Delivery/Reimbursibles	1	$2,500.00	Allowance	$2,500

	Estimated Expenses:	$9,000
10.00%	**Multiplier:**	$900
	Total Estimated Expenses:	**$9,900**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	$0

	Total Estimated Outside Services:	$0
10.00%	**Multiplier:**	$0
	Total Estimated Consultants:	**$0**

TOTAL ESTIMATED COST: **$263,554**

APMI, Inc. - Architects / Planners / Interiors

File Name: IM - FeePropForm.xls
Date Prepared: 1 July 2013
Date Revised: N/A

Client:	City of Flagstaff
Sub-Project Name:	**Innovation Mesa - Business Accelerator and EOC**
Client Project Number:	**13-12005**
Contract Type:	**Lump Sum**
Contract Number:	**NA**
APMI Project Number:	APMI Project No. 13109.00
Discipline:	Civil Engineering

COST PROPOSAL BREAKDOWN

CIVIL ENGINEERING

ESTIMATED DIRECT LABOR - BASIC DESIGN

No.	TASK	Principal Engineer	Project Manager	Project Engineer	Designer	Engineering Intern	Land Surveyor	Survey Team Member	Clerical	TOTAL
1	Field Investigations	0	1	0	0	4	0	0	0	5
2	Programming	0	6	6	0	0	0	0	0	12
3	Schematic Design	0	14	36	4	0	0	0	0	54
4	Design Development	0	22	14	132	0	0	0	4	172
5	Construction Documents	0	37	56	145	0	0	0	2	240
6	Approvals / Permitting	0	5	34	0	0	0	0	7	46
7	Bidding / Contract Award	0	10	10	0	0	0	0	0	20
8	Construction - Office	0	3	32	0	0	0	0	0	35
9	Construction - Field	0	4	22	0	0	0	0	0	26
10	LEED Documentation/Compliance	0	28	0	25	0	0	0	0	53
11	Cost Estimating	0	0	0	0	0	0	0	0	0
12	Record Drawings	0	8	32	0	0	0	0	0	40
13	Project Closeout	0	0	0	0	0	0	0	0	0
	TOTAL HOURS:	0	138	242	306	4	0	0	13	703
	% PARTICIPATION:	0%	20%	34%	44%	1%	0%	0%	2%	
	HOURLY RATE:	$145.00	$130.00	$120.00	$95.00	$65.00	$110.00	$75.00	$55.00	
	LABOR COST:	$0.00	$17,940.00	$29,040.00	$29,070.00	$260.00	$0.00	$0.00	$715.00	

Total Estimated Professional Fees: $77,025

ESTIMATED INTERNAL EXPENSES

Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting/Reproduction:	1	$1,500.00	Allowance	$1,500

Estimated Expenses:	$1,500
0.00% Multiplier:	$0
Total Estimated Expenses:	**$1,500**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	
	LS	

Total Estimated Outside Services:	$0
0.00% Multiplier:	$0
Total Estimated Consultants:	**$0**

TOTAL ESTIMATED COST: $78,525

APMI, Inc. - Architects / Planners / Interiors

File Name:	IM - FeePropForm.xls
Date Prepared:	1 July 2013
Date Revised:	N/A

Client:	City of Flagstaff
Sub-Project Name:	**Innovation Mesa - Business Accelerator and EOC**
Client Project Number:	**13-12005**
Contract Type:	**Lump Sum**
Contract Number:	**NA**
APMI Project Number:	APMI Project No. 13109.00
Discipline:	Structural Engineering

COST PROPOSAL BREAKDOWN

STRUCTURAL ENGINEERING

ESTIMATED DIRECT LABOR

No.	TASK	Principal	Project Manager	Sr. Engineer	Engineer	Designer	CAD Draftsperson	Word Processing	TOTAL
1	Field Investigations	1	0	1	0	0	0	0	2
2	Programming	8	0	8	16	0	0	0	32
3	Schematic Design	6	0	8	24	0	24	0	62
4	Design Development	8	0	12	36	0	40	0	96
5	Construction Documents	20	0	28	64	0	72	0	184
6	Approvals / Permitting	2	0	2	4	0	4	0	12
7	Bidding / Contract Award	2	0	2	0	0	0	0	4
8	Construction - Office	8	0	16	12	0	12	0	48
9	Construction - Field	4	0	8	4	0	0	0	16
10	LEED Documentation/Compliance	0	0	0	0	0	0	0	0
11	Cost Estimating	0	0	0	0	0	0	0	0
12	Record Drawings	2	0	2	8	0	8	0	20
13	Project Closeout	8	0	0	0	0	0	0	8
	TOTAL HOURS:	69	0	87	168	0	160	0	484
	% PARTICIPATION:	14%	0%	18%	35%	0%	33%	0%	
	HOURLY RATE:	$145.00	$0.00	$105.00	$90.00	$0.00	$60.00	$0.00	
	LABOR COST:	$10,005.00	$0.00	$9,135.00	$15,120.00	$0.00	$9,600.00	$0.00	

Total Estimated Professional Fees: $43,860

ESTIMATED INTERNAL EXPENSES

Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting:	25	$4.00	ea.	$100

Estimated Expenses:	$100
0.00% Multiplier:	$0
Total Estimated Expenses:	**$100**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	$0.00
	LS	

Total Estimated Outside Services:	$0
0.00% Multiplier:	$0
Total Estimated Consultants:	**$0**

TOTAL ESTIMATED COST: $43,960

APMI, Inc. - Architects / Planners / Interiors

File Name: IM - FeePropForm.xls
Date Prepared: 1 July 2013
Date Revised: N/A

Client: City of Flagstaff
Sub-Project Name: **Innovation Mesa - Business Accelerator and EOC**
Client Project Number: **13-12005**
Contract Type: **Lump Sum**
Contract Number: **NA**
APMI Project Number: APMI Project No. 13109.00
Discipline: Mechanical/Plumbing Engineering

COST PROPOSAL BREAKDOWN

MECHANICAL/PLUMBING ENGINEERING

ESTIMATED DIRECT LABOR

No.	TASK		Principal	Engineer	Senior Designer	Designer	CAD Draftsperson	Word Processing	TOTAL
1	Field Investigations	0	0	0	0	0	0	0	0
2	Programming	0	2	0	4	4	12	1	23
3	Schematic Design	0	3	0	4	20	35	1	63
4	Design Development	0	4	0	12	30	45	1	92
5	Construction Documents	0	4	0	12	20	30	1	67
6	Approvals / Permitting	0	1	0	4	4	5	2	16
7	Bidding / Contract Award	0	1	0	0	0	0	0	1
8	Construction - Office	0	0	0	8	0	0	2	10
9	Construction - Field	0	0	0	4	0	0	0	4
10	LEED Documentation/Compliance	0	1	0	10	10	0	3	24
11	Cost Estimating	0	0	0	5	0	0	1	6
12	Record Drawings	0	1	0	0	0	5	1	7
13	Project Closeout	0	1	0	2	0	0	1	4
	TOTAL HOURS:	0	18	0	65	88	132	14	317
	% PARTICIPATION:	0%	6%	0%	21%	28%	42%	4%	
	HOURLY RATE:	$0.00	$170.00	$150.00	$130.00	$110.00	$75.00	$65.00	
	LABOR COST:	$0.00	$3,060.00	$0.00	$8,450.00	$9,680.00	$9,900.00	$910.00	

Total Estimated Professional Fees: **$32,000**

ESTIMATED INTERNAL EXPENSES
Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting:	0	$0.00	ea.	$0

Estimated Expenses: $0
0.00% Multiplier: $0
Total Estimated Expenses: **$0**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS
Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	
	LS	

Total Estimated Outside Services: $0
0.00% Multiplier: $0
Total Estimated Consultants: **$0**

TOTAL ESTIMATED COST: **$32,000**

APMI, Inc. - Architects / Planners / Interiors

File Name: IM - FeePropForm.xls
Date Prepared: 1 July 2013
Date Revised: N/A

Client: City of Flagstaff
Sub-Project Name: Innovation Mesa - Business Accelerator and EOC
Client Project Number: 13-12005
Contract Type: Lump Sum
Contract Number: NA
APMI Project Number: APMI Project No. 13109.00
Discipline: Electrical Engineering

COST PROPOSAL BREAKDOWN

ELECTRICAL ENGINEERING

ESTIMATED DIRECT LABOR

No.	TASK		Principal	Engineer	Senior Designer	Designer	CAD Draftsperson	Word Processing	TOTAL
1	Field Investigations	0	0	0	0	0	0	0	0
2	Programming	0	4	0	6	0	0	0	10
3	Schematic Design	0	6	0	16	0	0	0	22
4	Design Development	0	6	0	36	0	0	0	42
5	Construction Documents	0	6	0	40	0	0	0	46
6	Approvals / Permitting	0	2	0	4	0	0	2	8
7	Bidding / Contract Award	0	0	0	4	0	0	2	6
8	Construction - Office	0	0	0	4	0	0	2	6
9	Construction - Field	0	0	0	2	0	0	0	2
10	LEED Documentation/Compliance	0	2	0	30	0	0	3	35
11	Cost Estimating	0	2	0	4	0	0	1	7
12	Record Drawings	0	2	0	8	0	0	1	11
13	Project Closeout	0	2	0	2	0	0	1	5
	TOTAL HOURS:	0	32	0	156	0	0	12	200
	% PARTICIPATION:	0%	16%	0%	78%	0%	0%	6%	
	HOURLY RATE:	$0.00	$170.00	$150.00	$130.00	$110.00	$75.00	$65.00	
	LABOR COST:	$0.00	$5,440.00	$0.00	$20,280.00	$0.00	$0.00	$780.00	

Total Estimated Professional Fees: $26,500

ESTIMATED INTERNAL EXPENSES
Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting:	0	$0.00	ea.	$0

Estimated Expenses: $0
0.00% Multiplier: $0
Total Estimated Expenses: $0

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS
Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	
	LS	

Total Estimated Outside Services: $0
0.00% Multiplier: $0
Total Estimated Consultants: $0

TOTAL ESTIMATED COST: $26,500

APMI, Inc. - Architects / Planners / Interiors

File Name: IM - FeePropForm.xls
Date Prepared: 1 July 2013
Date Revised: N/A

Client: City of Flagstaff
Sub-Project Name: **Innovation Mesa - Business Accelerator and EOC**
Client Project Number: **13-12005**
Contract Type: **Lump Sum**
Contract Number: **NA**
APMI Project Number: APMI Project No. 13109.00
Discipline: Fire Protection Engineering

COST PROPOSAL BREAKDOWN

FIRE PROTECTION ENGINEERING

ESTIMATED DIRECT LABOR

No.	TASK	Principal	Project Manager	Sr. Engineer	Engineer	Designer	CAD Draftsperson	Word Processing	TOTAL
1	Field Investigations	0	0	0	0	0	0	0	0
2	Programming	0	2	0	0	0	0	0	2
3	Schematic Design	0	4	0	0	0	4	0	8
4	Design Development	0	8	0	0	0	10	0	18
5	Construction Documents	0	8	0	0	0	8	0	16
6	Approvals / Permitting	0	1	0	0	0	2	1	4
7	Bidding / Contract Award	0	1	0	0	0	0	1	2
8	Construction - Office	0	4	0	0	0	0	1	5
9	Construction - Field	0	2	0	0	0	0	0	2
10	LEED Documentation/Compliance	0	0	0	0	0	0	0	0
11	Cost Estimating	0	4	0	0	0	0	1	5
12	Record Drawings	0	2	0	0	0	2	1	5
13	Project Closeout	0	2	0	0	0	2	1	5
	TOTAL HOURS:	0	38	0	0	0	28	6	72
	% PARTICIPATION:	0%	53%	0%	0%	0%	39%	8%	
	HOURLY RATE:	$0.00	$170.00	$150.00	$130.00	$110.00	$75.00	$65.00	
	LABOR COST:	$0.00	$6,460.00	$0.00	$0.00	$0.00	$2,100.00	$390.00	

Total Estimated Professional Fees: **$8,950**

ESTIMATED INTERNAL EXPENSES
Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting:	1	$350.00	LS	$350

Estimated Expenses: $350
0.00% Multiplier: $0
Total Estimated Expenses: **$350**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS
Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	
	LS	

Total Estimated Outside Services: $0
0.00% Multiplier: $0
Total Estimated Consultants: **$0**

TOTAL ESTIMATED COST: **$9,300**

APMI, Inc. - Architects / Planners / Interiors

File Name:	IM - FeePropForm.xls
Date Prepared:	1 July 2013
Date Revised:	N/A

Client:	City of Flagstaff
Sub-Project Name:	**Innovation Mesa - Business Accelerator and EOC**
Client Project Number:	**13-12005**
Contract Type:	**Lump Sum**
Contract Number:	**NA**
APMI Project Number:	APMI Project No. 13109.00
Discipline:	Landscape Architecture

COST PROPOSAL BREAKDOWN

LANDSCAPE ARCHITECTURE

ESTIMATED DIRECT LABOR

No.	TASK	RLA							TOTAL
1	Field Investigations	$97.50	0	0	0	0	0	0	97.5
2	Programming	$0.00	0	0	0	0	0	0	0
3	Schematic Design	$520.00	0	0	0	0	0	0	520
4	Design Development	$455.00	0	0	0	0	0	0	455
5	Construction Documents	$780.00	0	0	0	0	0	0	780
6	Approvals / Permitting	$65.00	0	0	0	0	0	0	65
7	Bidding / Contract Award	$260.00	0	0	0	0	0	0	260
8	Construction - Office	$97.50	0	0	0	0	0	0	97.5
9	Construction - Field	$260.00	0	0	0	0	0	0	260
10	LEED Documentation/Compliance	$325.00	0	0	0	0	0	0	325
11	Cost Estimating	$130.00	0	0	0	0	0	0	130
12	Record Drawings	$162.50	0	0	0	0	0	0	162.5
13	Project Closeout	$97.50	0	0	0	0	0	0	97.5
	HOURLY RATE:	N/A	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	LABOR COST:	$3,250.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	

Total Estimated Professional Fees: $3,250

ESTIMATED INTERNAL EXPENSES

Listed by item at Estimated Actual Cost

	Quantity	Cost	Method of Compensation Each, LS, etc.	Total
Plotting:	1	$0.00	Allowance	$325

Estimated Expenses:	$325
0.00% Multiplier:	$0
Total Estimated Expenses:	**$325**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Listed by Firm or Name at Estimated Cost

Firm	Method of Compensation CPNF, LS, etc.	Cost
	LS	
	LS	

Total Estimated Outside Services:	$0
0.00% Multiplier:	$0
Total Estimated Consultants:	**$0**
TOTAL ESTIMATED COST:	**$3,575**

CITY OF FLAGSTAFF
Innovation Mesa Business Accelerator and Emergency Operations Center Project

ID	Task Name	Duration	Start	Finish
1	NOTICE TO PROCEED	0 days	Thu 8/1/13	Thu 8/1/13
2	**PRE-DESIGN PHASE**	**20 days**	**Thu 8/1/13**	**Wed 8/28/13**
3	Review/Update Space Plan Requirements Developed to Date	5 days	Thu 8/1/13	Wed 8/7/13
4	Develop EOC Requirements	5 days	Thu 8/8/13	Wed 8/14/13
5	Develop Interior Space Plan Requirements	10 days	Thu 8/8/13	Wed 8/21/13
6	Develop Common Space Plan Requirements	10 days	Thu 8/8/13	Wed 8/21/13
7	City Reviews	5 days	Thu 8/22/13	Wed 8/28/13
8	**SCHEMATIC DESIGN PHASE**	**25 days**	**Thu 8/29/13**	**Thu 10/3/13**
9	Review /Update Schematic Design Developed to Date	5 days	Thu 8/29/13	Thu 9/5/13
10	Develop functional space plans	15 days	Fri 9/6/13	Thu 9/26/13
11	Prepare Project Description	5 days	Fri 9/20/13	Thu 9/26/13
12	Prepare Project Estimate	5 days	Fri 9/20/13	Thu 9/26/13
13	City Reviews	5 days	Fri 9/27/13	Thu 10/3/13
14	**DESIGN DEVELOPMENT PHASE**	**36 days**	**Fri 10/4/13**	**Tue 11/26/13**
15	Review Comments/Data From City	1 day	Fri 10/4/13	Fri 10/4/13
16	Develop DD Documents	30 days	Mon 10/7/13	Fri 11/15/13
17	LEED Documentation	30 days	Mon 10/7/13	Fri 11/15/13
18	Update Project Description	5 days	Mon 11/11/13	Fri 11/15/13
19	Update Project Estimate	5 days	Mon 11/11/13	Fri 11/15/13
20	City Reviews	5 days	Mon 11/18/13	Tue 11/26/13
21	**CONSTRUCTION DOCUMENTS PHASE**	**51 days**	**Wed 11/27/13**	**Thu 2/13/14**
22	Review Comments/Data From City	1 day	Wed 11/27/13	Wed 11/27/13
23	Develop CD Documents	45 days	Thu 11/28/13	Thu 2/6/14
24	LEED Documentation	45 days	Thu 11/28/13	Thu 2/6/14
25	EDA Funding Documentation	45 days	Thu 11/28/13	Thu 2/6/14
26	Update Project Description	5 days	Fri 1/31/14	Thu 2/6/14
27	Update Project Estimate	5 days	Fri 1/31/14	Thu 2/6/14
28	City Reviews	5 days	Fri 2/7/14	Thu 2/13/14
29	**PERMITTING/BIDDING PHASES**	**56 days**	**Fri 2/14/14**	**Fri 5/2/14**
30	First Agency Submittal	20 days	Fri 2/14/14	Thu 3/13/14
31	Document Corrections	5 days	Fri 3/14/14	Thu 3/20/14
32	Second Agency Submittal	20 days	Fri 3/21/14	Thu 4/17/14
33	Bidding	20 days	Fri 3/21/14	Thu 4/17/14
34	Council Approval Construction Contract	11 days	Fri 4/18/14	Fri 5/2/14
35	**BREAKOUT OF SITE PACKAGE**	**66 days**	**Wed 11/27/13**	**Fri 3/7/14**
36	First Agency Submittal	20 days	Wed 11/27/13	Tue 12/24/13
37	Document Corrections	5 days	Mon 12/30/13	Wed 1/8/14
38	Second Agency Submittal	20 days	Thu 1/9/14	Wed 2/5/14
39	Bidding	20 days	Thu 1/9/14	Wed 2/5/14
40	Council Approval Construction Contract	11 days	Thu 2/6/14	Thu 2/20/14
41	Start Sitework	0 days	Fri 3/7/14	Fri 3/7/14

Project: Innovation Mesa Project
Date: Wed 6/26/13
Prepared By APMI, Inc.

Task		Summary		External Milestone		Inactive Summary		Manual Summary Rollup		Finish-only	
Split		Project Summary		Inactive Task		Manual Task		Manual Summary		Deadline	
Milestone		External Tasks		Inactive Milestone		Duration-only		Start-only		Progress	

SERVICE AGREEMENT
FOR
INNOVATION MESA BUSINESS ACCELERATOR & EMERGENCY OPERATIONS CENTER

CITY OF FLAGSTAFF
and

APMI, Inc.

This Agreement for the Innovation Mesa BA- EOC ("Agreement") is made by and between the City of Flagstaff ("City"), an Arizona municipal corporation with offices at 211 W. Aspen Avenue, Flagstaff, Coconino County, Arizona, and APMI Inc, with offices at _Scottsdale, AZ, 85258, ("Provider"), effective as of the date written below.

RECITALS

A. The City desires to enter into this Agreement in order to obtain services of a consultant for the Innovation Mesa BA-EOC, as outlined in the Scope of Work/Specifications section of the RSOQ document; and

B. Provider has available and offers to provide the personnel necessary to provide said services within the required time in accordance with the Scope of Services included in this Agreement;

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, the City and Provider agree as follows:

C. The following exhibits are incorporated by reference and are expressly made a part of this Agreement:

Scope of Work	Exhibit A
Fee Schedule	Exhibit B
EDA Grant Provisions	Exhibit D

1. SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to perform the following services:

1.1 Provider agrees to provide the services as set forth in detail in Exhibit "A" attached and incorporated in this Agreement. All services provided will conform to the requirements of the Grant Provisions that are attached as Exhibit D, including services provided by any approved subcontractors.

1.2 Provider warrants that all materials, services or construction delivered under the Agreement shall conform to the specifications of the Agreement. The City's receipt or inspection of the materials, services, or construction specified shall not alter or affect the obligations of Provider or the rights of the City under the foregoing warranty.

1.3 All services, information, computer program elements, reports and other deliverables which may be created under the Agreement are the sole property of the City and shall not be used or released by Provider or any other person except with prior written permission of the City.

2. COMPENSATION OF PROVIDER

Provider agrees to provide all of the services set forth in Exhibit "A" for prices not to exceed the amounts set forth in the fee/price schedule, attached as Exhibit "B".

3. RIGHTS AND OBLIGATIONS OF PROVIDER

3.1 **Independent Contractor**. The parties agree that Provider performs specialized services and that Provider enters into this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute Provider or any of Provider's agents or employees as an agent, employee or representative of the City. As an independent contractor, Provider is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages arising out of Provider's performance under this Agreement.

3.2 **Provider's Control of Work.** All services to be provided by Provider shall be performed as determined by the City in accordance with the Scope of Services set forth in Exhibit "A." Provider shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. Provider shall be responsible for, and in full control of, the work of all such personnel.

3.3 **Reports to the City**. Although Provider is responsible for control and supervision of work performed under this Agreement, the services provided shall be acceptable to the City and shall be subject to a general right of inspection and supervision to ensure satisfactory completion. This right of inspection and supervision shall include, but not be limited to, all reports to be provided by Provider to the City and the right of the City, as set forth in the Scope of Services, and the right of the City to audit Provider's records.

3.4 **Compliance with All Laws**. Provider shall comply with all applicable laws, ordinances, rules, regulations and executive orders of the federal, state and local government, which may affect the performance of this Agreement. Any provision required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement shall be deemed inserted, whether or not such provisions appear in this Agreement.

3.5 **Completeness and Accuracy of Provider's Work.** The Provider shall be responsible for the completeness and accuracy of his work, plans, supporting data, and Special Provisions prepared or compiled under his obligation for this project and shall correct, at his expense, all errors or omissions therein.

3.5.1 All documents prepared by the design professional shall bear the stamp or seal of the design professional. All preparation of technical and related documents shall be completed in accordance with the prevailing Arizona law.

3.5.2 Correction of errors or omissions disclosed and determined to exist by the City during the construction of the project shall be accomplished by the Provider. The costs that become necessary to correct those errors attributable to the Provider and any expense incurred by the City as a result of additional construction costs caused by such errors shall be chargeable to the Provider. The fact that the City has accepted or approved the Provider's work shall in no way relieve the Provider of any of his responsibilities. Should the Provider be contracted to perform construction inspection of the project, he shall be responsible for errors and omissions in construction inspection disclosed and determined to exist by the City during and subsequent to the construction of the project. Provider's duty in the construction inspection phase is to assure City that the project is constructed in conformity with detailed plans and specifications and the cost of design necessary to correct errors and omissions in inspection attributable to the Provider and any expense incurred by City as a result of additional construction costs caused by such errors shall be chargeable to the Provider. Acceptance or approval by City of Provider's work shall not relieve Provider of inspection responsibilities.

4. NOTICE PROVISIONS

Notice. Any notice concerning this Agreement shall be in writing and sent by certified or registered mail as follows:

To the City's Authorized Representative (James Duval):

To Provider:

Patrick Brown, C.P.M.
Senior Procurement Specialist
City of Flagstaff
211 W. Aspen
Flagstaff, Arizona 86001

5. INDEMNIFICATION

To the fullest extent permitted by law, Provider shall indemnify, defend, save and hold harmless the City of Flagstaff and its officers, officials, agents, and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") including claims for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Provider or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Provider to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is agreed that Provider shall be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Provider shall waive all rights of subrogation against the City, its officers, officials, agents and employees for losses arising from the work performed by Provider for the City.

6. INSURANCE

Provider and subcontractors shall procure and maintain insurance against claims for injury to persons or damage to property, which may arise from or in connection with this Agreement by the Provider, Provider's agents, representatives, employees or contractors until all of their obligations under this Agreement have been discharged, including any warranty periods. The insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City does not represent or warrant that the minimum limits set forth in this Agreement are sufficient to protect the Provider from liabilities that might arise out of this Agreement, and Provider is free to purchase such additional insurance as Provider may determine is necessary.

6.1. **Minimum Scope and Limits of Insurance**. Provider shall provide coverage at least as broad and with limits not less than those stated below.

6.1.1. Commercial General Liability - Occurrence Form
(Form CG 0001, ed. 10/93 or any replacement thereof)

General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Fire Damage (any one fire)	$500,000
Medical Expense (any one person)	Optional

6.1.2. Automobile Liability - Any Automobile or Owned, Hired and Non-owned Vehicles
(Form CA 0001, ed. 12/93 or any replacement thereof)

Combined Single Limit Per Accident for Bodily Injury and Property Damage	$1,000,000

6.1.3. 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
6.1.4.	Professional Liability	$1,000,000
6.1.4.1	Landscape Architect Only	$500,000/claim & $500,000/aggregate

6.2 **Self-insured Retention/Deductibles.** Any self-insured retentions and deductibles 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.

6.3. **Other Insurance Requirements.** The policies shall contain, or be endorsed to contain, the following provisions:

6.3.1 Commercial General Liability and Automobile Liability Coverages. The City of Flagstaff, its officers, officials, agents and employees shall be named as additional insureds with respect to liability arising out of the use and/or occupancy of the Premises subject to this Agreement and activities performed by or on behalf of the Provider, including products and completed operations of the Provider; and automobiles owned, leased, hired or borrowed by the Provider.

6.3.2 The Provider's insurance shall contain broad form contractual liability coverage.

6.3.3 The City of Flagstaff, its officers, officials, agents and employees volunteers shall be named as additional insureds to the full limits of liability purchased by the Provider even if those limits of liability are in excess of those required by this Agreement.

6.3.4. The Provider'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 Provider's insurance and shall not contribute to it.

6.3.5 The Provider'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.

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

6.3.7 The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Provider for the City.

6.6 **Notice of Cancellation**. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the City. When cancellation is for non-payment of premium, then at least ten (10) days' prior notice shall be given to the City. Notices required by this section shall be sent directly to Patrick Brown, Senior Procurement Specialist, City of Flagstaff, 211 W. Aspen Avenue, Flagstaff, Arizona 86001.

6.7 **Acceptability of Insurers**. Provider 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 provide the Provider from potential insurer insolvency.

6.8 **Verification of Coverage**. The Provider shall furnish the City with certificates of insurance (ACORD form) as required by this Agreement. 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.

6.8.1 The City must receive and approve all certificates of insurance before the Provider commences work. Each insurance policy required by this Agreement shall be in effect at, or before, commencement of work under this Agreement and shall remain in effect until all Provider's and its subcontractors' obligations under this Agreement have been met. The Provider's failure to maintain the insurance policies as required by this Agreement or to provide timely evidence of renewal will be considered a material breach of this Agreement.

6.8.2 All certificates of insurance shall be sent directly to Patrick Brown, Senior Procurement Specialist, 211 West Aspen Avenue, Flagstaff, Arizona 86001. The City project/contract number and project description shall be noted on the certificates of insurance. 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 Agreement at any time. The City shall not be obligated, however, to review any insurance policies or to advise Provider of any deficiencies in such policies and endorsements. The City's receipt of Provider's policies or endorsements shall not relieve Provider from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Provider's obligations under this Agreement.

6.9 **Subcontractors**. Provider's certificate(s) shall include all subcontractors as additional insureds under its policies, or Provider shall furnish to the City Separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

6.10 **Approval.** Any modification or variation from the insurance requirements in this Agreement must have the prior approval of the City's Attorney's Office, whose decision shall be final. Such action will not require a formal Agreement amendment but may be made by administrative action.

7. DEFAULT AND TERMINATION

7.1 **Events of Default Defined**. The following shall be Events of Default under this Agreement:

7.1.1 Any material misrepresentation made by Provider to the City;

7.1.2 Any failure by Provider to perform its obligations under this Agreement including, but not limited to, the following:

7.1.2.1 Failure to commence work at the time(s) specified in this Agreement due to a reason or circumstance within Provider's reasonable control;

7.1.2.2 Failure to perform the work with sufficient personnel and equipment or with sufficient equipment to ensure completion of the work within the specified time due to a reason or circumstance within Provider's reasonable control;

7.1.2.3 Failure to perform the work in a manner reasonably satisfactory to the City;

7.1.2.4 Failure to promptly correct or re-perform within a reasonable time work that was rejected by the City as unsatisfactory or erroneous;

7.1.2.5 Discontinuance of the work for reasons not beyond Provider's reasonable control;

7.1.2.6 Unsatisfactory performance as judged by the Contract Administrator;

7.1.2.7 Failure to provide the City, upon request, with adequate assurance of future performance;

7.1.2.8 Failure to comply with a material term of this Agreement, including, but not limited to, the provision of insurance; and

7.1.2.9 Any other acts specifically stated in this Agreement as constituting a default or a breach of this Agreement.

7.2 Remedies.

7.2.1 Upon the occurrence of any Event of Default, the City may declare Provider in default under this Agreement. The City shall provide written notification of the Event of Default. If such Event of Default is not cured within seven (7) days of receipt of the notification, the City may invoke any or all of the following remedies:

7.2.1.1 The right to cancel this Agreement as to any or all of the services yet to be performed;

7.2.1.2 The right of specific performance, an injunction or any other appropriate equitable remedy;

7.2.1.3 The right to monetary damages;

7.2.1.4 The right to withhold all or any part of Provider's compensation under this Agreement;

7.2.1.5 The right to deem Provider non-responsive in future contracts to be awarded by the City; and

7.2.1.6 The right to seek recoupment of public funds spent for impermissible purposes.

7.2.2 The City may elect not to declare an Event of Default or default under this Agreement or to terminate this Agreement upon the occurrence of an Event of Default. The parties acknowledge that this provision is solely for the benefit of the City, and that if the City allows Provider to continue to provide the Services despite the occurrence of one or more Events of Default, Provider shall in no way be relieved of any of its responsibilities or obligations under this Agreement, nor shall the City be deemed to waive or relinquish any of its rights under this Agreement.

7.2.3 In the Event of Default by the Provider, the City shall not be liable to Provider for any amount, and Provider may be liable to the City for any and all damages sustained by reason of the default which gave rise to the termination.

7.3 Right to Offset. Any costs, including but not limited to attorney's fees, costs of remediation, and costs of delay, incurred by the City due to default of Proposer, or due to the City's exercise any of the remedies available to it under this Agreement, may be offset by use of any payment due for services completed before the default or the exercise of any remedies. If the offset amount is insufficient to cover excess costs, Provider shall be liable for and shall remit promptly to the City the balance upon written demand from the City.

7.4 Termination for Convenience. The City reserves the right to terminate, with or without cause, this Agreement upon ninety (90) days written notice. The City shall be responsible only for those standard items or services which have been delivered and accepted. If any items being purchased are truly unique and therefore not saleable or useable for any other application, the City shall reimburse Proposer for actual labor, material, and burden costs, plus a profit not to exceed 8%. Title to all materials, work in progress, and completed but undelivered goods, shall pass to the City after costs are claimed and allowed. Proposer shall submit detailed cost claims in an acceptable manner and shall permit the City to examine such books and records as may be necessary in order to verify the reasonableness of any claims.

8. GENERAL PROVISIONS

8.1 **Headings.** The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

8.2 **Jurisdiction and Venue**. This Agreement shall be administered and interpreted under the laws of the State of Arizona. Provider hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

8.3 **Attorney's Fees**. Subject to Section 8.11, if suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court, including an appellate court, may adjudge reasonable as attorney fees.

8.4 **Severability.** If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, the remainder of this Agreement shall remain in full force and effect and such term or provision shall be deemed to be deleted.

8.5 **Successors and Assigns**. No right or interest in the Agreement shall be assigned by Provider without prior written permission of the City, and no delegation of any duty of Provider shall be made without prior written permission of the City. The City shall not unreasonably withhold approval and shall notify Provider of the City's position within fifteen (15) days of receipt of written notice by Provider. This Agreement shall extend to and be binding upon the Provider, its successors and assigns, including any individual, company, partnership, or other entity with or into which the Provider shall merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which the Provider shall sell its assets.

8.6 **Subcontracts**. No subcontract shall be entered into by Provider with any other party to furnish any service specified in this Agreement without the advance written approval of the City. All subcontracts shall comply with Federal, State and local laws and regulations that are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth in the Agreement which shall apply with equal force to the subcontract, as if the subcontractor were the Provider. Provider is responsible for contract performance whether or not subcontractors are used. The City shall not unreasonably withhold approval and shall notify Provider of the City's position within fifteen (15) days of receipt of written notice by Provider. Provider shall be responsible for executing the agreement with subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

8.7 **Conflict of Interest**. Provider covenants that Provider presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, Provider shall not engage any employee or apprentice having any such interest. The parties agree that this Agreement may be cancelled for conflict of interest in accordance with Arizona Revised Statutes § 38-511.

8.8 **Authority to Contract**. Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations hereunder, and that it has taken all actions necessary to authorize entering into this Agreement.

8.9 **Integration.** This Agreement represents the entire understanding of City and Provider as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect to those matters, except for documents comprising the RFP Package that have been incorporated into this Agreement. This Agreement may not be modified or altered except in writing signed by duly authorized representatives of the parties.

8.10 **Non Appropriation**. If the City Council does not appropriate funds to continue this Agreement and pay for charges under this Agreement, the City may terminate this Agreement at the end of the current fiscal period, or at the time that funds are no longer available to meet the City's payment obligations. The City agrees to give written notice of termination to the Provider at least thirty (30) days prior to any termination for a lack of funds and will pay to the Provider all approved charges incurred prior

to Provider's receipt of such notice, subject to the availability of funds appropriated and budgeted by the City to fund payments under this Agreement.

8.11 **Mediation**. If a dispute arises out of or relates to this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation shall take place in Flagstaff, Arizona, shall be self-administered, and shall be conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, NY 10017, (212) 949-6490, www.cpradr.org with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties shall not be obligated to mediate if an indispensable party is unwilling to join the mediation. This mediation provision shall not constitute a waiver of the parties' right to initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if a party seeks provisional relief under the Arizona Rules of Civil Procedure.

8.12 **Non-Discrimination**. Provider shall not discriminate against any employee, or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75-5 as modified by State Executive Order 99-4 or A.R.S. 41-1461 et. seq. The Provider shall be required to comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

8.13 **Compliance with Federal Immigration Laws and Regulations**. Provider hereby warrants to the City that the Provider and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to its employees and A.R.S. §23-214(A) (hereinafter "Provider Immigration Warranty").

8.13.1 A breach of the Provider Immigration Warranty shall constitute a material breach of this Agreement and shall subject the Provider to penalties up to and including termination of this Agreement at the sole discretion of the City.

8.13.2 The City retains the legal right to inspect the papers of any Provider or Subcontractor employee who works on this Agreement to ensure that the Provider or Subcontractor is complying with the Provider Immigration Warranty. Provider agrees to assist the City in regard to any such inspections.

8.13.3 The City may, at its sole discretion, conduct random verification of the employment records of the Provider and any of Subcontractors to ensure compliance with Provider's Immigration Warranty. Provider agrees to assist the City in regard to any random verifications performed.

8.13.4 The provisions of this Article must be included in any contract the Provider enters into with any and all of its Subcontractors who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

8.14 **Anti-Trust Violations**. The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the Provider. Therefore, to the extent permitted by law, Provider hereby assigns to the City any and all claims for such overcharges as to the goods or services used to fulfill this Agreement.

8.15 **Advertising**. Proposer shall not advertise or publish information concerning the Agreement, without the prior written consent of the City.

8.16 **Inspection**. All material, services or construction are subject to final inspection and acceptance by the City. The City may, at reasonable times and at its expense, inspect the plant or place of business of Provider or its subcontractor(s) which is related to the performance of this Agreement. This right of inspection and supervision shall include, but not be limited to the right of the City to audit Provider's records.

8.17 **Force Majeure**. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Agreement if and to the extent that such party's performance of this Agreement is prevented by reason of force majeure.

8.17.1 The term "force majeure" means an occurrence that is unforeseeable and beyond the control of the party affected, which occurs without its fault or negligence, and which it is unable to prevent by exercising reasonable diligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts, injunctions-intervention-acts, or unreasonable failures or refusal to act by government authority, and other similar occurrences. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party, in writing, of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this agreement.

8.17.2 Force majeure shall not include the following occurrences:

8.17.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or by an oversold condition of the market.

8.17.2.2 Late performance by a Subcontractor unless the delay arises directly out of a force majeure occurrence in accordance with this force majeure term and condition. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that, such delay or failure is caused by force majeure.

8.17.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing as soon as is practical, of the commencement of such delay and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed certified-return receipt and shall make a specific reference to this section, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Agreement modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this Agreement.

8.18 **Business Operations in Sudan/Iran**. In accordance with A.R.S. § 35-397, the Provider certifies that the Provider and its affiliates and subsidiaries do not have scrutinized business operations in Sudan or Iran. If the City determines that the Provider's certification is false, the City may impose all legal and equitable remedies available to it, including but not limited to termination of this Agreement.

9. DURATION

This Agreement shall become effective on and from the date it is executed by the parties, and shall continue for a period of **775** calendar days, unless sooner terminated as provided in this Agreement. The City reserves the right to unilaterally extend the period of the Agreement for ninety (90) days beyond the stated termination date. The Agreement may be renewed in writing for a supplemental period of up to 1 additional one-year terms. The City Council authorizes the City of Flagstaff Purchasing Director to administratively renew this Agreement for the additional terms specified in this paragraph. Any additional renewals must be approved by the City Council.

.

City of Flagstaff	**Provider**
_____	_____
Kevin Burke, City Manager	
Attest:	
_____	
City Clerk	
Approved as to form:	
_____	
City Attorney	Date of Execution:_____

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Sean Ahern, Economic Development Manager

Date: 07/08/2013

Meeting Date: 07/16/2013

TITLE:

Consideration and Adoption of Resolution 2013-17: A resolution of the City Council of the City of Flagstaff, Arizona, granting a public utility easement to Arizona Public Service Company in Coconino County located at the intersection of Highway 89A and Fairgrounds Road, as more particularly described and depicted in the attachments appended to the staff summary.

RECOMMENDED ACTION:

1) Read Resolution No. 2013-17 by title only
2) City Clerk reads Resolution No. 2013-17 by title only (if approved above)
3) Adopt Resolution No. 2013-17

Policy Decision or Reason for Action:

APS is in need of an easement for an electrical substation that will provide power to the Flagstaff Airpark and surrounding areas to meet current electrical needs and provide power for future commercial development at the Flagstaff Airpark. The City currently has 106 acres surrounding the airpark that can be developed once this substation is in place. This substation will provide enough power for 3-4 Joy Con-type users.

Financial Impact:

No Financial impact to the City of Flagstaff. The easement will allow for future commercial development in and around the Flagstaff Airport, providing jobs and tax revenue.

Connection to Council Goal:

The community will enjoy a healthy, thriving economy with opportunities for quality and diversified employment of various economic levels for its residents with livable wages, and environmentally responsible industries that make a positive contribution to the community and the economy.

Has There Been Previous Council Decision on This:

None.

Options and Alternatives:

1) The City Council accepts resolution, granting the utility easement for future development on the Flagstaff Airpark.
2) The City Council could choose to deny the request for the easement area. This would have a negative effect on any future development of the Flagstaff Airpark as an employment center.
3) The City Council could choose a different route for the easement. This would require additional analysis and possibly invoke substantial cost.

Attachments:

Res. 2013-17
Easement Agreement
Site Overview with ADOT realignment
Southbound View
Northbound view
Site Plan

RESOLUTION NO. 2013-17

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL GRANTING AN ELECTRIC SUBSTATION EASEMENT AT APPROXIMATELY THE INTERSECTION OF HIGHWAY 89A AND FAIRGROUNDS ROAD TO ARIZONA PUBLIC SERVICE COMPANY

RECITALS:

WHEREAS, the City of Flagstaff is the owner of real property located at approximately the intersection of Highway 89A and Fairgrounds Road, as more particularly described and depicted in the attachments appended to the staff summary submitted in support of this resolution; and

WHEREAS, pursuant to Article I, Section 3 of the Flagstaff City Charter the City may grant easements as its interests require.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the electric substation easement, attached to the staff summary submitted in support of this resolution, be and hereby is granted, without any warranty of title, and approved.

SECTION 2. That said electric substation easement shall be subject to all encumbrances, liens, limitations, restrictions and estates as exist on the land of which the easement is a part.

SECTION 3. That the City Manager be and hereby is authorized to execute any documents that may be necessary to carry out the provisions of this resolution. All documents shall be in a form approved by the City Attorney.

SECTION 4. That City staff is hereby authorized to take such other and further measures and actions as are necessary and appropriate to carry out the terms, provisions, and intents of this resolution, including, but not limited to, the recording of any necessary documents in the Office of the Coconino County Recorder.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2013.

_____

MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

EASEMENT FOR ELECTRIC SUBSTATION

CITY OF FLAGSTAFF, An Arizona municipal Corporation, (hereinafter "Grantor"), is the owner of the following described real property located in Coconino County, Arizona (hereinafter called "Grantor's Property"):

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Grantor, for and in consideration of One Dollar ($1.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to **ARIZONA PUBLIC SERVICE COMPANY**, an Arizona corporation, (hereinafter called "Grantee"), and to its successors and assigns, an exclusive right, privilege, and easement, at locations and elevations, in, upon, over, under, through and across, a portion of Grantor's Property described as follows (herein called the "Easement Premises"):

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

Grantee is hereby granted the right to: construct, install, reconstruct, replace, remove, repair, operate and maintain an electric substation, a line or lines of poles or towers, or other supporting structures and conductors or cables suspended thereon and supported thereby, and guys, anchorage, crossarms, braces, transformers, and underground conduits, conductors, pipes, cables, vaults, and manholes, and all other equipment, fixtures, and facilities, for the transmission and distribution of electricity and for all other purposes connected therewith, and for the transmission and distribution of telephone, audio and/or visual signal and other communication or data transmission purposes to, through, across, and beyond Grantor's Property (said electrical and telecommunication lines, facilities and fixtures collectively herein called "Grantee Facilities"); together with the right of ingress and egress across the Grantor's Property to, from and along the Easement Premises and with the right to use lands adjacent to said Easement Premises during temporary periods of construction. This easement shall not be assigned or otherwise transferred without the prior written consent of Grantor.

Grantee is hereby granted the right, but not the obligation, to trim, prune, cut, and clear away trees, brush, shrubs, or other vegetation on, or adjacent to, the Easement Premises whenever the same shall be necessary for the convenient and safe exercise of the rights herein granted.

Grantor shall not locate, erect or construct, or permit to be located, erected or constructed, any building or other structure or drill any well within the limits of the Easement Premises; nor shall Grantor plant or permit to be planted any trees or alter ground level by cut or fill within the limits of the Easement Premises, without the prior written consent of Grantee.

Grantee agrees that following any installation, excavation, maintenance, repair, or other work by Grantee within the Easement Premises, the affected area will be restored by Grantee to as close to original condition as is reasonably possible, at the expense of Grantee.

The easement granted herein shall not be deemed abandoned except upon Grantee's execution and recording of a formal instrument abandoning the easement.

By accepting and recording this easement, Grantee agrees to defend, indemnify and hold harmless Grantor, its agents, representatives, officers, directors, officials, and employees from and against all claims, direct damages, losses and expenses, including, but not limited to, reasonable attorneys fees, court costs, reasonable expert witness fees, and the reasonable costs of appellate proceedings, relating to or arising from Grantee's acts, errors or omission in the exercise of the rights herein granted and excluding any such claims, damages, losses or expenses arriving from any willful, negligent or intentional acts of the Grantor.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of, and shall be binding on the heirs, administrators, executors, successors in ownership and estate, assigns and lessees of Grantor and Grantee.

Dated this _____ day of _____, 2013.

CITY OF FLAGSTAFF

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

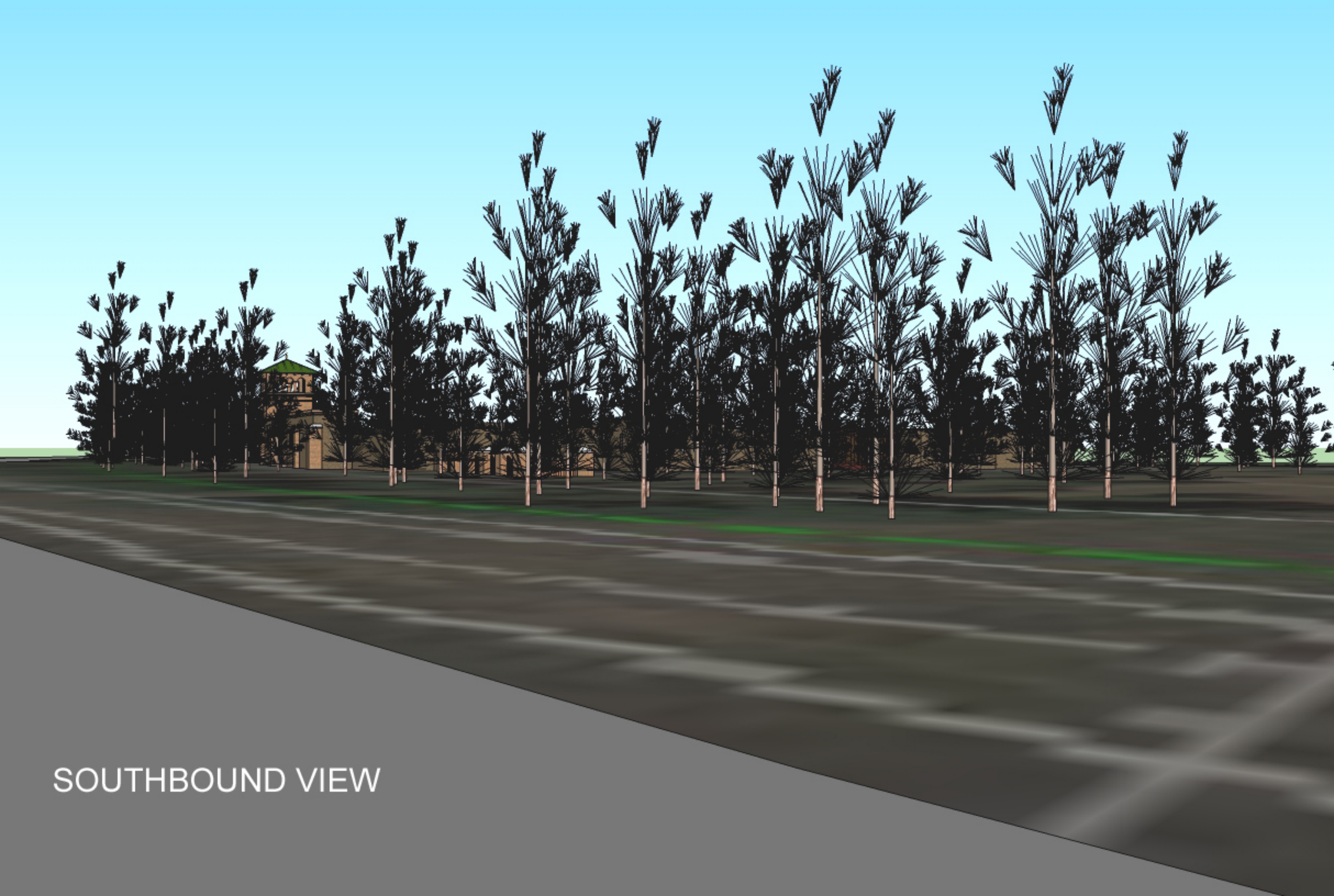
EXHIBIT "A"

"Grantors Property"

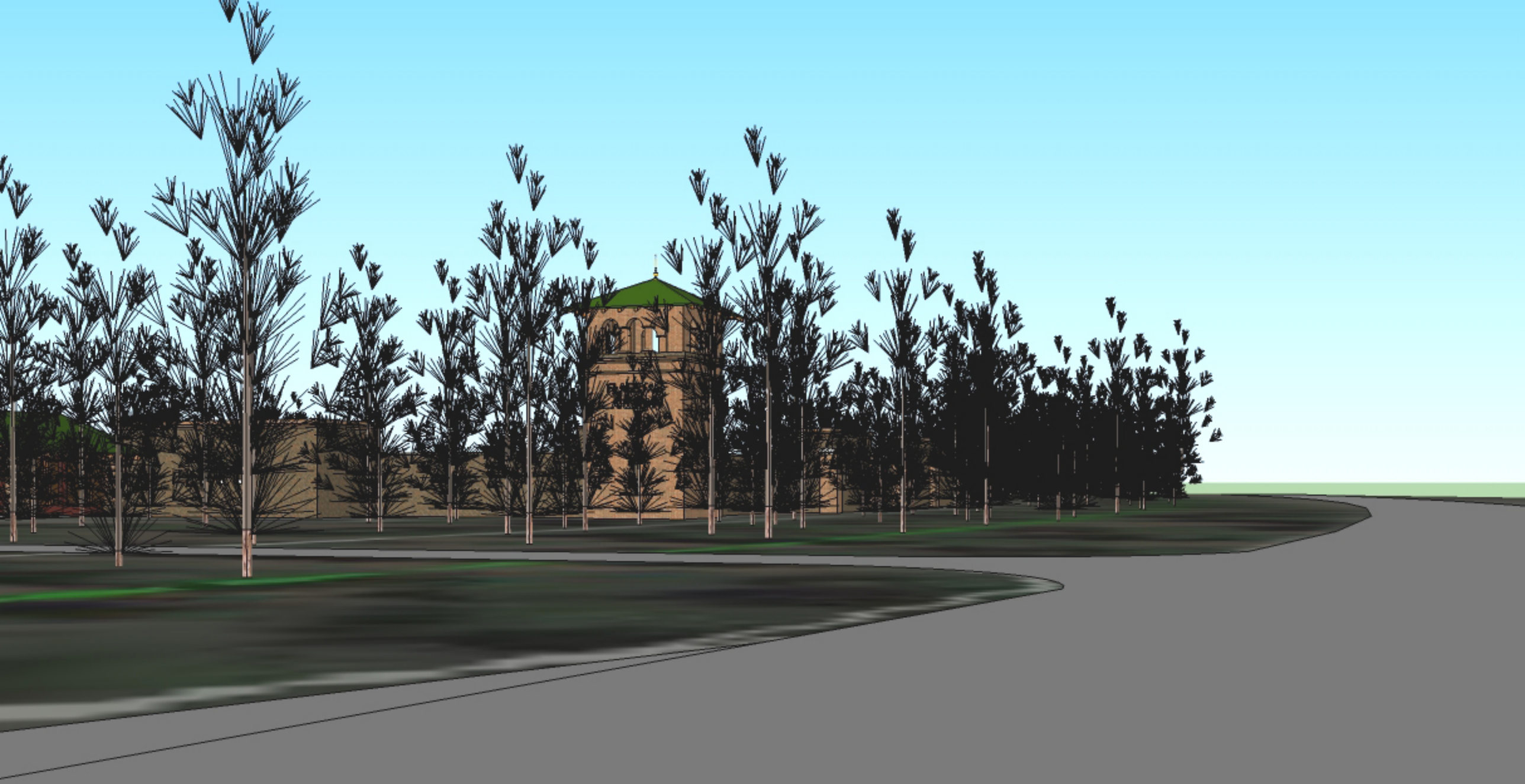
EXHIBIT "B"

"Easement Premises"

OVERALL VIEW



SOUTHBOUND VIEW



NORTHBOUND VIEW

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Bret Petersen, Project Manager
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Adoption of Ordinance No. 2013-15: Authorizing the transfer of City-owned property to the State of Arizona in accordance with the Purchase Agreement for APN 116-13-001C (Tract No. 1 in Warranty Deed - full taking) and APN 116-13-001D (Tract No. 2 Parcel 1 and 2 - partial taking), located adjacent to existing Beulah Blvd. near Fort Tuthill.

RECOMMENDED ACTION:

1) Read Ordinance No. 2013-15 by title only for the first time
2) City Clerk reads Ordinance No. 2013-15 by title only (if approved above)
3) Read Ordinance No. 2013-15 by title only for the final time on July 16, 2013
4) City Clerk reads Ordinance No. 2013-15 by title only (if approved above)
5) Adopt Ordinance No. 2013-15 on July 16, 2013

Policy Decision or Reason for Action:

Arizona Department of Transportation (ADOT) plans to construct improvements at the SR 89A/J.W.Powell Traffic Interchange (Airport T.I.) requiring right-of-way acquisition from several property owners including the City of Flagstaff (COF). In part, ADOT's project includes the realignment of Beulah Boulevard / SR 89-A crossing over two COF owned parcels.
Subsidiary Points: None

Financial Impact:

The City of Flagstaff will receive $33,591.00 from ADOT for the property rights transfer in accordance with the attached Purchase Agreement. All costs associated with the construction of the project are funded by ADOT. Upon completion of the project, Beulah Blvd. and a portion of existing SR89A abandoned right-of-way will be transferred back to the City. Annual O&M costs are not expected to increase as the City is already maintaining Beulah Blvd.

Connection to Council Goal:

1. Repair Replace maintain infrastructure (streets & utilities)
2. Effective governance

Has There Been Previous Council Decision on This:

No, however the City Council will have an opportunity in the near future to consider an IGA defining maintenance obligations which will be effective upon completion of the project and once property rights are returned to the City. Staff is currently working with ADOT to complete the IGA.

Options and Alternatives:

1) Adopt Ordinance 2013-15 as recommended
2) Reject Ordinance 2013-15 and direct staff to renegotiate terms of the Purchase Agreement. (This option would delay ADOT advertisement for construction bids)

Background/History:

The City of Flagstaff has been actively involved in the ADOT planning process for proposed improvements along the I-17 corridor. In 2011, ADOT completed a Design Concept Report (DCR) which identified many improvements including modifications to existing SR-89A / J.W. Powell Blvd. In addition to the DCR, an independent design contract (managed by ADOT) has resulted in construction plan documents which define this ADOT project to include rebuilding the south bound I-17 on/off-ramps and realignment of Beulah Blvd./SR 89A west of its current location. City Staff has participated in concept development, roadway alignment, monthly project meetings, periodic plan reviews, utility relocation coordination, maintenance agreements, and right-of-way dedication.

Key Considerations:

ADOT anticipates advertising for bids to construct the project in August 2013. Physical construction of the proposed improvements is scheduled to begin in spring 2014, as weather permits.

Expanded Financial Considerations:

None

Community Benefits and Considerations:

Preservation of usable remnant parcels was considered while defining the realignment of Beulah Blvd. Future expansion of the City's Well Pump-house facility can be accommodated at it's current location. This northerly most remnant parcel will also accommodate additional facilities as determined appropriate for this location. Other remnant parcels, and existing right-of-way intended to be extinguished to the City, will remain undeveloped to accommodate existing/future utility infrastructure.

Two roundabouts are included in the plan which are intended to greatly enhance vehicular/pedestrian movements along the roadway intersections of the on/off-ramps, J.W. Powell Blvd, Ft Tuthill entrances, Beulah Blvd., and SR 89A.

Community Involvement:

Inform

Attachments: Ord. 2013-15
Agreement
Deed
Temp Const Esmt
Exhibit Drawings

ORDINANCE NO. 2013-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AUTHORIZING THE TRANSFER OF TITLE TO CITY PROPERTY WITHIN AND ADJACENT TO THE BEULAH ROAD RIGHT-OF-WAY LOCATED AT APPROXIMATELY AIRPORT ROAD AS IS MORE FULLY DESCRIBED AS TRACT ONE AND TRACT TWO, PARCELS 1 AND 2, IN EXHIBIT "A" TO THE STATE OF ARIZONA THROUGH THE ARIZONA DEPARTMENT OF TRANSPORTATION, AND PROVIDING AUTHORITY FOR THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS AND AUTHORITY FOR THE CITY CLERK TO MAKE CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff (the "City") owns property within and adjacent to Beulah Road at approximately Airport Road, as is more fully described as Tract One and Tract Two Parcel 1 and 2 in Exhibit "A" to this Ordinance; and

WHEREAS, the City wishes to transfer the property to the State of Arizona through the Arizona Department of Transportation (the "State") because the State is constructing or reconstructing a roadway on the right-of-way; and

WHEREAS, the State will transfer a portion of the right-of-way back to the City at the conclusion of the construction project, as is more fully described in the Purchase Agreement;

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the City is hereby authorized to transfer title to the property to the State upon the State's fulfillment of the terms of the Purchase Agreement.

SECTION 2. That the City Manager is authorized to execute the Purchase Agreement and any other documents necessary to effectuate this transfer pursuant to the terms of the Purchase Agreement.

SECTION 3. The City Clerk is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary, related to this ordinance as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency within thirty (30) days following adoption by the City Council.

SECTION 4. This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 16th day of July, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

ARIZONA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY GROUP

PURCHASE AGREEMENT

Title Company Empire West Title Agency
Address 4808 N. 22nd Street, Suite 100
City Phoenix Arizona
Escrow Officer Sharon Dyke
Escrow No.

Date
(**to be completed by Title Company, if applicable)**
Zip Code 85016
Phone 602-749-7082
Fax No. 602-674-3418

Grantor CITY OF FLAGSTAFF
Address 211 W. Aspen Avenue; Flagstaff, AZ 86001
Phone/Fax/Mobile/Email Michelle D'Andrea 928-213-2025

Grantee: The STATE OF ARIZONA, by and through its DEPARTMENT OF TRANSPORTATION (the "State")
Mailing Address: Arizona Department of Transportation, Right of Way Group
205 South 17th Avenue, MD 612E, Phoenix, Arizona 85007-3212

The STATE shall pay directly to the Grantor, or deposit with the Title Company ("Escrow Agent") if escrowed, the purchase price plus all lawful costs incidental to closing as follows:

Escrow Fees	
Title Policy Fees	
TOTAL ESCROW & TITLE FEES	$0.00
Recording Fees	
Deed	
Easement	
Release	
TOTAL RECORDING FEES	$0.00
Other Charges	
Release Fees	
SRVWUA Fee	
Prorated Taxes/Dates	
TOTAL OTHER CHARGES	$0.00
Subtotal Fees	$0.00
Title Report Credit	
Total Closing Costs	$0.00
Land & Improvements*	$31,617.00
Temporary Construction Easement	$1,974.00
Total Purchase Price	$33,591.00
TOTAL WARRANT**	**$0.00**

Charges and disbursements to be paid from Grantor's funds as follows (check all that apply):

☐ Total Acquisition of Grantor's Property: Full release of all monetary liens and encumbrances, and leases of any kind. Pay in full all due and delinquent real property taxes and general and special improvement assessments. Grantor will be charged for any costs necessary to make the property compliant with the Covenants, Conditions and Restrictions. Prorate the current year's real property taxes on closings that occur on or after the 3rd Monday of August each year. Escrow Agent shall withhold the prorated amounts from each party and pay the lien of the current year's taxes in full.

☒ Partial Acquisition of Grantor's Property: Partial release of all monetary liens and encumbrances, and leases of any kind. At the discretion of State, pay due and delinquent property taxes and general and special improvement assessments, including full payment of taxes and assessments on individual assessor parcels within State's partial acquisition, and any Certificate(s) of Purchase. The current year's taxes shall not be prorated regardless of the closing date.

☐ Easement(s): Consent to easement(s) by secured party(ies).

☐ Other Disbursements:

☐ Security Deposits and Prepaid Rents, if Applicable: Grantor agrees to return all security deposits and prepaid rents directly to lessee(s) outside of escrow.

****

Possession Date: Close of escrow/date of recording.

Special Conditions Right of Way Contract Yes ☐ No ☒
Entry Agreement*** Yes ☐ No ☒
***** If yes, State shall pay statutory interest on the "Total Purchase Price" from _____ to the close of escrow/date of recording directly to Grantor by separate warrant.**

☐ Special Instructions/Information:

*** Escrow and title policy fees based on this amount only.**
****Sum of "Total Closing Costs" and "Total Purchase Price" only**.

THE GRANTOR, having executed a conveyance of certain real property rights to the GRANTEE in a certain conveyance dated described in Exhibit "A" attached hereto and made a part hereof, and having delivered same to the above Title Company as Escrow Agent, said agent is directed to deliver said conveyance to the STATE OF ARIZONA by and through its DEPARTMENT OF TRANSPORTATION; title to said property to pass upon the acceptance of delivery and possession by the ARIZONA DEPARTMENT OF TRANSPORTATION.

PROJECT 089A CN 399 H4134 03R SECTION Airport Road (J.W. Powell Blvd) PARCEL 3-1144

THIS PURCHASE AGREEMENT SHALL SERVE AS THE ESCROW INSTRUCTIONS

The Escrow Agent shall first apply the purchase price on deposit to satisfy such taxes, mortgage claims, leasehold interests, special assessments, fines, fees or charges to be paid to the homeowners association and other encumbrances as may be authorized for payment, and the balance thereof shall be paid in accordance with the terms hereof. If the subject property is encumbered with Covenants, Conditions and Restrictions, the Escrow Agent shall send a Notice of Pending Sale pursuant to A.R.S. 33-1806.

The Escrow Agent is to withhold **$-0-** as a security and/or site-clearance deposit pending satisfactory delivery of the subject property to the State by the Grantor. Grantor agrees the State may apply the security deposit to payment of any unpaid rents due the State from the Grantor, or to payment for any loss or damage sustained by the State caused by the Grantor after the date of this agreement. The State will make written authorization to the Escrow Agent for disbursement of the security deposit in accordance with this agreement, after acceptance of delivery and possession of the subject property.

The Grantor is to notify the Arizona Department of Transportation, Right of Way Group, of the date Grantor intends to vacate the subject property.

Instructions to Escrow Agent: Deposit all escrowed funds in escrow account and disburse same by check; pay encumbrances in accordance with this agreement; prorate all agreed items; record such escrowed instruments as are necessary or proper in the issuance of title insurance; and pay the balance of the escrowed funds to the party or parties entitled thereto. It is further understood and agreed that the Title Company shall not be responsible for any liens or encumbrances not of record at the closing of escrow.

The Right of Way Group of the Arizona Department of Transportation will be furnished a copy of the Grantor's closing statement with the following certification signed by an authorized officer: "This is to certify this is a true and correct statement of disbursement of funds collected from the Arizona Department of Transportation."

The Escrow Agent is to request the Grantor acknowledge receipt of the amount shown on the closing statement as due Grantor. Either a copy of this request or a copy of a signed receipt is to be retained in the escrow file.

The State will pay the costs of any escrow services and/or title insurance desired by it, but may, at its option, waive escrow and/or title insurance. Upon such waiver, the references to Title Company, Escrow Agent, and title insurance herein are not applicable. If this transaction is not handled through a title company, the conveyance will be delivered direct to the State of Arizona and payment will be made direct from the Grantee to the Grantor after approval and acceptance by the Director of the Arizona Department of Transportation and the final filing and recording of the documents.

If cost-to-cure moneys have been paid to remove or relocate improvements on the property conveyed, Grantor agrees to remove all buildings and appurtenances including fences, floors other than concrete, plumbing lines above grade, and all combustible material not later than 30 days from the date of payment. The Grantor assumes all liability connected with said removal. It is further agreed that upon expiration of the time provided for removal, all improvements remaining partially or wholly upon the lands conveyed shall become the property of the State of Arizona, and all rights of the Grantor to said improvements shall cease and terminate. Grantor shall be liable for the reasonable costs incurred in removing said improvements. License is hereby granted to the State of Arizona to enter upon the Grantor's remaining lands where necessary to accomplish the purpose of this agreement.

If the State is acquiring only a portion of Grantor's property, then Grantor grants to the State, its agents, employees and contractors, the right to enter Grantor's remaining property as necessary for utility reconnection, driveway reconnection, facilitating removal of buildings or appurtenances where portions of acquired buildings or appurtenances are situated on Grantor's remaining property, and to facilitate sound wall construction on adjacent State-owned right of way, if required. It is further understood and agreed that this temporary right will expire and terminate thirty (30) days after completion of State's project

It is understood and agreed the consideration expressed herein is accepted by the Grantor as full and complete compensation for the interest being acquired, and in settlement for all injury or damage to the Grantor's remaining abutting lands. Further, said consideration shall constitute a waiver of any and all claims for damages or compensation to said abutting lands that may hereafter arise or result from the establishment and construction of the highway in the manner proposed by the State; except for the negligent or intentional actions of ADOT and its agents resulting in bodily injury or property damage, other than severance or economic damage, to the Grantor's abutting lands.

State is acquiring Grantor's property through its right of eminent domain under threat of condemnation; therefore, it is not a voluntary sale in the ordinary course of real estate negotiation. Further, the settlement herein is in lieu of condemnation and not admissible as evidence of value, nor for any other evidentiary purpose, in conjunction with any judicial or administrative proceeding.

☒ Yes ☐ No Addendum attached hereto and made part hereof.

☐ Notice of Pending Sale pursuant to A.R.S 33-1806.

GRANTOR: CITY OF FLAGSTAFF

_____

Date:

_____

Date:

Accepted_____ Date _____

ESCROW OFFICER

The STATE OF ARIZONA, by and through its DEPARTMENT OF TRANSPORTATION

By _____

Sandra Kennedy, Right of Way Agent

Approved by the Director of the Arizona Department of Transportation _____ 20 ____

Accepted: STATE OF ARIZONA _____ 20 ____

By _____

RIGHT OF WAY MANAGER

ADDENDUM
PURCHASE AGREEMENT
ADOT Parcel No.

Notwithstanding anything to the contrary in the printed-form Purchase Agreement to which this is an addendum, Grantor and State further agree as follows:

1. Following completion of project construction, the Arizona Department of Transportation (ADOT) Will extinguish State right-of-way interest in and to old SR 89A and Beulah Boulevard, to the City Of Flagstaff.

2. Existing utilities easements previously located within the Beulah Boulevard right-of-way will be preserved and protected as part of the ADOT extinguishment of the Beulah Boulevard right-of-way.

3. New utilities added as a result of the current project will be handled and permitted by ADOT until the right-of-way is extinguished by ADOT to the City. After the right-of-way is returned to the City, the City will handle all permitting.

4. The first three (3) items listed in this Purchase Agreement Addendum will be included within the Joint Project Agreement between ADOT and the City of Flagstaff to determine when the City of Flagstaff's obligation to maintain the roadway begins.

GRANTOR: CITY OF FLAGSTAFF

_____
Date

_____
Date

_____
Date

_____
Date

Accepted: STATE OF ARIZONA _____ 20 ____

By _____
RIGHT OF WAY MANAGER

Accepted_____ Date _____
ESCROW OFFICER

_____
Sandra Kennedy, Right of Way Agent

Approved by the Director of the
Arizona Department of Transportation _____ 20 ____ (date only)

WHEN RECORDED RETURN
TO ARIZONA DEPARTMENT
OF TRANSPORTATION,
R/W OPERATIONS SEC.
205 S. 17TH AVE., MD 612E
PHOENIX, AZ 85007-3212

Escrow No.

EXEMPT FROM AFFIDAVIT
BY A.R.S. §11-1134-A-3

ARIZONA DEPARTMENT OF TRANSPORTATION

WARRANTY DEED

CITY OF FLAGSTAFF, a Municipal Corporation, the Grantor, for the consideration of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION, does hereby grant, convey and warrant to the **STATE OF ARIZONA**, by and through its **Department of Transportation**, the Grantee, that certain real property situated in Coconino County, Arizona, more particularly described as:

SEE EXHIBIT "A" ATTACHED HERETO

AND BY REFERENCE MADE A PART HEREOF.

SUBJECT TO current taxes and assessments, reservations and all easements, rights of way, covenants, conditions, restrictions, liens and encumbrances of record.

PROJECT: 089A CN 399 H4134	**LOCATION:** Airport Road (J.W. Powell Blvd)	**PARCEL:** 3-1144
A89-B(002)A		sw 01-30-2013

The Grantor herein, in accordance with property repurchase rights pursuant to A.R.S. §28-7099, hereby elects and agrees to the following:

☐ Waives right of first refusal pursuant to A.R.S. §28-7099, and ADOT at its election, may use, or dispose of any remaining parcel pursuant to any means permitted by law;
_____(initial) _____(initial)

-OR-

☐ Possibly would re-purchase excess land, if any, and hereby requests proper notification by the Department should excess land become available;
_____(initial) _____(initial)

IN WITNESS WHEREOF, this instrument is executed this _____ day of _____ , 20_____

_____ (SIGNATURE)

BY: _____

ITS: _____

_____ (SIGNATURE)

BY: _____

ITS: _____

NOTARY CERTIFICATION

Capacity claimed by signer(s)

☐ INDIVIDUAL(S) ☐ ATTORNEY-IN-FACT ☐ TRUSTEE(S)
☐ CORPORATE ☐ PARTNERSHIP ☐ GOVERNMENT OFFICER(S) ☐ OTHER

_____
ENTITY(IES) REPRESENTED

_____
TITLE OF SIGNER

STATE OF)
) SS
COUNTY OF)

Before me, _____, the undersigned officer/notary
(Name of Notary)
on _____, 20____ personally appeared _____

☐ personally known -OR- ☐ proved to me to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

IN WITNESS, my hand and official seal.

_____
(Signature of Notary)

My commission expires: _____

SEAL HERE

Approved by the Director
of the Arizona Department
of Transportation

_____, 20_____

Accepted:
STATE OF ARIZONA

_____, 20_____

By _____
Right of Way Manager

Document Type: WD Parcel No.: 3-1144

DESCRIPTION FOR FEE ESTATE

TRACT NO. 1:

A parcel of land located in the Southwest quarter of Section 5 and the Northwest quarter of Section 8, Township 20 North, Range 7 East, Gila and Salt River Base and Meridian, Coconino County, Arizona, being a portion of that land described in Docket 5, page 187, as recorded in the Coconino County, Arizona Recorder's Office, and more particularly described as follows:

BEGINNING at the Southwest corner of said Section 5;

THENCE North 00 degrees 30 minutes 07 seconds East (M), (Basis of Bearing), North 00 degrees 27 minutes 29 seconds West (record) along the West line of said Section 5, a distance of 261.70 feet (C) to a point on the West right of way line of U.S. Highway 89A, (now S.R. 89A), said point also being the beginning of a nontangent curve to the left, concave to the Northeast, with a radial bearing of North 82 degrees 37 minutes 42 seconds East (C), a central angle of 01 degrees 03 minutes 48 seconds (C) and a radius of 3085.16 (C) feet, 3066.00 feet (R);

THENCE Southeasterly along said curve and right of way line, a distance of 57.26 feet (C);

THENCE South 08 degrees 26 minutes 06 seconds East South 09 degrees 26 minutes 15 seconds East (R), along said right of way line, a distance of 471.35 feet (C), to the beginning of a curve to the right, concave to the Northwest, with a radial bearing of South 81 degrees 33 minutes 54 seconds West (C), a central angle of 34 degrees 31 minutes 54 seconds (C), and a radius of 1028.14 (C), 934.00 feet (R);

THENCE Southwesterly along said curve and right of way line, a distance of 619.65 feet (C) to a point on the West line of said Section 8;

THENCE North 00 degrees 57 minutes 13 seconds East (M), North 00 degrees 05 minutes 22 seconds West (R), along the West line of said Section 8, a distance of 864.47 feet (C), to the POINT OF BEGINNING.

EXCEPT all uranium, thorium, and all other materials determined pursuant to Section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat.761) to be peculiarly essential to the production of fissionable material contained in whatever concentration if deposits of the lands.

(continued)

EXHIBIT "A"

PAGE 1

TOGETHER with, any and all of the Grantor's fee interest in and to all of the highway right of way for State Route 89A (PRESCOTT-FLAGSTAFF HIGHWAY), if any.

TRACT NO. 2:

Parcel No. 1:

That portion of the Grantors' property that is described in the following **PROPERTY DESCRIPTION** located in the Southwest quarter of Section 5, Township 20 North, Range 7 East, Gila and Salt River Base and Meridian, Coconino County, Arizona, being a portion of that land described in Docket 5, page 187, office of the Coconino County Recorder, Arizona, lying southerly of the following **NEW RIGHT OF WAY DESCRIPTION**:

PROPERTY DESCRIPTION:

A parcel of land located in the Southwest quarter of Section 5, Township 20 North, Range 7 East, Gila and Salt River Base and Meridian, Coconino County, Arizona, being a portion of that land described in Docket 5, page 187, office of the Coconino County Recorder, Arizona, and more particularly described as follows:

BEGINNING at the West quarter corner of said Section 5;

THENCE South 89 degrees 17 minutes 03 seconds East (M), (Basis of Bearing), North 89 degrees 45 minutes 08 seconds East (R), along the mid-section line, a distance of 445.85 feet (C) to a point on the Westerly right of way line of U.S. Highway 89A, (now S.R. 89A);

THENCE South 18 degrees 16 minutes 34 seconds West (C), South 17 degrees 17 minutes 15 seconds West (R), along said right of way line, a distance of 1073.37 feet (C), 1060.32 feet (R) to the beginning of a curve to the left, concave to the Southeast, with a radial bearing of South 71 degrees 43 minutes 26 seconds East (C), a central angle of 09 degrees 54 minutes 02 seconds (C), and a radius of 3085.16 feet (C), 3066.0 feet, (R);

THENCE Southwesterly along said curve and right of way line, a distance of 533.11 feet (C) to a point on the West line of said Section 5;

(continued)

THENCE North 00 degrees 30 minutes 07 seconds East (M), North 00 degrees 27 minutes 29 seconds West (R), along the West line of said Section 5, a distance of 1542.97 feet (C) to the West quarter corner of Section 5, and the POINT OF BEGINNING.

EXCEPT all uranium, thorium, and all other materials determined pursuant to Section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material contained in whatever concentration if deposits of the lands.

NEW RIGHT OF WAY LINE DESCRIPTION:

Commencing at a City of Flagstaff aluminum cap marking the West quarter corner of said Section 5 from which a Bureau of Land Management (BLM) brass cap marking the Southwest corner of said Section 5 bears South 00°39'14" East 2649.93 feet;

thence along the West line of said Section 5 South 00°39'14" East 1505.98 feet to the POINT OF BEGINNING;

thence South 86°39'06" East 66.80 feet to the POINT OF ENDING, said POINT OF ENDING being 100.00 feet northerly of and at right angle to the J.W. Powell Construction Centerline Station 23+46.01.

TOGETHER with, any and all of the Grantor's fee interest in and to all of the highway right of way for said State Route 89A, if any.

Parcel No. 2:

That portion of the above described **PROPERTY DESCRIPTION** in the Northwest quarter of the Southwest quarter (NW¼SW¼) of Section 5, Township 20 North, Range 7 East, Gila and Salt River Meridian, Coconino County, Arizona, which lies between the following described **NEW RIGHT OF WAY LINE NO. 1 and LINE NO. 2**:

NEW RIGHT OF WAY LINE NO. 1 DESCRIPTION:

Commencing at a City of Flagstaff aluminum cap marking the West quarter corner of said Section 5 from which a Bureau of Land Management (BLM) brass cap marking the Southwest corner of said Section 5 bears South 00°39'14" East 2649.93 feet;

(continued)

thence along the West line of said Section 5 South 00°39'14" East 690.72 feet to the POINT OF BEGINNING;

thence North 44°21'42" East 56.08 feet;

thence along a curve to the Left, having a radius of 1537.02 feet, a length of 730.55 feet;

thence North 17°07'45" East 33.38 feet to the East-West mid section line of said Section 5;

thence along said East-West mid section line of Section 5 North 89°33'30" East 35.66 feet to the POINT OF ENDING on the existing northwesterly right of way line of said State Route 89A.

NEW RIGHT OF WAY LINE NO. 2 DESCRIPTION:

Commencing at said West quarter corner of Section 5;

thence along said West line of Section 5 South 00°39'14" East 976.84 feet;

thence from a Local Tangent Bearing of North 39°42'14" East, along a curve to the Right, having a radius of 718.51 feet, a length of 58.41 feet;

thence North 44°21'42" East 200.00 feet;

thence along a curve to the Left, having a radius of 1737.02 feet, a length of 305.94 feet to the POINT OF ENDING being 100.00 feet southeasterly of and at right angle to State Route 89A Construction Centerline Station 485+43.98.

EXCEPT all uranium, thorium, and all other materials determined pursuant to Section 5 (b) (1) of the Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material contained in whatever concentration in deposits of the lands.

TOGETHER with, any and all of the Grantor's fee interest in and to all of the highway right of way for said State Route 89A, if any.

EXHIBIT "A"
PAGE 4

ARIZONA DEPARTMENT OF TRANSPORTATION

TEMPORARY CONSTRUCTION EASEMENT

The undersigned Grantor, for the consideration of ONE DOLLAR AND OTHER VALUABLE CONSIDERATION, does hereby grant to the **STATE OF ARIZONA**, by and through its **Department of Transportation**, hereinafter termed Grantee, an exclusive temporary construction easement ("TCE") for use by its agents and contractors under Grantee's direction, for construction in connection with the construction of Project No. 089A CN 399 H4134 01C of the PRESCOTT-FLAGSTAFF Highway (the "Project") across that certain real property situated in Coconino County, Arizona, described as:

That portion of the Northwest quarter of the Southwest quarter (NW¼SW¼) of Section 5, Township 20 North, Range 7 East, Gila and Salt River Meridian, Coconino County, Arizona, as shown in red on the plat(s) attached hereto and made a part hereof (the "Property").

To the extent practicable, Grantee shall leave the Property in the same condition as existing immediately prior to Grantee's entry.

It is further understood and agreed that this TCE is to expire and terminate thirty (30) days after the completion of the Project.

Signed on the _____ day of_____, 20____.

GRANTOR

_____ _____

_____ _____

PRINTED NAME PRINTED NAME

_____ _____

_____ _____

PRINTED NAME PRINTED NAME

Approved by the Director of the Arizona Department of Transportation

_____, 20_____

(Date Only)

Accepted: STATE OF ARIZONA

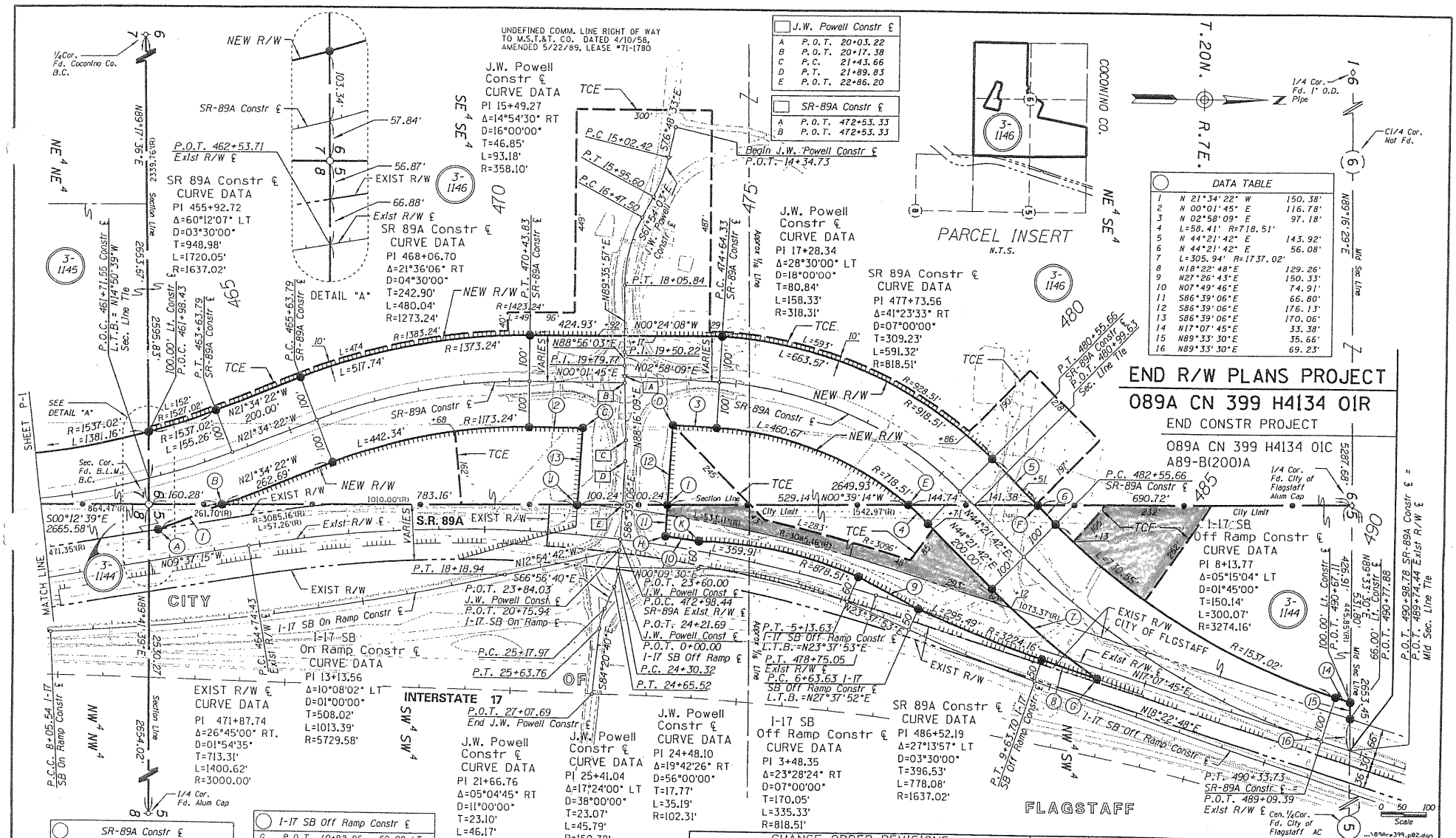
_____, 20_____

By _____

Right of Way Manager

PROJECT: 089A CN 399 H4134 01R **LOCATION:** Airport Road (J.W. Powell Blvd) **PARCEL:** 3-1144

A89-B(002)A sw 01-28-2013



DATA TABLE		
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3	N 02°58'09" E	97.18'
4	L=58.41' R=718.51'	
5	N 44°21'42" E	143.92'
6	N 44°21'42" E	56.08'
7	L=305.94' R=1737.02'	
8	N18°22'48"E	129.26'
9	N27°26'43"E	150.33'
10	N07°49'46"E	74.91'
11	S86°39'06"E	66.80'
12	S86°39'06"E	176.13'
13	S86°39'06"E	170.06'
14	N17°07'45"E	33.38'
15	N89°33'30"E	35.66'
16	N89°33'30"E	69.23'

J.W. Powell Constr ℄		
A	P.O.T.	20+03.22
B	P.O.T.	20+17.38
C	P.C.	21+43.66
D	P.T.	21+89.83
E	P.O.T.	22+86.20

SR-89A Constr ℄		
A	P.O.T.	472+53.33
B	P.O.T.	472+53.33

SR-89A Constr ℄			
A	P.O.C.	461+63.99	113.02 RT
B	P.O.C.	463+04.74	101.13 RT
C	P.O.T.	471+60.61	100.00 RT
D	P.O.T.	473+67.15	100.00 RT
E	P.O.C.	479+89.12	100.00 RT
	L.T.B. = N39°42'14"E		
F	P.O.T.	481+99.57	100.00 LT
G	P.O.C.	485+43.98	100.00 RT

I-17 SB Off Ramp Constr ℄			
G	P.O.T.	10+92.96	50.00 LT
H	P.O.T.	1+04.06	70.00 LT
K	P.C.	1+78.30	60.00 LT
	L.T.B. = N00°09'29"E		

I-17 SB On Ramp Constr ℄			
J	P.O.T.	20+05.37	115.20 LT

J.W. Powell Constr ℄			
C	P.O.T.	21+14.48	95.75 RT
D	P.O.T.	21+12.21	105.24 LT
H	P.O.T.	23+46.01	100.00 LT
I	P.O.T.	22+79.21	100.00 LT
J	P.O.T.	22+93.20	100.00 RT

CHANGE ORDER REVISIONS

C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-3-T-684
SURVEY	See Attached
DRAWN/DATE	J Hunter 11/12
ADOT REVIEW	D. Casdorph
Geomatics Consulting Group, 1745 W. Deer Valley Rd. Ste. 118 Phx., AZ. 85027, 623.580.0921	
ROUTE NO.: SR 89A	LOCATION: Airport Road (J.W. Powell Blvd)

ARIZONA DEPARTMENT OF TRANSPORTATION
INTERMODAL TRANSPORTATION DIVISION
RIGHT OF WAY PLANS SECTION

HIGHWAY NAME: PRESCOTT - FLAGSTAFF
FEDERAL AID NO.: A89-B(002)A
PROJECT NO.: 089A CN 399 H4134 01R

PRELIMINARY
NOT FOR
CONSTRUCTION
OR RECORDING
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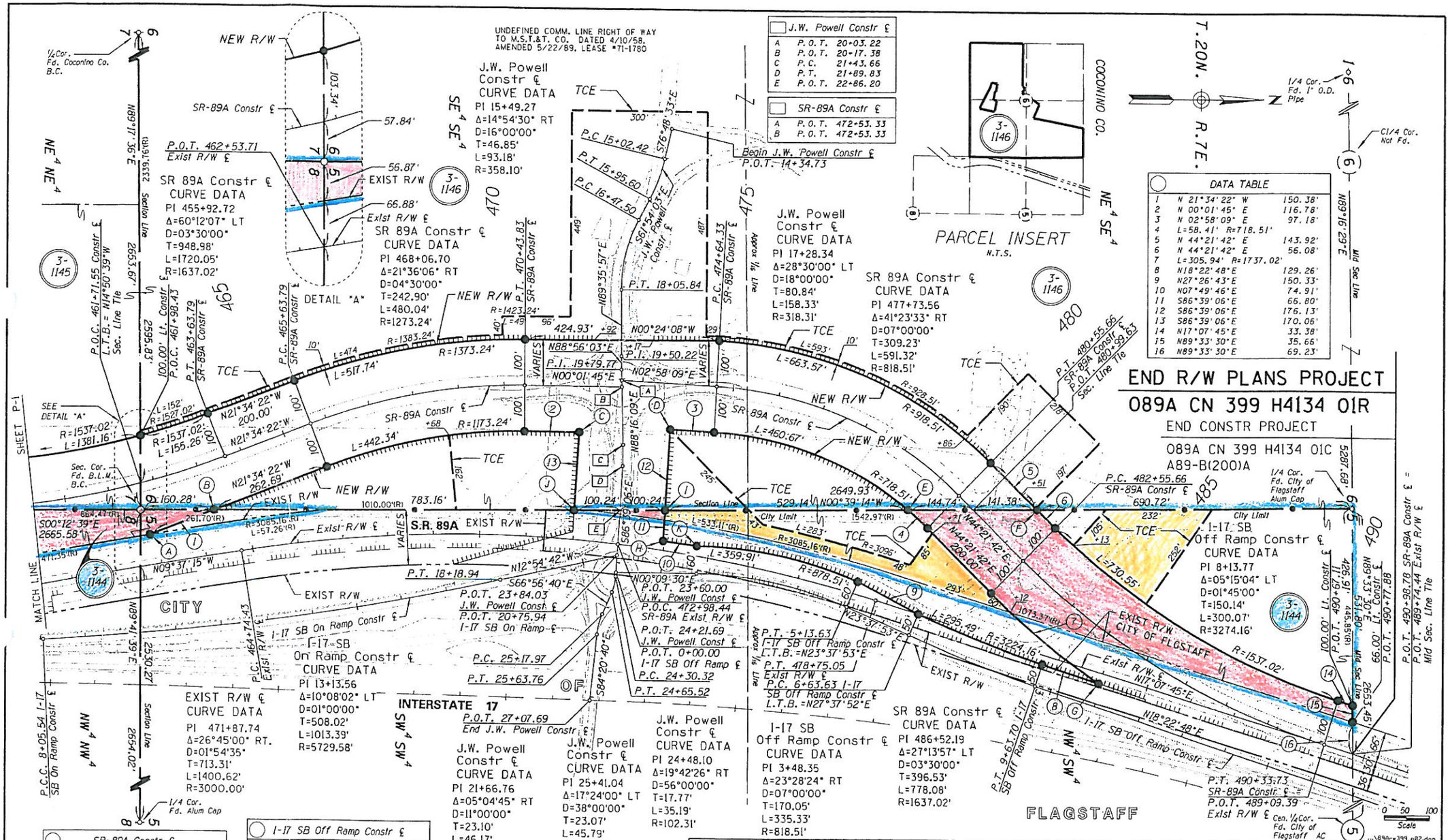
SHEET P-2

JAN 25 2013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089A CN 399 H4134 01R
END CONSTR PROJECT
089A CN 399 H4134 01C
A89-B(200)A
PARCEL INSERT
N.T.S.
T.20N. R.7E.
COCONINO CO.
CITY OF FLAGSTAFF
FLAGSTAFF
INTERSTATE 17
S.R. 89A
SR 89A Constr ℄ CURVE DATA
PI 455+92.72
Δ=60°12'07" LT
D=03°30'00"
T=948.98'
L=1720.05'
R=1637.02'
SR 89A Constr ℄ CURVE DATA
PI 468+06.70
Δ=21°36'06" RT
D=04°30'00"
T=242.90'
L=480.04'
R=1273.24'
J.W. Powell Constr ℄ CURVE DATA
PI 15+49.27
Δ=14°54'30" RT
D=16°00'00"
T=46.85'
L=93.18'
R=358.10'
J.W. Powell Constr ℄ CURVE DATA
PI 17+28.34
Δ=28°30'00" LT
D=18°00'00"
T=80.84'
L=158.33'
R=318.31'
SR 89A Constr ℄ CURVE DATA
PI 477+73.56
Δ=41°23'33" RT
D=07°00'00"
T=309.23'
L=591.32'
R=818.51'
I-17 SB Off Ramp Constr ℄ CURVE DATA
PI 8+13.77
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D=01°45'00"
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L=300.07'
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R=3000.00'
I-17 SB On Ramp Constr ℄ CURVE DATA
PI 13+13.56
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D=01°00'00"
T=508.02'
L=1013.39'
R=5729.58'
J.W. Powell Constr ℄ CURVE DATA
PI 21+66.76
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D=11°00'00"
T=23.10'
L=46.17'
R=520.87'
J.W. Powell Constr ℄ CURVE DATA
PI 25+41.04
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D=38°00'00"
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L=45.79'
R=150.78'
J.W. Powell Constr ℄ CURVE DATA
PI 24+48.10
Δ=19°42'26" RT
D=56°00'00"
T=17.77'
L=35.19'
R=102.31'
I-17 SB Off Ramp Constr ℄ CURVE DATA
PI 3+48.35
Δ=23°28'24" RT
D=07°00'00"
T=170.05'
L=335.33'
R=818.51'
SR 89A Constr ℄ CURVE DATA
PI 486+52.19
Δ=27°13'57" LT
D=03°30'00"
T=396.53'
L=778.08'
R=1637.02'
DATA TABLE
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2 N 00°01'45" E 116.78'
3 N 02°58'09" E 97.18'
4 L=58.41' R=718.51'
5 N 44°21'42" E 143.92'
6 N 44°21'42" E 56.08'
7 L=305.94' R=1737.02'
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9 N27°26'43"E 150.33'
10 N07°49'46"E 74.91'
11 S86°39'06"E 66.80'
12 S86°39'06"E 176.13'
13 S86°39'06"E 170.06'
14 N17°07'45"E 33.38'
15 N89°33'30"E 35.66'
16 N89°33'30"E 69.23'
SR-89A Constr ℄
A P.O.C. 461+63.99 113.02 RT
B P.O.C. 463+04.74 101.13 RT
C P.O.T. 471+60.61 100.00 RT
D P.O.T. 473+67.15 100.00 RT
E P.O.C. 479+89.12 100.00 RT
L.T.B. = N39°42'14"E
F P.O.T. 481+99.57 100.00 LT
G P.O.C. 485+43.98 100.00 RT
I-17 SB Off Ramp Constr ℄
G P.O.T. 10+92.96 50.00 LT
H P.O.T. 1+04.06 70.00 LT
K P.O.C. 1+78.03 60.00 LT
L.T.B. = N00°09'29"E
I-17 SB On Ramp Constr ℄
J P.O.T. 20+05.37 115.20 LT
J.W. Powell Constr ℄
C P.O.T. 21+14.48 95.75 RT
D P.O.T. 21+12.21 105.24 LT
H P.O.T. 23+46.01 100.00 LT
I P.O.T. 22+79.21 100.00 LT
J P.O.T. 22+93.20 100.00 RT
J.W. Powell Constr ℄
A P.O.T. 20+03.22
B P.O.T. 20+17.38
C P.O.C. 21+43.66
D P.O.T. 21+89.83
E P.O.T. 22+86.20
SR-89A Constr ℄
A P.O.T. 472+53.33
B P.O.T. 472+53.33
CHANGE ORDER REVISIONS
C.O. NO. DATE BY DESCRIPTION OF REVISIONS
DRAWING NO. D-3-T-684
SURVEY See Attached
DRAWN/DATE J Hunter 11/12
ADOT REVIEW D. Casdorph
Geomatics Consulting Group
ROUTE NO.: SR 89A
LOCATION: Airport Road (J.W. Powell Blvd)
ARIZONA DEPARTMENT OF TRANSPORTATION
INTERMODAL TRANSPORTATION DIVISION
RIGHT OF WAY PLANS SECTION
HIGHWAY NAME: PRESCOTT - FLAGSTAFF
FEDERAL AID NO.: A89-B(002)A
PROJECT NO.: 089A CN 399 H4134 01R
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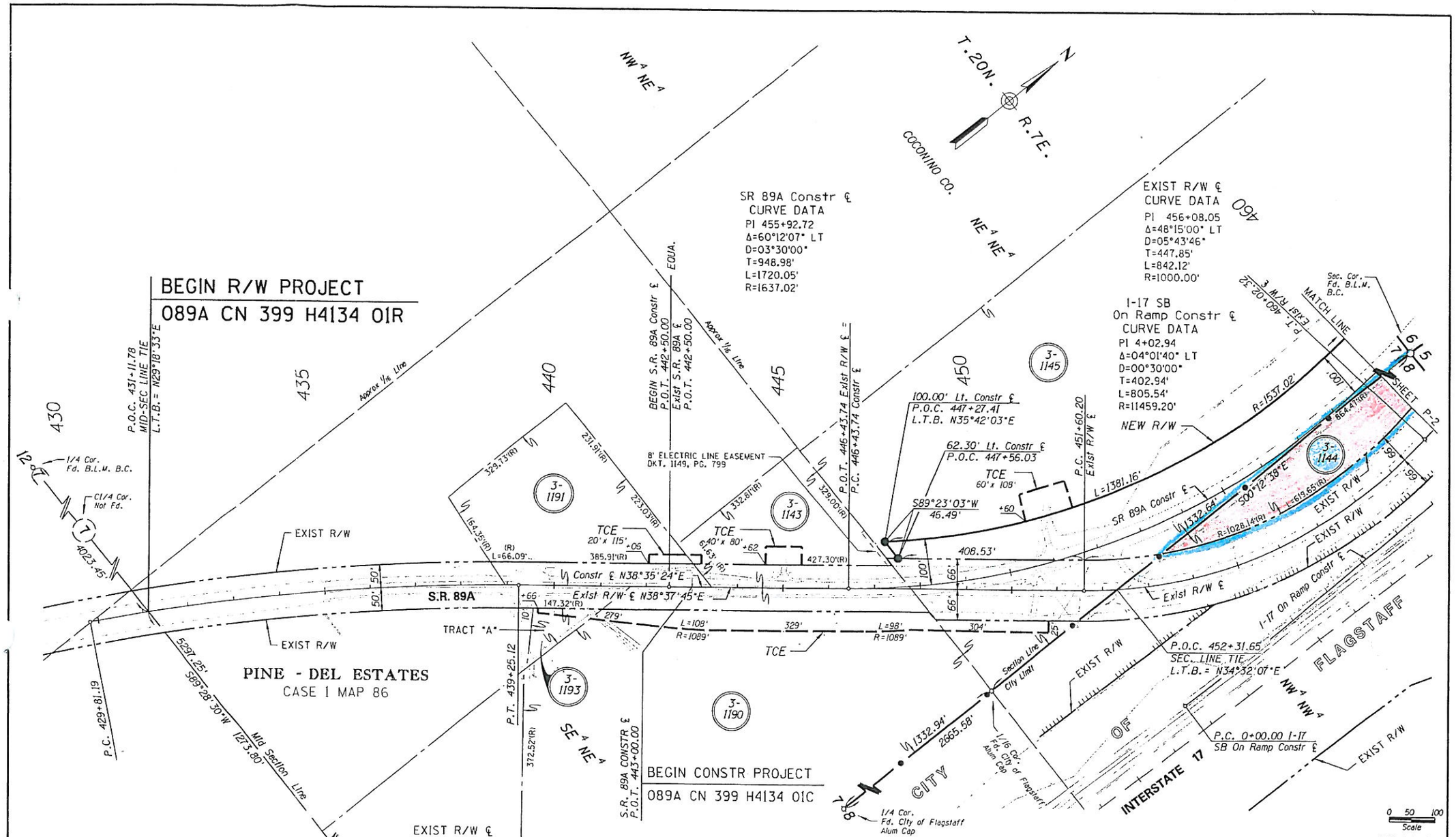
JAN 25 2013



CHANGE ORDER REVISIONS			
C.O. NO.	DATE	BY	DESCRIPTION OF REVISIONS

DRAWING NO.	D-3-T-684
SURVEY	See Attached
DRAWN/DATE	J Hunter 11/12
ADOT REVIEW	D. Casdorph
Geomatics Consulting Group, 1745 W. Deer Valley Rd. Ste. 118 Phx., Az. 85027, 623.580.0921	
ROUTE NO.: SR 89A	LOCATION: Airport Road (J.W. Powell Blvd)

ARIZONA DEPARTMENT OF TRANSPORTATION
INTERMODAL TRANSPORTATION DIVISION
RIGHT OF WAY PLANS SECTION

HIGHWAY NAME: PRESCOTT - FLAGSTAFF
FEDERAL AID NO.: A89-B(002)A
PROJECT NO.: 089A CN 399 H4134 01R

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SHEET P-1

JAN 25 2013

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Barbara Goodrich, Management Services Director
Date:	07/11/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Adoption of Ordinance No. 2013-17; An ordinance of the Mayor and Council of the City of Flagstaff, Arizona amending Title 3-10-001-0001, Planning Fees, Section 3-10-001-0002, Engineering Fees, and Section 3-10-001-0005, Recreation Fees; providing for a savings clause; and providing that all ordinances or any part of the Flagstaff City Code in conflict with the provisions of this ordinance shall be repealed upon the effective date of this ordinance.

RECOMMENDED ACTION:

1) Read Ordinance No. 2013-17 by title only for the first time on July 9, 2013.
2) Read Ordinance No. 2013-17 by title only for the second time on July 16, 2013.
3) Adopt Ordinance No. 2013-17 on July 16, 2013.

Policy Decision or Reason for Action:

At the Council Budget Hearings held April 24, 2013 and April 25, 2013 the City Council directed the increase or creation of certain fees to balance the FY2014 budget. City fees are set forth in Title 3, Chapter 10 User Fees of the City Municipal Code and an ordinance is needed to update the fees stated in the Code.

Financial Impact:

Increase Planning fees to generate an additional $85,000 annually to fund a Zone 1 Planning Development Manager. This position will help assure that current work load demands are met.

Implement direct cost recovery for the Materials Testing Lab to generate approximately $215,000 annually to cover the cost of this service.
Increase Recreation fees to generate an additional $210,000 annually for the General Fund, an amount that will help fund general operations.

Connection to Council Goal:

Effective governance

Previous Council Decision on This:

Yes. Council Budget Study Sessions, April 24 and 25, 2013.
City Council Work Session May 28, 2013 (Recreation Fees).
Tentative budget adoption June 4, 2013.
Final budget adoption June 18, 2013.

Options and Alternatives:

Approve Ordinance No.2013-17 as written.
Approve Ordinance No. 2013-17with amendments.
Do not approve Ordinance No.2013-17.

Background/History:

The FY2014 Budget focused on two priority areas for FY2014: Compensation and infrastructure maintenance and enhancement. To provide resource for these two areas, the City Council endorsed a multi-prong approach including revenue growth in State shared revenues, expenditure reductions, expenditure reallocations, new or increased user fees, Cityscape advertising, and to pass through sales tax on water to account holders.

This action only addresses new and increased user fees by amending Title 3, Chapter 10 of the City Code.

Specifically, Chapter 3-10.001.0001, Planning is being updated to move from an approximate 50% recovery of total costs to 60%. Such an increase will generate an estimated $85,000 in revenue annually. These dollars will fund a Zone 1 Planning Development Manager to meet current work load demand. The 2012 workload is up 300% in comparison to prior years (back to 2008 levels), while staffing is at 50% of the 2008 level.

Chapter 3-10-001-0002, Engineering, is being updated to include direct cost recovery for the Materials Testing Laboratory. The proposed rate will recover approximately $215,000 in direct cost estimated for a combination of a direct and an outsourced service.

Chapter 3-10-001-0005, Recreation, is also being updated. Recreation fee increases range from 10% to 57%, with the majority receiving a 17% increase. These fee increases are intended to generate $210,000 annually to the General Fund to support general operations and infrastructure.

Two comparative charts are provided as attachments to this staff summary to show what the fees currently are and what they are proposed to be. The comparative chart for Recreation fees is color coded so the reader can quickly see the specific increase applied to that particular fee.

Key Considerations:

These new or increased fees are an integral part of the FY2014 Budget necessary in order to reach a structural balance.

If the Planning fees are not increased and the City is not able to fund the Planner position, the City will experience delays in review and will be unable to meet defined time frames as required by both SB1598 and HB2443. During the April 2013 staff presentation of this topic, Council agreed that these reviews/services to the development community are not ones that lend themselves to outsourcing.

If the Material Testing Lab fee is not approved, the City will no longer provide this service directly or through a subcontract. Each developer and each City capital project would have to directly fund these activities with a private sector lab reducing City quality control and oversight.

If the Recreation fee increases are not approved, reductions to other General Fund expenditures will have to be made as these fee increases are scheduled to support general operations and infrastructure.

Expanded Financial Considerations:

The General Fund is dependent on the increased fees in order to maintain a structural balance. Should the fee changes not be adopted, the General Fund will have to revise its work program for FY2014 or other consequences may occur as described above.

Community Benefits and Considerations:

The community benefits globally by the City continuing to provide a structurally balanced budget.

The development community benefits by having adequate staffing to meet current demand for timely review and response.

Community Involvement:

Inform
Consult
Involve

Planning, Engineering, Recreation User Fees:
Posted on City website May 10, 2013 through the current date.
Numerous work sessions on recreations fees
Parks & Recreation Commission
E-mail to user groups
Signage at Aquaplex
Advised Northern Arizona Builders Association of Council's budget direction
Notification through media groups and social media

Water Sales Tax:
Posted on City website May 10, 2013 through the current date.
Notice on water bill
Notification through media groups and social media

Expanded Options and Alternatives:

Approve Ordinance No.2013-17 as written.
Approve Ordinance No. 2013-17 with amendments.
Do not approve Ordinance No. 2013-17.

Attachments: Ord. 2013-17
Proposed Planning Fees
Proposed Engineering Fees
Proposed Recreation Fees
User Fee PPoint

ORDINANCE NO. 2013-17

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING TITLE 3, SECTION 3-10-001-0001, *PLANNING FEES*, SECTION 3-10-001-0002, *ENGINEERING FEES*, AND SECTION 3-10-001-0005, *RECREATION FEES*; PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING THAT ALL ORDINANCES OR ANY PART OF THE FLAGSTAFF CITY CODE IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE SHALL BE REPEALED UPON THE EFFECTIVE DATE OF THIS ORDINANCE

RECITALS:

WHEREAS, pursuant to Article I, Section 3 of the Charter of the City of Flagstaff, the City has the power and authority to impose user fees related to specific services and programs; and

WHEREAS, since initial imposition, the City's user fees have been occasionally amended to update those fees that no longer accurately reflect the cost to the City of providing these services, or to establish fees for newly provided services; and

WHEREAS, the current fees charged for planning and recreation services do not accurately reflect the costs of these services to the City, while newly imposed demands associated with those services provided by the Materials Testing Laboratory necessitate a new fee in order to fully recompense the City for this outsourced service; and

WHEREAS, the Council has found that the increase of fees for planning and recreation, and the imposition of a new fee for materials testing, recommended by City staff be formally adopted.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. Title 3, Business Regulations, Chapter 10, User Fees, Section 3-10-001-0001, *Planning Fees*, shall be deleted and replaced in its entirety with the following:

Planning Fees	
Subdiv Plats - Development Master Plan	$1,678
Subdiv Plats - Dev Master Plan per acre	$241
Subdiv Plats - ~~DRB~~ IDS Concept Plan	$700
Subdiv Plats - Preliminary Plat submittal	$4,496
Subdiv Plats - Preliminary Plat per lot	$121
Subdiv Plats - Preliminary Plat revision after approval (a)	25%
Subdiv Plats - Preliminary Plat extension (a)	50%
Subdiv Plats - Final Plat submittal	$1,244
Subdiv Plats - DRB Formal Submission	$1,081
Subdiv Plats - Minor Land Division	$892

Subdiv Plats - Lot Split	$81
Subdiv Plats - Tentative Plat per lot	$120
Rezoning – Commercial	$4,175
Rezoning - Commercial per acre	$118
Rezoning – Industrial	$4,175
Rezoning - Industrial per acre	$125
Rezoning - High Density Residential	$6,137
Rezoning - High Density Resdtl - per acre	$129
Rezoning - Medium Density Residential	$4,175
Rezoning - Medium Density Resdtl - per acre	$129
Rezoning - Low Density Residential	$2,718
Rezoning - Low Density Resdntl - per acre	$129
Rezoning – extension	$809
Gen Plan Amend - Land Use	$2,782
Gen Plan Amend - Land Use per acre	$334
Gen Plan Amend - Specific Plan/Text	$3,576
Gen Plan Amend - Specific Plan/Text per acre	$133
Gen Plan Amend - w/ Rezoning	$4,692
Gen Plan Amend - w/ Rezoning per acre	$266
Cond/Special Use Permit – Residential	$1,135
Cond/Special Use Permit - Non residential	$1,891
Cond/Special Use Permit - Schools, Public Buildings, Churches	$2,258
Cond/Special Use Permit - Extensions/Renewals (a)	50%
Variance - Single Family Resdntl	$670
Variance – Residential	$670
Variance – Nonresidential	$670
Variance – Nonprofit	$670
Appeals – Board of Adjustments	$995
Appeals – Planning Commission and Council	$1056
Annexation	$1,788
Continuance	$457
IDS/Site Plan Rvw – Concept	$1,631
IDS/Site Plan Rvw - < 1 acre	$2,124
IDS/Site Plan Rvw - > 1 acre	$1,062
IDS/Site Plan Rvw - per acre	$1,294
IDS/Site Plan Rvw – Revisions	$295
IDS/Site Plan Rvw - P&Z review/appeal	$2,408
Zoning Verification – letter	$234
Zoning Verification - Liquor License	$63
Historic Preservation - Cert of Appropriateness	$40
Zoning Permit	$75

Sign Permit - Standard sign	$307
~~Sign Permit - Standard sign per s.f.~~	~~$119~~
Sign Permit - Comprehensive Review	$700
Sign Permit - ROW or illegal sign removal	$40
Engineering Public Impvmnt Plan Check	$0
(a) Fee is based on a percentage of the original fee paid	

SECTION 2. Title 3, Business Regulations, Chapter 10, User Fees, Section 3-10-001-0002, *Engineering Fees*, shall be deleted and replaced in its entirety with the following:

Engineering Fees	
1st – Constr & Grading – Drainage Report	$266
1st – Constr & Grading – Engineering Review, per sheet	$166
Public Improvement Plan Check – Road/Drainage/Water/Sewer	$395
Public Improvement Inspection - Road	1.55%
Public Improvement Inspection - Drainage	4.71%
Public Improvement Inspection - Water	2.57%
Public Improvement Inspection - Sewer	3.31%
As builts – Revisions to original plans	0.24%
General ROW permit	$275
Traffic Impact Analysis – 0 and 1	$469
Traffic Impact Analysis – 2M	$8,456
Traffic Impact Analysis – 2L + 2 multi	$11,387
Soils Report Review	$59
Materials Testing as a percentage of the Public Improvement Construction Cost	2.15%

SECTION 3. Title 3, Business Regulations, Chapter 10, User Fees, Section 3-10-001-0005, Recreation Fees, shall be deleted and replaced in its entirety with the following:

Admission/Pass/Facility/Equipment	**9/1/2013**
Ice Arena	
Admissions - single entry per person	
Preschool (4 & under)	N/C w/paid CG
Child (5-11)	$3.25
Youth (12-17)	$3.25
Adult (18 & over)	$6.25
Senior (55+)	$4.50
Active Military	$4.50

Chaperoned Youth Group Participant (15 or more youth, 1:15 ratio)	$2.75
Specialty Session (ex. Scrimmage, Stick Time)	$12.50
Admissions - punch cards	
Child (5-11) - 20 admissions	$45.75
Youth (12-17) - 20 admissions	$45.75
Adult (18+) - 20 admissions	$91.25
Senior (55+)- 20 admissions	$70.00
Active Military - 20 admissions	$70.00
Specialty Session (10 admissions)	$91.25
Skate Rental/Sharpening - per person	
Figure/Hockey Skates Rental	$3.75
Skate Rental Punch Pass (20 rentals)	$55.00
Skate Shapening	$6.25
Deposit for Room/Facility Rentals (refundable)	
Room And Facility Deposit (of total rental costs)	25%
Arena Rental (*Note 1, 8*) - hourly, plus tax	
Non-Public Arena Time	
Individuals	$121.75
Youth Non-Profit Community Organizations	$61.00
Adult Non-Profit Community Organizations	$132.00
Commercial, For-Profit, or Out of Community Organizations	$264.25
Holiday Rental - Add 25% on fee	No Change
Public Session Arena "Buy Out" Time *- hourly, plus tax (entire session only)*	
Individuals	Not Available
Youth Non-Profit Community Organizations	$304.25
Adult Non-Profit Community Organizations	$608.50
Commercial, For-Profit, or Out of Community Organizations	$1,217.00
Holiday Rental - Add 25% on fee	No Change
Arena Rental Without Ice *(Note 3) (May-Jun subject to avail.) - hourly, plus tax*	
Individuals	$36.75
Youth Non-Profit Community Organizations	$18.50
Adult Non-Profit Community Organizations	$36.75
Commercial, For-Profit, or Out of Community Organizations	$73.25

Holiday Rental - Add 25% on fee	No Change
Spectator Admission (*Note 2*) - single entry per person	
Preschool (4 & under)	N/C w/paid CG
Child (5-11)	$1.50
Youth (12-17)	$1.50
Adult (18 & over)	$2.75
Senior (55+)	$2.00
Active Military	$2.00
Facility Permits	
Concession/Merchandise Table - per table, per event	$8.25
Party/Meeting Room (Note 3, 8) - hourly, plus tax	
Individuals	$19.75
Youth Non-Profit Community Organizations	$11.25
Adult Non-Profit Community Organizations	$19.75
Commercial, For-Profit, or Out of Community Organizations	$36.75
Holiday Rental - Add 25% on fee	No Change
Training Room (Note 3, 8) - hourly, plus tax	
Individuals	$17.25
Youth Non-Profit Community Organizations	$8.75
Adult Non-Profit Community Organizations	$17.25
Commercial, For-Profit, or Out of Community Organizations	$34.25
Holiday Rental - Add 25% on fee	No Change
Flagstaff Recreation Center	
Deposit for Room/Facility Rentals (refundable)	
Room Deposit (per room)	$50.00
Facility Rental Deposit (5 rooms or more)	$200.00

Club Annual Meeting Permit - during regular hours only, (Note 3, 8) - plus tax	
1-3 meetings/yr	$33.00
4-12 meetings/yr	$59.75
13-26 meetings/yr	$86.00
27-52 meetings/yr	$112.50
53 + meetings/yr	$138.75
Meeting Room (Note 3, 8) - hourly, plus tax	
Individuals	$19.75
Youth Non-Profit Community Organizations	$11.25
Adult Non-Profit Community Organizations	$19.75
Commercial, For-Profit, or Out of Community Organizations	$36.50
Holiday Rental - Add 25% on fee	No Change
Gymnasium - hourly, plus tax	
Individuals	$32.00
Youth Non-Profit Community Organizations	$16.00
Adult Non-Profit Community Organizations	$32.00
Commercial, For-Profit, or Out of Community Organizations	$73.25
Holiday Rental - Add 25% on fee	No Change
Concession/Merchandise Table - per table, per event	$8.25
Annual Weight Room Pass - per person	
Youth (12-17)	$18.50
Adult (18+)	$55.00
Senior (55+)	$45.00
Active Military	$45.00
Monthly Weight Room Pass - per person	
Youth (12-17)	$2.00
Adult (18+)	$6.00
Senior (55+)	$5.00
Active Military	$5.00

Joe C. Montoya Community & Senior Center	
Deposit for Room/Facility Rentals (refundable)	
Room Deposit (per room)	$50.00
Facility Rental Deposit (5 rooms or more)	$200.00
Club Annual Meeting Permit - during regular hours only, (Note 3, 8) - plus tax	
1-3 meetings/yr	$33.00
4-12 meetings/yr	$59.75
13-26 meetings/yr	$86.00
27-52 meetings/yr	$112.50
53 + meetings/yr	$138.75
Facility Rental (Note 3, 8) - hourly, plus tax	
Standard Room	
Individuals	$19.75
Youth Non-Profit Community Organizations	$11.25
Adult Non-Profit Community Organizations	$19.75
Commercial, For-Profit, or Out of Community Organizations	$36.50
Holiday Rental - Add 25% on fee	
Allen Room (includes both sections)	
Individuals	$41.75
Youth Non-Profit Community Organizations	$21.00
Adult Non-Profit Community Organizations	$41.75
Commercial, For-Profit, or Out of Community Organizations	$83.00
Holiday Rental - Add 25% on fee	No Change
Kitchen *(special rules apply)*	
Individuals	$18.50
Youth Non-Profit Community Organizations	$9.50
Adult Non-Profit Community Organizations	$18.50
Commercial, For-Profit, or Out of Community Organizations	$36.75
Holiday Rental - Add 25% on fee	No Change
Concession/Merchandise Table - per table, per event	$8.25
Annual Weight Room Pass - per person	
Youth (12-17)	$70.25
Adult (18 & over)	$91.25
Senior (55+)	$61.00
Active Military	$61.00
Monthly Weight Room Pass - per person	

Youth (12-17)	$6.25
Adult (18 & over)	$8.00
Senior (55+)	$5.50
Active Military	$5.50
Equipment Rental - each/set	
Disc Golf Discs	$1.50
Billiard Set (18+)	$1.50
Aquaplex	
Admissions - single entry per person	
Preschool (4 & under) Resident	N/C w/paid CG
Preschool (4 & under) Non-Resident	N/C w/paid CG
Child (5-11) Resident	$3.50
Child (5-11) Non-Resident	$3.75
Youth (12-17) Resident	$4.75
Youth (12-17) Non-Resident	$6.25
Adult (18-54) Resident	$6.00
Adult (18-54) Non-Resident	$8.75
Adult 55+ Resident	$4.75
Adult 55+ Non-Resident	$6.25
Household Resident	$23.50
Household Non-Resident	$30.50
Active Military Resident	$4.75
Active Military Non-Resident	$6.25
Chaperoned Youth Group Resident (15 or more participants)	10%
Chaperoned Youth Group Non-Resident (15 or more participants)	10%
Aquaplex Passes	
Business Pass Program Discount (applies to 12 month passes only)	
1-3 Years	10%
4-6 Years	15%
7-10 Years	20%
12 Month Pass	
Child Resident	$165.00
Child Non Resident	$189.75

Youth Resident	$209.00
Youth Non-Resident	$240.50
Adult Resident	$341.00
Adult Non-Resident	$391.00
Adult 55+ Resident	$209.00
Adult 55+ Non-Resident	$240.50
2 Member HH Resident	$467.50
2 Member Household Non-Resident	$538.50
Household Pass Resident	$550.00
Household Pass Non-Resident	$632.50
Active Military Resident	$209.00
Active Military Non-Resident	$240.50
6 Month Pass	
Child Resident	$99.00
Child Non Resident	$114.00
Youth Resident	$121.00
Youth Non-Resident	$139.25
Adult Resident	$192.50
Adult Non-Resident	$221.00
Adult 55+ Resident	$121.00
Adult 55+ Non-Resident	$139.25
2 Member HH Resident	$257.50
2 Member Household Non-Resident	$294.50
Household Pass Resident	$302.50
Household Pass Non-Resident	$347.50
Active Military Resident	$121.00
Active Military Non-Resident	$139.25
3 Month Pass	
Child Resident	$55.00
Child Non Resident	$63.25
Youth Resident	$71.50
Youth Non-Resident	$81.75
Adult Resident	$115.50
Adult Non-Resident	$132.25
Adult 55+ Resident	$71.50
Adult 55+ Non-Resident	$81.75
2 Member HH Resident	$163.00
2 Member Household Non-Resident	$189.00
Household Pass Resident	$191.50

Household Pass Non-Resident	$221.00
Active Military Resident	$71.50
Active Military Non-Resident	$81.75
Additional HH Member Discount For Passes (more than 5 members in a HH)	25%
Deposit for Room/Facility Rentals (refundable)	
Room And Facility Deposit (of total rental costs)	25%
Meeting Rooms - per hour, plus tax	
Non-Profit Community Organizations/Individuals	
Room Without Kitchen	
Non-Peak Time	$27.50
Peak-Time	$44.00
Room With Kitchen	
Non-Peak Time	$38.50
Peak-Time	$55.00
Combined Rooms	
Non-Peak Time	$66.00
Peak-Time	$82.50
Commerical, For Profit, Out of Community	
Room Without Kitchen	
Non-Peak Time	$44.00
Peak-Time	$55.00
Room With Kitchen	
Non-Peak Time	$55.00
Peak-Time	$66.00
Combined Rooms	
Non-Peak Time	$99.00
Peak-Time	$121.00
Internal City Rate	
Room Without Kitchen	
Non-Peak Time	$13.75
Peak-Time	$22.00
Room With Kitchen	
Non-Peak Time	$19.25
Peak-Time	$27.50
Combined Rooms	
Non-Peak Time	$33.00
Peak-Time	$41.25

Gymnasium - per hour, plus tax	
Non-Profit Community Organizations/Individuals	
Non-Peak Time	$58.50
Peak-Time	$82.00
Commerical, For Profit, Out of Community	
Non-Peak Time	$82.00
Peak-Time	$111.25
Internal City Rate	
Non-Peak Time	$29.25
Peak-Time	$41.00
Aerobics Room - per hour, plus tax	
Non-Profit Community Organizations/Individuals	
Non-Peak Time	$35.25
Peak-Time	$47.00
Commerical, For Profit, Out of Community	
Non-Peak Time	$47.00
Peak-Time	$58.50
Internal City Rate	
Non-Peak Time	$17.75
Peak-Time	$23.50
Climbing Wall - per hour, plus tax	
Non-Profit Community Organizations/Individuals	
Non-Peak Time	$35.25
Peak-Time	$47.00
Commerical, For Profit, Out of Community	
Non-Peak Time	$47.00
Peak-Time	$58.50
Internal City Rate	
Non-Peak Time	$17.75
Peak-Time	$23.50
Party Room - per hour, plus tax	
Non-Profit Community Organizations/Individuals	
Room Rental	$23.50

Commerical, For Profit, Out of Community	
Room Rental	Not Available
Pool Rental (Note 1,3) - per hour, 2 hour minimum, plus tax	
(only available after hours of operation)	
Non-Profit Community Organizations/Individuals	
1-50 individuals	$351.00
51-100 individuals	$468.00
101-150 individuals	$585.00
Commerical, For Profit, Out of Community	
1-50 individuals	$409.50
51-100 individuals	$526.50
101-150 individuals	$643.50
Internal City Rate	
1-50 individuals	$175.50
51-100 individuals	$234.00
101-150 individuals	$292.50
Pool Buyout (Note 1,3) - per hour, 2 hour minimum, plus tax	
Non-Profit Community Organizations/Individuals	
1-50 individuals - Non Peak Time	$702.00
1-50 individuals - Peak Time	$760.50
51-100 individuals Non Peak Time	$936.00
51-100 individuals - Peak Time	$1,023.75
101-150 individuals - Non-Peak Time (5 hr. min.)	$1,170.00
101-150 individuals - Peak Time (5 hr. min.)	$1,287.00
Commerical, For Profit, Out of Community	
1-50 individuals - Non Peak Time	$760.50
1-50 individuals - Peak Time	$819.00
51-100 individuals Non Peak Time	$1,023.75
51-100 individuals - Peak Time	$1,111.50
101-150 individuals - Non-Peak Time (5 hr. min.)	$1,287.00
101-150 individuals - Peak Time (5 hr. min.)	$1,462.50
Entire Facility Including Pool (Note 1,3) **-** per hour, 2 hour min, plus tax	

Non-Profit Community Organizations/Individuals	
After Hours	$877.50
Non-Peak Time	$1,111.50
Peak-Time	$1,462.50
Commerical, For Profit, Out of Community	
After Hours	$1,462.50
Non-Peak Time	$1,696.50
Peak-Time	$1,755.00
Internal City Rate	
After Hours	$438.75
Non-Peak Time	$555.75
Peak-Time	$731.25
Ramadas - per hour	
Level A (Bushmaster South, Foxglenn 1, Thorpe)	$12.50
Level B (Bushmaster North, Foxglenn 2 & 3, Arroyo, Ponderosa)	$9.50
Level C (Buffalo, Mobile Haven, Old Town Springs, Ponderosa Trls)	$6.25
Equipment Rental - each, per day	
Equipment/Picnic Bag	$20.00
Outdoor Courts	
Basketball, Handball, Horseshoe, Volleyball - hourly per court	
Reserved Practice and Game Allocations	
Individuals	$3.25
Youth Non-Profit Community Organizations	$1.75
Adult Non-Profit Community Organizations	$3.25
Commercial, For-Profit, or Out of Community Organizations	$6.25
Holiday Rental - Add 25% on fee	No Change
Reserved Tournament Rentals	
Individuals	$6.25
Youth Non-Profit Community Organizations	$3.25

Adult Non-Profit Community Organizations	$6.25
Commercial, For-Profit, or Out of Community Organizations	$12.50
Holiday Rental - Add 25% on fee	
Tennis Courts - hourly per court	
Reserved Practice and Game Allocations	
Individuals	$6.25
Youth Non-Profit Community Organizations	$2.50
Adult Non-Profit Community Organizations	$6.25
Commercial, For-Profit, or Out of Community Organizations	$12.50
Holiday Rental - Add 25% on fee	No Change
Reserved Tournament Rentals	
Individuals	$12.50
Youth Non-Profit Community Organizations	$6.25
Adult Non-Profit Community Organizations	$12.50
Commercial, For-Profit, or Out of Community Organizations	$25.00
Holiday Rental - Add 25% on fee	No Change
Outdoor Fields	
Baseball, Softball - hourly per field	
Practice and Game Allocations	
Individuals	$6.25
Youth Non-Profit Community Organizations - per participant, per season $15 maximum per family	$6.25
Adult Non-Profit Community Organizations	$6.25
Commercial, For-Profit, or Out of Community Organizations	$12.50
Holiday Rental - Add 25% on fee	No Change
Tournament Rentals (Note 4)	
Individuals	$12.50
Youth Non-Profit Community Organizations - per team, per tournament	$6.25
Adult Non-Profit Community Organizations	$12.50
Commercial, For-Profit, or Out of Community Organizations	$25.00
Holiday Rental - Add 25% on fee	No Change
Soccer - hourly per field	
Practice and Game Allocations	

Individuals	$6.25
Youth Non-Profit Community Organizations - per participant, per season $15 maximum per family	$6.25
Adult Non-Profit Community Organizations	$6.25
Commercial, For-Profit, or Out of Community Organizations	$12.50
Holiday Rental - Add 25% on fee	No Change
Tournament Rentals *(Note 4)*	
Individuals	$12.50
Youth Non-Profit Community Organizations - per team, per tournament	$6.25
Adult Non-Profit Community Organizations	$12.50
Commercial, For-Profit, or Out of Community Organizations	$25.00
Additional Field Prep. - Per Field	$20.00
Holiday Rental - Add 25% on fee	No Change
Field & Court Concession Permits (per hours, per week and number of fields/courts allocated at site)	
Concession/Merchandise Stand	$8.25
Concession Permits for Allocated Fields (per month), based on electrical and water usage	
Small concession buildings (WFlag LL Fields, Montalvo Field)	$94.00
Large Concession buildings (Contiental LL)	$131.00
Field and Court Lights	
Sport Courts - per court, per hour	$12.50
Sport Fields - per field, per hour	$36.75
Sport Fields - Youth Non-Profit Community Organizations - per field, per hour	$12.50
Field/Facility Fee	
For City Athletic Programs	
Adult Fee - Per Participant	$7.00
Youth Fee - Per Particpant	$0.00
Special Events - Other Areas Reserved in Parks for Exclusive Use (Note 5, 9)	
Refundable Deposits (per event)	
A & B Events	$350.00
C Events	$100.00

Special Event Application Fee	
"A" Events	$65.75
"B" Events	$50.00
"C" Events	$33.00
Late Fee	
"A" Events	$117.00
"B" Events	$87.75
"C" Events	$61.00
Most Sites - excludes Wheeler, Heritage Square, Parking, Street Closure, Event Series, Ramada Rental (Note 5, 9, 10)	
Half Day - 7 Hours or Less	
Individuals/Private Gatherings on City Property	$24.75
Non-Profit Community Organizations/Public Gatherings on City Property	$49.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$97.50
Full Day - More than 7 Hours	
Individuals/Private Gatherings on City Property	$39.25
Non-Profit Community Organizations/Public Gatherings on City Property	$78.25
Commercial, For-Profit, or Out of Community Organizations on City Property	$158.50
Heritage Square/Wheeler Park (Note 5)	
Half Day - 7 Hours or Less	
Individuals/Private Gatherings on City Property	$55.00
Non-Profit Community Organizations/Public Gatherings on City Property	$55.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$110.00
Full Day More than 7 Hours	
Individuals/Private Gatherings on City Property	$85.50
Non-Profit Community Organizations/Public Gatherings on City Property	$85.50
Commercial, For-Profit, or Out of Community Organizations on City Property	$170.75
Event Series (Note 5,9) - each day, per event	
Half Day - 7 Hours or Less	
3-6 events	$22.00

7-12 events	$18.50
13-24	$14.75
25+	$11.25
Full Day - More than 7 Hours	
3-6 events	$29.75
7-12 events	$24.50
13-24	$20.00
25+	$15.00
Half Day Commercial - 7 Hours or Less	
3-6 events	$33.50
7-12 events	$28.00
13-24	$22.50
25+	$16.75
Full Day Commercial -More than 7 Hours	
3-6 events	$46.75
7-12 events	$39.00
13-24	$32.00
25+	$24.00
Parking Lot Closure for Events -excludes Wheeler and City Hall Lots (Note 5)	
Half Day - 7 Hours or Less	
Individuals/Private Gatherings on City Property	$27.00
Non-Profit Community Organizations/Public Gatherings on City Property	$27.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$54.00
Full Day - More than 7 Hours	
Individuals/Private Gatherings on City Property	$42.75
Non-Profit Community Organizations/Public Gatherings on City Property	$42.75
Commercial, For-Profit, or Out of Community Organizations on City Property	$85.50
Wheeler Park & City Hall Parking Lot Closure for Event (Note 5)	
Half Day - 7 Hours or Less	
Individuals/Private Gatherings on City Property	$52.75
Non-profit/Community Organiztion on City Property	$36.75
Commercial, For-Profit, or Out of Community Organizations on City Property	$73.25

Full Day - More than 7 Hours	
Individuals/Private Gatherings on City Property	$61.00
Non-Profit Community Organizations/Public Gatherings on City Property	$61.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$121.75
Street Closure/Parade - Per Street Block (Note 5)	
Staging Area	$29.25
Half Day - 7 Hours or Less	
Non-Profit	$11.75
Commercial, For-Profit, or Out of Community Organization	$23.50
Full Day - More than 7 Hours	
Non-Profit	$17.75
Commercial, For-Profit, or Out of Community Organization	$35.25
Overnight (10pm - 8am)	$24.75
Wheeler Park & Heritage Square Electrical Use	
Half Day - 7 Hours or Less	
"A", "B" Events	$39.25
"C" Events	$20.50
Full Day - More than 7 Hours	
"A", "B" Events	$65.75
"C" Events	$33.00
Event Series - Each Day of Use	
Half Day - 7 Hours or Less	
"A", "B" Events	$10.75
Full Day - More than 7 Hours	
"A", "B" Events	$21.25
Event Equipment Rental - each pair, per event	
Banner poles (pair)	$8.00
Downtown Banner (Note 7) **-** each	
North Downtown	
A Pricing (Premium)	
1-3 month display	$60.25
4-6 month display	$75.50

7-9 month display	$99.00
10-12 month display	$124.25
B Pricing (Mid-Range)	
1-3 month display	$39.25
4-6 month display	$59.75
7-9 month display	$78.50
10-12 month display	$99.00
C Pricing (Outlining Areas)	
1-3 month display	$33.00
4-6 month display	$49.25
7-9 month display	$65.75
10-12 month display	$81.75
South Downtown	
4-6 month display	$50.25
7-9 month display	$75.50
10-12 month display	$124.50

Notes for Parks and Recreation Fee Schedule

1. Pool and arena rentals include one Site Supervisor. Additional payment is required for Lifeguard or Rink Guard staff, the number of which will be determined by guard/participant safety ratios, identified at the time of reservation. Minimum charge for guard is $10.00 per hour (minimum 2 hrs.) per guard.
2. Local non-profit organizations desiring to collect "at door" admissions will be assessed a surcharge per spectator, or they have the option of renting the facility at the full commercial rate and retaining all admission fees. Organizations may be required to hire off-duty police or provide security personnel if determined to be in the best interest of the City of Flagstaff.
3. When use is not during established public operating hours, indoor recreation center facility rentals require additional payment for additional staffing at $10.00 per hour, per staff member. Organizations may be required to hire off-duty police or provide security personnel if determined to be in the best interest of the City of Flagstaff.
4. Payment of the commercial tournament rate includes one beginning of day field lining.
5. Other fees may apply for special events based upon review of application. Organizations may be required to hire off-duty police or provide security personnel if determined to be in the best interest of the City of Flagstaff.
6. An event series consists of a minimum quantity of regularly scheduled public entertainments of the same type which is identified at the time of application for the permit. The series is scheduled in a manner that forms a pattern, i.e., every other Thursday at 6 p.m. or the first Friday of each month.
7. Installation and removal provided by City Staff (Parks, Recreation, or Streets).
8. Non-profit community organizations may receive credits against rentals for quantifiable support of facility construction and improvement. Projects must be pre-approved by the Public Works Director and receipts for materials and professional labor must be

provided. Program operating costs are not eligible for credit consideration. Credits are intended for fixed assets that remain with the property, not consumables.

9. Special events that need exclusive use of a park with multiple amenities or are so large as to affect the rental of those amenities may be required to rent all major amenities within the park. Major amenities may include rental of soccer fields, baseball fields, softball fields, volleyball courts, ramadas, parking lots, tennis courts and basketball courts. If rented for more than a 24 hour period they will be charged a maximum of 12 hours per day at either the Adult Non-Profit Community Organizations rate or the Commercial, For-Profit, or Out of Community Organizations rate. Playgrounds, skate parks, and BMX parks may not be rented and must be kept free and accessible to the general public.
10. Special Events at Ponderosa Park, Bushmaster Park, and Mobile Haven Park will be charged one half of the established rate for facilities and amenities within the park (excludes application fees).

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 5. Where the provisions of this ordinance directly conflict with the provisions of previous ordinances and of the Flagstaff City Code, the conflicting provisions of such ordinances and such Code are hereby repealed. However, all rights and remedies that are provided in ordinance establishing fees shall remain in full force and effect and the only repeal intended by this ordinance is the amount of fees to be charged in Section 3-10-001-0001, Planning Fees, Section 3-10-001-0002, Engineering Fees, and Section 3-10-001-0005, Recreation Fees.

SECTION 6. This ordinance shall be effective on and after September 1,2013.

SECTION 7. That the City Clerk be authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary, and that the City Clerk be authorized to make formatting changes needed for purposes of clarity and form, if required, to be consistent with the Flagstaff City Code.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY

Planning and Materials Testing Lab Fees
Effective 9/1/2013

Planning Fees	Current	Proposed
Subdiv Plats - Development Master Plan	$1,182	$1,678
Subdiv Plats - Dev Master Plan per acre	$170	$241
Subdiv Plats - ~~DRB~~ IDS Concept Plan	$493	$700
Subdiv Plats - Preliminary Plat submittal	$3,166	$4,496
Subdiv Plats - Preliminary Plat per lot	$85	$121
Subdiv Plats - Preliminary Plat revision after approval (a)	25%	25%
Subdiv Plats - Preliminary Plat extension (a)	50%	50%
Subdiv Plats - Final Plat submittal	$876	$1,244
Subdiv Plats - DRB Formal Submission	$761	$1,081
Subdiv Plats - Minor Land Division	$628	$892
Subdiv Plats - Lot Split	$57	$81
Subdiv Plats - Tentative Plat per lot	$85	$120
Rezoning – Commercial	$2,940	$4,175
Rezoning - Commercial per acre	$83	$118
Rezoning – Industrial	$2,940	$4,175
Rezoning - Industrial per acre	$91	$125
Rezoning - High Density Residential	$4,322	$6,137
Rezoning - High Density Resdtl - per acre	$91	$129
Rezoning - Medium Density Residential	$2,940	$4,175
Rezoning - Medium Density Resdtl - per acre	$91	$129
Rezoning - Low Density Residential	$1,914	$2,718
Rezoning - Low Density Resdntl - per acre	$91	$129
Rezoning – extension	$570	$809
Gen Plan Amend - Land Use	$1,959	$2,782
Gen Plan Amend - Land Use per acre	$235	$334
Gen Plan Amend - Specific Plan/Text	$2,518	$3,576
Gen Plan Amend - Specific Plan/Text per acre	$94	$133
Gen Plan Amend - w/ Rezoning	$3,304	$4,692
Gen Plan Amend - w/ Rezoning per acre	$187	$266
Cond/Special Use Permit – Residential	$799	$1,135
Cond/Special Use Permit - Non residential	$1,332	$1,891
Cond/Special Use Permit - Schools, Public Buildings, Churches	$1,590	$2,258
Cond/Special Use Permit - Extensions/Renewals (a)	50%	50%
Variance - Single Family Resdntl	$472	$670
Variance – Residential	$472	$670
Variance – Nonresidential	$472	$670

Variance – Nonprofit	$472	$670
Appeals – Board of Adjustments	$701	$995
Appeals – Planning Commission and Council	$744	$1056
Annexation	$1,259	$1,788
Continuance	$322	$457
IDS/Site Plan Rvw – Concept	$1,149	$1,631
IDS/Site Plan Rvw - < 1 acre	$1,496	$2,124
IDS/Site Plan Rvw - > 1 acre	$748	$1,062
IDS/Site Plan Rvw - per acre	$911	$1,294
IDS/Site Plan Rvw – Revisions	$208	$295
IDS/Site Plan Rvw - P&Z review/appeal	$1,696	$2,408
Zoning Verification – letter	$165	$234
Zoning Verification - Liquor License	$45	$63
Historic Preservation - Cert of Appropriateness	$28	$40
Zoning Permit	$53	$75
Sign Permit - Standard sign	$97	$307
~~Sign Permit - Standard sign per s.f.~~	$119	~~$119~~
Sign Permit - Comprehensive Review	$493	$700
Sign Permit - ROW or illegal sign removal	$28	$40
Engineering Public Impvmnt Plan Check	$0	$0
(a) Fee is based on a percentage of the original fee paid		

Engineering – Materials Testing Lab Add
Effective 9/1/2013

Engineering	Current	Proposed
1st – Constr & Grading – Drainage Report	$266	$266
1st – Constr & Grading – Engineering Review, per sheet	$166	$166
Public Improvement Plan Check – Road/Drainage/Water/Sewer	$395	$395
Public Improvement Inspection - Road	1.55%	1.55%
Public Improvement Inspection - Drainage	4.71%	4.71%
Public Improvement Inspection - Water	2.57%	2.57%
Public Improvement Inspection - Sewer	3.31%	3.31%
As builts – Revisions to original plans	0.24%	0.24%
General ROW permit	$275	$275
Traffic Impact Analysis – 0 and 1	$469	$469
Traffic Impact Analysis – 2M	$8,456	$8,456
Traffic Impact Analysis – 2L + 2 multi	$11,387	$11,387
Soils Report Review	$59	$59
Materials Testing as a percentage of the Public Improvement Construction Cost	0%	2.25%

Parks and Recreation Fees

Effective 9/1/2013

New	22% Increase
10% Increase	27% Increase
15% Increase	57% Increase
17% Increase	

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Ice Arena		
Admissions - single entry per person		
Preschool (4 & under)	N/C w/paid CG	N/C w/paid CG
Child (5-11)	$2.75	$3.25
Youth (12-17)	$2.75	$3.25
Adult (18 & over)	$5.25	$6.25
Senior (55+)		$4.50
Active Military		$4.50
Chaperoned Youth Group Participant (15 or more youth, 1:15 ratio)	$2.25	$2.75
Specialty Session (ex. Scrimmage, Stick Time)	$10.50	$12.50
Admissions - punch cards		
Child (5-11) - 20 admissions	$39.00	$45.75
Youth (12-17) - 20 admissions	$39.00	$45.75
Adult (18+) - 20 admissions	$78.00	$91.25
Senior (55+)- 20 admissions		$70.00
Active Military - 20 admissions		$70.00
Specialty Session (10 admissions)	$78.00	$91.25
Skate Rental/Sharpening - per person		
Figure/Hockey Skates Rental	$3.25	$3.75
Skate Rental Punch Pass (20 rentals)	$47.00	$55.00
Skate Shapening	$5.25	$6.25
Deposit for Room/Facility Rentals (refundable)		
Room And Facility Deposit (of total rental costs)		25%
Arena Rental (*Note 1, 8*) - hourly, plus tax		
Non-Public Arena Time		
Individuals	$104.00	$121.75
Youth Non-Profit Community Organizations	$52.00	$61.00
Adult Non-Profit Community Organizations	$104.00	$132.00
Commercial, For-Profit, or Out of Community Organizations	$208.00	$264.25
Holiday Rental - Add 25% on fee	No Change	No Change
Public Session Arena "Buy Out" Time - hourly, plus tax (entire session only)		

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Individuals	Not Available	Not Available
Youth Non-Profit Community Organizations	$260.00	$304.25
Adult Non-Profit Community Organizations	$520.00	$608.50
Commercial, For-Profit, or Out of Community Organizations	$1,040.00	$1,217.00
Holiday Rental - Add 25% on fee	No Change	No Change
Arena Rental Without Ice (Note 3) (May-Jun subject to avail.) - hourly, plus tax		
Individuals	$31.25	$36.75
Youth Non-Profit Community Organizations	$15.75	$18.50
Adult Non-Profit Community Organizations	$31.25	$36.75
Commercial, For-Profit, or Out of Community Organizations	$62.50	$73.25
Holiday Rental - Add 25% on fee	No Change	No Change
Spectator Admission (*Note 2*) - single entry per person		
Preschool (4 & under)	N/C w/paid CG	N/C w/paid CG
Child (5-11)	$1.25	$1.50
Youth (12-17)	$1.25	$1.50
Adult (18 & over)	$2.25	$2.75
Senior (55+)		$2.00
Active Military		$2.00
Facility Permits		
Concession/Merchandise Table - per table, per event	$5.25	$8.25
Party/Meeting Room (Note 3, 8) - hourly, plus tax		
Individuals	$16.75	$19.75
Youth Non-Profit Community Organizations	$9.50	$11.25
Adult Non-Profit Community Organizations	$16.75	$19.75
Commercial, For-Profit, or Out of Community Organizations	$31.25	$36.75
Holiday Rental - Add 25% on fee	No Change	No Change
Training Room (Note 3, 8) - hourly, plus tax		
Individuals	$14.75	$17.25
Youth Non-Profit Community Organizations	$7.50	$8.75
Adult Non-Profit Community Organizations	$14.75	$17.25
Commercial, For-Profit, or Out of Community Organizations	$29.25	$34.25
Holiday Rental - Add 25% on fee	No Change	No Change

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Flagstaff Recreation Center		
Deposit for Room/Facility Rentals (refundable)		
Room Deposit (per room)	$50.00	$50.00
Facility Rental Deposit (5 rooms or more)	$200.00	$200.00
Club Annual Meeting Permit - during regular hours only, (Note 3, 8) - plus tax		
1-3 meetings/yr	$26.00	$33.00
4-12 meetings/yr	$47.00	$59.75
13-26 meetings/yr	$67.57	$86.00
27-52 meetings/yr	$88.50	$112.50
53 + meetings/yr	$109.25	$138.75
Meeting Room (Note 3, 8) - hourly, plus tax		
Individuals	$16.75	$19.75
Youth Non-Profit Community Organizations	$9.50	$11.25
Adult Non-Profit Community Organizations	$16.75	$19.75
Commercial, For-Profit, or Out of Community Organizations	$31.25	$36.50
Holiday Rental - Add 25% on fee	No Change	No Change
Gymnasium - hourly, plus tax		
Individuals	$27.25	$32.00
Youth Non-Profit Community Organizations	$13.75	$16.00
Adult Non-Profit Community Organizations	$27.25	$32.00
Commercial, For-Profit, or Out of Community Organizations	$62.50	$73.25
Holiday Rental - Add 25% on fee	No Change	No Change
Concession/Merchandise Table - per table, per event		$8.25
Annual Weight Room Pass - per person		
Youth (12-17)	$15.75	$18.50
Adult (18+)	$47.00	$55.00
Senior (55+)		$45.00
Active Military		$45.00
Monthly Weight Room Pass - per person		
Youth (12-17)		$2.00
Adult (18+)	$5.00	$6.00
Senior (55+)		$5.00
Active Military		$5.00

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Joe C. Montoya Community & Senior Center		
Deposit for Room/Facility Rentals (refundable)		
Room Deposit (per room)	$50.00	$50.00
Facility Rental Deposit (5 rooms or more)	$200.00	$200.00
Club Annual Meeting Permit - during regular hours only, (Note 3, 8) -		
1-3 meetings/yr	$26.00	$33.00
4-12 meetings/yr	$47.00	$59.75
13-26 meetings/yr	$67.57	$86.00
27-52 meetings/yr	$88.50	$112.50
53 + meetings/yr	$109.25	$138.75
Facility Rental (Note 3, 8) - hourly, plus tax		
Standard Room		
Individuals	$16.75	$19.75
Youth Non-Profit Community Organizations	$9.50	$11.25
Adult Non-Profit Community Organizations	$16.75	$19.75
Commercial, For-Profit, or Out of Community Organizations	$31.25	$36.50
Holiday Rental - Add 25% on fee		
Allen Room (includes both sections)		
Individuals	$35.50	$41.75
Youth Non-Profit Community Organizations	$17.75	$21.00
Adult Non-Profit Community Organizations	$35.50	$41.75
Commercial, For-Profit, or Out of Community Organizations	$70.75	$83.00
Holiday Rental - Add 25% on fee	No Change	No Change
Kitchen (special rules apply)		
Individuals	$15.75	$18.50
Youth Non-Profit Community Organizations	$8.00	$9.50
Adult Non-Profit Community Organizations	$15.75	$18.50
Commercial, For-Profit, or Out of Community Organizations	$31.25	$36.75
Holiday Rental - Add 25% on fee	No Change	No Change
Concession/Merchandise Table - per table, per event		$8.25
Annual Weight Room Pass - per person		
Youth (12-17)	$60.00	$70.25
Adult (18 & over)	$78.00	$91.25
Senior (55+)	$52.00	$61.00
Active Military		$61.00
Monthly Weight Room Pass - per person		
Youth (12-17)		$6.25
Adult (18 & over)	$6.50	$8.00
Senior (55+)	$4.50	$5.50
Active Military		$5.50
Equipment Rental - each/set		
Disc Golf Discs	$1.25	$1.50
Billiard Set (18+)	$1.25	$1.50

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Aquaplex		
Admissions - single entry per person		
Preschool (4 & under) Resident	N/C w/paid CG	N/C w/paid CG
Preschool (4 & under) Non-Resident	N/C w/paid CG	N/C w/paid CG
Child (5-11) Resident	$3.00	$3.50
Child (5-11) Non-Resident	$3.00	$3.75
Youth (12-17) Resident	$4.00	$4.75
Youth (12-17) Non-Resident	$5.00	$6.25
Adult (18-54) Resident	$5.00	$6.00
Adult (18-54) Non-Resident	$7.00	$8.75
Adult 55+ Resident	$4.00	$4.75
Adult 55+ Non-Resident	$5.00	$6.25
Household Resident	$20.00	$23.50
Household Non-Resident	$25.00	$30.50
Active Military Resident		$4.75
Active Military Non-Resident		$6.25
Chaperoned Youth Group Resident (15 or more participants)		10%
Chaperoned Youth Group Non-Resident (15 or more participants)		10%
Aquaplex Passes		
Business Pass Program Discount (applies to 12 month passes only)		
1-3 Years	10%	10%
4-6 Years	15%	15%
7-10 Years	20%	20%
12 Month Pass		
Child Resident	$150.00	$165.00
Child Non Resident	$165.00	$189.75
Youth Resident	$190.00	$209.00
Youth Non-Resident	$209.00	$240.50
Adult Resident	$310.00	$341.00
Adult Non-Resident	$340.00	$391.00
Adult 55+ Resident	$190.00	$209.00
Adult 55+ Non-Resident	$209.00	$240.50
2 Member HH Resident	$425.00	$467.50
2 Member Household Non-Resident	$468.00	$538.50
Household Pass Resident	$500.00	$550.00
Household Pass Non-Resident	$550.00	$632.50
Active Military Resident		$209.00
Active Military Non-Resident		$240.50

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
6 Month Pass		
Child Resident	$90.00	$99.00
Child Non Resident	$99.00	$114.00
Youth Resident	$110.00	$121.00
Youth Non-Resident	$121.00	$139.25
Adult Resident	$175.00	$192.50
Adult Non-Resident	$192.00	$221.00
Adult 55+ Resident	$110.00	$121.00
Adult 55+ Non-Resident	$121.00	$139.25
2 Member HH Resident	$234.00	$257.50
2 Member Household Non-Resident	$256.00	$294.50
Household Pass Resident	$275.00	$302.50
Household Pass Non-Resident	$302.00	$347.50
Active Military Resident		$121.00
Active Military Non-Resident		$139.25
3 Month Pass		
Child Resident	$50.00	$55.00
Child Non Resident	$55.00	$63.25
Youth Resident	$65.00	$71.50
Youth Non-Resident	$71.00	$81.75
Adult Resident	$105.00	$115.50
Adult Non-Resident	$115.00	$132.25
Adult 55+ Resident	$65.00	$71.50
Adult 55+ Non-Resident	$71.00	$81.75
2 Member HH Resident	$148.00	$163.00
2 Member Household Non-Resident	$164.00	$189.00
Household Pass Resident	$174.00	$191.50
Household Pass Non-Resident	$192.00	$221.00
Active Military Resident		$71.50
Active Military Non-Resident		$81.75
Additional HH Member Discount For Passes (more than 5	25%	25%
Deposit for Room/Facility Rentals (refundable)		
Room And Facility Deposit (of total rental costs)	25%	25%
Meeting Rooms - per hour, plus tax		
Non-Profit Community Organizations/Individuals		
Room Without Kitchen		
Non-Peak Time	$25.00	$27.50
Peak-Time	$40.00	$44.00
Room With Kitchen		
Non-Peak Time	$35.00	$38.50
Peak-Time	$50.00	$55.00
Combined Rooms		
Non-Peak Time	$60.00	$66.00
Peak-Time	$75.00	$82.50

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Commerical, For Profit, Out of Community		
Room Without Kitchen		
Non-Peak Time	$40.00	$44.00
Peak-Time	$50.00	$55.00
Room With Kitchen		
Non-Peak Time	$50.00	$55.00
Peak-Time	$60.00	$66.00
Combined Rooms		
Non-Peak Time	$90.00	$99.00
Peak-Time	$110.00	$121.00
Internal City Rate		
Room Without Kitchen		
Non-Peak Time	$12.50	$13.75
Peak-Time	$20.00	$22.00
Room With Kitchen		
Non-Peak Time	$17.50	$19.25
Peak-Time	$25.00	$27.50
Combined Rooms		
Non-Peak Time	$30.00	$33.00
Peak-Time	$37.50	$41.25
Gymnasium - per hour, plus tax		
Non-Profit Community Organizations/Individuals		
Non-Peak Time	$50.00	$58.50
Peak-Time	$70.00	$82.00
Commerical, For Profit, Out of Community		
Non-Peak Time	$70.00	$82.00
Peak-Time	$95.00	$111.25
Internal City Rate		
Non-Peak Time	$25.00	$29.25
Peak-Time	$35.00	$41.00
Aerobics Room - per hour, plus tax		
Non-Profit Community Organizations/Individuals		
Non-Peak Time	$30.00	$35.25
Peak-Time	$40.00	$47.00
Commerical, For Profit, Out of Community		
Non-Peak Time	$40.00	$47.00
Peak-Time	$50.00	$58.50
Internal City Rate		
Non-Peak Time	$15.00	$17.75
Peak-Time	$20.00	$23.50

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Climbing Wall - per hour, plus tax		
Non-Profit Community Organizations/Individuals		
Non-Peak Time	$30.00	$35.25
Peak-Time	$40.00	$47.00
Commerical, For Profit, Out of Community		
Non-Peak Time	$40.00	$47.00
Peak-Time	$50.00	$58.50
Internal City Rate		
Non-Peak Time	$15.00	$17.75
Peak-Time	$20.00	$23.50
Party Room - per hour, plus tax		
Non-Profit Community Organizations/Individuals		
Room Rental	$20.00	$23.50
Commerical, For Profit, Out of Community		
Room Rental	Not Available	Not Available
Pool Rental (Note 1,3) - per hour, 2 hour minimum, plus tax (only available after hours of operation)		
Non-Profit Community Organizations/Individuals		
1-50 individuals	$300.00	$351.00
51-100 individuals	$400.00	$468.00
101-150 individuals	$500.00	$585.00
Commerical, For Profit, Out of Community		
1-50 individuals	$350.00	$409.50
51-100 individuals	$450.00	$526.50
101-150 individuals	$550.00	$643.50
Internal City Rate		
1-50 individuals	$150.00	$175.50
51-100 individuals	$200.00	$234.00
101-150 individuals	$250.00	$292.50
Pool Buyout (Note 1,3) - per hour, 2 hour minimum, plus tax		
Non-Profit Community Organizations/Individuals		
1-50 individuals - Non Peak Time	$600.00	$702.00
1-50 individuals - Peak Time	$650.00	$760.50
51-100 individuals Non Peak Time	$800.00	$936.00
51-100 individuals - Peak Time	$875.00	$1,023.75
101-150 individuals - Non-Peak Time (5 hr. min.)	$1,000.00	$1,170.00
101-150 individuals - Peak Time (5 hr. min.)	$1,100.00	$1,287.00

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Commerical, For Profit, Out of Community		
1-50 individuals - Non Peak Time	$650.00	$760.50
1-50 individuals - Peak Time	$700.00	$819.00
51-100 individuals Non Peak Time	$875.00	$1,023.75
51-100 individuals - Peak Time	$950.00	$1,111.50
101-150 individuals - Non-Peak Time (5 hr. min.)	$1,100.00	$1,287.00
101-150 individuals - Peak Time (5 hr. min.)	$1,250.00	$1,462.50
Entire Facility Including Pool (Note 1,3) - per hour, 2 hour min, plus tax		
Non-Profit Community Organizations/Individuals		
After Hours	$750.00	$877.50
Non-Peak Time	$950.00	$1,111.50
Peak-Time	$1,250.00	$1,462.50
Commerical, For Profit, Out of Community		
After Hours	$1,250.00	$1,462.50
Non-Peak Time	$1,450.00	$1,696.50
Peak-Time	$1,500.00	$1,755.00
Internal City Rate		
After Hours	$375.00	$438.75
Non-Peak Time	$475.00	$555.75
Peak-Time	$625.00	$731.25
Ramadas - per hour		
Level A (Bushmaster South, Foxglenn 1, Thorpe)	$10.50	$12.50
Level B (Bushmaster North, Foxglenn 2 & 3, Arroyo, Ponderosa)	$8.00	$9.50
Level C (Buffalo, Mobile Haven, Old Town Springs, Ponderosa Trls)	$5.25	$6.25
Equipment Rental - each, per day		
Equipment/Picnic Bag	$15.75	$20.00

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Outdoor Courts		
Basketball, Handball, Horseshoe, Volleyball - hourly per court		
Reserved Practice and Game Allocations		
Individuals	$2.75	$3.25
Youth Non-Profit Community Organizations	$1.50	$1.75
Adult Non-Profit Community Organizations	$2.75	$3.25
Commercial, For-Profit, or Out of Community Organizations	$5.25	$6.25
Holiday Rental - Add 25% on fee	No Change	No Change
Reserved Tournament Rentals		
Individuals	$5.25	$6.25
Youth Non-Profit Community Organizations	$2.75	$3.25
Adult Non-Profit Community Organizations	$5.25	$6.25
Commercial, For-Profit, or Out of Community Organizations	$10.50	$12.50
Holiday Rental - Add 25% on fee		
Tennis Courts - hourly per court		
Reserved Practice and Game Allocations		
Individuals	$5.25	$6.25
Youth Non-Profit Community Organizations	$2.00	$2.50
Adult Non-Profit Community Organizations	$5.25	$6.25
Commercial, For-Profit, or Out of Community Organizations	$10.50	$12.50
Holiday Rental - Add 25% on fee	No Change	No Change
Reserved Tournament Rentals		
Individuals	$10.50	$12.50
Youth Non-Profit Community Organizations	$5.25	$6.25
Adult Non-Profit Community Organizations	$10.50	$12.50
Commercial, For-Profit, or Out of Community Organizations	$21.00	$25.00
Holiday Rental - Add 25% on fee	No Change	No Change
Outdoor Fields		
Baseball, Softball - hourly per field		
Practice and Game Allocations		
Individuals	$5.25	$6.25
Youth Non-Profit Community Organizations - per participant, per season $15 maximum per family	$5.25	$6.25
Adult Non-Profit Community Organizations	$5.25	$6.25
Commercial, For-Profit, or Out of Community Organizations	$10.50	$12.50
Holiday Rental - Add 25% on fee	No Change	No Change

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Tournament Rentals (Note 4)		
Individuals	$10.50	$12.50
Youth Non-Profit Community Organizations - per team, per tournament	$5.25	$6.25
Adult Non-Profit Community Organizations	$10.50	$12.50
Commercial, For-Profit, or Out of Community Organizations	$21.00	$25.00
Holiday Rental - Add 25% on fee	No Change	No Change
Soccer - hourly per field		
Practice and Game Allocations		
Individuals	$5.25	$6.25
Youth Non-Profit Community Organizations - per participant, per season $15 maximum per family	$5.25	$6.25
Adult Non-Profit Community Organizations	$5.25	$6.25
Commercial, For-Profit, or Out of Community Organizations	$10.50	$12.50
Holiday Rental - Add 25% on fee	No Change	No Change
Tournament Rentals (Note 4)		
Individuals	$10.50	$12.50
Youth Non-Profit Community Organizations - per team, per tournament	$5.25	$6.25
Adult Non-Profit Community Organizations	$10.50	$12.50
Commercial, For-Profit, or Out of Community Organizations	$21.00	$25.00
Additional Field Prep. - Per Field	$15.75	$20.00
Holiday Rental - Add 25% on fee	No Change	No Change
Field & Court Concession Permits (per hours, per week and number of fields/courts allocated at site)		
Concession/Merchandise Stand	$5.25	$8.25
Concession Permits for Allocated Fields (per month), based on electrical and water usage		
Small concession buildings (WFlag LL Fields, Montalvo Field)		$94.00
Large Concession buildings (Contiental LL)		$131.00
Field and Court Lights		
Sport Courts - per court, per hour	$10.50	$12.50
Sport Fields - per field, per hour	$31.25	$36.75
Sport Fields - Youth Non-Profit Community Organizations - per field, per hour	$10.50	$12.50
Field/Facility Fee		
For City Athletic Programs		
Adult Fee - Per Participant		$7.00
Youth Fee - Per Particpant		$0.00

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Special Events - Other Areas Reserved in Parks for Exclusive Use (Note 5, 9)		
Refundable Deposits (per event)		
A & B Events	$350.00	$350.00
C Events	$100.00	$100.00
Special Event Application Fee		
"A" Events	$41.75	$65.75
"B" Events	$31.25	$50.00
"C" Events	$21.00	$33.00
Late Fee		
"A" Events	$100.00	$117.00
"B" Events	$75.00	$87.75
"C" Events	$52.00	$61.00
Most Sites - excludes Wheeler, Heritage Square, Parking, Street Closure, Event Series, Ramada Rental (Note 5, 9, 10)		
Half Day - 7 Hours or Less		
Individuals/Private Gatherings on City Property	$21.00	$24.75
Non-Profit Community Organizations/Public Gatherings on City Property	$41.75	$49.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$83.25	$97.50
Full Day - More than 7 Hours		
Individuals/Private Gatherings on City Property	$33.50	$39.25
Non-Profit Community Organizations/Public Gatherings on City Property	$66.75	$78.25
Commercial, For-Profit, or Out of Community Organizations on City Property	$135.25	$158.50
Heritage Square/Wheeler Park (Note 5)		
Half Day - 7 Hours or Less		
Individuals/Private Gatherings on City Property	$47.00	$55.00
Non-Profit Community Organizations/Public Gatherings on City Property	$47.00	$55.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$93.75	$110.00
Full Day More than 7 Hours		
Individuals/Private Gatherings on City Property	$73.00	$85.50
Non-Profit Community Organizations/Public Gatherings on City Property	$73.00	$85.50
Commercial, For-Profit, or Out of Community Organizations on City Property	$145.75	$170.75
Event Series (Note 5,9) - each day, per event		
Half Day - 7 Hours or Less		
3-6 events	$18.75	$22.00
7-12 events	$15.75	$18.50
13-24	$12.50	$14.75
25+	$9.50	$11.25

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Full Day - More than 7 Hours		
3-6 events	$25.25	$29.75
7-12 events	$21.00	$24.50
13-24	$17.00	$20.00
25+	$12.75	$15.00
Half Day Commercial - 7 Hours or Less		
3-6 events	$28.50	$33.50
7-12 events	$23.75	$28.00
13-24	$19.00	$22.50
25+	$14.25	$16.75
Full Day Commercial -More than 7 Hours		
3-6 events	$39.75	$46.75
7-12 events	$33.25	$39.00
13-24	$26.50	$32.00
25+	$20.00	$24.00
Parking Lot Closure for Events -excludes Wheeler and City Hall Lots		
Half Day - 7 Hours or Less		
Individuals/Private Gatherings on City Property	$23.00	$27.00
Non-Profit Community Organizations/Public Gatherings on City Property	$23.00	$27.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$46.00	$54.00
Full Day - More than 7 Hours		
Individuals/Private Gatherings on City Property	$36.50	$42.75
Non-Profit Community Organizations/Public Gatherings on City Property	$36.50	$42.75
Commercial, For-Profit, or Out of Community Organizations on City Property	$73.00	$85.50
Wheeler Park & City Hall Parking Lot Closure for Event (Note 5)		
Half Day - 7 Hours or Less		
Individuals/Private Gatherings on City Property	$45.00	$52.75
Non-profit/Community Organiztion on City Property	$31.25	$36.75
Commercial, For-Profit, or Out of Community Organizations on City Property	$62.50	$73.25
Full Day - More than 7 Hours		
Individuals/Private Gatherings on City Property	$52.00	$61.00
Non-Profit Community Organizations/Public Gatherings on City Property	$52.00	$61.00
Commercial, For-Profit, or Out of Community Organizations on City Property	$104.00	$121.75
Street Closure/Parade - Per Street Block (Note 5)		
Staging Area	$25.00	$29.25
Half Day - 7 Hours or Less		
Non-Profit	$10.00	$11.75
Commercial, For-Profit, or Out of Community Organization	$20.00	$23.50
Full Day - More than 7 Hours		

Admission/Pass/Facility/Equipment	Current Fee FY 13	Proposed Fee 9/1/2013
Non-Profit	$15.00	$17.75
Commercial, For-Profit, or Out of Community Organization	$30.00	$35.25
Overnight (10pm - 8am)	$21.00	$24.75
Wheeler Park & Heritage Square Electrical Use		
Half Day - 7 Hours or Less		
"A", "B" Events	$25.00	$39.25
"C" Events	$13.00	$20.50
Full Day - More than 7 Hours		
"A", "B" Events	$41.75	$65.75
"C" Events	$21.00	$33.00
Event Series - Each Day of Use		
Half Day - 7 Hours or Less		
"A", "B" Events	$9.00	$10.75
Full Day - More than 7 Hours		
"A", "B" Events	$18.00	$21.25
Event Equipment Rental - each pair, per event		
Banner poles (pair)	$5.00	$8.00
Downtown Banner (Note 7) - each		
North Downtown		
A Pricing (Premium)		
1-3 month display	$32.00	$60.25
4-6 month display	$48.00	$75.50
7-9 month display	$63.00	$99.00
10-12 month display	$79.00	$124.25
B Pricing (Mid-Range)		
1-3 month display	$25.00	$39.25
4-6 month display	$38.00	$59.75
7-9 month display	$50.00	$78.50
10-12 month display	$63.00	$99.00
C Pricing (Outlining Areas)		
1-3 month display	$21.00	$33.00
4-6 month display	$31.25	$49.25
7-9 month display	$41.75	$65.75
10-12 month display	$52.00	$81.75
South Downtown		
4-6 month display	$32.00	$50.25
7-9 month display	$48.00	$75.50
10-12 month display	$79.00	$124.50

Future rate increases will be based on a Consumer Price Index (CPI)

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July 9, 2013

CITY OF FLAGSTAFF FY2014 REVENUE

FY2014 Revenue Increases

- USER FEES
  - Planning
  - Materials Testing
  - Recreation
- POLICY CHANGES
  - Water sales tax
  - Cityscape advertising

Fee Recovery Levels

- Level 1 – Direct cost only
- Level 2 – Direct cost plus section admin
- Level 3 – All of level 2 plus City administrative services
- Level 4 – All of level 3 plus all other City sections that provide any ancillary service/review

Planning

- Current cost recovery at 50% of Level 4 (with fee increase – approximately 60% cost recovery)
- Goal to increase revenue by $85,000 annually
- Increased fees are to add a Planning Development Manager
- 2012 workload, in dollar terms, is up 300% and is approximately at 2008 level
- Staffing is at 50% of 2008 level and response times are increasing.
  - Outsourcing is not a viable option for these services.

Materials Testing Lab

- Materials Testing Lab function
- Level 1 or 100% direct cost recovery proposed (0% cost recovery at this time)
- Material Testing Program Budget for FY14 is $155K
- City materials lab has experienced a resignation and we are using On-Call service to supplement
- We are experiencing a 30% increase in cost with On-Call services
- Current estimate for Level 1 with hybrid staffing is $215,000
- Rate proposed at 2.15% of Public Improvement Construction Cost

Recreation

- Current cost recovery at 15% of Level 4, excluding Aquaplex
- Goal to increase revenue by $210,000 annually
- Majority of fees increased by 17%
  - Lowest – Aquaplex – 10% to resident to remain locally competitive; 15% to non-resident
  - Highest (57%) – Service areas: Banners, electricity, concession tables, special event application fee
- New fee categories for Senior (55+) and Active Military added at reduced rates compared to Adult

Water Sales Tax

- Currently, only state and county sales tax assessed on water
  - Previously- 7.725%
  - As of 6/1/13- 6.725% (Temporary state tax reduction)
- 1.721% City rate
  - 8.446% combined
- Goal to increase revenue to General Fund by $120,000 annually, and
- To increase revenue to Transportation Funds by $86,000 annually

Water Sales Tax (Cont.)

Customer Class	Monthly Usage	Monthly Increase:
Single Family Residential	4,000	+$0.44
Single Family Residential	8,000	+$0.77
Commercial	10,000	+$1.06
Commercial	50,000	+$3.96
Manufacturing	10,000	+$1.06
Manufacturing	50,000	+$3.92
Landscape Meter	25,000	+$2.15

Cityscape Advertising

- Currently no cost recovery
- Goal to increase revenue to the General Fund by $33,000 annually
- City will outsource advertisement sales and copy set up
- City will attempt to place ad's within current publication pages
- CCR distributed to Council July 8, 2013

Next Steps

- July 9 – 1st read of user fee ordinance and adopt Water Sales Tax policy change
- July 16 – 2nd read of user fee ordinance
- September 1 – User fees and water sales tax implemented

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Michael Scheu, Building Official
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Discussion, consideration and possible adoption of Energy Codes.

Consideration and Adoption of Resolution No. 2013-20 and Ordinance No. 2013-19: A Resolution declaring as a Public Record that certain document filed with the City Clerk entitled the *"(Version A-2009 / Version B-2012) Energy Conservation Code and the 2013 Amendments to City Code / (Version A-2009 / Version B-2012) Energy Conservation Code, Title 4, Building Regulations*"; and an Ordinance adopting said document by reference.

RECOMMENDED ACTION:

1) Discuss and consider which Energy Conservation Code to be adopted
   A - MOVE to remain with the 2006 Energy Conservation Code and amendments
   (this action is not required, but may be desired for clarity)
   B - MOVE to move forward with 2009 Energy Conservation Code and amendments (Version A)
   C - MOVE to move forward with 2012 Energy Conservation Code and amendments (Version B)
2) Read Resolution No. 2013-20 by title only
3) Clerk reads Resolution No. 2013-20 by title only (if approved above)
4) Adopt Resolution No. 2013-20
5) A - Read Ordinance No. 2013-19 by title only for the first and final time
   (Purs. to Charter AVII, S6 , requires unanimous vote of Council present)
   B - Should this not be a unanimous vote of Council present:
   Read Ordinance No. 2013-19 by title only for the first time
6) City Clerk reads Ordinance No. 2013-19 by title only (if approved above)
7) If Step 5-A approved above, adopt Ordinance No. 2013-19

Policy Decision or Reason for Action:

This item has been placed on the agenda in a manner to allow for discussion and consideration of staying with the 2006 Energy Conservation Code and amendments thereto, adopting the 2009 Energy Conservation Code and amendments thereto (as directed at the July 2, 2013 Council meeting), or adopting the 2012 Energy Conservation Code and amendments thereto. If Council decides to remain with the 2006 Energy Conservation Code and amendments no further action is required. Adoption of the 2009 or 2012 Energy Conservation Code would first require Council to vote on which Code they want to move forward with, and then Steps 2 through 8 above would be followed.

Step 6 above outlines the steps needed for Council to hold first and final reading at the July 16, 2013 meeting, should that be the unanimous vote of those present. This would allow the matter to be finalized prior to the Council summer break. Should there not be a unanimous vote for first and final read, the first read of Ordinance No. 2013-19 would be held on July 16, 2013 and final read and adoption could take

place at the Council meeting of August 26, 2013.

Financial Impact:

There will be a cost of approximately $3,500 for new code books and $2,000 for training of the plans examiners and inspectors. (See Page 2 under Expanded Financial Impact for further information)

Connection to Council Goal:

11. Effective governance - By adopting the 2009 or 2012 International Energy Conservation Code, there will be approximately a 15% or 30% reduction in energy consumption in residential and commercial buildings.

Has There Been Previous Council Decision on This:

Yes. The 2012 International Energy Conservation Code was brought before the Council for adoption on July 2, 2013. In July of 2011, Council voted to bypass the 2009 International Energy Conservation Code. The 2006 International Energy Conservation Code was adopted July 2011. An extensive public hearing was held on the subject of the Energy Conservation Code on July 2, 2013.

Options and Alternatives:

1) Take no action, thereby continuing with the 2006 Energy Conservation Code and amendments thereto
2) Adopt Version A of Resolution No. 2013-20 - the 2009 Energy Conservation Code and amendments thereto
3) Adopt Version B of Resolution No. 2013-20 - the 2012 Energy Conservation Code and amendments thereto

Background/History:

The Building Safety Program is responsible for reviewing and adopting building codes in consideration of current life safety issues and building industry standards. Since April 13, 1937, the City of Flagstaff has been reviewing and adopting various building, plumbing, mechanical, electrical, gas and fire code to better serve the community. The last code review and adoption was the 2012 Edition of the International Codes, by Ordinance 2012-13, on July 2, 2013. In 2011, the Council approved going to a 6-year code cycle instead of a 3-year cycle.

Key Considerations:

In the Energy Conservation Code, Chapter 4 is the residential requirements and Chapter 5 is the commercial requirements. Most of the sections are prescriptive requirements but there are some mandatory requirements also. There is also Section R405 which allows for a performance-based compliance developed on simulated energy performance which shows that the proposed design will have an annual energy cost that is less than or equal to the annual energy cost of the standard reference design. In both sections, there are certain “mandatory” requirements that are required for the prescriptive and performance methods of compliance. This will allow a builder to be innovative to find other methods to meet the energy saving goals.

Expanded Financial Considerations:

2009 Edition: There will be some increased costs due to some of the changes in the building codes. For the energy conservation code, a 15% increase in energy efficiency over the 2006 energy conservation code will incorporate numerous changes. According to a Department of Energy Report and a National Association of Home Builders energy report (see attached), there is an average additional cost between $1,219.00 to $3,245.00 over the 2006 Energy Conservation Code for a 2,000-2,580 square foot home. (See Table 1)

If the 2009 Energy Conservation Code is adopted, the following amendments are recommended:

1) Sections C101.2 & R101.2 by adding an exception for Group R-2 occupancies to be able to comply with either the residential or commercial requirements of the Energy Conservation Code.

2012 Edition: There will be some increased costs due to some of the changes in the building codes. For the energy conservation code, a 30% increase in energy efficiency over the 2006 energy conservation code will incorporate numerous changes. According to a Department of Energy Report and a National Association of Home Builders energy report (see attached), Coconino County study and the Salt Lake City Study, there is an average additional adjusted cost of between $1,585 to $5,242 over the 2006 Energy Conservation Code for a 2,000-2,580 square foot home. (See Table 2)

If the 2012 Energy Conservation Code is adopted, the following amendments are recommended:

1) Section R402.2.1 - Require R-49 in attic and R30 above the exterior walls.
2) Section R402.4.1.2 - Delete the requirement for the Blower Door test.
3) Section R403.5.1 - Delete entire section for a whole house ventilation system and fan efficacy.
4) Sections C101.2 & R101.2 by adding an exception for Group R-2 occupancies to be able to comply with either the residential or commercial requirements of the Energy Code.

Community Benefits and Considerations:

By adopting the 2009 or 2012 International Energy Conservation Code, the community is expecting that new structures and additions and modifications on existing structures will save on energy, thus enhancing a viable sustainable future.

Community Involvement:

Involve - Public code forums were held from February 2012 to January 2013 with a suspension from May 2012 to October 2012 due to work load. Information and invites were sent to NABA, F3, local architects and engineers, NAGBC, local contractors and designers plus individuals who asked to be placed on the email list, the Sustainability Commission and on May 8, staff will be meeting with the Chamber of Commerce. Coconino County will be conidering adopting the 2012 Codes later this year.

Attachments:

Code Comparison Charts
Table 1
Table 2
DOE Study
NAHB Study
Coconino County Study
Salt Lake City Study

Res. 2013-20
Ord. 2013-19
PowerPoint

City of Flagstaff 2012 Energy Code

Comparison Charts

Building & Safety Program

Energy Code Comparison

- Comparison of 2006, 2009 and 2012 Energy Code Requirements
- Purpose is to show Council the major differences between each of the Energy Code Editions side by side.

Prescriptive Req. Table 402.1.1

	2006	2009	2012
Certification of R values posted in electrical distribution panel	Yes	Yes	Yes
Climate Zone 5	Yes	Yes	Yes
Ceiling R-value	R-38	R-38	R-49
Wood frame wall R-value (13 = cavity insulation, + R-5 sheathing)	R19 or 13+5	R20 or 13+5	R20 or 13+5
Mass wall R-value (17 applies when > ½ insulation is on interior)	R-13	13/17	13/17
Floor R-value (Minimum R-19 allowed for smaller framing cavities)	R-30	R-30	R-30

Prescriptive Req. cont.

	2006	2009	2012
Basement wall R-value (10 = cont. insul. on interior or exterior of home or 13 cavity insul. at interior of basement wall)	10/13	10/13	15/19
Slab R- Value	10, 2 ft.	10, 2 ft.	10, 2 ft.
Crawl space R - Value	10/13	10/13	15/19
Fenestration U – Factors (windows – fenestrations)	0.35 (City amended to 0.45)	0.35	0.32
Skylights	0.60	0.60	0.55
Specific insulation requirements: (Prescriptive)	R-38 to 30 R-49 to 38 (city allows 2" compression)	R-38 to 30, uncompressed R-49 to 38	R-49 to 38, uncompressed *(Staff recommends R30)*

Additional Requirements cont.

	2006	2009	2012
Cathedral ceilings – no attic (Prescriptive)	R-30	R-30	R–30
Insulation for post-tension slabs (allows vertical to bottom of footing, prescriptive)	R–10	R-10	R-10
Attic hatches and doors (Prescriptive)	No requirement	Weatherstrip and insulate (R-38)	Weatherstrip and insulate (R-38)
Air leakage (Mandatory), Section 402.4 (Thermal envelop, fenestration air leakage, recessed lighting, IC rated can fixtures)	Sealed envelope recessed lighting sealed	Sealed envelope , optional blower door testing, visual insp.	Sealed envelope + blower door testing *(Staff amends out blower door)*
Whole House ventilation	No Requirements	No Requirements	Whole House ventilation fan efficacy. *(Staff amends out)*

Additional Req. cont.

	2006	2009	2012
Mechanical Systems (Mandatory)	1 thermostate /system (amended to programmable)	1 programmable thermostate/ system	1 programmable thermostate/ system
Duct Sealing (Mandatory)	Mastic or approved tape	Sealed + ducts tested	Sealed & tested, some exceptions
Duct insulation (Prescriptive)	R-8 in attics & R-6 in floor trussed	R-8 in attics & R-6 in floor trusses	R-8 in attics & R-6 in floor trusses
Circulating hot water systems; pipe insulation (Mandatory)	R-2 w/manual switch	R-2 w/manual switch	R-3 w/manual switch, specific applications, max. length
Electrical Power & Lighting (Prescriptive)	No Requirements (City amended as best practices)	50% in permanent fixtures high efficacy.	75% in permanent fixtures high efficacy.
Simulated Performance Alternative (Performance)	Yes	Yes	Yes

Table 1
2009 Energy Code
Study Comparison

	U.S. DOE		NAHB
Areas	Coconino County		Zone 5 = Phoenix (Nat'l Avg.)
House Size	2,400 SF		2,580 SF
Cost 2006-2009	$3,245		$1,219 - Zone 5
Energy Savings / yr.	$231		$223 - Zone 5
Positive Cash Flow²	1 Yrs		-
Simple Pay Back²	5.6 Yrs.		

Table 2
2012 Energy Code
Study Comparison

	U.S. DOE	Coconino County	Salt Lake City	NAHB
Areas	Coconino County	Coconino County	Salt Lake City	Zone 5 = Phoenix (Nat'l Avg.)
House Size	2,400 SF	2,000 SF	2,400 SF	2,580 SF
Cost 2006-2012	$3,925	$4,348	$3,815	$5872 Zone 5 $7034 (Nat. Avg.)
Cost Adjusted[1]	$1,695	$3,136	$1,585	$5242 Zone 5 $6404 (Nat. Avg.)
Positive Cash Flow[2]	2 Yrs	-	2 Yrs.	-
Simple Pay Back[2]	6.4 Yrs.	-	-	8.1 Yrs. Zone 5 11.3 Yrs. (Nat. Avg)

[1]For four City amendments
[2]Not reduced to reflect four City amendments

U.S. DEPARTMENT OF ENERGY | Energy Efficiency & Renewable Energy

BUILDING TECHNOLOGIES PROGRAM

Arizona Energy and Cost Savings for New Single- and Multifamily Homes:

2009 and 2012 IECC as Compared to the 2006 IECC

Building Energy Codes

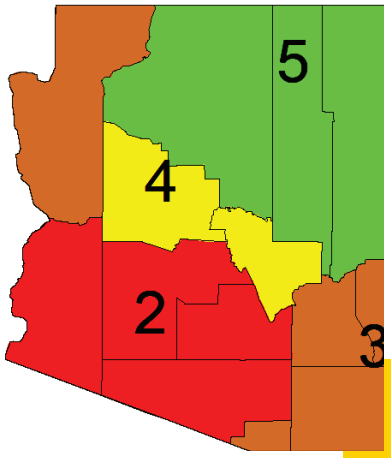

Figure 1. Arizona Climate Zones

Arizona Energy and Cost Savings for New Single– and Multifamily Homes: **2009** and **2012 IECC** as Compared to the **2006 IECC**

The 2009 and 2012 International Energy Conservation Codes (IECC) yield positive benefits for Arizona homeowners.

Moving to either the 2009 or 2012 IECC from the 2006 IECC is cost-effective over a 30-year life cycle. On average, Arizona homeowners will save $3,245 over 30 years under the 2009 IECC, with savings still higher at $6,550 with the 2012 IECC.

Each year, the reduction to energy bills will significantly exceed increased mortgage costs. After accounting for up-front costs and additional costs financed in the mortgage, homeowners should see net positive cash flows (i.e., cumulative savings exceeding cumulative cash outlays) in 1 year for the 2009 and 2 years with the 2012 IECC. Average annual energy savings are $231 for the 2009 IECC and $486 for the 2012 IECC.

Highlights

Cost-effectiveness against a 2006 IECC baseline:

- Life-cycle cost savings, averaged across climate zones and building types, are $3,245 for the 2009 IECC and $6,550 for the 2012 IECC
- Simple payback periods are 5.6 years for the 2009 and 6.4 years for the 2012 IECC

Consumer savings compared to a 2006 IECC baseline:

- Households save an average of $231 per year in energy costs with the 2009 IECC
- Household savings rise significantly to an average of $486 per year with the 2012 IECC
- Net annual consumer savings, including energy savings, mortgage cost increases, and other associated costs in the first year of ownership, average $154 for the 2009 IECC and $303 for the 2012 IECC
- Energy costs, on average, are 13.5% lower for the 2009 IECC and 28.3% lower for the 2012 IECC

Cost-Effectiveness

The U.S. Department of Energy (DOE) evaluates the energy codes based on three measures of cost-effectiveness:

- **Life-Cycle Cost**: Full accounting over a 30-year period of the cost savings, considering energy savings, the initial investment financed through increased mortgage costs, tax impacts, and residual values of energy efficiency measures
- **Cash Flow**: Net annual cost outlay (i.e., difference between annual energy cost savings and increased annual costs for mortgage payments, etc.)
- **Simple Payback**: Number of years required for energy cost savings to exceed the incremental first costs of a new code

Life-cycle cost is the primary measure by which DOE assesses the cost-effectiveness of the IECC. These savings assume that initial costs are mortgaged, that homeowners take advantage of the mortgage interest deductions, and that long-lived efficiency measures retain a residual value after the 30-year analysis period. As shown in Table 1, life-cycle cost savings averaged across climate zones are $3,245 for the 2009 IECC and $6,550 for the 2012 IECC.

Table 1. Average Life-Cycle Cost Savings from Compliance with 2009 and 2012 IECC, Relative to the 2006 IECC

	Life-Cycle Cost Savings ($)	Net Positive Cash Flow (Years)	Simple Payback (Years)
2009 IECC	$3,245	1	5.6
2012 IECC	$6,550	2	6.4

Consumer Savings

Annual consumer cash flows impact the affordability of energy-efficient homes. Based on this analysis, Arizona homeowners, on average, should see annual energy cost savings of $231 per year and achieve a net cumulative savings that accounts for an increased down payment in addition to energy costs, mortgage costs, and tax-related costs and benefits in 1 year when comparing the 2009 IECC to the 2006 IECC. When moving to the 2012 IECC from the 2006 IECC, the average annual savings increase substantially to $486 per year, and it is 2 years before cumulative savings exceed cumulative costs. Table 2 summarizes these results.

Table 2. Impacts to Consumers' Cash Flow from Compliance with 2009 and 2012 IECC Compared to the 2006 IECC

	Consumers' Cash Flow (Average)	2009 IECC	2012 IECC
A	Down payment and other up-front costs	$140	$332
B	Annual energy savings (year one)	$231	$486
C	Annual mortgage increase	$76	$180
D	Net annual cost of mortgage interest deductions, mortgage insurance, and property taxes (year one)	$1	$3
E = [B-(C+D)]	Net annual cash flow savings (year one)	$154	$303
F = [A/E]	Years to positive savings, including up-front cost impacts	1	2

The U.S. Department of Energy (DOE) provides estimates of energy and cost savings from code adoption:

- **National**: Energy cost savings (only)
- **Climate Zone**: Energy cost savings, life-cycle cost savings, and consumer cash flows
- **State**: Energy cost savings, life-cycle cost savings, consumer cash flows, and simple paybacks

For more information on how these estimates were developed, visit the DOE Building Energy Codes website: **www.energycodes.gov/development/residential**

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Technical Appendix A

Methodology

An overview of the methodology used to calculate these impacts is provided below. Further information as to how these estimates were developed is available at the U.S. Department of Energy's (DOE) Building Energy Codes website.[1]

Cost-Effectiveness

Pacific Northwest National Laboratory (PNNL) calculated three cost-effectiveness metrics in comparing the 2009 and 2012 International Energy Conservation Codes (IECC) to the 2006 IECC. These are:

- Life-Cycle Cost (LCC): Full accounting over a 30-year period of the cost savings, considering energy savings, the initial investment financed through increased mortgage costs, tax impacts, and residual values of energy efficiency measures
- Cash Flow: Net annual cost outlay (i.e., difference between annual energy cost savings and increased annual costs for mortgage payments, etc.)
- Simple Payback: Number of years required for energy cost savings to exceed the incremental first costs of a new code

LCC is a robust cost-benefit metric that sums the costs and benefits of a code change over a specified time period. LCC is a well-known approach to assessing cost-effectiveness. DOE uses LCC for determining the cost-effectiveness of code change proposals, and for the code as a whole, because it is the most straightforward approach to achieving the desired balance of short- and long-term perspectives.

The financial and economic parameters used for these calculations are as follows:

- New home mortgage parameters:
  - 5.0% mortgage interest rate (fixed rate)
  - Loan fees equal to 0.7% of the mortgage amount
  - 30-year loan term
  - 10% down payment
- Other rates and economic parameters:
  - 5% nominal discount rate (equal to mortgage rate)
  - 1.6% inflation rate
  - 25% marginal federal income tax and 4.24% marginal state income tax
  - 0.9% property tax
  - Insulation has 60-year life with linear depreciation resulting in a 50% residual value at the end of the 30-year period
  - Windows, duct sealing, and envelope sealing have a 30-year life and hence no residual value at the end of the analysis period
  - Light bulbs have a 6-year life and are replaced four times during the 30-year analysis period

[1] www.energycodes.gov/development/residential

Energy and Economic Analysis

This analysis determined the energy savings and economic impacts of the 2009 and 2012 IECC compared to the 2006 IECC. Energy usage was modeled using DOE's EnergyPlus™ software for two building types:

1. Single-Family: A two-story home with a 30-ft by 40-ft rectangular shape, 2,400 ft^2 of floor area excluding the basement, and windows that cover 15% of the wall area, equally distributed on all sides of the house
2. Multifamily: A three-story building with 18 units (6 units per floor), each unit having conditioned floor area of 1,200 ft^2 and window area equal to approximately 10% of the conditioned floor area, equally distributed on all sides of the building

Each of these building types, single-family and apartment/condo in a multifamily building, have four unique foundation types:

1. Slab on grade
2. Heated basement
3. Unheated basement
4. Crawlspace

Each building type also has four unique heating system types:

1. Natural gas
2. Heat pump
3. Electric resistance
4. Oil

This results in 32 unique scenarios (2 x 4 x 4) for each of the four climate zones.

PNNL incorporated the prescriptive requirements of the 2006, 2009, and 2012 IECC when modeling the impacts of changes to the code. Whenever possible, PNNL uses DOE's EnergyPlus model software to simulate changes to code requirements. However, in some cases, alternative methods are employed to estimate the effects of a given change. As an example, in order to give full consideration of the impacts of the 2012 IECC requirement for insulating hot water pipes (or shortening the pipe lengths), a separate estimate was developed for hot water pipe insulation requirements in the 2012 IECC, which results in a 10% savings in water heating energy use (Klein 2012).

Energy and economic impacts were determined separately for each unique scenario, including the single-family and multifamily buildings, the four unique foundation types, and the four unique heating system types. However, the cost-effectiveness results are reported as a single average for each climate zone and as an overall state average. To determine this average, first the results were combined across foundation types and heating system types for single-family and multifamily prototypes as shown in Table A.1 and Table A.2 (single-family and multifamily have the same shares for foundation types). For example, the primary heating system type in new residential units in Arizona is a natural gas furnace. Therefore, the combined average energy usage calculations were proportionally weighted to account for the predominance of natural gas heating. Then single-family and multifamily results were combined for each climate zone in the state and the climate zone results were combined to determine a state average weighted by housing starts from 2010 U.S. Census data as shown in Table A.3.

Table A.1. Heating Equipment Shares

Heating System	Percent Share	
	Single-Family	Multifamily
Natural gas	77.8	97.2
Heat pump	19.4	2.8
Electric resistance	2.6	0
Oil	0.2	0

Table A.2. Foundation Type Shares

Foundation Type	Slab on Grade	Heated Basement	Unheated Basement	Crawlspace
Percent share	90.7	0.6	3.1	5.6

Table A.3. Construction by Building Type and Climate Zone

Climate Zone	Housing Starts	
	Single-Family	Multifamily
2	9,409	719
3	696	28
4	307	58
5	343	88

Differences Between the 2006 IECC, the 2009 IECC, and the 2012 IECC

All versions of the IECC have requirements that apply uniformly to all climate zones, and other requirements that vary by climate zone. Highlights of the mandatory requirements across all buildings include:

- Building envelope must be caulked and sealed. The 2012 IECC adds a requirement that the building must be tested and a level of leakage that is no more than a maximum limit must be achieved.
- Ducts and air handlers must be sealed. Testing against specified maximum leakage rates is required in the 2009 and 2012 IECC if any ducts pass outside the conditioned space (e.g., in attics, unheated basements). The 2012 IECC leakage requirements are more energy efficient.
- Supply and return ducts in attics, and all ducts in crawlspaces, unheated basements, garages, or otherwise outside the building envelope must be insulated.
- For the 2009 and 2012 IECC, a minimum percentage of the lighting bulbs or fixtures in the dwelling must be high-efficacy lighting.
- A certificate listing insulation levels and other energy efficiency measures must be posted on or near the electric service panel.

A comparison of significant IECC requirements that do not vary by climate zone is contained in Table A.4. Of these, the most significant changes in the 2009 and 2012 IECC compared to the 2006 IECC are the requirements for pressure testing of the building envelope and ducts/air handlers, and for insulating service hot water pipes (2012 IECC only). The requirement for high-efficacy lamps, while significant, is somewhat abated by a

superseding federal regulation banning the manufacture or import of less efficient lamps at common watt levels that takes effect in 2012 to 2014.

Table A.4. Comparison of Major Requirements That Do Not Vary by Climate Zone

Requirement	2006 IECC	2009 IECC	2012 IECC
Building envelope sealing	Caulked and sealed, verified by visual inspection	Caulked and sealed, verified by visual inspection against a more detailed checklist	Caulked and sealed, verified by visual inspection and a pressure test against a leakage requirement
Ducts and air handlers	Sealed, verified by visual inspection	Sealed, verified by visual inspection, and pressure tested, or all ducts must be inside building envelope	Sealed, verified by visual inspection, and pressure tested against a leakage requirement, or all ducts must be inside building envelope
Supply ducts in attics	R-8	R-8	R-8
Return ducts in attics and all ducts in crawlspaces, unheated basements, garages, or otherwise outside the building envelope	R-8	R-6	R-6
Insulation on hot water pipes for service water heating systems	None	None	R-3 except where pipe run length is below a diameter-dependent threshold
Insulation on hot water pipes for hydronic (boiler) space heating systems	R-3	R-3	R-3
High-efficacy lamps (percent of lighting in the home)	None	50% of lamps	75% of lamps or 75% of fixtures
Certificate of insulation levels and other energy efficiency measures	Yes	Yes	Yes

Requirements such as insulation levels and fenestration (window, door, and skylights) U-factors can vary by the eight zones in the United States. Table A.5 shows these requirements. Arizona has four climate zones (Zones 2, 3, 4, and 5) as defined in the IECC.

Table A.5. Comparison of Major Requirements That Vary by Climate Zone

Climate Zone	IECC	Ceiling (R-value)	Skylight (U-factor)	Fenestration (Windows and Doors) U-factor	Fenestration (Windows and Doors) SHGC	Wood Frame Wall (R-value)	Mass Wall* (R-value)	Floor (R-value)	Basement Wall** (R-value)	Tested Max Air Leakage Rate (air changes per hour)	Slab*** (R-value and depth)	Crawl Space** (R-value)
					Components							
1	2006				0.4					NR		
	2009	30	0.75	NR	0.3	13	3/4	13	NR	NR	NR	NR
	2012				0.25					5		
2	2006	30	0.75	0.75	0.4					NR		
	2009	30	0.75	0.65	0.3	13	4/6	13	NR	NR	NR	NR
	2012	38	0.65	0.4	0.25					5		
3	2006	30	0.65	0.65	0.4	13	5/8	19	0	NR	NR	5/13
	2009	30	0.65	0.5	0.3	13	5/8		5/13****	NR		
	2012	38	0.55	0.35	0.25	20	8/13		5/13****	3		
4	2006	38	0.6	0.4	NR	13	5/13	19	10/13	NR	10, 2 ft	10/13
	2009	38	0.6	0.35		13	5/10		10/13	NR		10/13
	2012	49	0.55	0.35	0.4	20	8/13		10/13	3		10/13
5	2006	38	0.6	0.35	NR	19	13/19	30	10/13	NR	10, 2 ft	10/13
	2009	38	0.6	0.35		20	13/17		10/13	NR		10/13
	2012	49	0.55	0.32		20	15/19		15/19	3		15/19
6	2006		0.6	0.35	NR	19	10/13	30	10/13	NR	10, 4 ft	10/13
	2009	49	0.6	0.35		20	15/19		15/19	NR		10/13
	2012		0.55	0.32		20+5	15/19		15/19	3		15/19
7 and 8	2006		0.6	0.35	NR	21	19/21	30	10/13	NR	10, 4 ft	10/13
	2009	49	0.6	0.35		21		38	15/19	NR		10/13
	2012		0.55	0.32		20+5		38	15/19	3		15/19

* The second number applies when more than half the insulation is on the interior side of the high mass material in the wall.

** The first number is for continuous insulation (e.g., a board or blanket directly on the foundation wall) and the second number is for cavity insulation (i.e., if there is a furred-out wall built against the foundation wall). Only one of these two has to be met.

*** The first number is R-value. The second value refers to the vertical depth of the insulation around the perimeter.

**** Basement wall insulation is not required in the warm-humid region of Zone 3 in the southeastern United States.

NR = not required

SHGC = solar heat gain coefficient

While exemptions or allowances in the code in are not included in this analysis, the code does allow for some of these depending on the compliance path. Examples include the following:

- One door and 15 ft^2 of window area are exempt
- Skylight U-factors are allowed to be higher than window U-factors
- Five hundred square feet or 20% of ceiling area of a cathedral ceiling, whichever is less, is allowed to have R-30 insulation in climate zones where more than R-30 is required for other ceilings

Incremental First Costs

Table A.6 shows the costs of implementing the prescriptive measures of the new codes. Costs are provided for both the reference home and apartment/condo, and for the cost of moving from the 2006 to the 2009 IECC, as well as from the 2006 IECC to the 2012 IECC. The costs derive from estimates assembled by Faithful + Gould (2012) and a number of other sources.[2] The original cost data were based on a national average. The costs are adjusted downwards by 7.2% (multiplied by 0.928) to reflect local construction costs based on location factors provided by Faithful + Gould (2011).

Table A.6. Total Construction Cost Increase for the 2009 and 2012 IECC Compared to the 2006 IECC

	2,400 ft^2 House		1,200 ft^2 Apartment/Condo	
	Slab, Unheated Basement, or Crawlspace	Heated Basement	Slab, Unheated Basement, or Crawlspace	Heated Basement
2009 IECC				
Zone 2	$1,405	$1,405	$613	$613
Zone 3	$1,405	$1,869	$613	$680
Zone 4	$584	$584	$341	$341
Zone 5	$871	$871	$447	$447
2012 IECC				
Zone 2	$3,256	$3,256	$1,521	$1,521
Zone 3	$3,751	$4,215	$1,698	$1,766
Zone 4	$2,472	$2,472	$1,275	$1,275
Zone 5	$2,325	$2,561	$1,224	$1,258

Results

Life-Cycle Cost

Table A.7 shows the LCC savings (discounted present value) of the new codes over the 30-year analysis period. These savings assume that initial costs are mortgaged, that homeowners take advantage of the mortgage interest tax deductions, and that efficiency measures retain a residual value at the end of the 30 years. As shown in Table A.7, life-cycle cost savings, averaged across climate zones, are $3,245 for the 2009 IECC and $6,550 for the 2012 IECC.

[2] The Faithful +Gould cost data and other cost data for energy efficiency measures are available on the "BC3" website at http://bc3.pnnl.gov/.

Table A.7. Life-Cycle Cost Savings Compared to the 2006 IECC

	Zone 2	Zone 3	Zone 4	Zone 5	State Average
2009 IECC	$3,386	$2,946	$2,017	$1,538	$3,245
2012 IECC	$6,339	$9,353	$7,223	$5,727	$6,550

Cash Flow

Because most houses are financed, consumers will be very interested in the financial impacts of buying a home that complies with the 2009 or 2012 IECC requirements compared to the 2006 IECC. Mortgages spread the payment for the cost of a house over a long period of time (the simple payback fails to account for the impacts of mortgages). In this analysis, a 30-year fixed-rate mortgage was assumed. It was also assumed that homebuyers will deduct the interest portion of the payments from their income taxes.

Table A.8 and Table A.9 show the impacts to consumers' cash flow resulting from the improvements in the 2009 and 2012 IECC, respectively. Up-front costs include the down payment and loan fees. The annual values shown in the table are for the first year.

The savings from income tax deductions for the mortgage interest will slowly decrease over time while energy savings are expected to increase over time because of escalating energy prices. These tables also include increases in annual property taxes because of the higher assessed house values. The net annual cash flow includes energy costs, mortgage payments, mortgage tax deductions, and property taxes but not the up-front costs. The time to positive cash flow includes all costs and benefits, including the down payment and other up-front costs.

As shown in Table A.8 , on average, there is a net positive cash flow to the consumer of $154 per year beginning in year one for the 2009 IECC. Positive cumulative savings, including payment of up-front costs, are achieved in 1 year. The positive cash flow is more significant with the 2012 IECC. Here state average net annual cash flow savings are $303, with only 2 years to positive cumulative savings after covering up-front costs (see Table A.9).

Table A.8. Impacts to Consumers' Cash Flow from Compliance with 2009 IECC Compared to the 2006 IECC

	Cost/Benefit	Zone 2	Zone 3	Zone 4	Zone 5	State Average
A	Down payment and other up-front costs	$144	$147	$58	$84	$140
B	Annual energy savings (year one)	$240	$220	$131	$117	$231
C	Annual mortgage increase	$78	$80	$32	$46	$76
D	Net annual cost of mortgage interest deductions, mortgage insurance, and property taxes (year one)	$0	$1	$1	$1	$1
E = [B-(C+D)]	Net annual cash flow savings (year one)	$162	$139	$98	$70	$154
F = [A/E]	Years to positive savings, including up-front cost impacts	1	2	1	2	1

Note: Item D includes mortgage interest deductions, mortgage insurance, and property taxes for the first year. Deductions can partially or completely offset insurance and tax costs. As such, the "net" result appears relatively small or is sometimes even negative.

Table A.9. Impacts to Consumers' Cash Flow from Compliance with 2012 IECC Compared to the 2006 IECC

	Cost/Benefit	Zone 2	Zone 3	Zone 4	Zone 5	State Average
A	Down payment and other up-front costs	$335	$393	$244	$225	$332
B	Annual energy savings (year one)	$478	$650	$473	$391	$486
C	Annual mortgage increase	$182	$213	$132	$122	$180
D	Net annual cost of mortgage interest deductions, mortgage insurance, and property taxes (year one)	$3	$3	$2	$2	$3
E = [B-(C+D)]	Net annual cash flow savings (year one)	$293	$434	$339	$267	$303
F = [A/E]	Years to positive savings, including up-front cost impacts	2	1	1	1	2

Simple Payback

Table A.10 shows the simple payback period, which consists of the construction cost increase divided by first-year energy cost savings. This calculation yields the number of years required for the energy cost savings to pay back the initial investment. Simple payback does not consider financing of the initial costs through a mortgage or favored tax treatment of mortgages.

As Table A.10 shows, the simple payback period from moving to the 2009 IECC from the 2006 IECC averages 5.6 years across climate zones. The simple payback for the 2012 IECC is slightly longer, averaging 6.4 years.

Table A.10. Simple Payback Period, Relative to the 2006 IECC (Years)

Code	Zone 2	Zone 3	Zone 4	Zone 5	State Average
2009 IECC	5.6	6.3	4.2	6.7	5.6
2012 IECC	6.6	5.7	4.8	5.4	6.4

Energy Cost Savings

All fuel prices were obtained from the DOE Energy Information Administration and are recent residential prices specific to Arizona (DOE 2012a, 2012b, 2012c). For this analysis, natural gas fuel prices were set to $1.306/therm. Electricity prices were set to $0.099/kWh for space heating and $0.117/kWh for air conditioning. Oil prices were set to $23.7/MBtu. Energy prices are assumed to escalate at the rates published in DOE's *Annual Energy Outlook* (DOE 2012d).

Table A.11 shows the estimated annual energy costs, including heating, cooling, water heating, and lighting per home that result from meeting the requirements in the 2006, 2009, and 2012 IECC. Table A.12 shows the total

energy cost savings as both a net dollar savings and as a percentage of the total energy use.[3] Results are averaged across home type (single- and multifamily), foundation type, and heating system types.

Table A.11. Annual Energy Costs for Different Versions of IECC

	2006 IECC					2009 IECC					2012 IECC				
	Heating	Cooling	Water Heating	Lighting	Total	Heating	Cooling	Water Heating	Lighting	Total	Heating	Cooling	Water Heating	Lighting	Total
Zone 2	$216	$1,120	$194	$209	$1,739	$196	$935	$194	$174	$1,499	$126	$813	$175	$147	$1,261
Zone 3	$622	$637	$251	$213	$1,723	$543	$530	$251	$179	$1,503	$268	$428	$226	$151	$1,073
Zone 4	$636	$324	$276	$197	$1,433	$548	$313	$276	$165	$1,302	$298	$274	$248	$140	$960
Zone 5	$574	$329	$273	$190	$1,366	$504	$313	$273	$159	$1,249	$298	$294	$246	$137	$975
State Average	**$267**	**$1,036**	**$203**	**$209**	**$1,715**	**$240**	**$868**	**$203**	**$173**	**$1,484**	**$146**	**$753**	**$183**	**$147**	**$1,229**

As can be seen from Table A.12, energy cost savings per year for the 2009 IECC compared to the 2006 IECC range from $117 in Zone 5 to $240 in Zone 2. Annual energy cost savings rise significantly with the 2012 IECC, ranging from $391 per year for Zone 5, up to $650 per year in Zone 3. On a percentage basis, energy cost savings range from about 27% to 38% with the 2012 IECC depending on climate zone.

Table A.12. Total Energy Cost Savings Compared to the 2006 IECC

	2009 IECC		2012 IECC	
	Savings ($/yr)	Percent Savings	Savings ($/yr)	Percent Savings
Zone 2	$240	13.8	$478	27.5
Zone 3	$220	12.8	$650	37.7
Zone 4	$131	9.1	$473	33
Zone 5	$117	8.6	$391	28.6
State Average	**$231**	**13.5**	**$486**	**28.3**

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[3] The percent savings is the annual energy cost savings for heating, cooling, water heating, and lighting divided by the total baseline annual energy cost for heating, cooling, water heating, and lighting.

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2012 IECC Cost Effectiveness Analysis

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May 24, 2012

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Objective

The objective of this analysis is to quantify the incremental construction cost, energy cost savings, and percent energy cost savings associated with constructing a house compliant with the 2012 IECC relative to a 2006 IECC baseline. A methodology established by the NAHB Research Center was used to determine the incremental energy cost savings. A cost effectiveness analysis was also performed using both the 2006 and 2009 IECC as a baseline to illustrate incremental paybacks in an analysis with different baselines.

Background

A strong push was made by many advocacy groups, including the U. S. Department of Energy (DOE), to increase the stringency of the 2012 International Energy Conservation Code (IECC) to achieve a 30 percent energy savings relative to the 2006 IECC. This effort resulted in a number of major changes which impact both energy savings and construction costs for residential construction.

Energy Evaluation Methodology

A methodology was developed by the NAHB Research Center (NAHB Research Center 2012-1) to calculate energy savings with 2006 IECC as the primary baseline. This methodology defines a *Standard Reference House*, including the building configuration and energy performance parameters. In addition, a calculation formula was included to determine a "percent energy savings" when comparing editions of the energy code. Energy performance parameters from the IECC were used where available. For parameters not defined in the IECC, DOE's Building America Benchmark (Hendron 2008) protocols were used.

Standard Reference House

The building geometry (Figure 1) used in this analysis is documented in the methodology paper and was developed using the NAHB Research Center's 2008 and 2009 Annual Builder Practices Survey (ABPS) results. The parameters represent the average (mean) values from the ABPS for building areas and features not dictated by the 2006 IECC. Table 1 lists floor, attic, wall, and window areas used in the *Standard Reference House*.

Table 1. Average Wall and Floor Square Footage

	Annual Builder Practices Survey (ABPS)	Standard Reference House
1st Floor CFA	1,780	1,776
2nd Floor CFA	572	576
Total CFA (w/o Conditioned Basement)	2,352	2,352
Slab/Basement/Crawl Floor Area		1,776
Total CFA (with Conditioned Basement)		4,128
Attic Floor Area		1,776
1st Floor Wall Area	2,006	1,764
2nd Floor Wall Area	586	816
Total Above-Grade Wall Area	2,592	2,580
Basement Wall Area (8ft wall height)		1,568
Crawlspace Wall Area (4ft wall height)		784
Window Area (18%/15%)		464/387

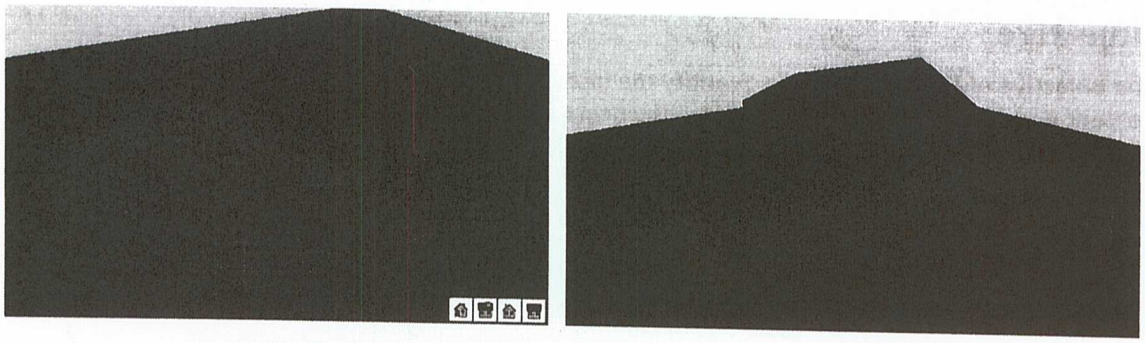

Figure 1: Simulation Model of Standard Reference House

Representative Cities

Eight cities (Table 2) representing each of the DOE Climate Zones (Figure 2) were selected to quantify energy savings for their respective climatae.

Table 2: Representative Climate Zone Cities

Climate Zone	Moisture Region	State	City	HDD(65)	CDD(65)
1	Moist	Florida	Miami	120	4,396
2	Dry	Arizona	Phoenix	977	4,790
3	Moist	Tennessee	Memphis	2,851	2,221
4	Moist	Maryland	Baltimore	4,460	1,314
5	Moist	Illinois	Chicago	6,174	911
6	Dry	Montana	Helena	7,474	353
7	N/A	Minnesota	Duluth	9,371	185
8	N/A	Alaska	Fairbanks	12,818	49

Note: HDD and CDD data from TMY3 Dataset

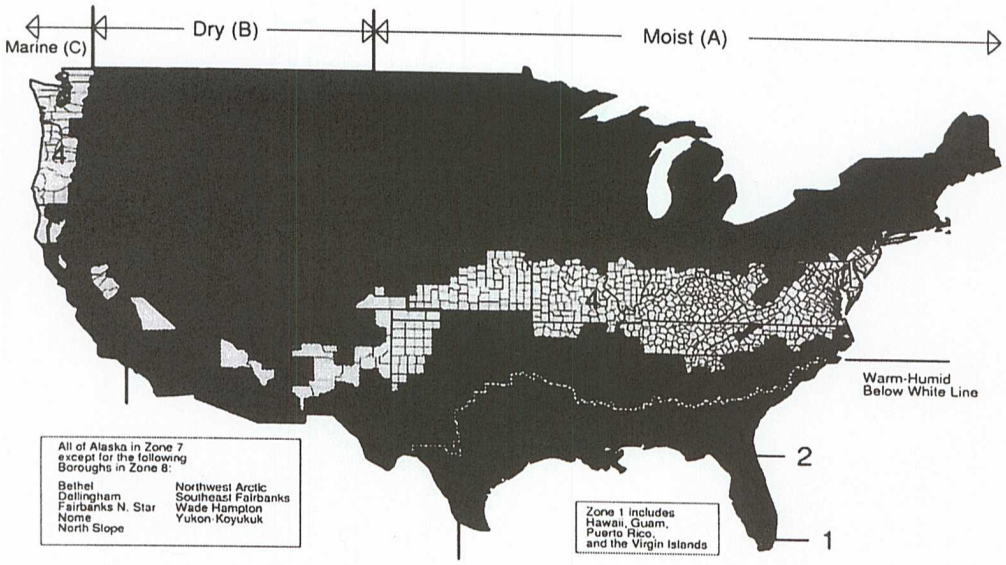

Figure 2: DOE Climate Zone Map

Weighted Averaging

Weighted averaging was applied both within and across climate zones. Within climate zones, wall construction factors for light-framed and mass walls, as well as various foundation types (slab, crawlspaces, and basements), were applied based on how new homes are constructed as determined by the NAHB Research Center's Annual Builder Practices Survey (ABPS). Once the savings within a climate zone were determined, a weighted calculation according to building starts (Briggs 2002) for each climate zone was performed in order to obtain a national average.

Changes and Cost Impacts of the 2012 IECC

A number of major changes were made from the 2006 IECC to the 2012 IECC. For the first time, performance testing for whole building tightness is now mandated in the IECC. Lighting requirements were added to the scope of the IECC in 2009 and further increased in 2012. The largest cost increases have been due to the changes in wall insulation requirements which affected six of the eight climate zones. Also added was a prescriptive requirement mandating insulation on the hot water pipes for specific locations and on all pipes exceeding specified lengths.

Appendix A includes the baseline 2006 IECC prescriptive table and Appendices B and C contain the 2009 and 2012 IECC prescriptive tables, respectively, with highlighted changes from the 2006 edition. Table 3 shows the incremental cost for changes made between the 2006 and 2012 IECC specified by climate zone. All costs listed below are based on a unit basis and totals for the *Standard Reference House*. Costs from the ASHRAE RP-1481 have been escalated for inflation using RS Means adjustment factors.

Construction Costs Associated with 2012 IECC Changes

Each climate zone has different requirements; consequently, the resulting incremental construction costs to comply with the 2012 IECC vary between climate zones. The cost increases (Table 4) range from a high of $8,871 in Climate Zone 3 to a low of $4,499 in Climate Zone 2, with a national weighted average cost increase of $7,034. Complete cost analysis details on the individual measures for each climate zone can be found in Appendix D.

Calculated Energy Usage

Table 4 summarizes the calculated energy usage for a house built to the minimum requirements of both the 2006 and 2012 IECC. The following nomenclature is used to categorize the energy use:

TEU_{2006} = Total Energy Usage using the 2006 IECC
TEU_{2012} = Total Energy Usage using the 2012 IECC
$HCWU_{2006}$ = Heating, Cooling, and Water heating energy Usage using the 2006 IECC

Energy cost savings are calculated using the Energy Information Administration's calendar year 2011 consumer price data for electricity ($0.118/kWh) and natural gas ($1.08/therm).

It is necessary to convert electric (kWh) and natural gas (Therm) energy usage into Btu's in order to determine the site and source energy usage. The site to source multipliers to obtain source Btu's are 3.365 for electricity and 1.092 for natural gas (Hendron 2008).

Table 3: Itemized 2012 IECC Incremental Construction Cost over 2006 IECC

Affected Climate Zone(s)	Item	Code Requirement		Cost			Source
		2006 IECC	2012 IECC	Unit Cost	Unit	Per House	
1,2	Air Sealing	N/R	5 ACH 50	$ 0.26	sq ft floor	$ 610	ASHRAE 1481 RP
3,4,5,6,7,8	Air Sealing	N/R	3 ACH 50	$ 0.41	sq ft floor	$ 955	ASHRAE 1481 RP
ALL	Blower Door Testing	N/R	Required	$ 165	per house	$ 165	Southface
2,3	Ceiling Insulation	R-30	R-38	$ 0.25	sq ft attic	$ 441	ASHRAE 1481 RP
4,5	Ceiling Insulation	R-38	R-49	$ 0.53	sq ft attic	$ 941	ASHRAE 1481 RP
ALL	High Efficacy Lighting	10% (base)	75%	$ 1.00	% cfl	$ 65	Local Survey
ALL	Duct Sealing	15% (base)	4cfm/100sf	$ 800	per house	$ 800	Building America
ALL	Duct Testing	N/R	Required	$ 165	per house	$ 165	Southface
7,8	Floor Insulation	R-30	R-38	$ 0.72	sq ft floor	$ 1,282	ASHRAE 1481 RP
1, 2	Mass Wall	R-3	R-4	$ 0.10	sq ft wall	$ 258	ASHRAE 1481 RP
5	Mass Wall	R-13	R-17	$ 0.41	sq ft wall	$ 1,060	ASHRAE 1481 RP
ALL	Mechanical Ventilation	N/R	Required	$ 382	per house	$ 382	Russell (2005)
ALL	Prog Thermostat	N/R	Required	$ 25	per house	$ 25	Local Survey
ALL	R-3 Plumbing	N/R	R-3	$ 1,034	per house	$ 1,034	NAHB RC (2010)
3,4	Wall- Above Grade	R-13	R-20	$ 1.33	sq ft AG wall	$ 3,433	ASHRAE 1481 RP
5	Wall- Above Grade	R-19	R-20	$ 0.20	sq ft AG wall	$ 516	ASHRAE 1481 RP
6	Wall- Above Grade	R-19	R-20+5	$ 1.52	sq ft AG wall	$ 3,927	ASHRAE 1481 RP
7,8	Wall- Above Grade	R-21	R-20+5	$ 1.32	sq ft AG wall	$ 3,403	ASHRAE 1481 RP
3 (northern 1/2)	Wall- Basement	N/R	R-10	$ 1.87	sq ft BM wall	$ 2,932	ASHRAE 1481 RP
5,6,7,8	Wall- Basement	R-10	R-15	$ 1.05	sq ft BM wall	$ 1,644	ASHRAE 1481 RP
5,6,7,8	Wall- Crawl Space	R-10	R-15	$ 1.05	sq ft CS wall	$ 822	ASHRAE 1481 RP
1	Window	U-1.2	U-0.5	$ 2.86	sq ft window	$ 1,108	ASHRAE 90.1 ENV
	SHGC	0.40	0.25				
2	Window	U-0.75	U-0.4	$ 2.00	sq ft window	$ 774	Paquette (2010)
	SHGC	0.40	0.25				
3	Window	U-0.65	U-0.35	$ 2.50	sq ft window	$ 968	Paquette (2010)
	SHGC	0.4	0.25				
4	Window	U-0.4	U-0.35	$ 0.50	sq ft window	$ 194	Paquette (2010)
	SHGC	NR	0.40				
5,6,7,8	Window	U-0.35	U-0.32	$ 0.45	sq ft window	$ 174	ASHRAE 90.1 ENV
	SHGC	NR	NR				

Table 4: 2012 IECC Incremental Construction Cost over 2006 IECC

Climate Zone/City	Incremental Construction Cost
1 Miami	$4,521
2 Phoenix	$4,499
3 Memphis	$8,871
4 Baltimore	$8,072
5 Chicago	$5,872
6 Helena	$8,734
7 Duluth	$8,403
8 Fairbanks	$8,403
National Weighted Average	**$7,034**

Table 5: Annual Energy Usage for House Built to the 2006 and 2012 IECC

Location		kWh	Therms	Site MBtu	Source MBtu	Energy Cost
Zone 1 Miami	TEU_{2006}	19,267	25	68.2	223.9	$ 2,300
	TEU_{2012}	15,296	24	54.6	178.2	$ 1,831
	$HCWU_{2006}$	10,919	23	39.6	127.9	$ 1,313
Zone 2 Phoenix	TEU_{2006}	20,782	118	82.7	251.5	$ 2,580
	TEU_{2012}	16,292	94	65.0	197.3	$ 2,024
	$HCWU_{2006}$	12,289	115	53.4	153.6	$ 1,574
Zone 3 Memphis	TEU_{2006}	18,855	440	108.3	264.5	$ 2,700
	TEU_{2012}	14,049	287	76.6	192.6	$ 1,967
	$HCWU_{2006}$	10,415	434	79.0	167.0	$ 1,698
Zone 4 Baltimore	TEU_{2006}	16,527	766	133.0	273.4	$ 2,777
	TEU_{2012}	13,302	537	99.1	211.4	$ 2,150
	$HCWU_{2006}$	7,340	757	100.8	167.0	$ 1,684
Zone 5 Chicago	TEU_{2006}	15,413	1,224	175.0	310.6	$ 3,141
	TEU_{2012}	12,436	875	129.9	238.3	$ 2,412
	$HCWU_{2006}$	6,051	1,222	142.9	202.9	$ 2,034
Zone 6 Helena	TEU_{2006}	12,316	1,496	191.6	304.7	$ 3,069
	TEU_{2012}	10,251	1,085	143.5	236.2	$ 2,382
	$HCWU_{2006}$	2,318	1,482	156.1	188.5	$ 1,874
Zone 7 Duluth	TEU_{2006}	11,238	2,271	265.4	377.0	$ 3,779
	TEU_{2012}	9,394	1,567	188.8	279.0	$ 2,801
	$HCWU_{2006}$	1,261	2,257	230.0	260.9	$ 2,586
Zone 8 Fairbanks	TEU_{2006}	11,432	2,999	338.9	458.8	$ 4,588
	TEU_{2012}	9,547	2,112	243.8	340.3	$ 3,408
	$HCWU_{2006}$	1,455	2,985	303.5	342.7	$ 3,396

		kWh	Therms	Site MBtu	Source MBtu	Cost
National Weighted Average	TEU_{2006}	17,499	715	131.2	279.0	$ 2,837
	TEU_{2012}	13,723	505	97.3	212.7	$ 2,164
	$HCWU_{2006}$	8,537	710	100.1	175.6	$ 1,774

Calculated Energy Savings

Energy savings are presented in three formats: 1) percent of site energy savings; 2) percent of source energy savings; and 3) percent of energy cost savings. Percent savings in Table 6 were calculated using a formula consistent with the PNNL/DOE presentation in various forums including the 2010 RESNET Conference (Taylor 2010):

$$\% \text{ Savings} = 100*(TEU_{2006} - TEU_{2012})/HCWU_{2006}$$

Table 6: 2012 IECC Energy Savings above the 2006 IECC

Climate Zone	Site Btu Savings	Source Btu Savings	Energy Cost Savings
1	34.5%	35.8%	35.8%
2	33.3%	35.3%	35.3%
3	40.1%	43.0%	43.1%
4	33.6%	37.1%	37.2%
5	31.6%	35.6%	35.8%
6	30.8%	36.3%	36.6%
7	33.3%	37.6%	37.8%
8	31.3%	34.6%	34.8%
National Weighted Average	**33.9%**	**37.8%**	**37.9%**

Cost Effectiveness

While various cost effectiveness evaluation criteria can be used, this analysis employs the simple payback method. The simple payback analysis is easy to understand and it does not make future assumptions such as general inflation rates, life expectancy of building components, or fuel escalation rates. Table 6 summarizes the energy cost savings, construction cost, and resulting simple payback for each climate zone by climate zone and a weighted national average.

The simple paybacks in Table 7 are based on an overall average for all changes in the 2012 IECC relative to a 2006 IECC baseline. Consequently, some changes result in shorter paybacks than the average simple payback and some in longer paybacks. This analysis did not calculate the individual payback period for each modification to the 2012 IECC.

Table 7: 2012 IECC Cost Effectiveness Relative to 2006 IECC

Climate Zone	Annual Energy Savings	Incremental Construction Cost	Simple Payback (yrs)
1	$470	$4,521	9.6
2	$556	$4,499	8.1
3	$732	$8,871	12.1
4	$627	$8,072	12.9
5	$728	$5,872	8.1
6	$687	$8,734	12.7
7	$978	$8,403	8.6
8	$1,180	$8,403	7.1
National Weighted Average	**$673**	**$7,034**	**10.4**

Cost Effectiveness Using a 2009 IECC Baseline

The above analysis focused on construction costs and energy reduction associated with the 2012 IECC relative to a 2006 IECC baseline; however, it is important to understand that cost effectiveness decreases as energy requirements become more stringent, presuming the codes advance in a rational manner. Decreasing cost effectiveness becomes evident when comparing a defined code edition to varying baselines.

An analysis was performed using the same methodology comparing the 2006 IECC to the 2009 IECC (NAHB Research Center 2012-2). When code comparison results of the 2009 IECC analysis are compared with this analysis; the resulting difference in both energy savings and incremental cost are listed in Table 8. A national average incremental simple payback of 13.3 years was calculated when going from the 2009 IECC to the 2012 IECC as compared to the 10.4 years when using the 2006 IECC baseline, thus decreasing the cost effectiveness when evaluating the payback over the latest code cycle.

Table 8: 2012 IECC Cost Effectiveness Relative to 2009 IECC

Climate Zone	Annual Energy Savings	Incremental Construction Cost	Simple Payback (yrs)
1	$206	$3,224	15.7
2	$294	$3,330	11.3
3	$470	$7,203	15.3
4	$410	$7,091	17.3
5	$505	$4,653	9.2
6	$397	$6,399	16.1
7	$609	$6,465	10.6
8	$725	$6,465	8.9
National Weighted Average	**$427**	**$5,668**	**13.3**

Conclusions

The energy savings calculation methodology used in this analysis provides detailed incremental construction cost, energy cost savings, percent energy savings, and a simple payback cost effectiveness analysis. The national average percent energy cost savings for the 2012 IECC over the 2006 IECC baseline is 37.9 percent (site energy savings 33.9 percent; source energy savings 37.8 percent). This result is significantly higher than many estimates which simply accept the 2012 IECC as 30 percent more efficient than the 2006 IECC.

The additional cost to construct to the 2012 IECC relative to the 2006 IECC is $7,034 with the majority of the increase ($5,668) associated with the changes between the 2009 and 2012 versions of the IECC.

Incremental simple payback from the 2006 to the 2012 IECC is 10.4 years; however, if the analysis only considers changes made from the 2009 edition of the IECC, the payback for adopting the 2012 IECC increases to 13.3 years.

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Appendix A: Prescriptive Requirements for 2006 IECC

2006 Internation Energy Conservation Code

Climate Zone	Fenestration U-Factor	Skylight U-Factor	Glazed b Fenestration SHGC	Ceiling R-Value	Wood Frame Wall R-Value	Mass Wall R-Value	Floor R-Value	Basement c Wall R-Value	Slab d R-Value & Depth	Crawl c Space Wall R-Value
1	1.20	0.75	0.40	30	13	3	13	0	0	0
2	0.75	0.75	0.40	30	13	4	13	0	0	0
3	0.65	0.65	0.40 e	30	13	5	19	0	0	5/13
4 Less Marine	0.40	0.60	NR	38	13	5	19	10/13	10/2	10/13
5 & 4 Marine	0.35	0.60	NR	38	19 or 13+5 g	13	30 f	10/13	10/2	10/13
6	0.35	0.60	NR	49	19 or 13+5 g	15	30 f	10/13	10/2	10/13
7 & 8	0.35	0.60	NR	49	21	19	30 f	10/13	10/2	10/13

R-Values are mins. U-Factors are max. R19 permitted in 2x6 cavity

b Applies to all Fenestration

c First is continuous, second is framing cavity

d R-5 shall be added to slab edge for heated slabs

e No SHGC for Marine zones

f Or insulation to fill the framing cavity, R-19 minimum

g First is cavity, second is sheathing

Appendix B: Prescriptive Requirements for 2009 IECC

2009 Internation Energy Conservation Code

Climate Zone	Fenestration U-Factor	Skylight U-Factor	Glazed b,e Fenestration SHGC	Ceiling R-Value	Wood Frame Wall R-Value	Mass Wall i R-Value	Floor R-Value	Basement c Wall R-Value	Slab d R-Value & Depth	Crawl c Space Wall R-Value
1	1.20	0.75	0.30	30	13	3/4	13	0	0	0
2	0.65 j	0.75	0.30	30	13	4/6	13	0	0	0
3	0.50 j	0.65	0.30	30	13	5/8	19	5/13 f	0	5/13
4 Less Marine	0.35	0.60	NR	38	13	5/10	19	10/13	10/2	10/13
5 & 4 Marine	0.35	0.60	NR	38	20 or 13+5 h	13/17	30 g	10/13	10/2	10/13
6	0.35	0.60	NR	49	20 or 13+5 h	15/19	30 g	15/19	10/2	10/13
7 & 8	0.35	0.60	NR	49	21	19/21	38 g	15/19	10/2	10/13

Highlighted cells represent modifications to the 2006 IECC

b Applies to all Fenestration
c First is continuous, second is framing cavity
d R-5 shall be added to slab edge for heated slabs
e No SHGC for Marine zones
f Not required in warm humid locations per table 301.1
g Or insulation to fill the framing cavity, R-19 minimum
h First is cavity, second is sheathing
i Second value applies when more than half the insulation is on the interior
j For impact Rated - U-Factors shall be 0.75 for zone 2 and 0.65 for 3

Appendix C: Prescriptive Requirements for 2012 IECC

2012 Internation Energy Conservation Code

Climate Zone	Fenestration U-Factor b	Skylight U-Factor b	Glazed b,e Fenestration SHGC	Ceiling R-Value	Wood Frame Wall R-Value	Mass Wall i R-Value	Floor R-Value	Basement c Wall R-Value	Slab d R-Value & Depth	Crawl c Space Wall R-Value
1	0.50	0.75	0.25	30	13	3/4	13	0	0	0
2	0.40	0.65	0.25	38	13	4/6	13	0	0	0
3	0.35	0.55	0.25	38	20 or 13+5 h	8/13	19	5/13 f	0	5/13
4 Less Marine	0.35	0.55	0.40	49	20 or 13+5 h	8/13	19	10/13	10/2	10/13
5 & 4 Marine	0.32	0.55	NR	49	20 or 13+5 h	13/17	30 g	15/19	10/2	15/19
6	0.32	0.55	NR	49	20+5 or 13+10 h	15/20	30 g	15/19	10/4	15/19
7 & 8	0.32	0.55	NR	49	20+5 or 13+10 h	19/21	38 g	15/19	10/4	15/19

2009 Alteration
2012 Alteration

b Applies to all Fenestration
c First is continuous, second is framing cavity
d R-5 shall be added to slab edge for heated slabs
e No SHGC for Marine zones
f Not required in warm humid locations per table 301.1
g Or insulation to fill the framing cavity, R-19 minimum
h First is cavity, second is sheathing
i Second value applies when more than half the insulation is on the interior
j ~~For impact Rated - U-Factors shall be 0.75 for zone 2 and 0.65 for 3~~

Appendix D: Itemized Climate-Specific Incremental Construction Costs 2006-2012 IECC

Climate Zone 1, Light Frame and Mass Walls

Framed Walls	Cost		Code Requirement		Foundation Distribution					
35%	Unit Cost	Unit	2006 IECC	2012 IECC	0% Conditioned Basement	0% Conditioned Crawlspace	90% Slab on Grade	0% Unconditioned Basement	10% Vented Crawlspace	Cost Source
Window U-Factor	$ 2.86	sq ft window	1.20	0.50						
SHGC			0.40	0.25			$ 1,108		$ 1,108	ASHRAE 90.1 Env
Ceilings			0.035	0.035						
Frame Walls			0.082	0.082						
Mass Wall			N/A	N/A						
Floors			0.064	0.064						
Bsmt Walls			0.360	0.360						
Slab			0	0						
Crawl Wall			0.477	0.477						
CFL	$ 1.00	% cfl	10% (base)	75%						
Ducts	$ 800	per house	15% (base)	4cfm/100sf			$ 65		$ 65	Local Survey
Blower Door	$ 165	per house	N/R	Required			$ 800		$ 800	Building America
Air Sealing	$ 0.26	sq ft floor	N/R	5 ACH 50			$ 165		$ 165	Southface
Mechanical Ventilation	$ 382	per house	N/R	Required			$ 610		$ 610	ASHRAE 1481 RP
Duct Blaster	$ 165	per house	N/R	Required			$ 382		$ 382	Russell (2005)
R-3 Plumbing	$ 1,034	per house	N/R	R-3			$ 165		$ 165	Southface
Prog Thermostat	$ 25	per house	N/R	Required			$ 1,034		$ 1,034	NAHB RC (2010)
Incremental Cost							$ 25		$ 25	Local Survey
							$ 4,354		$ 4,354	$ 4,354

Mass Walls	Cost		Code Requirement		Foundation Distribution					
65%	Unit Cost	Unit	2006 IECC	2012 IECC	0% Conditioned Basement	0% Conditioned Crawlspace	90% Slab on Grade	0% Unconditioned Basement	10% Vented Crawlspace	Cost Source
Window U-Factor	$ 2.86	sq ft window	1.20	0.50						
SHGC			0.40	0.25			$ 1,108		$ 1,108	ASHRAE 90.1 Env
Ceilings			0.035	0.035						
Frame Walls			N/A	N/A						
Mass Wall	$ 0.10	sq ft wall	R-3	R-4						
Floors			0.064	0.064			$ 258		$ 258	ASHRAE 1481 RP
Bsmt Walls			0.360	0.360						
Slab			0	0						
CFL	$ 1.00	% cfl	10% (base)	75%						
Ducts	$ 800	per house	15% (base)	4cfm/100sf			$ 65		$ 65	Local Survey
Blower Door	$ 165	per house	N/R	Required			$ 800		$ 800	Building America
Air Sealing	$ 0.26	sq ft floor	N/R	5 ACH 50			$ 165		$ 165	Southface
Mechanical Ventilation	$ 382	per house	N/R	Required			$ 610		$ 610	ASHRAE 1481 RP
Duct Blaster	$ 165	per house	N/R	Required			$ 382		$ 382	Russell (2005)
R-3 Plumbing	$ 1,034		N/R	R-3			$ 165		$ 165	Southface
Prog Thermostat	$ 25	per house	N/R	Required			$ 1,034		$ 1,034	NAHB RC (2010)
Incremental Cost							$ 25		$ 25	Local Survey
							$ 4,612		$ 4,612	$ 4,612

Climate Zone 1 Weighted Average Incremental Cost= $ 4,521

Climate Zone 2, Light Frame and Mass Walls

Framed Walls	Cost		Code Requirement		Foundation Distribution					
					0%	0%	90%	0%	10%	Cost Source
85%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement	Conditioned Crawlspace	Slab on Grade	Unconditioned Basement	Vented Crawlspace	
Window U-Factor	$ 2.00	sq ft window	0.75	0.40			$ 774		$ 774	Paquette (2010)
SHGC			0.40	0.25						
Ceilings	$ 0.25	sq ft attic	0.035	0.030			$ 441		$ 441	ASHRAE 1481 RP
Frame Walls			0.082	0.082						
Mass Wall			N/A	N/A						
Floors			0.064	0.064						
Bsmt Walls			0.360	0.360						
Slab			0	0						
Crawl Wall			0.477	0.477						
CFL	$ 1.00	% cfl	10%	75%			$ 65		$ 65	Local Survey
Ducts	$ 800	per house	15.0%	4cfm/100sf			$ 800		$ 800	Building America
Blower Door	$ 165	per house	N/R	Required			$ 165		$ 165	Southface
Air Sealing	$ 0.26	sq ft floor	N/R	5 ACH:50			$ 610		$ 610	ASHRAE 1481 RP
Mechanical Ventilation	$ 382	per house	N/R	Required			$ 382		$ 382	Russell (2005)
Duct Blaster	$ 165	per house	N/R	Required			$ 165		$ 165	Southface
R-3 Plumbing	$ 1,034		N/R	R-3			$ 1,034		$ 1,034	NAHB RC (2010)
Prog Thermostat	$ 25	per house	N/R	Required			$ 25		$ 25	Local Survey
Incremental Cost							$ 4,460		$ 4,460	$ 4,460

Mass Walls	Cost		Code Requirement		Foundation Distribution					
					0%	0%	90%	0%	10%	Cost Source
15%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement	Conditioned Crawlspace	Slab on Grade	Unconditioned Basement	Vented Crawlspace	
Window U-Factor	$ 2.00	sq ft window	0.75	0.40			$ 774		$ 774	Paquette (2010)
SHGC			0.40	0.25						
Ceilings	$ 0.25	sq ft attic	0.035	0.030			$ 441		$ 441	ASHRAE 1481 RP
Frame Walls			N/A	N/A						
Mass Wall	$ 0.10	sq ft wall	R-3	R-4			$ 258		$ 258	ASHRAE 1481 RP
Floors			0.064	0.064						
Bsmt Walls			0.360	0.360						
Slab			0	0						
Crawl Wall			0.477	0.477						
CFL	$ 1.00	% cfl	10% (est)	75%			$ 65		$ 65	Local Survey
Ducts	$ 800	per house	15.0%	4cfm/100sf			$ 800		$ 800	Building America
Blower Door	$ 165	per house	N/R	Required			$ 165		$ 165	Southface
Air Sealing	$ 0.26	sq ft floor	N/R	5 ACH:50			$ 610		$ 610	ASHRAE 1481 RP
Mechanical Ventilation	$ 382	per house	N/R	Required			$ 382		$ 382	Russell (2005)
Duct Blaster	$ 165	per house	N/R	Required			$ 165		$ 165	Southface
R-3 Plumbing	$ 1,034	per house	N/R	R-3			$ 1,034		$ 1,034	NAHB RC (2010)
Prog Thermostat	$ 25	per house	N/R	Required			$ 25		$ 25	Local Survey
Incremental Cost							$ 4,718		$ 4,718	$ 4,718

Climate Zone 2 Weighted Average Incremental Costs	$ 4,499

Climate Zones 3 and 4

Framed Walls	Cost		Code Requirement		Foundation Distribution																				
					0%		0%		75%		15%		10%												
100%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement		Conditioned Crawlspace		Slab on Grade		Unconditioned Basement		Vented Crawlspace												Cost Source
Window U-Facto	$ 2.50	sq ft window	0.65	0.35							$ 968		$ 968												Paquette (2010)
SHGC			0.40 e	0.25																					
Ceilings	$ 0.25	sq ft attic	0.035	0.030							$ 441		$ 441												ASHRAE 1481 RP
Frame Walls	$ 1.33	sq ft wall	0.082	0.057							$ 3,433		$ 3,433												ASHRAE 1481 RP
Mass Wall			N/A	N/A																					
Floors			0.047	0.047																					
Bsmt Walls	$1.87	sq ft base w	0.360	0.091																					
Slab			0	0									$ 2,932												ASHRAE 1481 RP
Crawl Wall			0.136	0.136																					
CFL	$ 1.00	% cfl	10% (base)	75%																					
Ducts	$ 800	per house	15% (base)	4cfm/100sf							$ 65		$ 65												Local Survey
Blower Door	$ 165	per house	N/R	Required							$ 800		$ 800												Building America
Mechanical Ventilation	$ 382	per house	N/R	Required							$ 165		$ 165												Southface
Air Sealing	$ 0.41	sq ft floor	N/R	3 ACH 50							$ 382		$ 382												Russell (2005)
Duct Blaster	$ 165	per house	N/R	Required							$ 955		$ 955												ASHRAE 1481 RP
R-3 Plumbing	$ 1,034	per house	N/R	R-3							$ 165		$ 165												Southface
Prog Thermostat	$ 25	per house	N/R	Required							$ 1,034		$ 1,034												NAHB RC (2010)
Incremental Cost											$ 25		$ 25												Local Survey
											$ 8,431		$ 11,363												$ 8,871

Climate Zone 3 Weighted Average Incremental Costs	$ 8,871

Framed Walls	Cost		Code Requirement		Foundation Distribution																				
					35%		0%		25%		20%		20%												
100%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement		Conditioned Crawlspace		Slab on Grade		Unconditioned Basement		Vented Crawlspace												Cost Source
Window U-Facto	$ 0.50	sq ft window	0.40	0.35		$ 194		$ 194		$ 194		$ 194		$ 194											Paquette (2010)
SHGC			N/R	0.40																					
Ceilings	$ 0.53	sq ft attic	0.030	0.026		$ 941				$ 941		$ 941		$ 941											ASHRAE 1481 RP
Frame Walls	$ 1.33	sq ft wall	0.082	0.057		$ 3,433				$ 3,433		$ 3,433		$ 3,433											ASHRAE 1481 RP
Mass Wall			N/A	N/A																					
Floors			0.047	0.047																					
Bsmt Walls			0.059	0.059																					
Slab			10\2	10\2																					
Crawl Wall			0.065	0.065																					
CFL	$ 1.00	% cfl	10% (base)	75%		$ 65				$ 65		$ 65		$ 65											Local Survey
Ducts	$ 800	per house	15% (base)	4cfm/100sf		NR				$ 800		$ 800		$ 800											Building America
Blower Door	$ 165	per house	N/R	Required		$ 165				$ 165		$ 165		$ 165											Southface
Mechanical Ventilation	$ 382	per house	N/R	Required		$ 382				$ 382		$ 382		$ 382											Russell (2005)
Air Sealing	$ 0.41	sq ft floor	N/R	3 ACH 50		$ 1,676				$ 955		$ 955		$ 955											ASHRAE 1481 RP
Duct Blaster	$ 165	per house	N/R	Required		NR				$ 165		$ 165		$ 165											Southface
R-3 Plumbing	$ 1,034		N/R	R-3		$ 1,034				$ 1,034		$ 1,034		$ 1,034											NAHB RC (2010)
Prog Thermostat	$ 25	per house	N/R	Required		$ 25				$ 25		$ 25		$ 25											Local Survey
Incremental Cost						$ 7,913				$ 8,157		$ 8,157		$ 8,157											$ 8,072

Climate Zone 4 Weighted Average Incremental Costs	$ 8,072

Climate Zone 5, Light Frame and Mass Walls

Framed Walls	Cost		Code Requirement		Foundation Distribution					
					45%	5%	10%	35%	5%	Cost Source
95%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement	Conditioned Crawlspace	Slab on Grade	Unconditioned Basement	Vented Crawlspace	
Window U-Facto	$ 0.45	sq ft window	0.35	0.32	$ 174	$ 174	$ 174	$ 174	$ 174	ASHRAE 90.1 Env
SHGC			N/R	N/R						
Ceilings	$ 0.53	sq ft attic	0.030	0.026	$ 941	$ 941	$ 941	$ 941	$ 941	ASHRAE 1481 RP
Frame Walls	$ 0.20	sq ft wall	0.060	0.057	$ 516	$ 516	$ 516	$ 516	$ 516	ASHRAE 1481 RP
Mass Wall			N/A	N/A						
Floors			0.033	0.033						
Bsmt Walls	$ 1.05	sq ft base wl	0.059	0.050	$ 1,644					ASHRAE 1481 RP
Slab			10\2	10\2						
Crawl Wall	$ 1.05	sq ft base wl	0.065	0.055		$ 822				ASHRAE 1481 RP
CFL	$ 1.00	% cfl	10% (base)	75%	$ 65	$ 65	$ 65	$ 65	$ 65	Local Survey
Ducts	$ 800	per house	15% (base)	4cfm/100sf	NR	NR	$ 800	$ 800	$ 800	Building America
Blower Door	$ 165	per house	N/R	Required	$ 165	$ 165	$ 165	$ 165	$ 165	Southface
Mechanical Ventilation	$ 382	per house	N/R	Required	$ 382	$ 382	$ 382	$ 382	$ 382	Russell (2005)
Air Sealing	$ 0.41	sq ft floor	N/R	3 ACH 50	$ 1,676	$ 955	$ 955	$ 955	$ 955	ASHRAE 1481 RP
Duct Blaster	$ 165	per house	N/R	Required	NR	NR	$ 165	$ 165	$ 165	Southface
R-3 Plumbing	$ 1,034	per house	N/R	R-3	$ 1,034	$ 1,034	$ 1,034	$ 1,034	$ 1,034	NAHB RC (2010)
Prog Thermostat	$ 25	per house	N/R	Required	$ 25	$ 25	$ 25	$ 25	$ 25	Local Survey
Incremental Cost					$ 6,621	$ 5,079	$ 5,221	$ 5,221	$ 5,221	$ 5,844

Mass Walls	Cost		Code Requirement		Foundation Distribution					
					45%	5%	10%	35%	5%	Cost Source
5%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement	Conditioned Crawlspace	Slab on Grade	Unconditioned Basement	Vented Crawlspace	
Window U-Facto	$ 0.45	sq ft window	0.35	0.32	$ 174	$ 174	$ 174	$ 174	$ 174	ASHRAE 90.1 Env
SHGC			N/R	N/R						
Ceilings	$ 0.53	sq ft attic	0.030	0.026	$ 941	$ 941	$ 941	$ 941	$ 941	ASHRAE 1481 RP
Frame Walls	$ 0.20	sq ft wall	N/A	N/A						ASHRAE 1481 RP
Mass Wall	$ 0.41	per house	R-13	R-17	$ 1,060	$ 1,060	$ 1,060	$ 1,060	$ 1,060	ASHRAE 1481 RP
Floors			0.033	0.033						
Bsmt Walls	$ 1.05	sq ft base wl	0.059	0.050	$ 1,644					ASHRAE 1481 RP
Slab			10\2	10\2						
Crawl Wall	$ 1.05	sq ft base wl	0.065	0.055		$ 822				ASHRAE 1481 RP
CFL	$ 1.00	% cfl	10% (base)	75%	$ 65	$ 65	$ 65	$ 65	$ 65	Local Survey
Ducts	$ 800	per house	15% (base)	4cfm/100sf	NR	NR	$ 800	$ 800	$ 800	Building America
Blower Door	$ 165	per house	N/R	Required	$ 165	$ 165	$ 165	$ 165	$ 165	Southface
Mechanical Ventilation	$ 382	per house	N/R	Required	$ 382	$ 382	$ 382	$ 382	$ 382	Russell (2005)
Air Sealing	$ 0.41	sq ft floor	N/R	3 ACH 50	$ 1,676	$ 955	$ 955	$ 955	$ 955	ASHRAE 1481 RP
Duct Blaster	$ 165	per house	N/R	Required	NR	NR	$ 165	$ 165	$ 165	Southface
R-3 Plumbing	$ 1,034	per house	N/R	R-3	$ 1,034	$ 1,034	$ 1,034	$ 1,034	$ 1,034	NAHB RC (2010)
Prog Thermostat	$ 25	per house	N/R	Required	$ 25	$ 25	$ 25	$ 25	$ 25	Local Survey
Incremental Cost					$ 7,166	$ 5,623	$ 5,766	$ 5,766	$ 5,766	$ 6,389

Climate Zone 5 Weighted Average Incremental Cost $ 5,872

Climate Zones 6, 7 and 8

Framed Walls	Cost		Code Requirement		75%	5%	5%	10%	5%	Cost Source
100%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement	Conditioned Crawlspace	Slab on Grade	Unconditioned Basement	Vented Crawlspace	
Window U-Facto	$ 0.45	sq ft window	0.35	0.32	$ 174	$ 174	$ 174	$ 174	$ 174	ASHRAE 90.1 Env
SHGC			N/R	N/R						
Ceilings			0.026	0.026						
Frame Walls	$ 1.52	sq ft of wall	0.060	0.048	$ 3,927	$ 3,927	$ 3,927	$ 3,927	$ 3,927	ASHRAE 1481 RP
Mass Wall			N/A	N/A						
Floors			0.033	0.033						
Bsmt Walls	$ 1.05	sq ft base w	0.059	0.050	$ 1,644					
Slab			10\4	10\4						
Crawl Wall	$ 1.05	sq ft base w	0.065	0.055						
CFL	$ 1.00	% cfl	10% (base)	75%	$ 65	$ 822	$ 65	$ 65	$ 65	ASHRAE 1481 RP
Ducts	$ 800	per house	15% (base)	4cfm/100sf	NR	$ 65	$ 800	$ 800	$ 800	Local Survey
Blower Door	$ 165	per house	N/R	Required	$ 165	NR	$ 165	$ 165	$ 165	Building America
Mechanical Ventilation	$ 382	per house	N/R	Required	$ 382	$ 165	$ 382	$ 382	$ 382	Southface
Air Sealing	$ 0.41	sq ft floor	N/R	3 ACH 50	$ 1,676	$ 382	$ 955	$ 955	$ 955	Russell (2005)
Duct Blaster	$ 165	per house	N/R	Required	NR	$ 955	NR	$ 165	$ 165	ASHRAE 1481 RP
R-3 Plumbing	$ 1,034	per house	N/R	R-3	$ 1,034	$ 1,034	$ 1,034	$ 1,034	$ 1,034	Southface
Prog Thermostat	$ 25	per house	N/R	Required	$ 25	$ 25	$ 25	$ 25	$ 25	NAHB RC (2010)
Incremental Cost					$ 9,091	$ 7,548	$ 7,691	$ 7,691	$ 7,691	Local Survey
										$ 8,734

Climate Zone 6 Weighted Average Incremental Cost= $ 8,734

Framed Walls	Cost		Code Requirement		Foundation Distribution					
					75%	5%	5%	10%	5%	Cost Source
100%	Unit Cost	Unit	2006 IECC	2012 IECC	Conditioned Basement	Conditioned Crawlspace	Slab on Grade	Unconditioned Basement	Vented Crawlspace	
Window U-Facto	$ 0.45	sq ft window	0.35	0.32	$ 174	$ 174	$ 174	$ 174	$ 174	ASHRAE 90.1 Env
SHGC			N/R	N/R						
Ceilings			0.026	0.026						
Frame Walls	$ 1.32	sq ft of wall	0.057	0.048	$ 3,403	$ 3,403	$ 3,403	$ 3,403	$ 3,403	ASHRAE 1481 RP
Mass Wall			N/A	N/A						
Floors	$ 0.72	sq ft floor	0.033	0.028						
Bsmt Walls	$ 1.05	sq ft base w	0.059	0.050	$ 1,644			$ 1,282	$ 1,282	ASHRAE 1481 RP
Slab			10\4	10\4						ASHRAE 1481 RP
Crawl Wall	$ 1.05	sq ft base w	0.065	0.055						
CFL	$ 1.00	% cfl	10% (base)	75%	$ 65	$ 822				
Ducts	$ 800	per house	15% (base)	4cfm/100sf	NR	$ 65	$ 65	$ 65	$ 65	ASHRAE 1481 RP
Blower Door	$ 165	per house	N/R	Required	$ 165	NR	$ 800	$ 800	$ 800	Local Survey
Mechanical Ventilation	$ 382	per house	N/R	Required	$ 382	$ 165	$ 165	$ 165	$ 165	Building America
Air Sealing	$ 0.41	sq ft floor	N/R	3 ACH 50	$ 1,676	$ 382	$ 382	$ 382	$ 382	Southface
Duct Blaster	$ 165	per house	N/R	Required	NR	$ 955	$ 955	$ 955	$ 955	Russell (2005)
R-3 Plumbing	$ 1,034	per house	N/R	R-3	$ 1,034	$ 1,034	$ 165	$ 165	$ 165	ASHRAE 1481 RP
Prog Thermostat	$ 25	per house	N/R	Required	$ 25	$ 25	$ 1,034	$ 1,034	$ 1,034	Southface
Incremental Cost					$ 8,568	$ 7,025	$ 25	$ 25	$ 25	NAHB RC (2010)
							$ 7,168	$ 8,449	$ 8,449	Local Survey
										$ 8,403

Climate Zones 7 & 8 Weighted Average Incremental Cost= $ 8,403

Coconino County Cost Analysis:
2006 International Energy Conservation Code
2012 International Energy Conservation Code

Prepared by
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Coconino County Sustainable Building Program
with support from:
Coconino County Building Division
Local Building Professionals

Coconino County Community Development
2500 N. Fort Valley Rd., Building 1
Flagstaff, AZ 86001

June 13, 2013

Introduction

To better understand the financial implications of Coconino County adoption of the 2012 International Energy Conservation Code (IECC), Coconino County Community Development has prepared the following cost estimate. This estimate compares the increased local construction costs associated with compliance with the 2012 IECC over the construction costs associated with compliance with the 2006 IECC. The objective of this document is to outline, item-by-item, the increased costs to builders, and ultimately consumers associated with a forthcoming Coconino County adoption of the 2012 IECC.

Process

This document was produced by the Coconino County Sustainable Building Program in support of Coconino County Building Division's code adoption process. The data for this estimate was collected from the *Craftsman 2013 National Construction Estimator* and from surveys of local building materials and services providers. The Building Division at Coconino County and the Coconino County Sustainable Building Program Citizens' Advisory Committee have reviewed and provided feedback through the development of this document.

This document also seeks to replicate, at a local level, the efforts of NAHB in their 2012 IECC Cost Effectiveness Analysis. NAHB's 2012 IECC Cost Effectiveness Analysis provides a basis for both national and regional comparison to the figures of a Coconino County estimate.

Next Steps

To further refine this document and provide the most accurate information, we will invite review and comment from the Northern Arizona Building Association. As a community of active building experts, building businesses and industry leaders, NABA's feedback will ensure that this cost estimation is up-to-date and accurate for the local community.

Going forward, the Coconino County Sustainable Building Program hopes to work with community partners to estimate the change in mortgage rates with the added costs of 2012 IECC adoption to provide an estimated payback period that also includes utility savings for a localized evaluation on the return on investment.

Notes:

1: Local estimation is based on 2,000sf home with window area 15% (216sf) of wall area (1440sf).

2012 IECC Cost Estimation: Coconino County / Flagstaff

	Cost		Cost Increase		Source
2012 IECC Requirement	**2012 IECC**	**2006 IECC**	**per unit**	**2,000 sf house**	
R-20 2x6 wall insulation		**R-19**		**1440sf**	
R-21, Kraft-faced, 16" OC	$0.93/sf	$0.70/sf	$0.23/sf	$331	Craftsman Construction Estimator
R-21, Kraft-faced, 24" OC	$0.86/sf	$0.68/sf	$0.18/sf	$259	Craftsman Construction Estimator
R-21 Cellulose	$0.55/sf	$0.50/sf	$0.05/sf	$72	Craftsman Construction Estimator
Unfaced batts R-21	$0.62/sf	$0.45/sf	$0.07/sf	$100	Banker Insulation
R-20.5 Cellulose	$0.71/sf				Banker Insulation
Avg Local Increase				**$191**	
R-13+5 2x4 wall insulation				**1440sf**	
R-13, Kraft-faced, 16" OC	$0.48/sf	$0.48/sf			Craftsman Construction Estimator
R-13, Kraft-faced, 24" OC	$0.51/sf	$0.51/sf			Craftsman Construction Estimator
R-13 Batt	$0.37/sf	$0.37/sf			Banker Insulation
R-13 Cellulose	$0.38/sf	$0.38/sf			Craftsman Construction Estimator
R-5 Insulation Board	$0.86/sf	$0.86/sf			Craftsman Construction Estimator
R-49 Ceiling/roof insulation		**R-38**		**2000sf**	
R-30 + R-19, Kraft-faced, 24" OC	$1.68/sf ($1.00+$0.68	$1.21/sf	$0.47/sf	$940	Craftsman Construction Estimator
R-38 + R-11, Kraft-faced, 16" OC	$1.77/sf ($1.22+0.55)	$1.22/sf	$0.55/sf	$1,100	Craftsman Construction Estimator
R-30 + R-19	$1.16/sf	$0.52/sf	$0.64/sf	$680	Banker Insulation
R-49 Cellulose	$0.72/sf	$0.52/sf	$0.20/sf	$403	Banker Insulation
R-49 Spray Foam	$4.47/sf	$3.59/sf	$0.88/sf	$1,754	Banker Insulation
Avg Local Increase				**$780[a]**	
Window fenestration U.32	**<U.32**	**U.35**			
3-0 x 5-0, slider		$278			Local Survey
3-0 x 5-0, casement	$281		$3 ($.20/sf)	$43	Local Survey
4-0 x 2-0, awning	$100	$83	$17 ($2.125/sf)	$459	Local Survey
5-0 x 4-0, slider	$162	$133	$29 ($1.45/sf)	$313	Local Survey
6-0 x 8-0, patio	$675	$652	$23 ($0.48/sf)	$104	Local Survey
Avg Local Increase				**$230**	
Hot water pipe insulation R-3				**(150 pipe ft)**	
1/2", R-3.2	$2.84/lf		$2.84/lf	$426	Pex Supply
3/4", R-3.1	$2.93/lf		$2.93/lf	$440	Pex Supply
Avg Local Increase				**$866**	
Blower Door Testing/Duct Testing					
E3 Energy, LLC	$550 - $750/test		$550 - $750/house	$550 - $750	E3 Energy, LLC
Avg Local Increase				**$650**	
High efficacy lighting					
CFL(estimate does not include use of LED)				$50	NAHB Analysis
Avg Local Increase				**$50**	
Fresh Air Kit					
Fresh Air Kit	$150			$150	Local Survey
Avg Local Increase				**$150**	
Insulated Attic Hatches					
Gasketing, insulation, etc				$50	Local Survey
Avg Local Increase				**$50**	
Programmable thermostat					
Programmable thermostat	$25/per house		$25/per house	$25	Local Survey
Avg Local Increase				**$25**	
Whole house mechanical ventilation					
HRV	$750 - $1,000			$750 - $1000	Local Survey
Ventilation	$100			$100	Local Survey
Avg Local Increase				**$582**	
Raised heel trusses					
Western Truss Raised heel trusses	$4866.12/pkg			$773.65/pkg	Local Survey
Western Truss Standard trusses		$4092.47/pkg			
Avg Local Increase				**$774**	
		Price increase @ 2,000 sf		**$4,348**	

a : Spray foam not included in avg.

BCAP Dedicated to the adoption, implementation, and advancement of building energy codes

Salt Lake City Residents Buying 2012 IECC Homes Will Save Thousands

An Analysis of Homeowner Profit after Paying Incremental Construction Costs for New Single Family Homes Meeting the Building Energy Code

HIGHLIGHTS

- **Energy savings of $29 - $30 each month, more than three times incremental mortgage payment.**
- **Break-even on additional down payment and incremental mortgage payment in 17 – 22 months.**
- **Energy cost savings are estimated at between $347 and $361 per year, depending on the exterior wall type used by builders.**
- **2012 IECC home owners pocket $6,926 - $7,800 in net profits over mortgage term.**

SUMMARY

Salt Lake City residents buying new single family homes meeting the 2012 International Energy Conservation Code (IECC) will pocket between $6,926 to $7,800 in net energy savings over a 30 year mortgage term, according to an analysis of energy savings and incremental construction costs by the Building Codes Assistance Project and ICF, International.

The energy savings from the 2012 code are enough to pay back the buyer's additional down payment and incremental mortgage cost in approximately 17 to 22 months (*sooner if the homebuyer puts less than 20% down*). **After that date, the owner continues to pocket between $245 and $273 in estimated profit annually—money that would otherwise go to pay higher utility bills.** These net savings will be even greater if energy costs rise over the next 30 years.

This report assesses energy savings and incremental construction costs of new, 2,400 square foot single family homes in Salt Lake City that meet the latest model energy code, the 2012 IECC, compared to the current code in effect, the 2006 IECC. Specifically, this analysis finds an average new home meeting the 2012 IECC will cost an additional $1,926 to $2,215 over the construction costs of meeting the current energy code. Energy cost savings are estimated at between $347 and $361 per year, depending on the exterior wall type used by builders.

Stated differently**, monthly utility bill savings to the homeowner are more than three times as much as the additional mortgage payment needed to cover the added first-cost of energy saving features required by the 2012 code.**

ENERGY SAVINGS AND CONSTRUCTION COST METHODOLOGY

To calculate energy savings and incremental construction costs, this analysis defined a "typical" single family house to represent new residential development in Salt Lake City. The home modeled is two stories in height, with exterior dimensions of 30 by 40 feet with wood-framed walls and a full basement foundation. This size and foundation type is based on regional construction practices. The home size modeled is 2,400 square feet—which is also the approximate size of the average new home built nationwide.

For the purposes of this analysis we assume a baseline home that meets the requirements of the 2006 IECC, which is the city's current code. Although some leading builders are already meeting or exceeding many elements of the 2012 IECC already, for purposes of this analysis we assume a baseline home that

exactly meets the requirements of the 2006 IECC. Also, although we err on the side of good building practice, in an effort to be conservative we have included some incremental costs that may not be necessary. For instance, although it is a good building practice for builders to install conventional "hard ducted" return air ducts, some builders may be using joist cavities (panned floor or enclosed interior wall cavities) in lieu of conventional "hard ducted," metal or other return ducts. In an effort to anticipate this possible cost (and others) for some builders, we include the incremental costs of upgrading to hard ducted return ducts, which are required in the 2012 IECC.

Using the 2,400 square foot model home as a baseline, we calculated incremental costs by identifying the building components that would have to be upgraded from the current 2006 IECC, according to the prescriptive requirements in the 2012 IECC. These changes include increased ceiling insulation from R-38 to R-49 blown-in insulation, a window upgrade to meet a lower U-factor, improved house air sealing and testing, insulating hot water pipes, increasing the percentage of compact florescent bulbs in hard-wired fixtures from 0 to 75 percent, a bathroom vent fan upgrade, upgrading from panned to "hard ducted" return ducts, sealing and insulating the attic hatch, and upgrading to programmable thermostats. Additionally, meeting the latest code will require an upgrade of basement insulation from R-10 to R-15.

Energy savings were modeled by ICF International (ICFI), an international energy consulting firm with extensive experience in the use of hourly building energy simulation software to estimate energy performance and energy savings of alternative building codes and design concepts. Although the values included in the analysis represent a careful, independent technical judgment by ICFI staff, it should be kept in mind that – like any such analysis – the results depend on a number of assumptions about the physical features of a typical new home, operating practices, energy prices, and other factors.

Both the existing 2006 IECC and the new 2012 IECC codes allow a builder to choose among a number of alternatives to comply with the code. In this case, ICFI conservatively chose to compare the results from the prescriptive path of each version of the code. ICFI uses BeaconTM, an hourly simulation model that utilizes DOE-2 or EnergyPlus, and summarizes building performance in terms of estimated annual energy costs, based on long-term average weather conditions in a given climate zone (city), DOE/EIA state level energy costs. ICFI also estimates energy consumption by end-use, fuel type, electricity peak demand, and air conditioner size in each prototype home. More details of the modeling assumptions used in this analysis are available on request.

INCREMENTAL COSTS

To estimate incremental costs, we rely on construction costs from the well-regarded *2011 RS Means Contractor's Pricing Guide* to approximate actual costs of new home construction. This resource is known to be conservative and is useful for this analysis because all estimated construction costs are inclusive of material costs, labor, and contractor overhead and profit.[1]

Attic Insulation

Among other changes, the 2012 IECC requires builders to upgrade blown-in ceiling (attic) insulation from R-38 to R-49, which is estimated by RS Means to cost an additional $399 per new home. Builders will also need to make window upgrades to meet the 2012 IECC. To meet the improved U- factors for the 2012 IECC (.32 from .35). This added cost is conservatively estimated by the Efficient Windows Collaborative (EWC) as no more than $1.00 per square foot of window area. It is important to note that many builders may

[1] RS Means also includes a location factor, which provides an estimate of local costs as a percentage of RS Means national average estimates. For this analysis, the location factor is 81%, indicating that construction costs in Salt Lake City are approximately 19% lower than the national average.

already install windows that already meet the 2012 IECC slightly-improved requirements, but in an effort to be conservative (and strictly compare the two codes) this analysis assumes that builders are currently using the least-cost window to meet existing code requirements.[2] Total window incremental costs are estimated as $357.

Whole House Air Leakage

Additionally, we estimate that the additional required air sealing in the 2012 IECC and the required whole house air leakage (commonly known as "blower door") and duct leakage testing will add about $350 per new home.[3] Because the resulting home will have fewer air and duct leaks to the outside, ventilation will have to be improved, a cost we estimate at $180 for upgrading one bathroom vent fan to a unit with an Energy Star rating along with the installation of an automatic control which is set to automatically exhaust indoor air.[4]

Hot Water Distribution Lines

An additional 2012 IECC code change will require builders to insulate hot water distribution lines to kitchens. We believe the cost impact of this change is small, as R-3 insulation costs less than 50 cents per linear foot and most insulation products can be "clipped" around supply pipes after the plumbing rough-in.[5] As a result, this cost is estimated at $100 per new home. Builders will also have to install high-efficiency lights in 75 percent of hard-wired fixtures, up from 10 percent in the 2006 IECC. Usually, this requirement is met with compact florescent lights (CFLs). Our analysis estimates that the upgrade of 75 percent of fixtures will cost no more than $50. Builders will also have to upgrade conventional thermostats to programmable thermostats, a cost which is estimated as $50.

Sealing and Insulate Attic Hatch

To meet the 2012 IECC we also estimate an additional $100 to seal and insulate the attic hatch. This cost varies by home, and depends on whether or not attic access is achieved through a wall opening (such as a door) or via an overhead pull-down stair, or simple hatch. For wall openings, cost is expected to be much lower, as builders can simply adhere surplus insulation to the unconditioned side of the door. For attic pull-down stairs, builders can place a variety of kits over stair hatch, but costs are higher. Prior analysis for pull-down stair insulation and sealing completed in conjunction with the Home Builders Association (HBA) of South Carolina estimated this cost to be $100—an estimate which has also been used in this analysis in an effort to default to the most conservative option.

Hard Ducted Returns

For builders that are currently using "panned" floor joists as return air ducts, meeting the 2012 IECC will require an upgrade to conventional "hard ducted" returns in basement ceilings. Many builders already use conventional ducts as returns, but this cost has been included in this analysis regardless. Calculating the cost change between panned and conventional ducts is challenging, as panned ducts are not priced in RS Means and many construction cost sources. After consulting with HVAC contractors, who indicated the

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[2] As a result, many builders will be able to reduce or avoid incremental costs for better windows.

[3] $350 is a commonly used as an expected air sealing and testing cost for new single-family detached homes nationwide.

[4] Ventilation system and costs are described in an August 2005 report from Lawrence Berkeley National Laboratory "Review of Residential Ventilation Technologies." Although the costs of these components have decreased in recent years, the 2005 estimate ($180 per new home) is quoted in this analysis.

[5] It is difficult to determine what combination of redesign, resizing, and/or partial insulation of hot water lines would be done in a typical new home. Insulating distribution lines to the kitchen and very long runs would add costs while downsizing lines would reduce costs; in any case we believe the net effect would be small.

cost of panned ducts was roughly half of conventional ducts, incremental costs are estimated in this analysis as one-half of cost of flexible return ducts. We believe this cost is reasonable due to the significant amount of labor required for panned ducts, as contractors must screw sheet metal between two adjacent joists and seal the edges with mastic. RS Means estimates the installed cost of flexible, non-insulated, 6" diameter flexible ducts at $4.58 per linear foot.[6] As such, the cost to upgrade ducts is estimated at $2.29 per linear foot, or $139 for the estimated 75 feet of return duct which some builders will have to upgrade under the 2012 IECC.

Interior Basement Insulation

Additionally, many builders will have to upgrade the interior basement insulation. According to local building experts, most builders currently meet the 2009 IECC by installing basement wall fiberglass batt insulation to the inside of basement walls. To meet the 2012 code, these builders will have to upgrade from R-10 to R-15 batts. R-15 Hanging batts are not priced in RS Means and calls to local building suppliers yielded only the cost R-19 hanging insulation, which is priced at an additional $0.18 per square foot. Although the R-15 insulation should be less expensive than the quoted R-19, the $0.18 cost per square foot is used in this analysis, which adds $202 in incremental costs.

Exterior Walls

Finally, some builders may have to make a small upgrade to exterior walls. The 2006 IECC requires new home walls to meet R-19 or R-13+5, while the 2012 IECC requires either R-20 or R-13+5. For builders who already build R13+5 walls, the code does not require a change, and these builders will not incur any additional incremental costs. However, for builders currently meeting the 2006 code with R-19 walls (a 2 x 6 framed wall with R-19 fiberglass batts) they will have to upgrade batt insulation slightly, to an R-20 high density fiberglass batt, a cost which is estimated by RS Means as 15 cents per square foot of wall area. This cost, as well as all other estimated incremental costs are summarized in a **Table 1**, below.

Table 1: Salt Lake City 2012 IECC Incremental Costs

Building Component	Total Area	Incremental Cost/Square Ft	Total	Location Factor	Adjusted Total
Ceiling Insulation Upgrade from R-38 to R-49 (both blown-in)	1,200	$0.41	$ 492.00	81%	$399
1st Floor Panned Return Ducts Upgraded to Flexible Ducts	75 linear ft	$2.29/lf	$ 171.75	81%	$139
Basement Wall Insulation Upgrade from R-10 to R-15 (R-19)	1,120	$0.18	$ 201.60	N/A	$202
Upgrade Windows from U-.35 to U-.32	357	$1.00	$ 357.00	N/A	$357
Increased Air Sealing and Testing	N/A	N/A	N/A	N/A	$350
Insulating Hot Water Pipes	N/A	N/A	N/A	N/A	$100
75% CFLs in hardwired fixtures	N/A	N/A	N/A	N/A	$ 50
Upgrade to Programmable Thermostats	N/A	N/A	N/A	N/A	$ 50
Bathroom Vent Fan Upgrade and Addition of Automatic Timer	N/A	N/A	N/A	N/A	$180
Sealing/Insulating Attic Hatch	N/A	N/A	N/A	N/A	$100
Upgrade R-19 walls to R-20 with high density fiberglass batts (R-13+5 walls exempted from this cost)	2,380	$0.15	$357	81%	$289
Incremental Cost (R-13+5 Walls) $1,926 OR					
Incremental Cost (2 x 6 Walls - includes R-19 to R-20 insulation cost) $2,215					

[6] Less expensive duct options are available, but this product matches the modeling assumptions used by ICFI.

ENERGY COST SAVINGS

According to the model used in this analysis, **upgrading to the 2012 IECC will result in significant energy cost savings for Salt Lake City homeowners , resulting in savings of between $347 and $361 per year,** depending on the type of exterior wall type builders select. In energy modeling simulations, R13+5 walls perform slightly better than R-20 walls, saving an additional $14 per year. It is noteworthy that these savings assume constant energy prices; if energy prices continue to rise consistent with historical trends, savings will be greater in future years.

MORTGAGE PAYBACK FOR HOMEOWNERS

Homebuyers will be able to include the incremental first-costs of meeting the 2012 IECC in their mortgage, while benefiting from lower utility bills starting on day one. With estimated energy cost savings of between $347 and $361 per year, monthly utility bill savings are more than three times as much as the additional mortgage payment needed to cover the added first-cost of energy saving features required by the 2012 code.

This cash-flow difference is enough to pay back the buyer's added down payment in approximately 17 to 22 months (or sooner if the loan allows a down payment below 20%). After that date, the owner continues to realize a profit of at least $245 annually due to lower utility bills – and even more if energy prices increase.

This payback analysis assumes that homebuyers purchase a new home with 20% down at the current nationwide interest rate of 4.03 percent. This scenario would result in an increased down payment of between $385 to $443 with an additional mortgage cost of $7 or $8 per month. Taking into account energy savings and lower utility bills, a cash flow analysis indicates that the homebuyer would break even within as little as 17 months. After that break-even date, **homeowners would continue to save between $245 and $273 annually,** after additional mortgage costs are subtracted from energy savings. Homebuyers with a lower down payment—such as 5 or 10 percent—will realize payback more quickly. Mortgage payback to homeowners is presented below in Table 2, below.

Table 2: Mortgage Payback for Homebuyers by Exterior Wall Type

Exterior Wall Type	Incremental Costs	Energy Savings/ Year and Month per home	Down Payment Increase (and Mortgage Increase per Month)	Breakeven Point	Annual Profit for Homeowner after Breakeven Point
R-13+5 Walls	$1,926	$361/year ($30/month)	$385 (plus $7/month)	**17 months**	**$273**
R-20 Walls, Studs 16" on center	$2,215	$347/year ($29/month)	$443 (plus $8/month)	**22 months**	**$245**

CONCLUSIONS

- As estimated in this analysis, incremental costs for new 2,400 square foot homes built to the 2012 IECC in Salt Lake City total $1,926 to $2,215 per new home.
- Annual energy savings for Salt Lake City homeowners attributable to the 2012 IECC range from $347 to $361, depending on which exterior wall type builders select.
- Assuming a conservative 20% down payment, new home buyers will break even on their initial investment in as few as 17 months and no more than 22 months after purchase.

About BCAP

As an independent judge of the efficacy of energy codes, BCAP strives to use data to address energy code barriers, including the real or perceived construction costs incurred by code changes. To address concern in the building community that upgrading to the latest version of the residential energy code, the 2012 IECC, will result in cost prohibitive increases in construction cost for new single-family homes, BCAP has completed a nationwide incremental cost analysis as well as analysis for states on demand. Funding for this work is provided by the Environmental Protection Agency, the Department of Energy, and the National Association of State Energy Officials.

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RESOLUTION NO. 2013-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK ENTITLED THE *"(VERSION A-2009 / VERSION B-2012) ENERGY CODE AND THE 2013 AMENDMENTS TO CITY CODE / (VERSION A-2009/VERSION B-2012) ENERGY CODE, TITLE 4, BUILDING REGULATIONS"* AND PROVIDING FOR AMENDMENTS, ADDITIONS AND DELETIONS THERETO

ENACTMENTS:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

That certain document entitled ***"(VERSION A-2009 / VERSION B-2012) ENERGY CODE AND THE 2013 AMENDMENTS TO CITY CODE / (VERSION A-2009/VERSION B-2012) ENERGY CODE, TITLE 4, BUILDING REGULATIONS"*** three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk.

PASSED AND ADOPTED by the City of Flagstaff Council and approved by the Mayor of the City of Flagstaff this 16th day of July, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

EXHIBIT ‘A’

2013 AMENDMENTS TO FLAGSTAFF CITY CODE - 2009 ENERGY CONSERVATION CODE, TITLE 4, BUILDING CODE

CHAPTER 4-09

INTERNATIONAL ENERGY CONSERVATION CODE

Sections:

4-09-001-0001 **AMENDMENTS, ADDITIONS, AND DELETIONS**

Section 4-09-001-0001 Amendments, Additions, and Deletions

The following provisions shall have the effect of either amending, adding to, or deleting from the International Energy Conservation Code adopted in Flagstaff City Code, Title 4, Building Regulations, Chapter 4-01, Administrative Enactments, Section 4-01-001-0002, Adoption.

Chapter 1, ADMINISTRATION

Amend Sections R101.2 and C101.2 Scope by adding:

Exception: Group R-2 occupancies to be able to comply with either the residential or commercial requirements of the Energy Code.

CHAPTER 4, RESIDENTIAL ENERGY EFFICIENCY

Add the following amendments to Chapter 4:

Amend Section 402.1.1 by adding:

Insulation values in 2x6 wall construction will remain the same at R-19.

Exception: Insulation values in existing 2x4 wall construction will remain at R-15 (high density).

(Amended Ord. No. 2011-12, July 19, 2011)

Amend Section 402.1.3.1 Window Fenestration

All new construction and replacement windows to have National Fenestration Rating Council (NFRC) total unit U-factor of 0.45 or less. Windows shall also be low-E where practical (not recommended for southern exposures) or not being used for solar heat gain to fuel a solar massing device. (Amended Ord. No. 2011-12, July 19, 2011)

~~Amend Section 403 by adding:~~

~~Section 403.1.2 All new construction and replacement heating units (optional for hydronic in floor heating systems) will have Programmable thermostats.~~

(Amended Ord. No. 2011-12, July 19, 2011)

Section 403.7 Furnaces: All furnaces installed in new construction shall be 90% condensing type furnaces.

Exception: Replacement furnaces are to be voluntarily 90% condensing type furnaces.

(Amended Ord. No. 2011-12, July 19, 2011)

~~Section 403.8 Water heaters shall either be insulated using exterior "jackets" or for "Energy Star" or energy conservation rated appliance that have pre-installed insulation. The insulation information must be available on the appliance installed at the time of final inspection. A minimum total insulation value of R-16 must be achieved. (This applies to new installation or replacements.)~~

~~Exception: The R-16 is not required when the existing room size prohibits the larger sized water heater and the Manufacturer's listing prohibits the use of insulation jackets.~~

~~(Amended Ord. No. 2011-12, July 19, 2011)~~

~~Section 403.9 A carbon monoxide (CO) detector shall be installed at the house/garage entry door and within each utility room where combustion appliances are used (sealed combustion appliances are exempt). A laundry room which uses gas appliances would require a detector.~~

Section 403.10 All hot water supply lines (both ½" and ¾") will be insulated with a minimum of R3.6 wrap insulation; or ½" foam covers. All joints between sections of insulation will be snuggly butted together and wrapped with duct tape.

Section 403.11 All newly installed toilets must be "high efficiency toilets" (HET) units which have a maximum of 1.3 gallons for solids. (Special attention to this change needs to be addressed by suppliers and home improvement centers which stock the older style units).

~~Section 403.13 A construction waste reduction/reuse plan will be written and provided at the time of building permit submittal for new construction of all new commercial projects (apartments and condominiums), townhouse subdivisions and or single family detached builders who submit for more than 15 permits within a subdivision during any one calendar year. The plan must address construction waste to include cardboard, drywall, foam, metal, concrete, masonry and asphalt.~~

~~Section 403.14 All appliances, refrigerators, freezers, washers, dryers, cook stoves, that are supplied by the contractor shall be Energy Star.~~

(Amended Ord. No. 2011-12, July 19, 2011)

~~Amend Chapter 4 by adding Section 405.~~

~~Section 405 Best Practices: The following items are recommended but not required in all new residential construction.~~

~~Section 405.1: *Future Solar Water Heater.* All new residential construction shall be built so as to accommodate a future installation of a solar water tank. Ceilings within the water heater compartment shall be a minimum 8 foot in height. Either insulated plumbing for standard inter-connect to a roof mounted system will be pre-plumbed or adequately sized chase/access panel provided between the water heater compartment and the attic space will be installed.~~

~~Exception: Single story single family dwellings.~~

~~Section 405.2: *Future Solar Photovoltaic.* All new residential construction shall be supplied with a minimum ¾ inch electrical conduit, with a pull wire, for the future installation of a solar photovoltaic system. The conduit shall be run from the inside of an accessible attic crawl space to the electrical service entrance section.~~

~~Section 405.3: *Future Alternative Energy Systems. (Wind Turbines or geo-thermal):* Working drawings prepared by the owner builder, contractor, draftsperson or design professional should indicate possible location of expansion to accept alternative energy systems. This can be demonstration by indicating location of future accessory service panels for electrical systems or expansion capability of mechanical rooms for boilers and control systems.~~

~~Section 405.4: *Voluntary Sustainability Programs.* This allows the voluntary use of LEED, Coconino county sustainable checklist, National Green Building Standard, NAHB 2008, ICC 700-2008. This allows the builder or property owner to participate in sustainable programs that are not listed in the International Energy Conservation Code, 2006 edition.~~

~~Section 405.5: *Jump Ducts.* Provide an air balancing device between adjoining rooms to allow equalization of air pressure and temperatures between rooms.~~

~~Section 405.6: *Exterior Wall Insulation.* Contractor to increase R-19 to R-24 insulation using high density or spray applied foam insulation in exterior framed walls.~~

~~Section 405.7: *Protection of Cold Water Supply Lines.* Add R-19 insulation to water supply lines that are exposed in crawl spaces.~~

~~Section 405.6: Lighting. At the time of final inspection, the builder, contractor, or owner may install compact fluorescent lights (CFLs), other fluorescent, LEDs or other energy efficient lighting equivalent to or better than fluorescents in the high use areas for new construction. High use areas are typically defined as kitchens, living room, family room, and dining area. Specialty type lighting fixtures shall be of a low wattage or low voltage type.~~

~~Exception: Specialty lighting (chandeliers and under counter halogen lights) may be used in living rooms, dining rooms and kitchens. Recessed spot lights will use CFL's or LED's and reostats must be rated for their use.~~

~~Section 405.7: Wood floors in new construction may have an insulation value of R-30.~~

~~Section 405.8: Insulation in contact with the ground may be extruded polystyrene of other foam products other than expanded polystyrene.~~

~~Section 405.9: Hot water re-circulating pumps are to have a programmable timer, an on/off switch, and ¾ inch foam pipe insulation.~~

Section N1105.10 Dual Plumbing. All new residential single family detached units are "voluntarily" requested to install the piping only for dual plumbed for "gray water" disposal and conservation efforts. Access for future valving must be provided and the initial installation will be connected to sanitary sewer. The piping shall be installed in accordance Appendix C, Gray Water Recycling Systems, of the International Plumbing Code, 2009 Edition, and the regulations established by ADEQ. Reference Type 1 General Permit Best Management Practices for the 13 points of using gray water, at www.adeq.state.az.us or call at 1-800-234-5677.)

(Amended Ord. No. 2011-12, July 19, 2011)

CHAPTER 5 COMMERCIAL ENERGY EFFICIENCY

Amend Chapter 5 by deleting Sections 505.6.1 through 505.6.2 and replace with:

City of Flagstaff has an exterior lighting permit requirement, enforces a "Dark Sky Ordinance" and requires review by zoning enforcement and the Project Management Section prior to installation. Lumen calculations are required and amounts are limited by property size and use.

(Amended Ord. No. 2007-47, 12/18/2007; Amended Ord. 2007-48, 01/15/2008; Amended Ord. No. 2009-06, 07/18/2009; Amended Ord. No. 2011-12, July 19, 2011)

2013 AMENDMENTS TO FLAGSTAFF CITY CODE – 2012 ENERGY CONSERVATION CODE, TITLE 4, BUILDING CODE

CHAPTER 4-09

INTERNATIONAL ENERGY CONSERVATION CODE

Sections:

4-09-001-0001 **AMENDMENTS, ADDITIONS, AND DELETIONS**

Section 4-09-001-0001 Amendments, Additions, and Deletions

The following provisions shall have the effect of either amending, adding to, or deleting from the International Energy Conservation Code adopted in Flagstaff City Code, Title 4, Building Regulations, Chapter 4-01, Administrative Enactments, Section 4-01-001-0002, Adoption.

Chapter 1, ADMINISTRATION

Amend Sections R101.2 and C101.2 Scope by adding:

Exception: Group R-2 occupancies to be able to comply with either the residential or commercial requirements of the Energy Code.

CHAPTER 4, RESIDENTIAL ENERGY EFFICIENCY

Add the following amendments to Chapter 4:

Amend Section 402.1.1 by adding:

~~Insulation values in 2x6 wall construction will remain the same at R-19.~~

Exception: Insulation values in existing 2x4 wall construction will remain at R-15 (high density).

(Amended Ord. No. 2011-12, July 19, 2011)

Amend Section 402.1.3.1 Window Fenestration

All new construction and replacement windows to have National Fenestration Rating Council (NFRC) total unit U-factor of 0.45 or less. Windows shall also be low-E where practical (not recommended for southern exposures) or not being used for solar heat gain to fuel a solar massing device. (Amended Ord. No. 2011-12, July 19, 2011)

Amend Section R402.2.1, Ceilings with Attic Spaces by changing the 5th sentence to read;

"Similarly, R-30 shall be deemed to satisfy the requirement for R-49 wherever the insulation extends over the wall top plate at the eaves.

~~Amend Section 403 by adding:~~

~~Section 403.1.2 All new construction and replacement heating units (optional for hydronic in-floor heating systems) will have Programmable thermostats.~~

(Amended Ord. No. 2011-12, July 19, 2011)

Amend Section R402.4.1.2 Testing by deleting it in its entirety.

Amend Sections R403.5 and R403.5.2 by deleting them in their entirety.

Section 403.7 Furnaces: All furnaces installed in new construction shall be 90% condensing type furnaces.

Exception: Replacement furnaces are to be voluntarily 90% condensing type furnaces.

(Amended Ord. No. 2011-12, July 19, 2011)

~~Section 403.8 Water heaters shall either be insulated using exterior "jackets" or for "Energy Star" or energy conservation rated appliance that have pre-installed insulation. The insulation information must be available on the appliance installed at the time of final inspection. A minimum total insulation value of R-16 must be achieved. (This applies to new installation or replacements.)~~

~~Exception: The R-16 is not required when the existing room size prohibits the larger sized water heater and the Manufacturer's listing prohibits the use of insulation jackets.~~

~~(Amended Ord. No. 2011-12, July 19, 2011)~~

~~Section 403.9 A carbon monoxide (CO) detector shall be installed at the house/garage entry door and within each utility room where combustion appliances are used (sealed combustion appliances are exempt). A laundry room which uses gas appliances would require a detector.~~

~~Section 403.10 All hot water supply lines (both ½" and ¾") will be insulated with a minimum of R3.6 wrap insulation; or ½" foam covers. All joints between sections of insulation will be snuggly butted together and wrapped with duct tape.~~

Section 403.11 All newly installed toilets must be "high efficiency toilets" (HET) units which have a maximum of 1.3 gallons for solids. (Special attention to this change needs to be addressed by suppliers and home improvement centers which stock the older style units).

~~Section 403.13 A construction waste reduction/reuse plan will be written and provided at the time of building permit submittal for new construction of all new commercial projects (apartments and condominiums), townhouse subdivisions and or single family detached builders who submit for more than 15 permits within a subdivision during any one calendar year. The plan must address construction waste to include cardboard, drywall, foam, metal, concrete, masonry and asphalt.~~

~~Section 403.14 All appliances, refrigerators, freezers, washers, dryers, cook stoves, that are supplied by the contractor shall be Energy Star.~~

(Amended Ord. No. 2011-12, July 19, 2011)

~~Amend Chapter 4 by adding Section 405.~~

~~Section 405 Best Practices: The following items are recommended but not required in all new residential construction.~~

~~Section 405.1: *Future Solar Water Heater.* All new residential construction shall be built so as to accommodate a future installation of a solar water tank. Ceilings within the water heater compartment shall be a minimum 8 foot in height. Either insulated plumbing for standard inter-connect to a roof mounted system will be pre-plumbed or adequately sized chase/access panel provided between the water heater compartment and the attic space will be installed.~~

~~Exception: Single story single family dwellings.~~

~~Section 405.2: *Future Solar Photovoltaic.* All new residential construction shall be supplied with a minimum ¾ inch electrical conduit, with a pull wire, for the future installation of a solar photovoltaic system. The conduit shall be run from the inside of an accessible attic crawl space to the electrical service entrance section.~~

~~Section 405.3: *Future Alternative Energy Systems. (Wind Turbines or geo-thermal):* Working drawings prepared by the owner builder, contractor, draftsperson or design professional should indicate possible location of expansion to accept alternative energy systems. This can be demonstration by indicating location of future accessory service panels for electrical systems or expansion capability of mechanical rooms for boilers and control systems.~~

~~Section 405.4: *Voluntary Sustainability Programs.* This allows the voluntary use of LEED, Coconino county sustainable checklist, National Green Building Standard, NAHB 2008, ICC 700-2008. This allows the builder or property owner to participate in sustainable programs that are not listed in the International Energy Conservation Code, 2006 edition.~~

~~Section 405.5: *Jump Ducts.* Provide an air balancing device between adjoining rooms to allow equalization of air pressure and temperatures between rooms.~~

~~Section 405.6: *Exterior Wall Insulation.* Contractor to increase R-19 to R-24 insulation using high density or spray applied foam insulation in exterior framed walls.~~

~~Section 405.7: *Protection of Cold Water Supply Lines.* Add R-19 insulation to water supply lines that are exposed in crawl spaces.~~

~~Section 405.6: Lighting. At the time of final inspection, the builder, contractor, or owner may install compact fluorescent lights (CFLs), other fluorescent, LEDs or other energy efficient lighting equivalent to or~~

~~better than fluorescents in the high use areas for new construction. High use areas are typically defined as kitchens, living room, family room, and dining area. Specialty type lighting fixtures shall be of a low wattage or low voltage type.~~

~~Exception: Specialty lighting (chandeliers and under counter halogen lights) may be used in living rooms, dining rooms and kitchens. Recessed spot lights will use CFL's or LED's and reostats must be rated for their use.~~

~~Section 405.7: Wood floors in new construction may have an insulation value of R-30.~~

~~Section 405.8: Insulation in contact with the ground may be extruded polystyrene of other foam products other than expanded polystyrene.~~

~~Section 405.9: Hot water re-circulating pumps are to have a programmable timer, an on/off switch, and ¾ inch foam pipe insulation.~~

Section N1105.10 Dual Plumbing. All new residential single family detached units are "voluntarily" requested to install the piping only for dual plumbed for "gray water" disposal and conservation efforts. Access for future valving must be provided and the initial installation will be connected to sanitary sewer. The piping shall be installed in accordance Appendix C, Gray Water Recycling Systems, of the International Plumbing Code, 2009 Edition, and the regulations established by ADEQ. Reference Type 1 General Permit Best Management Practices for the 13 points of using gray water, at www.adeq.state.az.us or call at 1-800-234-5677.)

(Amended Ord. No. 2011-12, July 19, 2011)

CHAPTER 5 COMMERCIAL ENERGY EFFICIENCY

Amend Chapter 5 by deleting Sections 505.6.1 through 505.6.2 and replace with:

City of Flagstaff has an exterior lighting permit requirement, enforces a "Dark Sky Ordinance" and requires review by zoning enforcement and the Project Management Section prior to installation. Lumen calculations are required and amounts are limited by property size and use.

(Amended Ord. No. 2007-47, 12/18/2007; Amended Ord. 2007-48, 01/15/2008; Amended Ord. No. 2009-06, 07/18/2009; Amended Ord. No. 2011-12, July 19, 2011)

ORDINANCE NO. 2013-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, ADOPTING THE *"(VERSION A-2009 / VERSION B-2012) ENERGY CODE AND THE 2013 AMENDMENTS TO CITY CODE / (VERSION A-2009/VERSION B-2012) ENERGY CODE, TITLE 4, BUILDING REGULATIONS",* BY REFERENCE AND FIXING THE EFFECTIVE DATE THEREOF; REPEALING ALL SECTIONS OF SAID CODE IN CONFLICT WITH THIS ORDINANCE; PRESERVING RIGHTS AND DUTIES THAT HAVE ALREADY MATURED AND PROCEEDINGS THAT HAVE ALREADY BEGUN THEREUNDER AND PROVIDING PENALTIES FOR THE VIOLATION THEREOF

RECITALS:

WHEREAS, that certain document known as the ***"(VERSION A-2009 / VERSION B-2012) Energy Code and the 2013 Amendments to City Code / (VERSION A-2009 / VERSION B-2012) Energy Code, Title 4, Building Regulations"***, the three copies of which are on file in the office of the City Clerk of the City of Flagstaff, Arizona, made a public record by Resolution No. 2013-20; and

WHEREAS, the City Council has determined that adoption of the ***"(VERSION A-2009 / VERSION B-2012) Energy Code and the 2013 Amendments to City Code / (VERSION A-2009/VERSION B-2012) Energy Code, Title 4, Building Regulations"*** is necessary for the issuance of permits and collection of fees pursuant thereto, and for implementing and enforcing each and all of the regulations, provisions, penalties, conditions and terms of an updated Flagstaff Building Code.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED by the Flagstaff City Council as follows:

Section 1: THAT certain document known as the ***"(VERSION A-2009 / VERSION B-2012) Energy Code and the 2013 Amendments to City Code / (VERSION A-2009/VERSION B-2012) Energy Code, Title 4, Building Regulations"***, three copies of which are on file in the office of the City Clerk of the City of Flagstaff, Arizona, which document was made a public record by Resolution No. 2013-20 of the City of Flagstaff, is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance, the provisions thereof to become effective on _____.

Section 2: THAT any person found guilty of violating any provision of this code shall be guilty of a class one misdemeanor. Each day that a violation continues shall be a separate offense punishable as herein above described.

Section 3: THAT the Flagstaff City Code and all ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed, effective as of _____.

Section 4: THAT the repeal of prior ordinances and parts of ordinances reference in Section 3 above does not affect the rights and duties that matured or penalties that were incurred and proceedings that were begun before the effective date of the repeal.

Section 5: THAT if any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

City of Flagstaff 2012 Energy Code

Comparison Charts

Building & Safety Program

Energy Code Comparison

- Comparison of 2006, 2009 and 2012 Energy Code Requirements
- Purpose is to show Council the major differences between each of the Energy Code Editions side by side.

Prescriptive Req. Table 402.1.1

	2006	2009	2012
Certification of R values posted in electrical distribution panel	Yes	Yes	Yes
Climate Zone 5	Yes	Yes	Yes
Ceiling R-value	R-38	R-38	R-49
Wood frame wall R-value (13 = cavity insulation, + R-5 sheathing)	R19 or 13+5	R20 or 13+5	R20 or 13+5
Mass wall R-value (17 applies when > ½ insulation is on interior)	R-13	13/17	13/17
Floor R-value (Minimum R-19 allowed for smaller framing cavities)	R-30	R-30	R-30

Prescriptive Req. cont.

	2006	2009	2012
Basement wall R-value (10 = cont. insul. on interior or exterior of home or 13 cavity insul. at interior of basement wall)	10/13	10/13	15/19
Slab R- Value	10, 2 ft.	10, 2 ft.	10, 2 ft.
Crawl space R - Value	10/13	10/13	15/19
Fenestration U – Factors (windows – fenestrations)	0.35 (City amended to 0.45)	0.35	0.32
Skylights	0.60	0.60	0.55
Specific insulation requirements: (Prescriptive)	R-38 to 30 R-49 to 38 (city allows 2" compression)	R-38 to 30, uncompressed R-49 to 38	R-49 to 38, uncompressed *(Staff recommends R30)*

Additional Requirements cont.

	2006	2009	2012
Cathedral ceilings – no attic (Prescriptive)	R-30	R-30	R–30
Insulation for post-tension slabs (allows vertical to bottom of footing, prescriptive)	R–10	R-10	R-10
Attic hatches and doors (Prescriptive)	No requirement	Weatherstrip and insulate (R-38)	Weatherstrip and insulate (R-38)
Air leakage (Mandatory), Section 402.4 (Thermal envelop, fenestration air leakage, recessed lighting, IC rated can fixtures)	Sealed envelope recessed lighting sealed	Sealed envelope , optional blower door testing, visual insp.	Sealed envelope + blower door testing *(Staff amends out blower door)*
Whole House ventilation	No Requirements	No Requirements	Whole House ventilation fan efficacy. *(Staff amends out)*

Additional Req. cont.

	2006	2009	2012
Mechanical Systems (Mandatory)	1 thermostate /system (amended to programmable)	1 programmable thermostate/ system	1 programmable thermostate/ system
Duct Sealing (Mandatory)	Mastic or approved tape	Sealed + ducts tested	Sealed & tested, some exceptions
Duct insulation (Prescriptive)	R-8 in attics & R-6 in floor trussed	R-8 in attics & R-6 in floor trusses	R-8 in attics & R-6 in floor trusses
Circulating hot water systems; pipe insulation (Mandatory)	R-2 w/manual switch	R-2 w/manual switch	R-3 w/manual switch, specific applications, max. length
Electrical Power & Lighting (Prescriptive)	No Requirements (City amended as best practices)	50% in permanent fixtures high efficacy.	75% in permanent fixtures high efficacy.
Simulated Performance Alternative (Performance)	Yes	Yes	Yes

Additional Amendment item

- Group R-2 occupancies when defined as a commercial building by section C202 shall have the option of complying under the residential provisions of the code, regardless of height. Once defined as such on the submittal documents, all components of the residential provisions shall be followed.

Questions & Discussion

- Next step – return to Council on June 18 for 2nd read of Ord. 2013-12 adopting the 2012 International Codes, except Energy Code, and adopting revisions of 2013 Amendments to City Code Title 4, Building Regulations. ***or***
- July 2, Council has a second read of Ordinance 2013 – 12 adopting the 2012 International Building Codes and 2013 Amendments to City Code Title 4, Building Regulations

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Glorice Pavey, Recreation Supervisor
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Approval of Street Closure(s): 2014 Dew Downtown Flagstaff Urban Ski and Snowboard Festival
Consideration and Approval of Amplification Exception: 2014 Dew Downtown Flagstaff Urban Ski and Snowboard Festival

RECOMMENDED ACTION:

- Approve the street closure at San Francisco Street between Birch Avenue and Dale Avenue on February 6, 2014 at 8:00 pm through February 9, 2014 at 11:59 pm; and
- Approve the street closure at San Francisco Street between Aspen Avenue and Birch Avenue on February 7, 2014 at 6:00 pm through February 9, 2014 at 6:00 am
- Approve the amplification exception (to allow start box commentary, play-by-play commentary) on Sunday, February 9, 2014 between the hours of 8:00 am-12:00 noon.

Policy Decision or Reason for Action:

By approving the Dew Downtown Flagstaff Urban Ski and Snowboard Festival street closure and amplification exception, the City is providing a safe location and promoting economic activity during the traditionally low performing month of February. Subsidiary Decision Points: No subsidiary decision points.

Financial Impact:

The Dew Downtown Flagstaff Urban Snowboard and Ski Festival budget was approved in the FY14 budget and is projected to meet a 100% cost recovery. Street closures change traffic patterns for local businesses and may have the potential to affect sales. Based off of feedback from the 2012 and 2013 event, many businesses reported a significant increase in sales over the 2011 pre-event year. Review of sales tax data for the downtown area showed a comparable increase in sales in February 2012 versus February 2011 and February 2013 versus February 2011, which staff believes could be attributable to the Dew Downtown Flagstaff Urban Snowboard and Ski Festival.

Connection to Council Goal:

Livability through good neighborhoods, affordable housing, and varied recreational activities.

Has There Been Previous Council Decision on This:

City Council approved the street closure for the 2012 and 2013 Dew Downtown Flagstaff Urban Snowboard and Ski Festival. Additionally, City Council approved the amplification exception for the 2013 Dew Downtown Flagstaff Urban Snowboard and Ski Festival.

Options and Alternatives:

1) Deny the request to close the proposed downtown streets and not hold the event
2) Deny the request to approve the amplification exception with play-by-play announcements as part of the special event permit packet

Background/History:

The event features snowboarding and skiing on an urban course in the heart of historic downtown. Snow is packed onto San Francisco Street between Birch and Dales Avenues, allowing skiers and snowboarders the opportunity to complete "tricks" while maneuvering various urban obstacles. The event will run from from 9:00 am - 8:00 pm on Saturday and 8:00 am - 3:00 pm on Sunday.

In addition to the activities on the course, vendors will set up on the street and on the County Courthouse lawn. Types of items sold at the event include food, beer, ski and snowboard related items, and sponsors' wares. The festival component of the event is managed by R Entertainment and has been moved to San Francisco Street between Aspen Avenue and Birch Avenue, contingent on City Council approval. The festival will focus on family-friendly activities and musical entertainment.

In August of 2012, the Dew Downtown Flagstaff Urban Snowboard and Ski Festival received the Arizona Parks and Recreation Association's award for "Most Outstanding Community and Neighborhood Event for a population of 25,000-100,000".

Key Considerations:

Street closures are permitted by Council action under the Special Events rules and regulations. Of note, Cherry Avenue is a two-way street and its closure is allowable under the special event permit guidelines, without requiring the permission of the City Council.

Expanded Financial Considerations:

In 2012, this event drew roughly 10,000 spectators to the downtown area, increasing sales tax revenue. In 2013, despite a blizzard, the event drew comparable numbers. Numerous businesses in the downtown area noted an increase in sales during the weekend of the Dew Downtown Festival. The Dew Downtown Flagstaff Urban Snowboard and Ski Festival has become one of the centerpieces of the WinterFest activities. This event will be advertised throughout Arizona and the Southwestern states.

Community Benefits and Considerations:

This special event is managed by the City of Flagstaff for the threefold purpose of (1) providing an economic stimulus for the community during the traditionally low performing month of February; (2) continue to brand Flagstaff as a four season tourism destination; and (3) provide a family-friendly winter event for all ages.

Community Involvement:

INFORM, CONSULT, and INVOLVE: On June 24, 2013, the City of Flagstaff mailed postcards to residents and businesses in the north downtown area in order to notify them of the public meeting on July 1, 2013 and of the City Council meeting on July 16, 2013. Additionally, door hangers with this information were passed out to north downtown businesses and residents on June 24, 2013. The date and times of the public meeting and City Council meeting were posted in the July issue of the Downtown Newsletter, distributed on June 24, 2013. The Downtown Newsletter is posted on the City of Flagstaff website: www.flagstaff.az.gov/downtown as well as in the Heritage Square downtown kiosk, Main

library facility downtown, City Hall and the Aquaplex.

A public meeting was held on July 1, 2013 and drew between 20-25 people. Comment cards were filled out by attendees (see attachment).

Expanded Options and Alternatives:

1. Deny the request to close the proposed downtown streets

- Pro: No impact to the traffic flow of the north downtown area.
- Con: Economic benefit may not be seen by Flagstaff businesses during a traditionally slow sales period.

2. Deny the request to approve the amplification exception to the special event permit packet

- Pro: No impact to surrounding businesses and residents
- Con: The ability to provide play-by-play commentary for the contestants and to call participants to the starting box for the competition portion of the event would be compromised.

Attachments: Public Meeting Comments
Aspen
Signage

Comments for the Dew Downtown Public Meeting: July 1, 2013 at City Hall:

General comment: In favor! I believe this is an important community event to keep our teen and early 20 year old kids in the area. They need to feel they are a part of an active, growing, fun place to live. I appreciate you offering this event. It brings revenue in tax $ and provides great pleasure.

-Brian Shea

Downtown Business comment: The benefits of this event for the businesses downtown far outweigh the opposition. The City of Flagstaff needs to have activities and fun and they can only reap awards from the Dew Downtown.

-No name

General comment: I think that moving the festival down between Birch and Aspen is a bad idea. From that distance you cannot see what the riders are doing. Solution!! Contact NAU TV production classes and get them to film the event live streamed to a jumbotron on either the courthouse lawn or even to Heritage Square

-David Hilton

Course comment: Having the FJ Cruiser on the course killed the speed and flow. I realize that Toyota is a big sponsor, but not at the cost of rider/spectator enjoyment.

-David Hilton

General comment: I feel that there could be an even greater number of vendors at the event. If there was advertising for directed at vendors, it would help attract more, and stimulate those small businesses. Staying open later at night would also attract more you and college age kids.

-No name

General comment: Different venue: Mars Hill to adult Center (old ski area); use snowmaking; bring urban to this course in the form of cars, etc.

-No name

Downtown Business comment: I wish to speak in favor of this event as submitted. As a business person directly affected by this event, I would like to point out that there are a few property owners that are not business owners and are not affected by this festival and they complain about it. They have no business complaining about it. Bring people downtown and we all make money.

-Gary Nelson

Downtown Business comment: We are 100% behind this event and almost all events that occur in downtown Flagstaff. The more people that come to downtown Flagstaff.

-Sweet Shoppe & Nut House (Blake Rolley)

Downtown Business comment: Street closures don't help our businesses.

-Antonette Busu

Downtown Business comment: Erik Gerharter and the The Pita Pit are 100% in favor of such an incredible event. The 1st year event my business benefited by increased sales to the tune of 11% on Friday, 33+% on Saturday and +10%. The following year sales were still up from preceding years that did not have the event present. I have not run statistics on 2nd year event thoroughly. We also recorded the busiest Saturday in February since 2005, the inaugural event.

-Erik Gerharter

Downtown Business comment: Jimmy Craven of the Hotel Monte Vista is 100% in favor of this event and many more ones like it that will bring people into the downtown especially in the winter and I think we are fools not having parking meters.

-James Craven

I fully support the event as a business and home owner downtown.

-Brian Beamer

Downtown Business comment: I am in full support of Dew Downtown and feel it benefits a mountain town and ski community. It supports diversity in our sport of skiing.

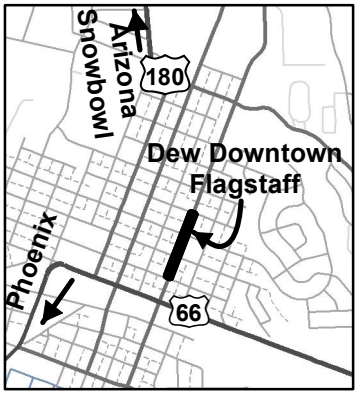
-Kim Lundstrom

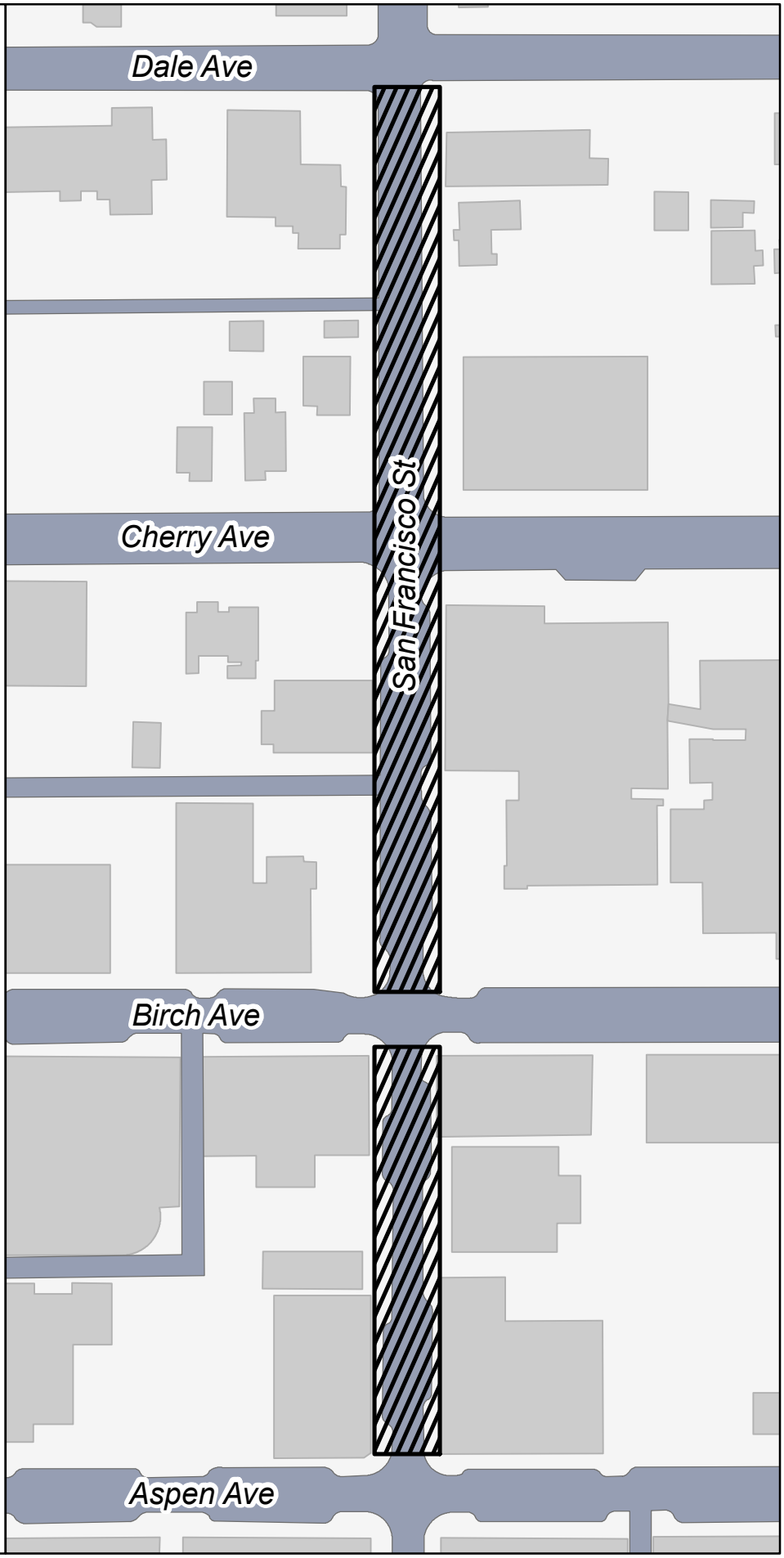
Course comment: As a designer for the course and the Freestyle Terrain supervisor at the Arizona Snowbowl, I feel the current venue is the best location for event. I have been too many ski/snowboard events in the west and this one is like no other because of its location in a historic downtown area.

-Josh Heydorn

Dew Downtown

2014 Street Closures





Closure 2

Streets

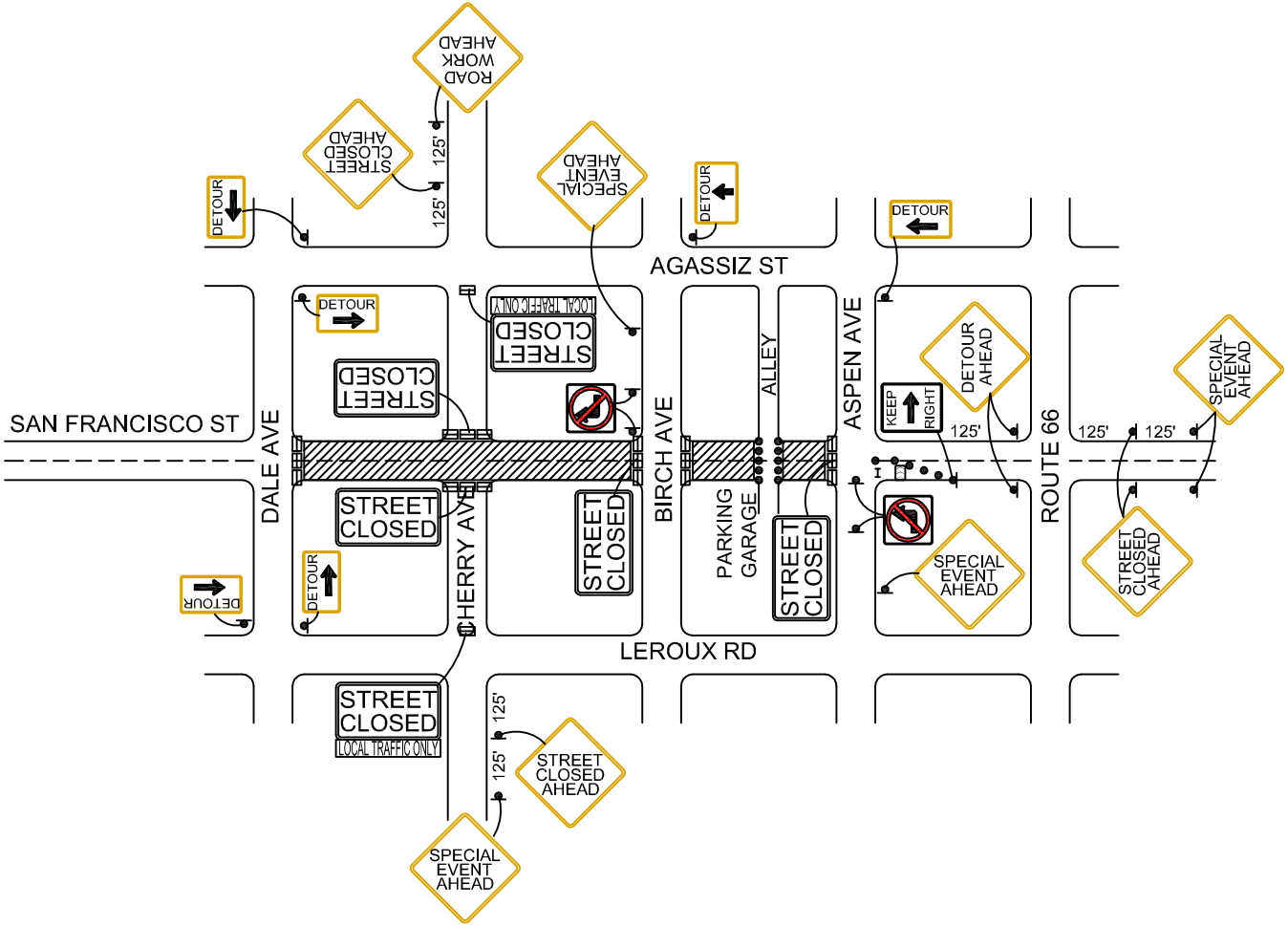
Buildings

N

0 25 50 75 100 125 150 Feet

6/19/2013

PROEM --- KRIS FRIEDMAN --- 602-615-7719



P.O. NUMBER		JOB NUMBER		PROJECT NAME	
ARROW BOARD	FLASH : __ V.P.'S : X	START DATE :		TCP NAME :	PRO-SF-BIR-1
HI-LEVEL	STEADY : __ CONES : __	TIMES :		CONTRACTOR :	PROEM
TYPE 2	36" : X 48" : __	DURATION :		MUNICIPAL :	FLAGSTAFF
TYPE 3					
DEVICE	SPEED LIMIT 30	DRAWN ON : 6-26-13	BY: MATTHEW GROTTS	LOCATION :	SAN FRANCISCO & BIRCH

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Scott Mansfield, Police Lieutenant
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Approval of Grant Agreement: with the Arizona Criminal Justice Commission for the Edward Byrne Justice Assistance Grant in the amount of $293,693.00 for the Northern Arizona Street Crimes Task Force (METRO unit).

RECOMMENDED ACTION:

Approve the Grant Agreement between the Arizona Criminal Justice Commission (ACJC) and the City of Flagstaff for the Edward Byrne Justice Assistance Grant in the amount of $293,693.00 for the FY2014 Northern Arizona Street Crimes Task Force (METRO unit).

Policy Decision or Reason for Action:

Approval of the Grant Agreement will provide the continued operation of the METRO unit to protect life, property, and the rights of the individuals by participating agencies through a sustained, coordinated, multi-agency effort to reduce drug and gang related crimes. This will be accomplished by vigorous investigations, apprehensions, prosecution, and community participation.

Subsidiary Decisions Points: None

Financial Impact:

The grant award is in the amount of $234,954.00 with required matching funds of $58,739.00. The METRO board has authorized matching funds from the Rico account. The Rico account has provided matching funds in the past years and the board has agreed to provide the above matching funds for this year's grant. This amount will include all city costs, estimated in kind and administrative costs if above normal departmental allocation. The grant award will be the 27th funding cycle (FY 2014) for the METRO unit. This grant is budgeted in Fiscal Year 2014.

Connection to Council Goal:

Effective governance

Has There Been Previous Council Decision on This:

Yes, the Flagstaff City Council has approved the acceptance of this grant money for the past twenty six years.

Options and Alternatives:

- Approve the acceptance of the of the grant which will provide additional funding to staff the METRO narcotics unit at no cost to the city.
- Reject the acceptance of the grant which could jeopardize the operation of the METRO unit which may lead increased drug related crimes.

Background/History:

As previously stated, this is the 27th cycle of this grant in which the Flagstaff City Council has approved the previous 26 cycles.

Key Considerations:

This grant and the investigative officers this funds is supported by nearly every law enforcement entity in Coconino County including the Coconino County Sheriff's Office, The Flagstaff Police Department, Northern Arizona University Police, ATF, FBI, DEA and the Department of Public Safety. This grant provides specialized police investigations to all the communities located within Coconino County.

Community Benefits and Considerations:

Officers in the METRO Unit continuously provide support to numerous community groups including Citizens Against Substance Abuse, local schools, Citizens Academy programs, etc in the form of training and educational presentations, drug awareness, and proactive investigations.

Community Involvement:

Involve

Expanded Options and Alternatives:

If approved the grant would allow for the acceptance of $293,954.00 in federal through state funds that will provide proactive enforcement that would otherwise not be available to our citizens.

Attachments: ACJC Grant Agreement for the FY2014 Drug, Gang and Violent Crime Control Program

ARIZONA CRIMINAL JUSTICE COMMISSION
Drug, Gang, and Violent Crime Control
GRANT AGREEMENT

ACJC Grant Number DC-14-022
Catalog of Federal Domestic Assistance (CFDA) Number 16.738

This Grant Agreement is made this 1ST day of July, 2013, by and between the ARIZONA CRIMINAL JUSTICE COMMISSION hereinafter called "COMMISSION" and CITY OF FLAGSTAFF, through City of Flagstaff Police Department hereinafter called "GRANTEE". The COMMISSION enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 41-2405 (B)(6), and having satisfied itself as to the qualification of GRANTEE;

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on July 1, 2013 and terminate on June 30, 2014. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the COMMISSION. A request for an extension must be received by the COMMISSION sixty (60) days prior to the end of the award period. The COMMISSION in its sole discretion may approve an extension that further the goals and objectives of the program and shall determine the length of any extension.

2. GRANTEE agrees that grant funds will be used in accordance with applicable program rules, guidelines and special conditions.

3. The COMMISSION will monitor GRANTEE performance against program goals and performance standards and those outlined in the grant application. Substandard performance as determined by the COMMISSION will constitute noncompliance with this Agreement. If the COMMISSION finds noncompliance, the GRANTEE will receive a written notice which identifies the area of noncompliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty (30) calendar days to this notice, and does not provide sufficient information concerning the steps which are being taken to correct the problem, the COMMISSION may suspend funding, permanently terminate this Agreement or revoke the grant.

4. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written COMMISSION approval may constitute sufficient reason for the COMMISSION to terminate this Agreement, revoke the grant, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.

5. This Agreement may be modified only by a written amendment signed by the Executive Director or by persons authorized by the Executive Director on behalf of the COMMISSION and GRANTEE. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:
   A. If to the COMMISSION:

Arizona Criminal Justice Commission
1110 W. Washington Street, Suite 230
Phoenix, Arizona 85007
Attn: Program Manager

B. If to the GRANTEE:

City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001
Attn: **Flagstaff City Manager Kevin Burke**

6. For grant awards above $100,000, GRANTEE may make budget adjustments of up to ten (10) percent of the total grant within any approved budget category excluding equipment. Written approval from the COMMISSION in advance is required if GRANTEE wishes to make adjustments or reprogram in excess of ten (10) percent or if GRANTEE wishes to purchase equipment not previously approved.

   For grant awards less than $100,000, the GRANTEE may make budget adjustments within approved categories excluding equipment as long as there are no changes to the purpose or scope of the project. If GRANTEE wishes to purchase equipment not previously approved, written approval from the COMMISSION in advance is required.

APPROVED LINE ITEM PROGRAM BUDGET	
Personnel:	
Salaries	$74,227.00
Fringe Benefits (for salaries/overtime)	$48,341.00
Overtime	$13,951.00
Professional & Outside/Consultant & Contractual Services	$157,174.00
Travel In-State	Not Approved
Travel Out-of-State	Not Approved
Confidential Funds	Not Approved
Operating Expenses:	Not Approved
Supplies	Not Approved
Registration/Training	Not Approved
Other	Not Approved
Equipment	Not Approved
Capital	Not Approved
Noncapital	Not Approved
TOTAL	$293,693.00
Positions Funded: Flagstaff PD Sergeant (1.0) Other Agency Investigator (2.0) Equipment Type: Not Approved	

7. The total to be paid by the COMMISSION under this Agreement shall not exceed $140,972.00 in federal funds awarded to the COMMISSION by the U.S. Department of Justice (USDOJ), Office of Justice Programs (OJP) and $93,982.00 in State Funds. If this grant has a matching requirement GRANTEE understands that other federal grant funds cannot be used as a match for this grant. The matching amount for this award is $58,739.00.

8. Every payment obligation of the COMMISSION under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the COMMISSION. No liability shall accrue to the COMMISSION in the event this provision is exercised, and the COMMISSION shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

9. GRANTEE agrees that if it currently has an open award of federal funds or if it receives an award of federal funds other than this award, and those award funds have been, are being or are to be used, in whole or in part, for one or more of the identical cost items for which funds are being provided under this award, GRANTEE will promptly notify, in writing, the COMMISSION, and if so requested by the COMMISSION, seek a budget modification or change-of-project-scope grant adjustment notice (GAN) to eliminate any inappropriate duplication of funding.

10. GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for no less than five (5) years from the last financial report submitted to the COMMISSION. All such documents shall be subject to inspection and audit at reasonable times, including such records of any subgrantee, contractor, or subcontractor. GRANTEE also understands and agrees that USDOJ and the United States General Accounting Office (USGAO) are authorized to interview any officer or employee of the GRANTEE (or of any subgrantee, contractor, or subcontractor) regarding transactions related to this award.

11. GRANTEE agrees that activities funded under this award will be closely coordinated with related activities supported with Office of Justice Programs (OJP), State, local or tribal funds. Grant funds may only be used for the purposes in the GRANTEE's approved application. GRANTEE shall not undertake any work or activities not described in the grant application, including staff, equipment, or other goods or services without prior approval from the COMMISSION.

12. GRANTEE agrees to track, account for, and report on all funds (including specific outcomes and benefits) separately from all other funds for the same or similar purposes or programs.

    Accordingly, the accounting systems of GRANTEE and all subgrantees must ensure that funds from this award are not commingled with funds from any other source.

13. GRANTEE agrees to abide by Federal and State laws and provide accounting, auditing and monitoring procedures to safeguard grant funds and keep such records to assure proper fiscal controls, management and the efficient disbursement of grant funds.

14. For the purpose of this grant, a capital expenditure is $5,000 or above. If GRANTEE'S policy defines a capital expenditure as less than $5,000, GRANTEE will use its own policy.

15. GRANTEE agrees to maintain property records for equipment purchased with grant funds and perform a physical inventory and reconciliation with property records at least every two years or more frequently based on GRANTEE policy. GRANTEE agrees that funds will not be used for the construction of new facilities.

16. GRANTEE agrees to follow equipment disposition policies outlined in *OMB Circulars A-102 or 2 CFR, Part 215 Uniform Administrative Requirements for Grants and Cooperative Agreements* as codified in (1) 28 CFR, Part 66 or (2) 28 CFR, Part 70 when the equipment is no longer needed for the grant program.
    Link: *OMB Circulars* http://www.whitehouse.gov/omb/grants_attach/

17. GRANTEE agrees that all salaried personnel (including subgrantee personnel) whose activities are to be charged to the award will maintain timesheets or certifications to document hours worked for activities related to this award and non-award related activities. GRANTEE agrees to keep time and attendance sheets for hourly employees signed by the employee and supervisory official having firsthand knowledge of the work performed by the grant-funded employees.

18. GRANTEE agrees that it will submit financial and activity reports to the COMMISSION in a format provided by the COMMISSION, documenting the activities supported by these grant funds and providing an assessment of the impact of these activities which may include documentation of project milestones. In the event reports are not received on or before the indicated date(s), funding may be suspended until such time as delinquent report(s) are received.

19. These reports are to be submitted according to the following schedule(s):

ACTIVITY REPORTS	
Report Period:	**Due Date:**
Jul 1- Sep 30	October 15
Oct 1- Dec 31	January 15
Jan 1- Mar 31	April 15
Apr 1- Jun 30	July 15

FINANCIAL REPORTS	
Report Period:	**Due Date:**
Jul 1- Jul 31	August 25
Aug 1- Aug 31	September 25
Sep 1- Sep 30	October 25
Oct 1- Oct 31	November 25
Nov 1- Nov 30	December 25
Dec 1- Dec 31	January 25
Jan 1- Jan 31	February 25
Feb 1- Feb 29	March 25
Mar 1- Mar 31	April 25
Apr 1- Apr 30	May 25
May 1- May 31	June 25
June 1- June 30	July 25

More frequent reports may be required for GRANTEES who are considered high risk.

20. GRANTEE understands that financial reports are required as an accounting of expenditures for either reimbursement or COMMISSION-approved advance payments.

21. The final request for reimbursement of grant funds must be received by the COMMISSION no later than sixty (60) days after the last day of the award period.

22. All goods and services must be received or have reasonable expectations thereof and placed in service by GRANTEE by the expiration of this award.

23. GRANTEE agrees that all encumbered funds must be expended and that goods and services must be paid by GRANTEE within sixty (60) days of the expiration of this award.

24. GRANTEE agrees to remit all unexpended grant funds to the COMMISSION within thirty (30) days of written request from the COMMISSION.

25. GRANTEE agrees to account for interest earned on federal grant funds and shall remit interest earned in excess of the allowable amount as indicated in the *Office of Justice Programs Financial Guide.*
Link: *OJP Financial Guide* http://www.ojp.usdoj.gov/financialguide/

26. GRANTEE agrees to obtain written COMMISSION approval for all sole source procurements in excess of $100,000.

27. GRANTEE agrees to obtain written COMMISSION approval prior to the expenditure of grant funds for consultant fees in excess of $450 per day.

28. GRANTEE agrees not to use grant funds for food and/or beverage unless explicitly approved in writing by the COMMISSION.

29. GRANTEE agrees to comply with all applicable laws, regulations, policies and guidance (including specific cost limits, prior approvals and reporting requirements, where applicable) governing the use of grant funds for expenses related to conferences, meetings, trainings, and other events, including the provision of food and/or beverages at such events, and costs of attendance at such events unless explicitly approved in writing by the COMMISSION.
Link: www.ojp.gov/funding/confcost/htm

30. No funds shall be used to supplant federal, state, county or local funds that would otherwise be made available for such purposes. Supplanting means the deliberate reduction of state or local funds because of the existence of any grant funds.

31. GRANTEE assigns to the COMMISSION any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to GRANTEE in exchange for grant funds provided under this Agreement.

32. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1501-12-1518. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as pertaining to disputes which are subject to arbitration.

33. GRANTEE understands that grant funds may not be released until all delinquent reports and reversion of funds from prior grants are submitted to the COMMISSION.

34. GRANTEE agrees that grant funds are not to be expended for any indirect costs that may be incurred by GRANTEE for administering these funds unless explicitly approved in writing by the COMMISSION. This may include, but is not limited to, costs for services such as accounting, payroll, data processing, purchasing, personnel, and building use which may have been incurred by the GRANTEE.

35. Each party (as "Indemnitor") agrees to indemnify, defend and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses, (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indeminitor, its officers, officials, agents, employees, or volunteers. If the GRANTEE is a State agency this paragraph does not apply.

36. Unless GRANTEE is a State agency, GRANTEE shall cause its contractor(s), if any, to indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation

and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of GRANTEE'S contractor or any of its owners, officers, directors, agents, or employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Worker's Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligence or willful acts or omissions of the Indemnitee, be indemnified by contractor from and against any and all claims. It is agreed that contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this grant, the contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the contractor for the State of Arizona. Insurance requirements for any contractor used by GRANTEE are incorporated herein by this reference and attached to this Agreement as Exhibit "A".

37. GRANTEE agrees to notify the COMMISSION within ten (10) days in the event that the project official is replaced during the award period.

38. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the COMMISSION.

39. GRANTEE will comply with the audit requirements of *OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and provide the COMMISSION with the audit report and any findings within 90 days of receipt of such finding. If the report contains no findings, the GRANTEE must provide notification that the audit was completed.
Link: *OMB Circulars:* http://www.whitehouse.gov/omb/grants_attach/

40. GRANTEE certifies that it will comply with *OMB Circulars A-102 and 2 CFR, Part 215 Uniform Administrative Requirements for Grants and Cooperative Agreements* as codified in (1) 28 CFR, Part 66.32 or (2) 28 CFR, Part 70.34 and *Cost Principles (1) 2 CFR, Part 225, (2) 2 CFR, Part 220 or (3) 2 CFR, Part 230,* the OJP Financial Guide and the most current version of the ACJC Grant Management Reference Manual.
Link: *OMB Circulars* http://www.whitehouse.gov/omb/grants_attach/
OJP Financial guide: http://www.ojp.usdoj.gov/financialguide/
ACJC Grant Management Reference Manual:
http://azcjc.gov/pubs/home/021104_Manual_GrantReferenceManual.pdf

41. GRANTEE agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or sub award to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express written approval of the Office of Justice Programs through the COMMISSION.

42. GRANTEE understands and agrees that misuse of award funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal grants, recoupment of monies provided under an award, and civil and/or criminal penalties.

43. Pursuant to A.R.S. § 35-391.06 and A.R.S. § 35-393.06, GRANTEE hereby warrants, and represents that it does not have, and its subcontractors do not have, and during the term hereof will not have a scrutinized business operation in either Sudan or Iran.

44. GRANTEE agrees to check the U.S. General Service Administration (GSA) Excluded Parties Listing Service as required by Executive Order 12549, as defined in 28 CFR Part 83.630 for

individuals, agencies, companies and corporations debarred or suspended from doing business with recipients receiving federal funds. GRANTEE agrees not to do business with any individual, agency, company or corporation listed in the Excluded Parties Listing Service.
Link: *System for Award Management* https://www.sam.gov/portal/public/SAM/

45. GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way, or to any extent, engaged in conduct of political activities in violation of USC Title 5, Part II, Chapter 15, section 1502.

46. GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.

47. GRANTEE understands and agrees that any training or training materials developed or delivered with funding provided under this award must adhere to the *OJP Training Guide Principles for Grantees and Subgrantees*.
Link: *OJP Training Guide Principles for Grantees and Subgrantees*
http://www.ojp.usdoj.gov/funding/ojptrainingguidingprinciples.htm

48. GRANTEE agrees to cooperate and participate with any and all assessments, evaluation efforts or information and data collection requests, and acknowledges that the federal or state grantor agency has the right to obtain, reproduce, publish or use data provided under this award and may authorize others to receive and use such information.

49. GRANTEE shall provide the COMMISSION with a copy of all interim and final reports and proposed publications (including those prepared for conferences and other presentations) resulting from this Agreement. Submission of such materials must be prior to or simultaneous with their public release.

50. GRANTEE agrees that any publications (written, visual, or sound) excluding press releases and newsletters, whether published at the GRANTEE'S or COMMISSION'S expense, shall contain the following statement:

1. "This was supported by Award No. 2012-DJ-BX-0560 (Insert federal award number) awarded by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice. The opinions findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice."

51. GRANTEE agrees to comply with the non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, 42 USC §3789d(c)(1); Title VI of the Civil Rights Act of 1964, 42 USC §2000d; Section 504 of the Rehabilitation Act of 1973, 29 USC § 794; Subtitle A, Title II of the Americans with Disabilities Act of 1990, 42 USC § 12132; Title IX of the Education Amendments of 1972, 20 USC § 1681; the Age Discrimination Act of 1975, 42 USC § 6102; the Department of Justice implementing regulations, 28 CFR pt. 42, subpts. C, D, E, G, and I, 28 CFR pt. 35, and 28 CFR pt. 54; all applicable state laws of A.R.S. § 41-1463; and Executive Order 2009-9. The above-referenced federal laws prohibit discrimination on the basis of race, color, religion, sex, disability, and national origin (including limited English proficiency) in the delivery of services and employment practices, and prohibit discrimination on the basis of age in the delivery of services. In the event that a Federal or State Court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against GRANTEE, GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION.

"Applicants must certify that Limited English Proficiency persons have meaningful access to the services under this program(s). National origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI and the Safe Street Act, the applicant is required to take reasonable steps to ensure that LEP persons have meaningful access to programs. Meaningful access may entail providing language assistance services, including oral and written translation when necessary."
Link: *Limited English Proficiency A Federal Interagency Website* http://www.LEP.gov

52. GRANTEE agrees to comply with the applicable requirements of 28 CFR Part 38, the Department of Justice regulation governing "Equal Treatment for Faith Based Organizations" (the "Equal Treatment Regulation"). The Equal Treatment Regulation provides in part that Department of Justice financial assistance may not be used to fund any inherently religious activities, such as worship, religious instruction, or proselytization. Recipients of Department of Justice financial assistance may still engage in inherently religious activities, but such activities must be separate in time or place from the Department of Justice funded program, and participation in such activities by individuals receiving services from GRANTEE must be voluntary. The Equal Treatment Regulation also makes clear that organizations participating in programs receiving financial assistance from the Department of Justice are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion. Notwithstanding any other special condition of this award, faith-based organizations may, in some circumstances, consider religion as a basis for employment.
Link: http://www.ojp.usdoj.gov/about/ocr/equal_fbo.htm

53. GRANTEE assures that it will comply with all state and federal laws regarding privacy during the course of the award. All information relating to clients is to be treated with confidentiality in accordance with 42 USC section 3789g or 42 USC 14132(b)(3) that are applicable to the collection, disclosure, use and revelation of data information. GRANTEE further agrees to submit a privacy Certificate that is in accordance with requirements of 28 CFR Part 22 if applicable to the program.

54. GRANTEE agrees to formulate and keep on file an Equal Employment Opportunity Plan (EEOP) (if GRANTEE is required pursuant to 28 CFR 42.302). GRANTEE certifies that they have forwarded to the Office for Civil Rights, Office of Justice Programs the EEOP, or certifications that they have prepared and have on file an EEOP, or that they are exempt from EEOP requirements. Failure to comply may result in suspension of grant funds. Copies of all submissions such as certifications to or correspondence with the Office for Civil Rights, Office of Justice Programs regarding this requirement must be provided to the COMMISSION by GRANTEE. In the event a federal or state court or federal or state administrative agency makes an adverse finding of discrimination against GRANTEE after a due process hearing, on the ground of race, color, religion, national origin, or sex, GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION.

55. GRANTEE agrees to participate in any required civil rights related training to ensure compliance with all federal and state civil rights laws. GRANTEE will inform the COMMISSION of the position responsible for civil rights compliance and will inform the COMMISSION of change in personnel within said position within ten days.
Link: http://www.azcjc.gov/ACJC.Web/Grants/civilrights/default.aspx

56. If GRANTEE is a governmental political subdivision, GRANTEE agrees to utilize the *Data Dictionary*, approved and distributed by the COMMISSION, as the data entry standard for information systems when improving or updating an existing information system. GRANTEE agrees to utilize the *Data Dictionary* as the data entry standard in any new system or when an existing information system is replaced. The *Data Dictionary* is available upon request to ACJC.

57. To support public safety and justice information sharing, GRANTEE, if a governmental subdivision, shall use the National Information Exchange Model (NIEM) specifications and guidelines for this grant. GRANTEE shall publish and make available without restrictions all schemas generated as a result of this grant to the component registry as specified in the guidelines.
    Link: https://www.niem.gov/program-managers/Pages/implementation-guide.aspx

58. To avoid duplicating existing networks or IT systems in any initiatives for law enforcement information sharing systems which involve interstate connectivity between jurisdictions, such systems shall employ, to the extent possible, existing networks as the communication backbone to achieve interstate connectivity, unless GRANTEE can demonstrate to the satisfaction of the COMMISSION that this requirement would not be cost beneficial or would impair the functionality of an existing or proposed IT system.

59. If GRANTEE is a governmental political subdivision, the GRANTEE should, to the extent possible and practical; share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved.

60. If GRANTEE is a state agency and the award is for the development of information technology projects for more than $25,000, GRANTEE must complete a Project Investment Justification (PIJ) and submit the justification to the Arizona Department of Administration (ADOA), with a copy to the COMMISSION. GRANTEE agrees to submit required project status reports to ADOA by the due dates and submit copies to the COMMISSION.

    If GRANTEE is not a state agency and the award is for the development of information technology projects, GRANTEE will follow local technology policies and guidelines.

61. GRANTEE must promptly refer to the COMMISSION any credible evidence that a principal, employee, agent, contractor, subgrantee, or other person has either 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. The COMMISSION shall forward the referral to the Department of Justice, Office of the Inspector General.

62. The COMMISSION encourages GRANTEE to establish workplace safety policies and conduct education, awareness and other outreach to decrease crashes caused by distracted drivers, including adopting and enforcing policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this grant. Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 2009).

63. GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 83, Subpart F, for grantees, as defined in 28 CFR, Part 83 Sections 83.620 and 83.650.

64. GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States. Additionally GRANTEE ensures compliance with A.R.S. § 41-4401 federal immigration laws by state employers and contractors.

65. GRANTEE acknowledges that immigration laws require them to register and participate with the E-Verify program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor

program) as they both employ one or more employees in this state. GRANTEE warrants that they have registered with and participate with E-Verify. If the GRANTOR later determines that the GRANTEE has not complied with E-Verify, it will notify the non-compliant GRANTEE by certified mail of the determination and of the right to appeal the determination.

66. GRANTEE certifies that no federal funds will be paid, by or on behalf of, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and for the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal funds are paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal award, grant loan, or cooperative agreement, the GRANTEE will complete and submit to the COMMISSION Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

67. GRANTEE agrees to comply with all federal, state and local environmental laws and regulations applicable to the development and implementation of activities to be funded under this award. Additional requirements may be found in Grant Agreement Continuation Sheet.

68. GRANTEE agrees to ensure that, no later than the due date of the GRANTEE's first quarterly report after the award is made, GRANTEE and any subgrantees have a valid DUNS profile and has an active registration with the Central Contractor Registration (CCR) database.

    GRANTEE agrees expeditiously to obtain active registration with the CCR database, and to notify the program office in writing of its registration and expiration date.

69. GRANTEE agrees that all income generated as a direct result of this award shall be deemed program income. All program income must be accounted for and used for the purpose under the conditions applicable for the use of funds under this award, including the effective edition of the OJP Financial Guide and, as applicable, either (1) 28 CFR part 66 or (2) 28 CFR part 70 and OMB Circular A-102 & 2 CFR 215.

70. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511. This Agreement may also be cancelled at the COMMISSION'S discretion if not returned with authorized signatures to the COMMISSION within 90 days of commencement of the award.

71. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.

72. GRANTEE agrees to comply with all Special Condition(s) included with this Agreement on the Grant Agreement Continuation Sheet.

73. GRANTEE understands that grant funds may not be released until GRANTEE is compliant with all requirements of grant agreement.

Arizona Criminal Justice Commission

DRUG, GANG AND VIOLENT CRIME CONTROL
GRANT AGREEMENT CONTINUATION SHEET
SPECIAL CONDITION(S)

1. GRANTEE agrees that within 120 days of award, for any law enforcement task force funded with these funds, the task force commander, agency executive, task force officers and other task force members of equivalent rank, will complete required online (internet-based) task force training to be provided free of charge through BJA's Center for Task Force Integrity and Leadership (www.ctfli.org)

2. GRANTEE agrees to the completion of the ACJC Subgrantee Self-Assessment Questionnaire within 45 days of the start date of this award.

3. GRANTEE agrees that within 45 days of award, for any agency that receives income as a result of grant-funded activities, it will complete the ACJC Program Income Worksheet.

4. GRANTEE agrees to the completion of the Benchmarks Worksheet within 45 days of award.

5. GRANTEE assures if they are a state agency that the State Information Technology Point of Contact receive written notification regarding any information technology project funded by this grant. GRANTEE agrees to keep on file documentation showing that it has met this requirement.

6. GRANTEE agrees to comply with all federal, state and local environmental laws and regulations applicable to the development and implementation of activities to be funding under this award. The GRANTEE agrees and understands that complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. The GRANTEE further understands and agrees to requirements for implementation of a Mitigation Plan, as detailed at http://www.ojp.usdog.gov/BJA/resource/nepa.html for programs relating to methamphetamine laboratory operations.

7. GRANTEE agrees that any information technology system developed or supported by funds will comply with 28 CFR Part 23, Criminal Intelligence Systems Operating Policies, if OJP determines this regulation be applicable. Should OJP determine 28 CFR Part 23 to be applicable, OJP may at its discretion, perform audits of the system, as per 28 CFR 23.20(g). Should any violation of 28 CFR Part 23 occur, GRANTEE may be fined as per 42 USC 3789g(c)-(d). GRANTEE may not satisfy such a fine with federal funds.

Authorized Official Initials:_____

IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

FOR GRANTEE:

City Mayor or City Manager Date

Kevin Burke, City Manager

Printed Name and Title

Approved as to form and authority to enter into Agreement:

Legal counsel for GRANTEE Date

Printed Name and Title

Statutory or other legal authority to enter into Agreement:

Appropriate A.R.S., ordinance, or charter reference

FOR CRIMINAL JUSTICE COMMISSION:

John A. Blackburn Jr., Executive Director Date
Arizona Criminal Justice Commission

ATTEST:

City Clerk

ARIZONA CRIMINAL JUSTICE COMMISSION
GRANT AGREEMENT

Insurance Requirements
Exhibit "A"

***Insurance Requirements* for Governmental Parties to a Grant Agreement:**

None.

***Insurance Requirements* for Any Contractors Used by a Party to the Grant Agreement:**

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The *insurance requirements* herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**
   Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

• General Aggregate	$2,000,000
• Products – Completed Operations Aggregate	$1,000,000
• Personal and Advertising Injury	$1,000,000
• Blanket Contractual Liability – Written and Oral	$1,000,000
• Fire Legal Liability	$50,000
• Each Occurrence	$1,000,000

   a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".***

      (Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

   b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

Exhibit "A" Page 2

2. **Business Automobile Liability**
   Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

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

   a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor".***

   b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

      (Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

3. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	$500,000
Disease – Each Employee	$500,000
Disease – Policy Limit	$1,000,000

   a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

   b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees *and the other governmental entity* shall be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by the Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the IGA.

Exhibit "A" Page 3

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Agreement shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given the State of Arizona. Such notice shall be sent directly to the GRANTEE and the Arizona Criminal Justice Commission 1110 W. Washington, Suite 230, Phoenix, AZ 85007 and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the GRANTEE and the Arizona Criminal Justice Commission with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Agreement shall be sent directly to the GRANTEE and the Arizona Criminal Justice Commission 1110 W. Washington, Suite 230, Phoenix, AZ 85007. The Commission project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona and the Arizona Criminal Justice Commission reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time**. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

F. **SUBCONTRACTORS:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the county or local government agency responsible separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. **APPROVAL:** Any modification or variation from the *insurance requirements* must have prior approval from the State of Arizona Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Rick Compau, Purchasing Director
Date:	07/08/2013
Meeting Date:	07/16/2013

TITLE:

Consideration and Adoption of Resolution No. 2013-19 and Ordinance No. 2013-18: A resolution of the City Council of the City of Flagstaff, Arizona adopting a Procurement Code Manual and establishing an effective date; and an Ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 1, Administrative Chapter 1-20, Contracts and Property Transactions, by repealing Section 1-20-001-0004 Determination of Responsibility of Bidders and providing for a new Section 1-20-001-0004 Procurement Code Manual relating to City procurements of goods, services and construction, and disposal of surplus personal property; providing for repeal of conflicting Ordinances, severability, authority for clerical corrections and establishing an effective date.

RECOMMENDED ACTION:

1) Read Resolution No. 2013-19 by title only
2) City Clerk reads Resolution No. 2013-19 (if approved above)
3) Adopt Resolution No. 2013-19
4) Read Ordinance No. 2013-18 by title only for the first time
5) City Clerk reads Ordinance No. 2013-18 (if approved above)
6) Read Ordinance No. 2013-18 by title only for the final time on August 26, 2013
7) Adopt Ordinance No. 2013-18 on August 26, 2013

Policy Decision or Reason for Action:

Adopt a Resolution establishing a Procurement Code Manual that will provide comprehensive, fundamental principles, practices and guidelines for City Procurements of goods, services, and construction, and disposal of surplus personal property in accordance with applicable laws and City policies. The objectives of this Procurement Code Manual is to outline staff procedures in order to provide and preserve a high standard of integrity and transparency with the City's procurement process and demonstrate leadership in the stewardship of taxpayer dollars involving the procurement of goods, services and construction.

The proposed Ordinance will repeal current City Code provisions relating to the responsibility of Bidders, since Bidder responsibility will be addressed in the Procurement Code Manual. The proposed Ordinance also provides that the City Council may adopt a Procurement Code Manual by resolution and that it will be posted on the City website for public accessibility.

Financial Impact:

None

Connection to Council Goal:

Effective Governance

Has There Been Previous Council Decision on This:

City Council has discussed this item at the **March 26, 2013**; **April 9, 2013** and **June 11, 2013** City Council Work Session meetings.

Options and Alternatives:

1.) Adopt Resolution and Ordinance
2.) Provide alternative language for adoption
3.) Recommend other policy decisions

Background/History:

The City of Flagstaff has always followed State of Arizona Procurement Codes, as well as Article VIII, Section 1 through 10 of the Flagstaff City Charter, but has never had a formal, comprehensive, Procurement Code Manual. The purpose for developing this Procurement Code Manual is to incorporate State of Arizona Procurement Codes, as well as the procurement rules outlined in the Flagstaff City Charter to provide comprehensive, fundamental principles, practices and guidelines for City Procurements of goods, services, and construction, and disposal of surplus personal property in accordance with applicable laws and City policies. The objectives of this Procurement Code Manual is to outline staff procedures in order to provide and preserve a high standard of integrity and transparency with the City's procurement process and demonstrate leadership in the stewardship of taxpayer dollars involving the procurement of goods, services and construction.

The Procurement Code Manual also implements Council policy to make good faith efforts to purchase goods and services from local vendors for informal purchases of less than $50,000 and to consider local experience in Request for Statements of Qualifications for professional services for public works construction.

Key Considerations:

Adopting a Procurement Code Manual and establishing an effective date, will provide a comprehensive, fundamental principles, practices and guidelines for City Procurements of goods, services, and construction, and disposal of surplus personal property in accordance with applicable laws and City policies. The objectives of this Procurement Code Manual is to outline staff procedures in order to provide and preserve a high standard of integrity and transparency with the City's procurement process and demonstrate leadership in the stewardship of taxpayer dollars involving the procurement of goods, services and construction.

Community Involvement:

Inform and involve

Attachments: Procurement Code Manual
Res. 2013-19
Ord. 2013-18

PROCUREMENT CODE MANUAL

CITY OF FLAGSTAFF
PURCHASING SECTION

CITY OF FLAGSTAFF
211 W. ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

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ARTICLE 1 ***PURPOSE; DIRECTOR AUTHORITY AND DUTIES; DELEGATION***

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A. Purpose.

The City operates as a centralized Purchasing Section under the supervision of a Purchasing Director ("Director"), which shall have for its purpose the purchase of materials, services, and construction for the City and shall:

1. Establish efficient procurement, inventory and disposition of surplus personal property procedures;

2. Purchase all materials, services, and construction for the City at the lowest possible cost commensurate with quality needed;

3. Exercise positive financial control over purchases;

4. Clearly define authority for the purchasing function;

5. Assure the quality of purchases; and

6. Provide procurement assistance to all City Departments and Divisions;

B. Director Authority and Duties.

The Director shall:

1. Except as otherwise provided in this Procurement Code Manual, the Director shall establish rules consistent with this Procurement Code Manual, governing the procurement of all materials, services and construction to be procured by the City. Rules and procedures for the procurement of construction and professional design services, shall also be consistent with Arizona Revised Statutes, (A.R.S.) Title 34, Public Buildings and Improvements.

2. Except as otherwise provided in this Procurement Code Manual, procure all materials, services and construction required by any Department or Division of the City in accordance with the provisions of this Procurement Code Manual and such procurement rules as may be established pursuant to this Procurement Code Manual.

3. Establish rules and procedures for the management of inventories of material and surplus personal property belonging to the City.

4. Sell, trade or otherwise dispose of surplus personal property belonging to the City in compliance with requirements of the City Charter.

5. Establish and maintain programs for the inspection, testing and acceptance of materials, services and construction.

6. Discourage collusive and restrictive bidding and endeavor to obtain as fair and open competition as possible on all purchases.

7. Prepare and recommend to the City Council revisions and amendments to this Procurement Code Manual.

8. Keep informed of current developments in the field of purchasing, prices, market conditions and new products.

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9. Prescribe and maintain such procedures as necessary for the operation of the centralized procurement function.

10. Maintain a Bidder's list, material, service and construction references and all records needed for the efficient operations of the centralized purchasing function.

C. Delegation of Authority.

The Director hereby delegates the powers and duties of the Director authorized by this Procurement Code Manual to the Purchasing Section Staff.

ARTICLE 2 APPLICABILITY

A. The provisions of this Procurement Code Manual apply only to procurements initiated after its effective date. The City Attorney's office, in consultation with the Director, shall interpret the provisions the provisions of this code in the event of any ambiguity.

B. The provisions of this Procurement Code Manual are applicable to every purchase of materials, services and construction with public monies, including federal grants, and federal assistance monies except as otherwise provided in this section. Nothing in this Procurement Code Manual shall supersede the **Flagstaff City Charter**, or the terms and conditions of any grant, gift or bequest accepted by the City Council. If the procurement involves the expenditure of grants, federal assistance or contract monies or is subject to state law, the director shall comply with federal and state law and authorized regulations which are mandatorily applicable and which may not be reflected in this Procurement Code Manual.

C. Contracts for construction, as defined in Article 12, and contracts for the services of architects or engineers to be used in connection with construction contracts shall be governed by the provisions of A.R.S. Title 34, Public Buildings and Improvements. Procedures and other provisions of this Procurement Code Manual, and rules established pursuant thereto, shall apply to such contracts only to the extent such Procurement Code Manual provisions, procedures and rules are not inconsistent with A.R.S. Title 34, Public Buildings and Improvements.

D. Professional services, such as appraisals, title searches/reports and policies, used in support of Real Property Transactions, are subject to all applicable Sections of this Procurement Code Manual.

E. The following contracts are not subject to this Procurement Code Manual:

1. Intergovernmental agreements;

2. Agreements negotiated by the Risk Management Manager or the City Attorney for the settlement of litigation or threatened litigation; and

3. Easement Agreements or Right of Entry Agreements.

ARTICLE 3 SUPPLEMENTARY GENERAL PRINCIPLES OF LAW

Nothing in this Procurement Code Manual shall supersede Article VIII, "Contracts", Sections 1 through 10, of the Flagstaff City Charter.

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ARTICLE 4 DEFINITIONS

The words defined in this section shall have the meanings set forth below whenever they appear in this Procurement Code Manual, unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular provision.

Addendum means any formal notification of any revision to pertinent information contained in either an informal or formal solicitation.

Advantageous means in the best interest of the City.

Affiliate means any person whose governing instruments require it to be bound by the decision of another person or whose governing board includes enough voting representatives of the other person to cause or prevent action, whether or not the power is exercised. It may also include persons doing business under a variety of names, or where there is a parent-subsidiary relationship between persons.

Alternative Project Delivery Methods means construction related projects that utilize Construction-Manager-At-Risk, Design-Build or Job-Order-Contracting, instead of the traditional Design-Bid-Build method of construction project delivery.

Authorized Purchase means any purchase that has been requisitioned and that has gone through the appropriate approval processes.

Best and Final Offer means a formal process, conducted by the Purchasing Agent as the last phase of a Request for Proposals process after formal discussions and/or Proposer presentations are conducted.

Best Interests of the City means advantageous to the City.

Brand Name or Approved Alternate Specification means a specification that uses one (1) or more manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet City requirements, and that provides for the submission of equivalent products.

Brand Name Specification means a specification limited to one (1) or more items by manufacturers name or catalogue numbers.

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Capital Improvements means construction related projects involving the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property.

Change Order means a written order, approved by the City's Change Order Committee and signed by an authorized agent of the City, which directs the contractor or the City, to make changes that are authorized by the change order clause of the original contract.

Construction means the process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.

Construction Manager means a person who provides management and/or technical services required to implement a capital project pursuant to the project guidelines.

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Construction-Manager-At-Risk (CMAR) means a project delivery method in which:

(A) There is a separate contract for design services and a separate contract for construction services.

(B) The contract for construction services may be entered into at the same time as the contract for design or at a later time.

(C) Design and construction of the project may be in sequential phases or concurrent phases.

(D) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Contract means all types of City agreements, regardless of what they may be called, for the procurement of materials, services, or construction or the disposition of personal property.

Contract Modification means any written alteration in the terms and conditions of any contract accomplished by mutual action of the parties to the contract.

Contractor means any person who has a contract with the City.

Cost Data means information concerning the actual or estimated cost of labor, material, overhead, and other cost elements that have been actually incurred or that are expected to be incurred by the contractor in performing the contract.

Data means documented information, regardless of form or characteristic.

Days mean calendar days unless otherwise specified.

Debarment means an action taken by the director, under the provisions of this Procurement Code Manual, to prohibit a person from participating in City procurements for three (3) years.

Department/Division means an organizational work unit as defined by the City of Flagstaff Organization Chart.

Designee means a duly authorized representative of a person holding a superior position.

Design-Build **(DB)** means a project delivery method in which:

(A) There is a single contract for design services and construction services.

(B) Design and construction of the project may be in sequential phases or concurrent phases.

(C) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Design-Bid-Build **(DBB)** means a project delivery method in which:

(A) There is a sequential award of two separate contracts.

(B) The first contract is for design services.

(C) The second contract is for construction.

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(D) Design and construction of the project are in sequential phases.

(E) Finance services, maintenance services and operations services are not included.

Director means the Director of the Purchasing Section or designee.

Employee means an individual drawing a salary through the payroll process of the City whether elected or not.

End User means any City employee who will actually be using the material or service being requested.

***Field* Order** means a paperless purchase order number given out by the Purchasing Section for Immediate, necessary, purchases, under one thousand dollars ($1,000), by City staff who are in need of various materials needed to repair fixtures or equipment.

Interested Party means an actual or prospective Bidder or Proposer whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract or by the failure to award a contract. Whether an actual or prospective Bidder or Proposer has an economic interest will depend upon the circumstances of each case.

Invitation for Bids (IFB) means all documents, whether attached or incorporated by reference, which are used for soliciting formal bids in accordance with the procedures prescribed in this Procurement Code Manuals.

Invitation To Submit Technical Offers means all documents, whether attached or incorporated by reference, which are used for soliciting unpriced technical offers to assist in the evaluation of market place technology to determine what specific technology would be considered to be the most advantageous to the City to be specified in a subsequent competitive solicitation.

***Job-Order-Contracting* (JOC)** means a project delivery method in which:

(A) The contract is a requirements contract for indefinite quantities of construction.

(B) The construction to be performed is specified in job orders issued during the contract.

(C) Finance services, maintenance services, operations services, preconstruction services, design services related services may be included.

Life Cycle Cost Assessment (LCCA) means the comprehensive accounting of the total cost of ownership, including initial costs, energy, and operational costs, longevity and efficacy of service and disposal costs.

Local Vendor means any individual or company, with a valid business license, issued by the City of Flagstaff ~~to conduct business to produce a product or provide a service,~~ and ~~has~~ a business location ~~located~~ within the City limits of Flagstaff.

Materials means all personal property, including equipment, supplies, printing and insurance.

May shall be construed as being permissive.

Multi-Step Sealed Bidding means a two-phase process consisting of a technical first phase composed of one (1) or more steps in which Bidders submit un-priced technical offers to be evaluated by the City and a second phase in which those Bidders whose technical offers are determined to be acceptable during the first phase have their priced bid considered.

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Person shall include the state, the county, a political subdivision of the state, other governmental entity, a corporation, firm, partnership, limited liability company, association, organization, and any other group acting as a unit, as well as an individual. It includes a trustee, receiver or similar representative.

Price Data means information concerning prices, including profit, for materials, services or construction items substantially similar to those being procured under a contract or subcontract. In this definition, "prices" refers to offered or proposed selling prices, historical selling prices, or current selling prices of the items being purchased.

Private Development means commercial or residential development by the private sector.

Procurement means buying, purchasing, renting, leasing or otherwise acquiring any materials, services and construction. Procurement also includes all functions that pertain to the acquisition of any materials, services or construction including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Code Manual means this Procurement Code Manual, outlining various procurement functions, as approved and adopted by the Flagstaff City Council.

Professional Services means those services requiring special knowledge, education or skill and where the qualifications of persons rendering the services are of primary importance. shall include, but not be limited to, appraisers, attorneys, architects, engineers, surveyors, accountants, psychologists, physicians, and other health professionals.

Project Manager means a person who provides management and/or technical services required to implement a capital project pursuant to the project guidelines.

Proprietary Specification means a specification that describes a material made and marketed by a person having the exclusive right to manufacture and sell such material and excludes other material with similar quality, performance or functional characteristics from being responsive to the solicitation.

Purchasing Agent means the Director, Purchasing Manager, Senior Procurement Specialist, Buyers, or any member of the Purchasing Staff authorized by the Director to commit the City to a purchase and manage, supervise, and monitor the execution of the terms and conditions of a contract.

Purchase Description means the words used in a solicitation to describe the materials, services or construction for purchase and includes specifications attached to, or made a part of, the solicitation.

Purchase Requisition means a formal request for a material, service or construction and electronically submitted through the City's financial software system and processed into a formal purchase order.

Qualified Products List means an approved list of materials, services or construction items described by model or catalogue numbers, that, prior to competitive solicitation, the City has determined will meet the applicable specification requirements.

Recycled Content Product means a product containing a minimum of thirty-five percent (35%) recycled materials except in those cases where the US EPA has adopted procurement guidelines under the Resource Conservation Recovery Act of 1976.

Recyclable Product means a product or package made from a material for which curbside or drop-off collection systems are in place for a majority of City residents or businesses; to divert

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from City solid waste for use as a raw material in the manufacture of another product or the reuse of the same product.

Request for Information means all documents, whether attached or incorporated by reference, which are used for soliciting unpriced information regarding a specific product or service for evaluation to determine what specifications or scope of work would be considered to be the most advantageous to the City to be specified in a subsequent competitive solicitation.

Request for Proposals (RFP) means all documents, whether attached or incorporated by reference, which are used for soliciting formal proposals in accordance with procedures prescribed in this Procurement Code Manual.

Request for Statements of Qualifications (RSOQ) means all documents, whether attached or incorporated by reference, which are used for soliciting formal statements of qualifications in accordance with procedures prescribed in this Procurement Code Manual.

Requisitioner means any staff member, working for the City of Flagstaff, who has a request for either a material, service or construction and electronically submits a purchase requisition through the City's financial software system.

Responsible Bidder or Proposer means a person who has the capability, skills and experience to perform the contract requirements and the integrity and reliability which will assure good faith performance.

Responsive Bidder or Proposer means a person who submits a bid which conforms in all material respects to the invitation for bids or request for proposals.

Reusable Product A product that can be used several times for an intended end use before being discarded.

Services means the furnishing of labor, time or effort by an independent contractor which does not involve the delivery of a specific end product other than required reports and performance.

Shall The word "shall" shall be construed as being mandatory.

Solicitation means an invitation for bids, a request for technical offers, a request for proposals, a request for quotations, or any other invitation or request by which the City invites a person to participate in a procurement.

Specification means any description of the physical or functional characteristics, or of the nature of a material, service or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service or construction item for delivery.

Surplus Property means any supplies, materials and equipment owned by the City, that no longer has any use to the City. This includes obsolete materials, scrap materials, and supplies, materials and equipment that have completed their useful life cycle.

Suspension means an action taken by the director temporarily disqualifying a person from participating in City procurements for six (6) months.

Sustainably Preferable Product means a product that has a reduced negative effect or increased positive effect on human health and the environment when compared with competing products that serve the same purpose. This term includes, but is not limited to, recyclable products, recycled products and reusable products.

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Sustainable Product means a product that achieves performance objectives while respecting the City's values and balancing environmental stewardship, fiscal responsibility, social equity, and community enhancement.

Sustainable Purchasing means purchasing materials, products, and labor in a manner that reflects fiscal responsibility, social equity, environmental stewardship and community enhancement.

Task Order means a written form used in a process associated with On-Call contracts in which a task order form is submitted to initiate professional Architectural, Engineering, Surveying, Landscape Architecture and Geotechnical services from those firms who have been awarded an On-Call contract.

Technical Offer means unpriced written information from a prospective contractor stating the manner in which the prospective contractor intends to perform certain work, its qualifications, and its terms and conditions.

Quotation means a verbal or written commitment to supply materials, services or construction at a stated price and terms.

Request for Quotation (RFQ) means all documents, whether attached or incorporated by reference, which are used for soliciting quotations in accordance with procedures prescribed in the informal procurement process.

ARTICLE 5 UNAUTHORIZED PURCHASE

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A. Any purchase made that does not follow any of the applicable processes under the provisions of this Article, is considered an unauthorized purchase.

B. All purchases will be made in accordance with this Procurement Code Manual. The following steps shall be included in the procurement process:

1. Electronic submission of a properly completed purchase requisition;

2. Verification by the requestor that funds are available;

3. The purchase requisition has gone through all other established approval processes;

4. All requisitions for materials, services and construction that are below **fifty thousand dollars ($50,000)** shall be subject to an informal competitive solicitation process under the provisions of Article 7(A); except as provided in Article 2 "Applicability", Article 18 "Sole Source", Article 19 "Emergency Purchase" and Article 20, "Procurements From Solicitations By Other Governmental Entities";

5. All requisitions for materials, services and construction at **fifty thousand dollars ($50,000)** and higher, shall be subject to a formal competitive solicitation process under the provisions of Article 7(B) and any contract award shall be approved by City Council; except as provided in Article 2 "Applicability", Article 18 "Sole Source", Article 19 "Emergency Purchase"; and Article 20, "Procurements From Solicitations By Other Governmental Agencies"; and

6. All purchases for materials, services and construction shall have a properly executed purchase order and a contract, if a contract is deemed necessary, given the particular purchase, to be processed by the Purchasing Section.

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C. An employee making a purchase not in conformance with this Procurement Code Manual, adopted rules and established procedures may be subject to:

1. Verbal consultation with individual;
2. Written reprimand with individual;
3. Revocation of purchasing rights; or
4. Other corrective action, as deemed appropriate

D. Any unauthorized purchase shall be reported to the appropriate Division or Department Head.

ARTICLE 6 DETERMINATIONS

Written determinations, if required by this Procurement Code Manual, shall be retained in the appropriate official record file of the Purchasing Section.

A. Determinations shall fully specify reasons.

B. The Director may specify the format for Determinations.

ARTICLE 7 INFORMAL AND FORMAL PROCUREMENT LIMITS; QUOTE FILE REQUIREMENTS

A. ***Informal Procurement Limit***. Procurement of a material, service or construction, less than **fifty thousand dollars ($50,000.00),** shall be made by informal procedures in accordance with the provisions of Section 7.1 of this Procurement Code Manual and any applicable federal and state laws, rules and regulations except as provided in Article 2, "Applicability"; Article 18, "Sole Source"; Article 19, "Emergency Purchases"; Article 20, "Procurements From Solicitations By Other Governmental Entities". Procurements less than **fifty thousand dollars ($50,000.00)** may be made utilizing a formal procurement process if deemed by the Director to be in the best interest of the City. Procurements less than **fifty thousand dollars ($50,000.00)**, are not required to be approved and awarded by City Council.

B. ***Formal Procurement Limit***. Procurement of a material, service or construction, of **fifty thousand dollars ($50,000.00)** and higher shall be made by formal procedures in accordance with the City Charter and provisions of Article 9 of this Procurement Code Manual and any applicable federal and state laws, rules and regulations, except as provided in Article 2, "Applicability"; Article 18, "Sole Source"; Article 19, "Emergency Purchases". Procurements of **fifty thousand dollars ($50,000.00)** and higher, are required to be approved and awarded by City Council.

Section 7.1 Informal Procurement Process

A. Informal Procurement Process.

Any procurement, established in Article 7 (A) shall be made in accordance with established Procurement Code Manual procedures. Determination as to the use of informal or formal process shall be based on the cost of the item(s), including all taxes, fees, freight, installation and any other miscellaneous costs. The procurement shall be made with such competition as is outlined in B, C and D under this Section. Procurement requirements shall not be artificially divided or fragmented to circumvent the purchasing process under this section or the procedures required by Article 9, "Formal Procurement Process." This section shall not be construed to permit informal purchasing if there is a

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City Charter or ordinance provision or a Federal or State law, regulation or rule to the contrary.

B. **PURCHASES AT FIVE THOUSAND DOLLARS ($5,000) OR LESS**

For purchases at or less than **five thousand dollars** (**$5,000)**, the Purchasing Agent or requesting Division or Section may direct select the vendor of choice for the purchase of any materials, services or construction requested. Reasonable good faith efforts shall be made to purchase from a Local Vendor by utilizing our local Vendor list as a first resource.

C. **PURCHASES AT FIVE THOUSAND AND ONE DOLLARS ($5,001) UP TO FIFTEEN THOUSAND DOLLARS ($15,000).**

For purchases at **five thousand and one dollars ($5,001)** and up to **fifteen thousand dollars ($15,000)**, the Purchasing Agent or requesting Department shall solicit, verbal quotations for the purchase of materials, services or construction from, at minimum three (3) Bidders or Proposers, as determined to be the most advantageous under the immediate circumstances, except as provided in Article 2, "Applicability"; Article 18, "Sole Source"; Article 19, "Emergency Purchases"; Article 20, "Procurements From Solicitations By Other Governmental Entities". Reasonable good faith efforts shall be made to solicit quotes from Local Vendors by utilizing our local Vendor list as a first resource. Verbal quotations obtained shall be documented in the procurement file.

D. **PURCHASES AT FIFTEEN THOUSAND AND ONE DOLLARS ($15,001) UP TO FORTY NINE THOUSAND NINE HUNDRED AND NINETY NINE DOLLARS ($49,999).**

For purchases at **fifteen thousand and one dollars ($15,001)** and up to **forty nine thousand nine hundred and ninety nine dollars ($49,999),** shall be made in accordance with the following procedures:

1. A Purchasing Agent or requesting Department shall solicit at least three (3) Bidders or Proposers to submit written or faxed quotations or proposals on vendor's letterhead or by e-mail. Whenever practicable, the City's standard Request for Quotations (RFQ) or Request for Proposals (RFP) document shall be utilized in an effort to obtain written quotes. The City Attorney's Office shall review the RFQ and RFP prior to issuance, if a contract is required for the procurement. Written quotations obtained shall be documented in the procurement file.

2. The Purchasing Agent may solicit quotations or Proposals from all vendors on the Bidder's list, but at minimum, shall solicit quotations or Proposals from Local Vendors by utilizing our local vendor list as a first resource and those Bidders or Proposers who have specifically requested an opportunity to submit a quotation or Proposal for the specific material, service or construction being requested at that time.

3. Award shall be made to the lowest responsive and responsible Bidder or highest scoring responsive and responsible Proposer submitting a responsive quotation or proposal. The amount of an applicable City Transaction Privilege or Use Tax shall not be a factor in determining the lowest Bidder if a competing Bidder, who is located outside the City, is not subject to an equal tax rate.

4. Whenever required by the Purchasing Agent, Bidders or Proposers shall submit quotes or proposals on the form issued with the Request for Quotation or Proposal, and the quotes shall be recorded and placed in the procurement file.

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5. If only one responsive and responsible quotation or proposal is received, a statement shall be included in the procurement file explaining the basis for determining that the price and/or proposal is fair and reasonable. Time permitting, the Purchasing Agent may initiate a second solicitation to include the vendor who provided the only response initially.

6. Whenever practicable, Article 27, "Specification Guidelines" shall be used in the development of specifications for a Request for Quotation or Proposal.

7. Written quotations or proposals transmitted via facsimile machine or e-mail shall be permitted provided the quotation or proposal bears the signature of an authorized agent of the Bidder or Proposer submitting the quotation or proposal.

   a. Quotations or proposals qualified in any manner are subject to rejection in whole or in part.

   b. Alternate quotations or proposals shall be considered unless specifically stated otherwise in the Request for Quotation.

   c. In the event of a discrepancy between the unit price and the extension price, the unit price shall govern.

   d. In the event of tied quotes, the tie shall be broken according to the following, determined by the Director :

      1. Best and final Offer when determined by the Director to be applicable; or

      2. Drawing lots.

   e. The City reserves the right to reject all quotations and seek new quotations with a new Request for Quotation.

These procedures do not supersede Article 2, "Applicability"; Article 18, "Sole Source"; Article 19, "Emergency Purchases"; Article 20, "Procurements From Solicitations By Other Governmental Entities".

Section 7.2 Vendor List

A. Any vendor who would like to be on the City's vendor list must register with the City's Purchasing Section by completing a vendor application. The vendor application can be found on the City's website by clicking on City Hall/Department/Purchasing/Vendor Registration/Vendor Application.

B. Once a vendor's application has been received and approved, the vendor will be assigned a vendor number and placed on the vendor list that will reference the products and/or services they provide.

C. Vendors are encouraged to sign up for electronic bid notifications by clicking on a link "New Bid Notifications", which is where vendors subscribe to be set up to receive automatic bid notifications.

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Section 7.3 ,*Vendor Awards*

A. Contract award information is posted to the City's website and can be viewed by clicking on City Hall/Department/Purchasing/Bid Tabulation.

Section 7.4 Quote File Requirements

A. Verbal and written quote files shall be set up, within the Purchasing Section, to retain for record keeping purposes.

B. Verbal quote files shall be set up by the Purchasing Section for each purchase over **five thousand dollars ($5,000)** and up to **fifteen thousand dollars ($15,000).**

C. Written quote files shall be set up by the Purchasing Section for each purchase over **fifteen thousand dollars ($15,000)** and up to **forty nine thousand nine hundred and ninety nine dollars ($49,999).**

ARTICLE 8 AVAILABLE FUNDS

Unencumbered funds to cover the entire purchase must be available in the appropriate account of the Operating Budget or other appropriate fund against which the purchase is to be charged prior to the commitment to purchase except multi-year contracts, in which case only funds for the first year of the contract need be appropriated.

Section 8.1 Available Funds Identification

A. Solicitations pursuant to the formal bidding process may not be issued when using un-designated funds, contingency funds, or funds transferred between departments unless approved in writing by the Director of Management Services or appointed designee.

B. Solicitations pursuant to Article 9, "Formal Procurement Process", shall not be issued prior to the appropriate approval for use of certain funds requiring budget transfers to or from capital and salary accounts.

C. Solicitations pursuant to Article 9, "Formal Procurement Process", shall not be issued prior to the acceptance by the City Council of any grant funds, unless approved in writing by the Director of Management Services or appointed designee.

D. Requestors are responsible for verifying available funds prior to submitting a purchase requisition and shall enter an electronic purchase requisition prior to requesting the issuance of a formal solicitation.

Section 8.2 Petty Cash (Reserved)

Section 8.3 Procurement Cards (Reserved)

ARTICLE 9 FORMAL PROCUREMENT PROCESS

Except as otherwise provided in this Procurement Code Manual, a procurement which exceeds the formal procurement limit specified in Article 7(B), "Formal Procurement Limit", shall be made in accordance with either Article 10, "Formal Procurement Process—Invitation for Bids", Article 11, "Formal Procurement Process—Request for Proposals" or Article 12, "Formal Procurement Process—Professional Design Services, Capital Improvements/Construction and Construction Services".

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ARTICLE 10 FORMAL PROCUREMENT PROCESS--INVITATION FOR BIDS

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The formal procurement process using an Invitation for Bids is typically used for the purchase of materials ~~for routine operating capital~~ and capital improvements/construction projects, where the specifications and/or scope are definitively defined and the price is the determining factor in the award of a contract.~~, the Purchasing Agent shall utilize the Invitation for Bids solicitation~~. The Invitation for Bids document shall include specifications and/or scope of work, and all ~~contractual~~ terms and conditions applicable to the procurement. The contract's inception is with the Invitation for Bids document, that ~~which~~ outlines all of the terms and conditions as the contractual language and incorporates the successful Bidder's bid submittal, which is adopted by reference. The Invitation for Bids document contains an Offer and Contract Award form that is signed by both the successful Bidder and the Purchasing Agent, which consummates the contract award.

Section 10.1 Invitation for Bids Determination

The Purchasing Agent shall determine if the Invitation for Bids process is applicable for the selection of the material, service or construction with an estimated expenditure exceeding the formal bid limit.

Section 10.2 Request for Issuance of an Invitation for Bids

A. The requisitioner or "End-user" shall electronically submit a requisition referencing the cost estimate or approved budget for the requested material, service or construction.

B. The Purchasing Agent shall obtain a bid number from the Solicitation Log Book in the Purchasing Section, provide the description of the purchase or project, the Purchasing Agent assigned and determine the appropriate solicitation document and agreement to be used.

C. The Requisitioner or "End-user" shall provide the specifications and/or scope of work to the Purchasing Section to be incorporated into the bid solicitation. Once the bid solicitation is complete, the Purchasing Agent shall forward to the City Attorney's office for review before issuance of the solicitation.

Section 10.3 Invitation for Bids

An Invitation for Bids shall be issued when the evaluation and selection of a vendor for award is based on the lowest, responsive and responsible Bidder. The bid document shall include a purchase description and all contractual terms and conditions applicable to the procurement.

A. An Invitation for Bids shall be issued at least **twenty one (21) days** before the closing date and time for receipt of bids, unless a shorter time is determined necessary in writing by the Purchasing Agent pursuant to a written request from the requesting Department. However, in accordance with the Flagstaff City Charter, public notice of the Invitation for Bids shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of the bids.

B. Sealed Bids shall be opened publicly at the time and place designated in the Invitation for Bids. The amount of each bid, and such other relevant information as may be specified by rule, together with the name of each Bidder shall be recorded. The bids shall not be open for public inspection until after a contract is awarded, except to the extent the Bidder designates, and the Director concurs, that trade secrets or other proprietary data contained in the bid documents shall remain confidential in accordance with established rules.

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C. Bids shall be unconditionally accepted without alteration or correction, except as authorized in item (D) of this section. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids as prescribed in the procurement rules. No criteria may be used in bid evaluation that are not set forth in the Invitation for Bids.

D. Correction or withdrawal of erroneous bids before or after bid opening, based on bid mistakes, may be permitted in accordance with established rules. After bid opening, no corrections in bid prices or other provisions of bids prejudicial to the best interest of the City or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Director.

E. The contract shall be awarded to the lowest responsive and responsible Bidder whose bid conforms in all material respects to the requirements and criteria set forth in the Invitation for Bids. The amount of any applicable City of Flagstaff Transaction Privilege or Use Tax is not a factor in determining the lowest Bidder. The contract file shall contain the basis on which the award is made.

F. The multi-step sealed bidding method may be used if the Director determines, in writing, that it is not practicable to initially prepare a definitive purchase description which is suitable to permit an award based on competitive sealed bidding. An Invitation for Bids may be issued requesting the submission of technical offers to be followed by an Invitation for Bids soliciting priced offers limited to those Bidders whose offers are determined to be technically acceptable under the criteria set forth in the first solicitation.

Section 10.4 Invitation for Bids, Format, Content, Public Inspection

A. In all competitive sealed bidding procurements, the Purchasing Section shall issue the standard Invitation for Bids document established and approved by the Purchasing Section and the City Attorney's office.

B. The Invitation for Bids shall include the following:

1. Instructions and information to Bidders concerning the bid submission requirements, including the time and date set for bid opening, the address of the office where bids are to be received, the period that the bid shall remain open, and any other special information;

2. The purchase description, specifications, evaluation criteria, delivery or performance schedule, and inspection and acceptance requirements;

3. The standard contract terms and conditions, including warranty and bonding or other security requirements, as applicable;

4. If the Invitation for Bids incorporates documents by reference, the Invitation for Bids shall specify where such documents may be obtained;

5. An Invitation for Bids may require the submission of bid samples, descriptive literature, technical data and may require inspection or testing of a product before award;

6. Invitation for Bids shall require, from all Bidders, the submission of a non-collusion affidavit on a form included in the Invitation for Bids document. Failure of any Bidder to provide the non-collusion affidavit, as a part of his sealed bid, shall be grounds for disqualification of the bid; and

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7. Invitation for Bids shall be advertised, at least one (1) time, in the Arizona Daily Sun and posted to the City's website.

C. Solicitations posted on the City's web site are available for downloading, as well as other means of obtaining a solicitation as follows:

1. Interested Bidders may subscribe to receive an e-mail based notification of all current solicitation opportunities;

2. Interested Bidders may pick up solicitations from the Purchasing Section during normal business hours; or

3. Interested Bidders can email the Purchasing Section and request an electronic copy of the solicitation via email.

Section 10.5 Pre-Bid Conference

A pre-bid conference may be conducted within a reasonable time before bid opening to discuss the procurement requirements and solicit comments from prospective Bidders. Pre-bid conferences may be held multiple times at the discretion of the Purchasing Agent and the end-user.

A. Pre-bid conferences are typically non-mandatory, but prospective Bidders are highly encouraged to attend. Prospective Bidders who cannot physically attend, can conference in by phone. Prospective Bidders who choose this option will need to contact the Purchasing Agent, whose name is on the cover page of the bid document to get the phone number and conference ID number.

B. Pre-bid conferences may be mandatory if the Purchasing Agent and end-user determine that the bid specifications are too complex and would warrant mandatory attendance at the pre-bid conference to discuss and ensure that prospective Bidders fully understand the specifications outlined in the bid document. Prospective Bidders who cannot physically attend, can conference in by phone. Prospective Bidders who choose this option will need to contact the Purchasing Agent, whose name is on the cover page of the bid document to get the phone number and conference ID number.

C. Prospective Bidders who submit a bid in response to an Invitation for Bids, but did not attend a mandatory pre-bid conference (either physically or by phone) will be deemed nonresponsive and their bid shall not be considered for evaluation and award.

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Section 10.6 Addendum to Invitation for Bids

A. An Addendum to an Invitation for Bids shall be issued if necessary to:

1. Make changes in the Invitation for Bids;

2. Correct defects or ambiguities;

3. Furnish to other Bidders information given to one Bidder if the information will assist the other Bidders in submitting bids, or if the lack of the information will prejudice the other Bidders; or

4. Inform Bidders of alternate materials accepted for bid.

B. An addendum to an Invitation for Bids shall be so identified and shall be posted to the City's web site and sent by the Purchasing Section to all persons who provided an

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"Acknowledgement of Receipt" form when practicable, depending on the number of prospective Bidders who submitted this form.

C. All addendums shall be issued at least seven (7) days prior to bid opening to allow prospective Bidders to consider them in preparing their bids, unless a shorter time is determined necessary, in writing, by the Purchasing Agent pursuant to a written request from the requesting Department. If the time and date set for bid opening do not permit sufficient time for bid preparation, the time and date for bid opening shall be extended in the addendum or, if necessary, by fax, e-mail**,** or telephone and then confirmed in the addendum.

Section 10.7 Pre-Opening Modifications or Withdrawal of Bids

A. Bidders may modify or withdraw their bid at any time before bid opening if the modification or withdrawal request is received in writing before the time and date set for bid opening in a location designated in the Invitation for Bids for receipt of bids.

B. All documents concerning a modification or withdrawal of a bid shall be retained in the appropriate procurement file.

Section 10.8 Late Bids, Late Withdrawals, and Late Modifications

A. A bid, modification or withdrawal is late and shall not be accepted if it is received at the location designated in the Invitation for Bids for receipt of bids after the time and date referenced in the solicitation document.

B. A late bid, late modification, or late withdrawal shall be rejected unless the bid, modification, or withdrawal is received before contract award at the location designated in the Invitation for Bids for receipt of bids and would have been timely received but for the action or inaction of the City.

C. Bidders submitting bids, modifications or withdrawals that are rejected as late shall be so notified as soon as practicable.

D. All documents concerning a late bid, late modification, or late withdrawal shall be retained in the appropriate procurement file.

E. All late bids shall be returned, unopened, to the vendor.

Section 10.9 Receipt, Opening, Recording of Bids, and Confidential Information

A. Each bid and modification shall be date and time-stamped upon receipt and stored unopened in a secure place, within the Purchasing Section, until the time and date set for bid opening.

B. Bids and modifications shall be opened publicly and in the presence of one or more witnesses at the time, date, and location designated in the Invitation for Bids for bid opening. The name of each Bidder, the bid price, and other information deemed appropriate shall be read aloud and recorded on a bid tabulation form. ~~abstract~~. The name of the required witness shall also be recorded. All other information in a Bidder's bid package (e.g., trade secrets or other proprietary information, ~~The bids~~ shall not be made available for ~~open to~~ public inspection until after a contract has been awarded, except to the extent the Bidder designates, and the Director concurs, that trade secrets or other proprietary data contained in their bid submittal shall remain confidential in accordance with established rules.

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C. All bids shall be irrevocable for, a minimum of, ninety (90) days or as deemed appropriate by the Director.

D. After contract award, or at the Director's discretion, the bids shall be available for public inspection except to the extent that the withholding of information is permitted or required by law. If the Bidder designates a portion of the bid as confidential, disclosure of such portion shall be made in accordance with the following:

1. If a Bidder believes that a bid contains information that should be withheld, a statement advising the Director of this fact shall accompany the submission, and the information shall be so identified wherever it appears. The information identified by the person as confidential shall not be disclosed until the Director makes a written determination;

2. The Director shall review the statement and information and shall determine in writing whether the information shall be withheld; and

3. If the Director makes the determination to disclose the information, the Director shall inform the Bidder in writing of such determination.

Section 10.10 Mistakes in Bids

A. A Bidder may correct mistakes discovered before the time and date set for bid opening by withdrawing or correcting the bid as provided in Section 10.7, "Pre-opening Modification or Withdrawal of Bids".

B. After bid opening, a bid mistake, not resulting from an error in judgment may not be corrected or withdrawn. Other bid mistakes may be corrected or withdrawn pursuant to the following:

1. After bid opening, the Director may either waive minor informalities in a bid or allow the Bidder to correct them if a written determination is made that such action would not result in a pecuniary competitive bidding advantage to that Bidder. Nothing in this section shall be construed as requiring the Director to waive any informalities or to allow their correction.

2. After bid opening, the bid may not be withdrawn and shall be corrected to the intended bid if a bid mistake and the intended bid are evident on the face of the bid.

3. After bid opening, the Director may permit a Bidder to withdraw a bid if:

   a. A mistake, not resulting from an error in judgment, is evident on the face of the bid but the intended bid; or

   b. The Bidder establishes to the Director's satisfaction that a mistake was made not resulting in an error in judgment.

4. In the event of a discrepancy between the unit price and a multiplied subtotal the unit price shall govern.

5. Mistakes shall not be corrected after award of the contract except where the Director makes a written determination that it would be unconscionable not to allow the mistake to be corrected.

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C. If correction or withdrawal of a bid after the bid opening is permitted or denied, the Director shall prepare a written determination showing that the relief was permitted or denied under these established rules and regulations.

Section 10.11 Bid Evaluation and Award

A. The contract shall be awarded to the lowest responsible and responsive Bidder whose bid meets the requirements and evaluation criteria set forth in the Invitation for Bids.

B. A product acceptability evaluation shall be conducted solely to determine whether a Bidder's product is acceptable as set forth in the Invitation for Bids and not whether one Bidder's product is superior to another Bidder's product. Any Bidder's offering that does not meet the acceptability requirements shall be rejected as non-responsive.

C. Bids shall be evaluated to determine which Bidder offers the lowest cost to the City in accordance with the evaluation criteria set forth in the Invitation for Bids. Only objectively measurable criteria that are set forth in the Invitation for Bids shall be applied in determining the lowest Bidder. Examples of such criteria include, but are not limited to, transportation cost, energy cost, ownership cost and other identifiable costs or life cycle cost formula. Evaluation factors need not be precise predictors of actual future costs, but to the extent possible the evaluation factors shall be reasonable estimates based upon information the Director has available concerning future use.

D. A contract may not be awarded to a Bidder submitting a higher quality item than that designated in the Invitation for Bids unless the Bidder is also the lowest Bidder as determined under Subpart C of this Section. This Section does not permit negotiations with any Bidder, unless the lowest, responsive and responsible Bidder's bid exceeds the available monies budgeted for the material, service or construction, which would allow negotiations with the lowest, responsive and responsible Bidder.

E. In the event two or more low responsive bids from responsible Bidders are identical in price and meet all the requirements and criteria set forth in the Invitation for Bids, the tie shall be broken according to the following determined by the Director:

1. Best and Final offer when determined by the Director to be applicable; or

2. Draw lots

F. A record showing the basis for determining the successful Bidder shall be retained in the procurement file.

G. The Purchasing Agent involved with the purchase shall provide a written notice of award to the successful Bidder within **twenty-four (24) hours** of Council award. For procurements equal to or in excess of the formal procurement limit, each unsuccessful Bidder shall be notified in writing of the award within **fourteen (14) days**. Notice of award shall be made available to the public.

Section 10.12 Only One Bid Received

If only one responsive and responsible bid is received in response to an Invitation for Bids, an award may be made to the single Bidder if the Director determines that the price submitted is fair and reasonable, and that other prospective Bidders had reasonable opportunity to respond and there is not adequate time for re-solicitation. Otherwise, the bid will be rejected pursuant to the provisions of Article 15, "Cancellation or Rejection of Solicitations", and:

A. New bids may be solicited; or

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B. If the Purchasing Agent determines, in writing, that the need for the material, service or construction continues and the acceptance of the one bid is not advantageous to the City, the procurement may then be conducted under Article 18, "Sole Source" or Article 19, "Emergency Purchase", as appropriate.

Section 10.13 Multi-Step Sealed Bidding

A. The multi-step sealed bidding method may be used if the Director determines that:

1. Available specifications or purchase descriptions are not sufficiently complete to permit full competition without technical evaluations and discussions to ensure mutual understanding between each Bidder and the City;

2. Definite criteria exist for evaluation of technical offers;

3. More than one technically qualified source is expected to be available; and

4. A fixed price contract will be used.

B. The Purchasing Agent may hold a pre-bid conference with Bidders before submission or at any time during the evaluation of the unpriced technical offers.

Section 10.14 Phase One Of Multi-Step Sealed Bidding

A. Multi-step sealed bidding shall be initiated by the issuance of an Invitation to Submit Technical Offers. The Invitation to Submit Technical Offers shall be issued according to Section 10.3, "Invitation for Bids", and shall contain the following information:

1. Notice that the procurement shall be conducted in two phases;

2. The best description of the material or services desired;

3. A statement that unpriced technical offers only shall be considered in phase one;

4. The requirements for the technical offers, such as drawings and descriptive literature;

5. The criteria for evaluating technical offers;

6. The closing date and time for receipt of technical offers and the location where offers should be delivered or mailed;

7. A statement that discussions may be held; and

8. A statement that only bids based on technical offers, determined to be acceptable in phase one, shall be considered for award.

B. The Invitation to Submit Technical Offers may be amended after the submission of the unpriced technical offers. The amendment shall be distributed only to Bidders who submitted unpriced technical offers, and those Bidders shall be permitted to submit new unpriced technical offers or to amend the offers already submitted. If an amendment materially changes the procurement, the Invitation to Submit Technical Offers shall be canceled in accordance with Article 15, "Cancellation or Rejection of Solicitations".

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C. Unpriced technical offers shall not be opened publicly, but shall be opened in the presence of the Procurement Agent and at least one witness. The contents of unpriced technical offers shall not be disclosed to unauthorized persons.

D. Unpriced technical offers shall be evaluated solely in accordance with the criteria set forth in the Invitation to Submit Technical Offers and shall be determined to be either acceptable for further consideration or unacceptable. A determination that an unpriced technical proposal is unacceptable shall be in writing, state the basis of the determination and be retained in the contract file. If the Director determines a Bidder's unpriced technical offer is unacceptable, the Purchasing Agent shall notify that Bidder of the determination and that the Bidder shall not be afforded an opportunity to amend its technical offer.

E. The Purchasing Agent may conduct discussions with any Bidder who submits an acceptable or potentially acceptable technical offer. During discussions, the Purchasing Agent shall not disclose any information derived from unpriced technical offers to any other Bidder. After discussions, the Purchasing Agent shall establish a closing date for receipt of final technical offers and shall notify, in writing, Bidders submitting acceptable or potentially acceptable offers of the closing date. The Purchasing Agent shall keep a record of all discussions.

F. At any time during Phase One, offers may be withdrawn in accordance with Section 10.7, "Pre-Opening Modifications or Withdrawal of Bids".

Section 10.15 Phase Two of Multi-Step Sealed Bidding

A. Upon completion of Phase One, the Purchasing Agent shall issue an Invitation for Bids and conduct Phase Two under Section 10.3, "Invitation for Bids", as a competitive sealed bidding procurement, except that the Invitation for Bids shall be issued only to Bidders whose technical offers were determined to be acceptable in Phase One.

B. Unpriced technical offers of unsuccessful Bidders shall not be open to public inspection until after a contract has been awarded, except to the extent set forth in Section 10.9, "Receipt, Opening, Recording of Bids and Confidential Information".

ARTICLE 11 FORMAL PROCUREMENT PROCESS – REQUEST FOR PROPOSALS

If the Director determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the City, a contract may be entered into by competitive sealed proposals. The Purchasing Section shall issue the standard Request for Proposals document established and approved by the Purchasing Section and the City Attorney's office. A Request for Proposals shall be issued when the evaluation and selection of a vendor for award includes other established evaluation criteria in addition to price and/or the scope of work/specifications are not definitively defined. The Request for Proposal document shall include a scope of work, and all contractual terms and conditions applicable to the procurement.

Section 11.1 Request for Proposals Determination

The Purchasing Agent shall determine if the Request for Proposals process is applicable for the selection of the material or service. Request for Proposals shall not be used for design-bid-build construction projects. However, a Request for Proposals may be used for any of the Alternative Project Delivery Methods (e.g., JOC, CMAR or Design-Build) as phase 2 of a Request for Statements of Qualifications process.

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Section 11.2 Request for Issuance of a Request for Proposals

A. The requisitioner or "End-user" shall electronically submit a requisition referencing the cost estimate or approved budget for the requested material or service.

B. The Purchasing Agent shall obtain a proposal number from the Solicitation Log Book, located in the Purchasing Section and provide the description and the Purchasing Agent assigned.

C. The Requisitioner or "End-user" shall provide the specifications and/or scope of work to the Purchasing Section. Once the solicitation is complete, the Purchasing Agent shall forward to the City Attorney's office for review before issuance of the solicitation.

Section 11.3 Request for Proposals

A. Request for Proposals may be considered to be more practicable or advantageous if it is necessary to:

1. Use a contract other than a fixed-price type;

2. Conduct oral or written discussions with Proposers concerning technical and price aspects of their proposals;

3. Afford Proposers an opportunity to revise their proposals;

4. Compare the different price, quality, and contractual factors of the proposals submitted;

5. Award a contract in which price is not the determining factor; and/or

6. Specifications and/or scope of work are not clear or well-defined.

7. Proposals shall be opened publicly at the time and place designated in the Request for Proposals. Only the name of each Proposer shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing Proposers during the process of evaluation. The proposals shall be open for public inspection after contract award. Except to the extent the Proposer designates and the Director concurs, trade secrets or other proprietary data contained in the proposal documents shall remain confidential in accordance with established rules.

8. Specific numerical weighting is not required. However, the Request for Proposal document shall state the relative importance of price and other evaluation factors.

9. As provided in the Request for Proposals, and under established rules, discussions may be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible to being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and before award for the purpose of clarification. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers.

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10. The award shall be made to the responsible Proposer whose proposal is determined in writing to be the most advantageous to the City taking into consideration the evaluation factors set forth in the Request for Proposals. No other factors or criteria may be used in the evaluation. The amount of any applicable City Transaction Privilege or Use Tax is not a factor in determining the most advantageous proposal. The contract file shall contain the basis on which the award is made.

B. Request for Proposals shall set forth those factors listed in Section 10.4, "Invitation for Bids, Format, Content, Public Inspection" that are applicable and shall also state:

1. The type of materials or services required and a description of the work involved;

2. The type of contract to be used;

3. An estimated duration that the service will be required;

4. That cost or pricing data is required;

5. That discussions may be conducted with Proposers who submit proposals determined to be reasonably susceptible of being selected for award;

6. The minimum information that the proposal shall contain;

7. The closing date and time for receipt of proposals; and

8. The evaluation criteria that will be used to evaluate proposal responses. Numerical weighting is not required. However, the Request for Proposal document shall reference each evaluation criterion's relative importance.

C. A Request for Proposals shall be issued at least **twenty one (21) days** before the closing date and time for receipt of proposals, unless a shorter time is determined necessary in writing by the Director pursuant to a written request from the requesting Department receiving the materials or services. <u>In accordance with the Flagstaff City Charter, public notice of the Request for Proposals shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of the proposals</u>.

D. In all competitive sealed Request for Proposals, the Purchasing Section shall issue a Request for Proposals using a solicitation document approved by the Purchasing Section and the City Attorney's office.

Section 11.4 Solicitation Opportunities

1. Solicitations shall be advertised in the Arizona Daily Sun and posted on the City's website. Prospective Proposers can download the solicitation and all other related documents at: flagstaff.az.gov/departments/purchasing/bidpostings-overview. After the heading "Bids available for download," click on "bid postings". All solicitations may be picked up from the Purchasing Section during normal business hours.

2. Interested Bidders can download and complete a Vendor Application form from the City's website. The Vendor Application form allows a Vendor to subscribe to receive an e-mail based notification of all current solicitation opportunities.

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Section 11.5 Pre-Proposal Conferences

Pre-proposal conferences may be convened in accordance with the same procedures outlined in Section 10.5, "Pre-Bid Conferences".

Section 11.6 Late Proposals, Modifications or Withdrawals

A. A proposal received after the closing date and time for receipt of proposals is late and shall not be considered except under the circumstances set forth in Section 10.8, "Late Bids, Late Withdrawals and Late Modifications". A best and final offer received after the closing date and time for receipt of best and final offers is late and shall not be considered except under the circumstances in accordance with the same procedures outlined in Section 10.8 (B), "Late Bids, Late Withdrawals and Late Modifications".

B. A modification of a proposal received after the closing date and time for receipt of proposals is late and shall not be considered except under the circumstances in accordance with the same procedures outlined in Section 10.8(B), "Late Bids, Late Withdrawals and Late Modifications".

C. A modification of a proposal resulting from an addendum issued after the closing date and time for receipt of proposals or a modification of a proposal resulting from discussions during negotiations shall be considered if received by the closing date and time set forth in the addendum or by the closing date and time for submission of best and final offers, whichever is applicable. If the modifications described in this subsection are received after the respective date and time described in this subsection, the modifications are late and shall not be considered except under the circumstances in accordance with the same procedures outlined in Section 10.8 (B), "Late Bids, Late Withdrawals and Late Modifications".

D. A proposal may be withdrawn at any time before the closing date and time for receipt of best and final offers. Withdrawal of a proposal after submission of best and final offers is permissible only in accordance with Section 11.11 (B), "Mistakes in Proposal Response".

Section 11.7 Receipt of Proposals

A. Each proposal received shall be date and time-stamped and retained in a secure place, within the Purchasing Section, until the closing date and time for receipt of proposals. A record of proposals shall be prepared and shall contain the name of each Proposer, the subject of the Request for Proposals and the assigned Request For Proposals number for which the proposal was submitted.

B. Proposals shall be opened in the presence of one (1) or more witnesses. During the evaluation process, proposals and modifications shall be shown only to those individuals involved in the evaluation and scoring process.

C. If only one proposal is received in response to a Request for Proposals, the Purchasing Agent may either make an award in accordance with Section 11.12, "Contract Award for Request for Proposals", or if time permits, re-solicit.

Section 11.8 Evaluation of Proposals

A. Evaluation of proposals shall be based on the evaluation criteria set forth in the Request for Proposals.

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Section 11.9 Discussions with Responsible Proposers and Revisions to Proposal

A. Discussions may be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for award; for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussions and revision of proposals, and such revisions may be permitted after submissions and prior to award, for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers. The purpose of such discussions may be to:

1. Determine in greater detail such Proposer's qualifications;

2. Explore with the Proposer the scope and nature of the project, the Proposer's proposed presented approach, the relative utility of alternate methods of approach and method of performance;

3. Determine that the Proposer will make available the necessary personnel and facilities to perform within the required time; and

4. Agree upon compensation which is fair and reasonable, taking into account the estimated value of the required services/equipment, the scope and complexity of proposed project and nature of such services/equipment.

B. After an evaluation committee has reviewed all of the initial proposals, discussions may be held between the responding Proposers and the evaluation committee. Such discussions are conducted to more fully understand the initial proposals submitted by the Proposers.

C. Following the initial proposal review and discussions phase, the evaluation committee may either recommend an award to a specific firm or firms, if their proposal is clearly the best offer, or further define the RFP's needs within the scope of the original RFP and call for best and final offers.

D. Proposal information may not be disclosed to any other Proposer. Each Proposer's information and pricing shall be kept under strict security until after an award recommendation has been made.

E. All responsive and responsible Proposers are to be given a fair and equal opportunity to respond to any narrowed scope/specification needs stated within the written best and final offer document that may be issued by the Director. If the evaluation process clearly proved (with supportive evidence) that certain Proposers were incapable of meeting the scope and needs of the RFP in a satisfactory manner, then those Proposers may be removed from further consideration during the best and final offer phase of the RFP evaluation process. The criteria for being removed from best and final consideration must be well documented and placed in the bid/contract file.

F. Best and final offers shall be requested in formal writing by the Purchasing Section and a reasonable time period given to Proposers for making a quality response. Any requested, best and final offer shall be within the scope of the original RFP and used to further identify and clarify specific service/product needs and appropriate pricing requirements based on those further clarified needs. .

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Section 11.10 Best and Final Offers; Tied Proposals

A. If discussions are conducted pursuant to Section 11.9, "Discussions With Responsible Proposers and Revisions to Proposal", the Purchasing Agent shall issue a formal written request for best and final offers. The request shall set forth the date, time and place for the submission of best and final offers. Best and final offers shall be requested only once, unless the Purchasing Agent makes a written determination that it is advantageous to the City to conduct further discussions or change the City's requirements. The request for best and final offers shall inform Proposers that, if they do not submit a best and final offer, their immediate previous offer will be construed as their best and final offer.

B. In the event of tied proposals, the tie shall be broken according to the following determined by the Director:

1. Best and final offer when determined by the Director to be applicable; or

2. Draw lots.

Section 11.11 Mistakes in Proposal Response

A. Prior to the time and date set for receipt of best and final offers, any Proposer may withdraw their best and final offer or correct any mistake by modifying their best and final offer.

B. Proposers submitting a best and final offer, may withdraw a proposal or correct a mistake after the specified due date, in accordance with Section 10.10, "Mistakes in Bids".

Section 11.12 Contract Award for Request for Proposals

A. The contract shall be awarded to the Proposer whose proposal is responsive and responsible and determined in writing to be the most advantageous to the City based on the factors set forth in the Request for Proposals. The determination shall explain the basis of the award.

B. If the Contract(s) awarded exceeds the formal procurement limit, each unsuccessful Proposer shall be notified in writing of the award.

C. After contract award or as determined by the Purchasing Agent**,** the proposals shall be open for public inspection, except to the extent that the withholding of information is permitted or required by law. If the Proposer designates a portion of the proposal as confidential, disclosure of such portion shall be made in accordance with the following:

1. If a Proposer believes that a proposal contains information that should be withheld, a statement advising the Purchasing Agent of this fact shall accompany the submission and the information shall be so identified wherever it appears. The information identified by the Proposer as confidential shall not be disclosed until the Purchasing Agent makes a written determination;

2. The Purchasing Agent shall review the statement and information and shall determine in writing whether the information shall be withheld; and

3. If the Purchasing Agent makes the determination to disclose the information, the Purchasing Agent shall inform the Proposer in writing of such determination.

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ARTICLE 12 FORMAL PROCUREMENT PROCESS – PROFESSIONAL DESIGN SERVICES, CAPITAL IMPROVEMENTS/CONSTRUCTION AND CONSTRUCTION SERVICES

The formal procurement process for professional design services and capital improvements/construction projects utilizes different solicitation documents than the Request for Proposals. If the procurement is for professional design services, the Purchasing Agent shall utilize the Request for Statements of Qualifications solicitation. If the procurement is for capital improvements/construction, the Purchasing Agent shall utilize the Invitation for Bids (IFB) or one of the Alternative Project Delivery Methods, such as Construction Manager At Risk (CMAR), Design Build (DB) or Job Order Contracting (JOC), as deemed appropriate. If any of the Alternative Project Delivery Methods are utilized, the solicitation and contract award shall be based on qualifications utilizing the Request for Statements of Qualifications (RSOQ). In the event a decision is made by the Purchasing Agent to have a phase 2 of the solicitation process, A Request for Proposals may be used to include pricing information. Both the Request for Statements of Qualifications and the Request for proposals documents shall include specifications and/or scope of work, and all contractual terms and conditions applicable to the procurement.

Section 12.1 Request for Solicitation Determination

The Purchasing Agent shall determine if the Invitation for Bids or one of the Alternative Project Delivery Methods, followed by a Request for proposals, if there is a phase 2, is more appropriate for the selection of the service or construction with an estimated expenditure exceeding the formal procurement limit.

Section 12.2 Request for Issuance of a Formal Solicitation

A. The requisitioner or "End-user" shall electronically submit a requisition referencing the cost estimate or approved budget for the requested service or construction.

B. The Purchasing Agent shall obtain a bid number from the Solicitation Log Book in the Purchasing Section, provide the description of the purchase or project, the Purchasing Agent assigned and determine the appropriate solicitation document and agreement to be used.

C. The Requisitioner or "End-user" shall provide the specifications and/or scope of work to the Purchasing Section. Once the solicitation is complete, the Purchasing Agent shall forward to the City Attorney's office for review before issuance of the solicitation.

Section 12.3 Professional Design Services

Professional Design Services are those services that are legally required to be accomplished, reviewed and approved by professionals registered to practice in the State of Arizona and pertain to the following professional services:

1. Architect services
2. Engineering services
3. Assayer services
4. Geologist services
5. Landscape Architect services
6. Land Surveying services

Contracts for these professional design services shall be solicited through a Request for Statements of Qualifications, except as otherwise provided for in Article 18, Sole Source, Article 19, Emergency Purchase, or Article 20, "Procurements From Solicitations by Other

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Governmental Entities". The Purchasing Section shall issue the standard Request for Statements of Qualifications document established and approved by the Purchasing Section and the City Attorney's office. All contracts for professional services referenced above, shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and the appropriate Article or Section of this Procurement Code Manual.

The Request for Statements of Qualifications, shall be issued at least **twenty one (21) days** before the closing date and time for receipt of statements of qualifications, unless a shorter time is determined necessary in writing by the Director. In accordance with the Flagstaff City Charter, public notice of the Request for Statements of Qualifications shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of statements of qualifications.

Section 12.4 Capital Improvements/Construction

A. Capital Improvements is the construction related projects involving the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property, which extends the life or increases the productivity of the real property. Construction is the process of building, altering, repairing, improving or demolishing any public infrastructure facility, including public structure, public building, or other public improvements of any kind to any real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing public infrastructures or facilities, including structures, buildings or real property.

B. Contracts for capital improvements/construction shall be solicited utilizing an Invitation for Bids process or one of the Alternative Project Delivery Methods, except as otherwise provided for in Article 18, "Sole Source" or Article 19, "Emergency Purchase".

C. The Purchasing Section shall issue the appropriate, selected, solicitation document established and approved by the Purchasing Section and the City Attorney's office.

D. All contracts for Capital Improvements/construction shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and the appropriate Article or Section of this Procurement Code Manual.

E. Bidders shall submit subcontractor lists for all subcontracts that are above $5,000. Bids not in compliance with this requirement shall be deemed non-responsive. Submission of the subcontractor list shall act as Bidder certification that the work shall be performed by either the Bidder or the listed subcontractors. Substitutions may be allowed for reasons including, but not limited to, subcontractor non-responsiveness, insolvency, or any other reason deemed by the Director to be in the best interest of the City.

Section 12.5 Construction Services

Construction Services is a combination of construction and one or more related services, such as finance services, maintenance services, operations services, design services and pre-construction services, as these services are authorized in the definitions of Construction Manager at Risk, Design Build or Job Order Contracting as follows:

A. Construction-Manager-At-Risk is a project delivery method in which:

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1. There is a separate contract for design services and a separate contract for construction services;

2. The contract for construction services may be entered into at the same time as the contract for design services or at a later time;

3. Design and construction of the project may be in sequential phases or concurrent phases; and

4. Finance services, maintenance services, operations services, preconstruction services, and other related services may be included.

B. Design-Build is a project delivery method in which:

1. There is a single contract for design services and construction services;

2. Design and construction of the project may be in sequential phases or concurrent phases; and

3. Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included.

C. Job-Order-Contracting is a project delivery method in which:

1. The contract is a requirements contract for indefinite quantities of construction;

2. The construction to be performed is specified in job orders issued during the contract;

3. Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included; and

4. The project limit shall be set by the Director in accordance with A.R.S. Title 34, Public Buildings and Improvements.

D. Design-Bid-Build is the traditional project delivery method, other than the three (3) alternative project delivery methods, referenced above, in which:

1. There is a sequential award of two (2) separate contracts;

2. The first contract is for design services;

3. The second contract is for the actual construction;

4. Design and construction of the project are in sequential phases; and

5. Finance services, maintenance services and operations services are not included.

Contracts for construction services shall be solicited through a construction-manager-at-risk, design-build or job-order-contracting selection process utilizing a Request for Statement of Qualifications, except as otherwise provided for in Article 18, “Sole Source” or Article 19, “Emergency Purchase”. The Purchasing Section shall issue the standard Request for Statements of qualifications document established and approved by the Purchasing Section and the City Attorney’s office. All contracts for professional services referenced above, shall be

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awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and the appropriate Article or Section of this Procurement Code Manual.

The Request for Statements of Qualifications, shall be issued at least **twenty one (21) days** before the closing date and time for receipt of statements of qualifications, unless a shorter time is determined necessary in writing by the Director. In accordance with the Flagstaff City Charter, public notice of the Request for Statements of Qualifications shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of statements of qualifications.

ARTICLE 13 FORMAL SOLICITATION ADVERTISING

A. The Purchasing Agent shall advertise all formal solicitations as follows:

1. Invitation for Bids--- At least one (1) time in a local newspaper of general circulation no less than five (5) days prior to bid opening.

2. Request for Proposals—At least one (1) time in a newspaper of general circulation no less than five (5) days prior to proposal opening.

3. Request for Statements of Qualifications--- At least two (2) consecutive times in a newspaper of general circulation no less than six (6) days apart and no more than ten (10) days apart prior to the statement of qualifications opening. The opening shall not be less than five (5) days from the last advertisement.

B. The requisitioning department shall budget for this required advertising.

C. The City web site references all formal solicitation opportunities.

D. The Purchasing Section may mail a notice of solicitation and any addendums to persons listed on the City Bidder's List and any person requesting the information. Bidnet, Arizona Procurement Technical Assistance Network, Construction News, Dodge, and other resources deemed appropriate by the Purchasing Section may be included in mailing lists for all applicable solicitations. All solicitations listed on the City's web site are available for downloading. Interested Bidders may subscribe to receive an e-mail based notification of all current solicitation opportunities by downloading and completing a vendor application from the City's website. The vendor application can be found by going to the City's website home page, clicking on City Hall, and then Departments, and then Purchasing and then vendor registration and then the link for vendor application.

E. All solicitations may be picked up from the Purchasing Section during normal business hours. For construction related projects involving plan sets, the City's Project Manager assigned to the project or a designee within their Division or Section shall be responsible for providing and logging plan sets requested by prospective Proposers.

F. The Purchasing Section shall be responsible for scheduling bid or proposal openings and required pre-bid or pre-proposal conferences and post award meetings.

G. The Purchasing Agent shall determine and coordinate any necessary addendums and issue any required addendums, receive bids or proposals and conduct bid or proposal openings.

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1. Only the Purchasing Section may supply interested persons with official copies of formal solicitations; and

2. Only a Purchasing Agent may issue a Notice of Award or a Notice to Proceed.

ARTICLE 14 EVALUATION/SELECTION COMMITTEE FOR MATERIALS, SERVICES, PROFESSIONAL DESIGN SERVICES AND CONSTRUCTION

All vendor responses to formal solicitations that contain evaluation criteria, in addition to price, shall be evaluated and scored by an evaluation/selection committee according to the following:

A. The committee shall review and evaluate vendor responses according to the evaluation criteria referenced in the solicitation document. All committee members shall score each vendor according to the scoring matrix provided by the Purchasing Agent.

Section 14.1 Guidelines for Evaluation/Selection Committee; Selection Process

A. ***Appoint Evaluation/Selection Committee for Materials and Services:***

1. The selection of Evaluation Committee members shall be determined, collectively, by the Purchasing Agent and the end-user. The evaluation committee shall consist of at least three (3) people, but preferably five (5) people. For any evaluation committee comprised of more than three (3) members, the committee shall consist of an odd number of members. Committee membership shall be a diverse group familiar with the elements contained in the Scope of Work.

2. Evaluation Committee membership is not restricted to City employees. However, committee members may not receive compensation**,** present a proposal, nor be affiliated with a person presenting a proposal.

3. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

B. ***Appoint Evaluation/Selection Committee for Professional Design Services:***

1. The selection of Evaluation Committee members shall be initiated and determined, collectively, by the Purchasing Agent and the City Project Manager assigned to the project. The evaluation committee shall consist of at least five (5) members, but no more than seven (7) members and shall include at least one (1) member who is a senior management employee of a licensed Contractor and one (1) member who is an Architect or Engineer registered in the State of Arizona. The remaining evaluation committee membership shall be a diverse group familiar with the elements contained in the Scope of Work. A member on the evaluation committee, who is not an employee of the City, shall not be a Contractor under a contract awarded under the procurement or provide any professional services, construction, construction services, materials or other services under the contract.

2. These members may be employees of the City or not an employee of the City. Members who are not employees of the City, outside Contractors, Architects and Engineers serving on an evaluation committee, are not entitled to receive compensation from the City for performing this service, nor be affiliated with a person submitting a statement of qualifications. However, the City may elect to

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reimburse members who are not employees of the City, outside Contractors, Architects and Engineers for travel, lodging and other expenses incurred in connection with service on an evaluation committee.

3. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

C. ***Appoint Evaluation/Selection Committee for Construction (utilizing a Request for Statements of Qualifications solicitation):***

1. The selection of Evaluation Committee members shall be initiated and determined, collectively, by the Purchasing Agent and the City Project Manager assigned to the project. The evaluation committee shall consist of at least five (5) members, but no more than seven (7) members and shall include at least one (1) member who is a senior management employee of a licensed Contractor and one (1) member who is an Architect or Engineer registered in the State of Arizona. The remaining evaluation committee membership shall be a diverse group familiar with the elements contained in the Scope of Work. A member on the evaluation committee, who is not an employee of the City, shall not be a Contractor under a contract awarded under the procurement or provide any professional services, construction, construction services, materials or other services under the contract.

2. These members may be employees of the City or not an employee of the City. Members who are not employees of the City, outside Contractors, Architects and Engineers serving on an evaluation committee, are not entitled to receive compensation from the City for performing this service, nor be affiliated with a person submitting a statement of qualifications. However, the City may elect to reimburse members who are not employees of the City, outside Contractors,

   Architects and Engineers for travel, lodging and other expenses incurred in connection with service on an evaluation committee.

3. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

Section 14.2 Guidelines for the Selection of Evaluation Criteria Used in a Solicitation Advertised as an Invitation for Bids, Request for Proposals or a Request for Statements of Qualifications

A. ~~The selection of e~~Evaluation criteria ~~shall be initiated and~~ are determined by the Director and the end-user or City Project Manager, ~~depending on the solicitation utilized. It is at the discretion of the Director and end-user or City Project Manager to select evaluation criteria that is deemed to be~~. Evaluation criteria shall be objectively measurable and allow for the evaluation, selection and award of a contract ~~that is~~ in the best interest of the City. ~~The City does not have a Local Bid Preference Ordinance, as the Arizona Supreme Court has rendered a legal opinion that giving a bid preference to local Bidders is unconstitutional~~.

B. All solicitations advertised as a Request for Statements of Qualifications shall include the evaluation criterion “Value Added Knowledge and Experience” as follows:

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Value Added Knowledge and Experience (10 points/10%)

The team hired by the City must be familiar with local community needs, standards, historical challenges, local codes and site conditions. Additionally, the team must be accessible to City staff and citizens (e.g., public hearings, neighborhood meetings and other citizen outreach identified in the Request for Statements of Qualifications) during the contracted design and construction phase of the Project.

1. Resolution of issues may be part of the project work. Describe your response protocol and how the firm's Project Manager (or responsible person in charge) will be accessible to City staff and citizens.

2. Explain why your firm is particularly qualified to perform your services in the Flagstaff area. Demonstrate the Project Manager's (or responsible person in charge) knowledge of local geology, climate, practices, materials and codes by specifying in the submittal their experience working in the Northern Arizona region or in a region with geology, climate and conditions similar to those of the City of Flagstaff.

   a. Briefly describe two of your most recent projects that were performed in the greater Flagstaff area ~~or an area that presents geologically and climatologically similar characteristics.~~ as defined by the Regional Plan and/or Flagstaff Metropolitan Planning Organization (FMPO) boundaries.

3. During construction what it the response time by a qualified person (decision making authority) to meet in person and resolve concerns and to accommodate unforeseen issues? ~~(5 points if less than 30 minutes, 0 points if over 30 minutes).~~

C. The Director may establish a specific weight percentage for each Value Added Knowledge and Experience sub-section, not to exceed the total 10 points or 10% assigned for all of the Value Added Knowledge and Experience evaluation criterion.

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ARTICLE 15 CANCELLATION OR REJECTION OF SOLICITATIONS

An Invitation for Bids, a Request for Proposals or Request for Statements of Qualifications may be canceled by the Director prior to the solicitation opening. However, all bids, proposals or statements of qualifications submitted by a Bidder or proposer may be rejected after the solicitation opening, but the rejection of solicitation shall be approved by City Council as provided in the City Charter.

Section 15.1 Solicitation Statement

Each solicitation issued by the City shall state that the solicitation may be canceled or bids or proposals rejected in whole or in part.

Section 15.2 Cancellation of Solicitation Before Bids or Proposals Are Due

A. Before bids or proposals are due, a solicitation may be canceled if the Purchasing Agent determines that cancellation is advantageous to the City.

B. If a solicitation is canceled before bids or proposals are due, notice of cancellation shall be posted to the City website and sent to all prospective Bidders or Proposers who completed and provided to the Purchasing Section an Acknowledgment of Receipt form when practicable, depending on the number of prospective Bidders who submitted this

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form. The notice of cancellation shall identify the solicitation and briefly explain the reason for cancellation.

C. Any bids or proposals received by the City for a canceled solicitation shall be returned to the Bidder or Proposer unopened.

Section 15.3 Cancellation of Solicitation After Bids or Proposals Are Due

A. After opening of bids or proposals, but before award, a solicitation may be canceled if the Purchasing Agent determines that cancellation is advantageous to the City.

B. A notice of cancellation shall be sent to all Bidders or Proposers submitting bids or proposals.

C. Bids or proposals received shall be placed in a sealed file pending a decision of a rebid of the solicitation. In the event of a rebid of the solicitation, the file shall remain sealed until an award is made.

Section 15.4 Rejection of All Solicitations

A. After receipt, opening and evaluation, but before award, all solicitations may be rejected if determined to be in the best interest of the City. However, any recommendations for a solicitation to be rejected shall be approved by the City Council.

B. A notice of rejection shall be sent to all Bidders or Proposers submitting bids or proposals.

Section 15.5 Procurement Procedural Irregularity

The Purchasing Agent shall act to cancel or reject in the event that action is deemed in the best interest of the City due to a procurement procedural irregularity.

ARTICLE 16 DETERMINATION OF BIDDER AND PROPOSER RESPONSIBILITY

A. ~~A written determination of non-responsibility of a Bidder or Proposer shall be made in accordance with established rules. The unreasonable failure of a Bidder or Proposer to promptly supply information in connection with an inquiry with respect to responsibility shall be grounds for a determination of non-responsibility with respect to the Bidder or Proposer.~~

B. ~~Information furnished by a Bidder or Proposer pursuant to this section shall not be disclosed outside of the Purchasing Section without prior written consent by the Bidder or Proposer, except to law enforcement agencies under a subpoena or court order~~. The Purchasing Agent shall consider the responsibility of any vendor prior to purchasing materials or services from such vendor. The Purchasing Agent shall prepare a written evaluation of a vendor's responsibility for any procurement for services or materials of $50,000 or more. The evaluation will be placed in the vendor's file.

C. Factors to be considered in determining if a ~~proposed~~ vendor is responsible include~~:~~ those set forth below. Any single factor or combination of factors may be grounds for determination of non-responsibility.

1. The ~~proposed Bidder's or Proposer's~~ vendor's capacity to do the work, including adequate finances, equipment, facilities, employees and competing

commitments; ~~financial, physical, personnel or other resources, including subcontractors;~~

~~1.~~ 2. The competency and responsibility of the vendor's proposed subcontractors;

3. The ~~proposed Bidder's or Proposer's~~ vendor's experience in performing similar work; ~~record of performance and integrity;~~

4. The vendor's integrity and record of performance:

a. Positive factors include but are not limited to timely completion within budget, quality of work, prompt resolution of problems, good working relationships and the abilty to resolve disputes without litigation;

~~2.~~ b. Negative factors include but are not limited to past contract terminations or deductions due to failure to perform; termination for cause due to breach; failure to comply with the contract; documented poor performance; customer complaints and/or negative references; unresolved disputes with project owners or subcontractors; and litigation without merit. In addition, any of the grounds set forth in Article 30 for suspension or debarment may be considered.

5. ~~Whether t~~The ~~proposed Bidder or Proposer~~ vendor is qualified legally to contract with the City;

6. Whether the ~~proposed Bidder or Proposer~~ vendor has truthfully supplied all ~~necessary~~ information concerning its responsibility requested by the Purchasing Agent; and

7. Whether the ~~proposed Bidder or Proposer~~ vendor holds any required and active valid State of Arizona license(s) to conduct business or to perform the work proposed.

8. Any other evaluation criteria listed in the solicitation. Examples of other evaluation criteria include but are not limited to: requirement of a balanced bid, requirement that the bid or proposal identify the percentage andcost of work that each subcontractor will perform and a cap on the total project value that can be completed by subcontractors, or requirement that no work shall be subcontracted.

D. The Purchasing Agent may establish specific responsibility criteria for a particular procurement. ~~Any specific~~ All responsibility criteria shall be ~~outlined~~ listed in the solicitation. The solicitation should specify that "The responsibility of the Bidder will be determined based on factors described in Article 16 of the Procurement Code Manual.

E. If the Purchasing Agent determines that a ~~prospective Bidder or Proposer~~ vendor is non-responsible, the determination shall be approved by the Director and in consultation with the City Attorney, shall be in writing and set forth the basis for the determination. A copy of the determination shall be promptly sent to the non-responsible Bidder or Proposer. The Bidder or Proposer may protest the determination by following Article 29, "Protests", Sections 29.1 through 29.6. If the Director in consultation with the City Attorney determines the Bidder or Proposer is non-responsible, no further administrative remedy is available, as the City will not conduct a hearing. The Bidder or Proposer has no due process right to a hearing, but may have the right to file a special action, see Grand Canyon Pipelines, Inc. v. City of Tempe, 816 P.2d 247 (Ariz. App 1991). The final determination shall be made part of the procurement file.

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F. If a contractor desires to substitute a subcontractor at any time after contract award, the Director shall evaluate the competency and responsibility of the proposed new subcontractor. The contractor shall submit complete information to the City and the City shall not be liable for any damages for project delays resulting from such substitution. The City reserves the right to reject substitution of contractors where the contractor was selected in part due to the unique and special skills or knowledge of such subcontractor and if the solicitation clearly provides that the City may reject substitution of such subcontractor.

Section 16.1 Request for Review of Responsibility

A. In the event a Purchasing Agent has cause to question the responsibility of the low Bidder or highest scoring Proposer, a formal letter shall be sent to the Bidder or Proposer containing all information available, including the specific areas where responsibility evidence is desired. In the event the low bid appears to be underbid, unbalanced or not financially viable, the Purchasing Agent may require the low Bidder to provide an accounting, showing that the work can be completed at the bid price.

B. Information supplied by the Bidder or Proposer shall be evaluated by the Purchasing Agent.

C. In the event the Bidder or Proposer is determined non-responsible, the Bidder or Proposer shall be notified in writing of the decision.

ARTICLE 17 COST OR PRICING DATA

A. The submission of current cost or pricing data may be required in connection with an award in situations in which analysis of the proposed price is essential to determine that the price is reasonable and fair. A Bidder or Proposer shall, when requested, submit current cost or pricing data and shall certify that, to the best of the Bidder's or Proposer's knowledge and belief, the cost or pricing data submitted is accurate, complete and current as of a mutually determined specified date.

B. This certification may also be requested to substantiate requests for price adjustments for contracts with options to extend and any contract modification or change order.

C. This certification may also be requested to substantiate requests for cost reimbursements pursuant to the specific terms and conditions contained in a City contract.

Section 17.1 Reimbursement

Provisions for reimbursement of costs shall, where applicable, be included in the terms of the contract and it shall be required that written approval of the Procurement Agent be obtained by the Bidder or Proposer prior to incurring costs to be reimbursed.

ARTICLE 18 SOLE SOURCE

A. A contract may be awarded for a material, service or construction without competition if the Purchasing Agent determines in writing that there is only one source for the required material or service. The Director may require the submission of cost or pricing data in connection with an award under this section. Sole source procurement shall be avoided,

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except when no reasonable alternative sources exist. The written determination of the basis for the sole source procurement shall be included in the contract file.

B. The Purchasing Agent shall negotiate with the sole source Bidder or Proposer, to the extent practicable, a contract advantageous to the City.

C. Sole Source purchases authorized by the Purchasing Agent, which exceed the formal procurement limit, shall be awarded pursuant to Article 26, "Award of Contract".

Section 18.1 Sole Source, Evidence Request

A. Sole Source procurement shall not be used unless there is clear and convincing evidence that there is only one source as determined by the Purchasing Agent.

B. In the event a Department or Division requests a Sole Source procurement, written evidence and report of research to support the request shall be provided to the Purchasing Agent.

C. Negotiations involving Sole Source purchases shall not commence until the Purchasing Agent has approved the Sole Source purchase.

Section 18.2 Sole Source Justification

A. Justification for sole source purchases, at **five thousand and one dollars ($5,001)** and greater, are required.

B. The Purchasing Agent shall approve, prior to any negotiation, any Sole Source purchase over **five thousand dollars ($5,000)** pursuant to Section 18.1, "Sole Source, Evidence Request".

C. A sole source agreement at **five thousand and one dollars ($5,001)** and up to **forty nine thousand nine hundred and ninety nine dollars ($49,999)** may be approved by the Director for a period up to five (5) years based on City requirements and market conditions. A sole source agreement at **fifty thousand ($50,000)** and greater, shall be approved by City Council for a period up to five (5) years.

ARTICLE 19 EMERGENCY PURCHASE

A. Notwithstanding any other provision in this Procurement Code Manual, the Director may make or authorize others to make emergency procurements if there is a threat to public health, welfare, or safety or if a situation exists which makes compliance with the procurement process specified in Articles 10, "Formal Procurement Process—Invitation For Bids", Article 11, "Formal Procurement Process—Request For Proposals" and Article 12, "Formal Procurement Process—Professional Design Services, Capital Improvements/Construction And Construction Services" contrary to the public interest. Emergency procurements shall be made with such competition as is practicable under the circumstances.

B. A written determination of the basis for the emergency and for the selection of the particular Bidder or Proposer shall be included in the contract file.

C. Emergency purchases authorized by the Director which exceed the formal procurement limit, shall be reported to the City Council, as a confirming payment.

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Section 19.1 Conditions for Emergency Purchase

An emergency shall be deemed to exist if:

A. There is a great public calamity;

B. There is immediate need to prepare for national or local defense;

C. There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or services to protect the public health, welfare or safety; or

D. An essential departmental operation affecting the public health, welfare or safety would be greatly hampered if the prescribed formal or informal purchasing procedure would cause an undue delay in procurement of the needed item or service.

Section 19.2 Emergency Purchase Procedure

A. If the emergency occurs during Purchasing Office hours, the requesting department shall contact the Director or a Purchasing Agent who shall procure or authorize the procurement of the necessary materials, services or construction and fully document the purchase.

B. In the event the emergency occurs after Purchasing Office hours, any City employee may make any necessary procurement after receipt of authorization from the Department's or Division's Manager or Supervisor.

   1. By the next working day, a full report of the circumstances of the emergency purchase shall be made by the person making the purchase. The report shall be filed with the Director for inclusion in the appropriate Purchasing records; and

   2. If the purchase exceeded the formal bid limit, the Director and the City employee who made the emergency purchase, shall seek approval of the purchase from the City Council as a confirming payment.

ARTICLE 20 PROCUREMENTS FROM SOLICITATION BY OTHER GOVERNMENTAL ENTITIES

The City may enter into contracts for the procurement of materials, services or construction pursuant to specifications, solicitations or contracts issued by other governmental entities. Such purchases shall conform to state procurement statutes and the Purchasing Agent involved shall conduct due diligence and conclude that the solicitations or contracts issued by other governmental entities conform to the purpose and spirit of this Procurement Code Manual.

Section 20.1 Existing Contracts

A. When making a purchase that conforms to the purpose and spirit of this Procurement Code Manual and the purchase exceeds the City's formal bid limit, the Director shall place a written justification for the use of a contract issued by another governmental agency in the City's contract file, provided the Bidder or Proposer is willing to extend the contract to the City and the Purchasing Agent and the requesting Division obtains City Council approval prior to making the purchase.

B. The Purchasing Agent shall execute a Purchase Order or Notice of Award referencing the applicable contract of the soliciting entity.

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Section 20.2 Joint Solicitations

A. When the City intends to purchase materials or services with another governmental agency through a contract with that agency and the selected Bidder or Proposer, the City may participate in any solicitation issued by that governmental agency provided:

1. The Procurement Officer of the other governmental agency invites the participation or responds positively to a request by the City to participate;

2. The terms and conditions of the lead agency's solicitation have been reviewed by the Purchasing Agent and the City Attorney's office and determined to be advantageous to the City; and

3. The procurement process governing the solicitation substantially conforms to the purpose and spirit of this Procurement Code Manual.

B. Another governmental agency may join in any formal solicitation issued by the City provided:

1. The governmental agency will be a party to the contract which the City and the selected Bidder or Proposer will enter into; and

2. The participation is not found by the Director to be disadvantageous to the City.

C. The provisions of this joint solicitation rule do not apply to the City's participation in solicitations conducted by, but not limited to, the following governmental entities or groups of governmental entities: The Flagstaff Alliance For The Second Century, the State of Arizona, Mohave Educational Services Cooperative, the Western States Contracting Alliance (WSCA), U.S. Communities and the Strategic Alliance for Volume Expenditures (SAVE). Participation in these procurements will continue to be subject to the terms and conditions specified in their respective contracts.

Section 20.3 Cooperative Purchasing Contract Awards

Cooperative purchasing contracts shall be awarded as specified in Article 26, "Award of Contract".

Section 20.4 Purchases From Existing Contracts

A. The Director or Purchasing Agent and the Requesting Division shall determine, collectively, whether using an existing contract from another governmental entity would be in the best interest of the City.

B. The terms and conditions of the selected governmental entity's solicitation have been reviewed by the Purchasing Agent and the City Attorney's office and determined to be advantageous to the City.

C. The Director or Purchasing Agent shall make the purchase according to all applicable sections within this Procurement Code Manual.

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Section 20.5 Request for Joint Solicitation

A. The Requesting Department shall request, in writing to the Director, participation in a joint solicitation.

1. Written request shall include the volume and estimated value of the purchase, which agency is to conduct the solicitation, and benefit to the City for the joint solicitation; and

2. Upon written approval, by the Director, the City's Requesting Department shall coordinate with the other entity the preparation of specifications.

B. The procurement activity shall be conducted or coordinated by the Director or Purchasing Agent whether the City is the lead agency, or another governmental entity is the lead agency.

Section 20.6 Commitment to Purchase or Participate

The Director or Purchasing Agent, in conjunction with the requesting Division, shall determine if it is advantageous for the City to a purchase pursuant to a contract issued by another governmental entity or to participate in a joint solicitation with another governmental entity.

ARTICLE 21 BID AND CONTRACT SECURITY

The submission of security to guarantee faithful bid and contract performance may be required. In determining the amount and type of security required for each contract, the Director shall consider the nature of the performance and the need for future protection for the City. The requirement for security must be included in the solicitation documents.

Section 21.1 Bid Bond

The Purchasing Agent shall determine, on a case by case basis, the need for Bid Security and the amount in order to protect the interest of the City, except where specifically required by A.R.S.,Title 34, Public Buildings and Improvements.

A. If required by A.R.S.,Title 34, Public Buildings and Improvements, the security shall be in the form of a bid bond issued by a company authorized to issue surety bonds in the State of Arizona or a Cashier's Check made payable to the City of Flagstaff in the amount of ten percent (10%) of the vendor's total bid.

B. Bid Security shall be returned to all but the two lowest responsible and responsive Bidders or Proposer within ten (10) days after the opening of bids, and the remaining securities returned within three (3) days after the execution of the contract.

Section 21.2 Performance and Payment Bonds

The Purchasing Agent shall determine, on a case by case basis, the need for a Performance and/or Payment Bond and the amount in order to protect the interests of the City, except where specifically required by A.R.S., Title 34, Public Buildings and Improvements.

A. If required by A.R.S., Title 34, Public Buildings and Improvements, the security shall be in the form of a Performance Bond or Payment Bond issued by a person authorized to

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issue surety bonds in the State of Arizona, or upon approval of the Director**,** secured Cashier's Check made payable to the City of Flagstaff in the amount of one hundred percent (100%) of the vendor's total bid. Individual or personal sureties will not be allowed**.**

B. The contract number and dates of performance must be clearly indicated in the Bond.

C. The Director may consider other forms of Performance and Payment guarantee, depending on the project, with the concurrence of the City's Risk Manager and the City Attorney's office.

Section 21.3 Collection of Bid Bonds

The Purchasing Agent shall notify vendors/contractors, in writing, who fail to execute required contracts of their bond forfeiture and shall act to collect the bond amount if a surety was posted.

Section 21.4 Enforcement of Performance Bond

A. The Purchasing Agent shall notify vendors/contractors, in writing, who fail to provide performance bonds of their default, initiate action to award to second low Bidder or re-bid.

B. The City's Project Manager or Purchasing Agent shall notify the Director and the City Attorney's office of any performance deficiency in order that the City may initiate a claim against the performance bond in the event the deficiency cannot be resolved with the vendor/ contractor.

ARTICLE 22 MULTI-TERM CONTRACTS

A. Unless otherwise provided by law, a contract for materials or services may be entered into for a period of time up to five years, as deemed to be in the best interest of the City, if the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first fiscal year period at the time of contracting. A contract may be entered into for a period of time exceeding five years if the Director determines in writing that such a contract would be advantageous to the City and the City Council approves the contract term.

B. Multi-term contracts shall contain provisions for cancellation by the City in the event funds are not appropriated for the continuance of the contract.

Section 22.1 Determination for Contract Periods Over 5 Years

A. Written requests for contracts exceeding five (5) years shall justify the advantage to the City and indicate why more frequent competition is not practicable.

Section 22.2 Establishment of Contract Period

A. The Director and requesting department shall determine the appropriate contract period based on market conditions, nature of the material or service, and applicable Contract Administration factors.

B. Contracts due to expire prior to a formal solicitation for a new term contract award may be extended on a month to month basis, approved by the Director, to maintain

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organizational service levels until a new formal solicitation can be conducted and a new contract awarded.

Section 22.3 Authority to Renew

A. The Purchasing Director shall have authority to renew a contract if the original contract, approved by City Council, contains a provision that allows for contract renewals upon mutual agreement of both parties and the Purchasing Director has determined in writing that the vendor is not in breach of contract and is performing satisfactorily.

ARTICLE 23 RIGHT TO INSPECT; AUDIT

A. ***Right to inspect***. The City may, at reasonable times, inspect the place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the City.

B. ***Right to Audit***. The City may at reasonable times and places, audit the books and records of any person who submits cost or pricing data to the extent that the books and records relate to the cost or pricing data, or audit the books and records of any person under any contract to the extent that the books and records relate to the performance of the contract. Any person who receives a contract, change order or contract modification for which cost or pricing data is required shall maintain the books and records that relate to the cost or pricing data for three (3) years from the date of final payment under the contract, unless a shorter period is otherwise deemed appropriate by the Director.

ARTICLE 24 CONTRACT PROVISIONS AND AMENDMENTS

A. The Director and the City Attorney's office shall require inclusion in all contracts various provisions regarding appropriate remedies, time of performance, insurance, assurance, price increase limits, options to renew, cost reimbursement and any other terms and conditions, considered to be protective clauses and advantageous to the City.

Section 24.1 Standard Provisions

The Director and the City Attorney's office shall prepare and make available standard contract language for contracts subject to this Procurement Code Manual and State of Arizona statutory requirements. Any modification, deletion, or addition to established contract language shall only be made with the prior approval of the Director and City Attorney's office.

Section 24.2 Effective Dates

All contracts shall state an effective date, initial term of the contract and any contract renewal options after the initial contract term expires and, if applicable, performance dates or notice requirements for implementation date.

Section 24.3 Contract Review Process

A. All contracts shall be reviewed by the Purchasing Agent and the City Attorney's office prior to issuance of a solicitation or execution by the Bidder or Proposer for the purpose of including all applicable contract provisions advantageous to the City.

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B. When deemed appropriate, the Director may also require review and approval by other City Staff.

Section 24.4 Contract Preparation Process

A. All contracts shall be referenced by a number assigned by the Procurement Agent.

B. Contracts shall be awarded according to Section 26.1 "Notice of Intent to Award".

C. Formal contracts, at minimum, shall be prepared and signed in triplicate**.** The successful Bidder or Proposer shall sign the contract first, whenever possible. The contract shall then be routed using a "Document Tracking" form to the City Attorney's office for an Attorney's signature and then routed to the City Clerk's office for signature by the City Manager or Mayor, as appropriate, and then signed by the City Clerk. The distribution of signed contracts shall be as follows: one (1) original copy to the Bidder or Proposer, one (1) original copy to be put in the solicitation file within the Purchasing Section and one (1) original copy to the City Clerk's office.

Section 24.5 Contracts to be Maintained by the City Clerk

A. A copy of all original signed contracts, including any associated amendments, shall be forwarded to the City Clerk who shall assign a contract number and maintain all City wide contracts.

Section 24.6 Contract Amendments

Contracts may be amended if the Director, end-user and the City Attorney's office determines, in writing, that such modification is advantageous to the City, except contracts originally awarded by the City Council may be amended only with the approval of the City Council, unless the amendment is to provide necessary clarification, provided by the Director and City Attorney's office, to eliminate varying interpretation.

A. Amendments to contracts shall include signatures of all parties signing the original contract, except where personnel changes have been made to authorized agents of a business entity or the positions of authority within the City. Contract amendments shall be drafted or reviewed by the Purchasing Section and the City Attorney's office prior to signing by the vendor.

B. Amendments that increase the total expenditure commitment from the informal to formal procurement limit are subject to approval through the formal contract award process as required in Section 26.1 "Notice of Intent to Award".

C. Contract amendments shall not alter the terms and conditions or scope of work to the extent that, had the contract been bid in the modified state, the resulting low Bidder could have changed, or to the extent that the bid participation could reasonably have been expected to have increased.

Section 24.7 Contract Amendment Preparation

A. Contract amendments shall be prepared in triplicate, using the standard format provided by the Director, and shall be numbered the same as the original contract and routed in accordance with the same procedures outlined in Section 24.3, "Contract Preparation Process".

B. Contract amendments shall be signed by all parties signing the original contract.

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Section 24.8 Contract Amendment Process

A. Changes not within the context of the original scope of work may not be accomplished with a change order, but shall require a Contract amendment and City Council approval if the contract amount is at or higher than the formal procurement limit of $50,000.

B. Contract amendments shall be reviewed and approved prior to the signing by the vendor in the following sequence:

1. Purchasing
2. City Attorney's Office
3. City Council (If contract amount is at or higher than $50,000)

C. A copy of any contract amendment shall be sent to the Purchasing Office for inclusion in the procurement file. When applicable, a memo citing the original Purchase Order number shall be attached to the modification to authorize increase/decrease to the encumbrance by the amount needed to meet the new contractual commitment.

ARTICLE 25 CHANGE ORDERS

A. ***Change Orders***

The City of Flagstaff recognizes the need for City staff to review and approve change orders; task orders that exceed the City Council approved contract amounts; field orders that exceed the authorized limits; and purchase orders for capital projects that exceed the established limit in the City Procurement Code Manual.

The purpose of the Change Order Committee shall have authority to:

1. Review and recommend to City Council approvals, modifications, or disapprovals of design and construction change orders exceeding the time and/or dollar contractual amounts approved by the City Council;

2. Review and approve individual task orders for on-call consultant services that exceed $100,000 or 365 calendar days;

3. Review and approve field orders that exceed $100,000 or 60 calendar days;

4. Review and recommend to City Council approval of dollar and time amounts for engineering studies, feasibility studies, reports, contracts, and purchase orders for capital projects that exceed the amount approved by the City Council or that exceed the purchasing limits, as outlined in this Procurement Code Manual; and

5. Review anticipated purchases by the City that require approval as determined by the City Manager, City Attorney, or City Director.

Section 25.1 Change Order Process

A change order shall be in written form for any and all changes in the contract's time, conditions or compensation. This written change shall be submitted to the Change Order Committee.

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A. Exception 1 – A Field Order, which is a written and limited change order that is issued under the Contract Allowance provision, does not require Change Order Committee action.

Staff shall have the following field order authorities:

Project Manager - $10,000 and 10 calendar days.
Section Head - $25,000 and 30 calendar days.
Division Head - Full contact allowance amount and 60 calendar days.

Field Orders that exceed $100,000 or 60 calendar days require the Change Order Committee to approve the field order. The Change Order Committee can approve extensions with a "no time limit" cap, if it is a no cost change.

B. Exception 2 – A Task Order, which is a written and limited order for a scope of work and is issued under the "On-Call" Consultant Contract, does not require Change Order Committee action.

Staff shall have the following Task order authorities:
Project Manager - $10,000 and 10 calendar days.
Section Head - $25,000 and 60 calendar days.
Division Head - Contact allowance, up to $100,000 and 120 calendar days.

Task Orders that exceed $100,000 or 120 calendar days require the Change Order Committee to approve the task order. The Change Order Committee can approve extensions with a "no time limit" cap, if it is a no cost change.

C. Contractor may proceed with approved work only upon receipt of a fully executed Change Order and direction of the Purchasing Agent or Project Manager. Due to

extenuating circumstances, confirming change orders are allowed upon Director and Project Manager approval.

D. Change Orders that increase the total expenditure commitment from the informal to formal procurement limit are subject to approval through the formal contract award process as required in Section 26.1 "Notice Of Intent To Award".

E. No change order(s) shall exceed 25% of the original contract amount of a professional services contract, 15% of the original contract amount of a construction project, 25% of the original contract amount for all other types of contracts OR $50,000; whichever is greater without Council approval.

F. The City's Project Manager shall be responsible for routing of the change order form and obtaining Contractor approval. One (1) original of the completed and approved Change Order(s) shall be included in the contract file maintained by the Purchasing Agent. Copies shall be sent to Purchasing immediately after all applicable reviews and approval.

G. A copy of any Change Order shall be sent to the Purchasing Office for inclusion in the procurement file. When applicable, a memo citing the original Purchase Order number shall be attached to the Change Order to authorize increase/decrease to the encumbrance by the amount needed to make the new contractual commitment.

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Section 25.2 Change Order Conditions

A. Contract Allowance - Contract allowances of 5%, 7.5% or 10% will be added to all design and construction contracts. The allowance is based on the engineer's estimate and will be included in design contracts for recommendation of award by City Council. The allowance will also be included in the bid for construction contracts for recommendation of award by City Council.

Contract amount*	Contract Allowance
over $1,000,000 in value	allowance of 5%;
from $999,999.99 to $250,000	allowance of 7.5%
from $249,999.99 or lower	allowance of 10%.

B. Administrative Change Orders - A ten-percent (10%) Administrative Change Order (ACO) amount may be included in all design and construction contracts to be considered by the City Council. The ACO amount is 10% of the total contract less the Contract Allowance amount. The ACO shall not exceed $500,000.

Administrative Authorization

Contract Amount	Allowance	Administrative CO.	Total	Total Percentage
$12,000,000	$600,000	$500,000	$1,100,000	9.2%
5,000,000	250,000	500,000	750,000	15.0%
1,000,000	50,000	100,000	150,000	15.0%
500,000	37,500	50,000	87,500	17.5%
100,000	10,000	10,000	20,000	20.0%

Task order – These are authorized scopes of engineering/design work issued to consultants who have approved on-call contracts with the City.

Section 25.3 Change Order Membership

The Change Order Committee Members will consist of the following:

1. Public Works Director or designee
2. Utilities Director or designee
3. City Attorney or designee
4. City Engineer or designee
5. Purchasing Director or Purchasing Agent

A. The City Manager shall designate a Chair who shall preside over all the meetings, establish agendas, and distribute meeting minutes.

B. The Change Order Committee meets as necessary on Thursdays (as necessary) at 7:15 a.m. (during summer work hours) and 8:15 a.m. (during winter work hours) in the Council Conference Room.

C. An electronic copy of all change orders must be submitted to the Committee Chairperson by noon on Monday to be scheduled for the following Thursday's meeting.

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D. Three original change orders, signed by the Project Manager and Department Head shall be given to the Committee Chairperson after the change order has been approved. The Committee Chairperson will obtain all other necessary signatures including the contractor or consultant and distribute copies to the Project Manager.

ARTICLE 26 AWARD OF CONTRACT

The City Council shall award all contracts for materials, services and construction that meet or exceed the formal procurement limit as set forth in Article 7(B), "Formal Procurement Limit." The Purchasing Director shall award all contracts less than the formal procurement limit.

Section 26.1 Notice of Intent to Award

A. Contracts requiring Council award shall be summarized in a staff summary and posted for at least five days on the City's website prior to award.

1. After Council award, Purchasing shall issue a Notice of Award, along with any associated supplemental Agreement. The Notice of Award shall require that all applicable documents (e.g., insurance certificates, performance and payment bonds and signed Agreement) be submitted to the City within ten (10) days.

2. The Purchasing Agent shall issue a Notice to Proceed for construction and service contracts upon receipt of the, insurance certificates, signed agreement and any applicable bid, performance and payment bonds.

ARTICLE 27 SPECIFICATION GUIDELINES

The Director shall establish guidelines governing the review and approval of specifications for materials, services and construction required by the City as secured through the formal or informal procurement process.

Section 27.1 Content of Specifications

The Director shall establish guidelines governing the content of specifications used in City procurements to ensure adequate competition.

Section 27.2 Samples/Demonstrations

A. Samples of materials, when required during the solicitation process, shall be submitted in accordance with the instructions in the solicitation.

B. Samples shall be furnished, free of charge, to the City submitted with the solicitation and must be accompanied by descriptive memorandum.

C. Bid samples may be held for comparison with deliveries pursuant to a contract award.

D. Samples will be returned according to the time frame included in the solicitation at the Bidder's risk and subject to his expense. The City will not reimburse the vendor for any expendable/consumable items that were consumed during the bid evaluation process.

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Section 27.3 Specification Approval

The Purchasing Agent retains the authority to approve or disapprove all specifications to be used in a solicitation.

Section 27.4 Specifications Guidelines

A. A specification may provide alternate descriptions of materials, services, or construction items where two or more design, functional, or performance criteria will satisfactorily meet the City's requirements.

B. To the extent practicable, a specification shall not include any solicitation term or condition, or any contract term or condition.

C. To the extent practicable, if a specification for a common or general use item has been developed, or a qualified products list has been developed for a particular material, service, or construction item, it shall be used.

D. To the extent practicable, specifications shall emphasize functional or performance criteria. When using performance specifications all brands bid shall be evaluated after receipt of bids to determine those meeting specifications.

E. To the extent practicable, specifications shall be written as minimum standards.

F. Unless otherwise specifically stated in the solicitation, any equipment or materials specified shall be standard, new, and state-of-the-art in quality and design, and shall comply fully with all applicable federal and Arizona laws and regulations.

Section 27.5 Maximum Practicable Competition; Brand Name or Approved Alternate; Qualified Products List

A. ***Maximum Practicable Competition***. All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs and shall not be unduly restrictive.

1. To the extent practicable and unless otherwise permitted by this section, all specifications shall describe the City's requirements in a manner that does not unnecessarily exclude a specific material, service or construction item.

2. Proprietary or brand name specifications shall not be used unless the Director determines in writing that such specifications are required and demonstrate technological justification and that it is not practicable or advantageous to use a less restrictive specification.

3. To the extent practicable, the City shall use accepted commercial specifications and shall procure standard commercial materials and avoid proprietary specifications whenever practicable.

B. ***Brand name or approved alternate***. A brand name or approved alternate specification shall only be used when the Director determines in writing that use of a brand name or approved alternate specification is advantageous to the City and the solicitation provides for the submission of equivalent products. The solicitation document shall state that “the City reserves the right to determine what is considered an equivalent product.”

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1. A brand name or approved alternate specification shall designate as many different brands as are practicable or approved alternate specifications.

2. A brand name or approved alternate specification shall include a description of the particular design, functional, or performance characteristics that are required, unless the Director determines in writing that the essential characteristics of the brand names designated in the specifications are commonly known.

3. A solicitation that uses a brand name or approved alternate specification shall explain that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition. The solicitation shall state that products substantially equivalent to those brands designated shall qualify for consideration.

C. ***Qualified products list***. A qualified products list may be prepared and utilized, if the Purchasing Agent determines in writing that testing or examinations of the material or construction items prior to the issuance of the solicitation is desirable or necessary in order to best satisfy the City's requirements. As many potential suppliers as practicable shall be solicited to submit products for testing and examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer its products for consideration in accordance with the schedule or procedure established for this purpose. The qualified products list shall not be modified after the solicitation is issued.

Section 27.6 Inspections and Tests

A. The inspection or testing of any material to verify specification adherence or qualify for a products list, shall be performed in a manner established on a case by case basis.

B. If testing is required, the requirements shall be included in the solicitation.

C. The City reserves the right to require testing or inspection by a recognized testing laboratory or consultant selected by the City.

D. The cost of testing or inspection shall be borne by the Bidder submitting a bid for the products the City is requesting.

Section 27.7 Proprietary Specifications

Proprietary specifications are not justified by past success in performance, the inconvenience of writing specifications, or the desire to maintain a single brand that is not supported by technological justification.

Section 27.8 Product Testing Guidelines

City Staff may test materials or services in a manner agreed upon with the material or service supplier provided the following guidelines are applied:

A. City Staff is not required to test solely for supplier's benefit;

B. City Staff may not accept materials for testing unless those materials have been purchased through purchasing procedures provided by this Procurement Code Manual;

C. Any testing shall be at the direction and convenience of City staff;

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D. The City's name may not be used by any person in connection with any advertising sale, or promotion of any product tested by the City staff; and

E. Any materials testing shall be pursuant to industry standard testing of materials and a written testing agreement shall be in place between the City and the supplier. The Director must be notified of all testing agreements prior to commencement of testing.

Section 27.9 Specifications Prepared by Architects; Engineers; Consultants

All specifications prepared for City contracts shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs and shall not be unduly restrictive. In the event that suitable specifications cannot be developed by City staff, the Director may retain a specification consultant for the purpose of assisting with the writing of the specifications. The consultant shall be selected pursuant to either Section 7.1, "Informal Procurement Process", or Article 11, "Formal Procurement Process—Request for Proposals".

Section 27.10 Preparation of Specifications by Persons Other than City Personnel

A. The City may contract for the preparation of specifications with persons other than City personnel including, but not limited to, consultants, architects, engineers, designers, manufacturers, and others.

B. The requirements of Article 27, "Specifications Guidelines" shall apply to all specifications prepared by vendors, including, but not limited to, those prepared by consultants, architects, engineers, designers, and other draftsmen of specifications for public contracts. Contracts for the preparation of specifications by other than City personnel shall require the specification writer to adhere to such requirements.

C. The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which the specification was prepared nor is the preparer eligible to supply any product to a Bidder or Proposer on the solicitation for which the specification was prepared; provided however, the Director may make an exception to this provision when justified by the business practices of the applicable industry or it is otherwise in the best interest of the City. The Purchasing Agent shall place in the solicitation file, a written determination, including all relevant facts in any case where an exception is made.

D. The terms and conditions of contracts for preparation of specifications shall reference the rule in Subsection C above.

Section 27.11 Recycled and energy consumptive materials; life cycle costing; environmental procurement.

Guidelines shall be established governing the review and approval of specifications for the procurement of selected materials based on considerations of recycling, energy conservation, life cycle costing and other environmental considerations.

Section 27.12 Environmental/Sustainable Procurement Policy

A. A Sustainable Purchasing Policy, hereinafter referred to as Policy, has been established to ensure the procurement of products and services that reduce the consumption of resources and the production of waste, minimize adverse health effects and reduce costs to the City.

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The principles of the Policy are rooted in resource efficiency, life cycle perspective, and pollution prevention. Resource efficiency incorporates preference to reusable content and recycled materials over virgin materials, as well energy and water conservation. Life cycle perspective considers the environmental impact of a product or service over its lifetime (raw material extraction, manufacturing, packaging, transport, energy consumption, maintenance and disposal). Pollution prevention incorporates processes and practices that prevent the creation of pollution and wastes, rather than managing these after they have been created.

The Policy requires the City to:

1. Strongly promote the purchase and use of materials, products and services that are fiscally responsible, reduce resource consumption and waste, promote local business opportunities, and promote human health and well-being.
2. Minimize the consumption of non-replaceable natural resources by reviewing current and proposed future usage and evaluating the pros and cons of alternatives.
3. Maximize the reuse and recycling of materials. Require a minimum 50% post-consumer waste recycled content for paper. Require recyclability of products in compliance with the City's recycling program, reusability, and performance consistent with City standards to the extent practicable.
4. Use and require contractors and consultants to use products manufactured with maximum practical amount of recovered material, especially post-consumer material.
5. Stimulate demand for products and services supporting the Policy by letting manufacturers and suppliers know the performance the City expects.

B. The Sustainability Program staff shall provide support to Purchasing and Division Staff in their efforts to meet the requirements of the Policy.

C. Procedures and Guidelines may be established as necessary to ensure the continuation of a strong Sustainable Procurement Program.

ARTICLE 28 DISPOSITION OF SURPLUS PERSONAL PROPERTY

A. ***Surplus Personal Property Disposition***

The City Council or designee, may sell, trade, transfer between offices, Divisions or otherwise dispose of surplus personal property pursuant to Article 8, "Contracts", Sections 4, "Transfer and Sale of property Within City Government", and Section 10, "Sale of City Property", number 1 and 3 of the Flagstaff City Charter. Each sale shall be made to the highest responsible Bidder after published notice of the sale in accordance with the following schedule:

1. Informal Process: Personal property having a value of $500.00 or less may be sold without published notice, but written advice of such sale or disposal shall be given to the City Council.

2. Formal Process: Personal property valued in excess of $500.00 shall be sold after published notice of the sale for at least once, but not less than five (5) days prior to the published notice. .

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2.1 All personal property disposition under a formal process, shall be sold by public on-site auction, public on-line bidding process or through a formal competitive sealed bid sale process.

2.2 Any surplus property shall be sold through a formal competitive sealed bid sale, when it is more advantageous to the City than holding it for public on-site auction or public on-line bidding.

2.3 All formal sealed bid sales shall be conducted in a manner substantially similar to the procedures established in Article 10, "Formal Procurement Process—Invitation For Bids" and shall include a description of the property for sale and all terms and conditions applicable to the sale.

2.4 Public notice of any sealed bid sale shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of the bids.

2.5 Any surplus property sold under this formal competitive sealed bid sale process, shall be sold to the person making the highest responsive, responsible, offer most advantageous to the City.

Property seized during the course of a police investigation shall not be subject to this Procurement Code Manual until such time as any State and Federal laws have been complied with and the property is declared surplus by the Police Department.

B. ***Declaration Regarding Surplus Property***

The disposition of all City owned surplus property shall be determined and handled by the City's Central Warehouse. Divisions shall be responsible for property in their possession and as necessary, may declare such property as surplus and shall complete a surplus property form with all required signatures. This form is available on the City of Flagstaff CityNet and shall accompany all items taken to the Warehouse as surplus property and need to reflect whether the item(s) are operational or not, so the information can be given to Bidders.

Section 28.1 Organizational Need

Prior to pursuing any method for disposal of surplus property, the Division or end-user shall first determine that it is of no use to any other Division. Divisions shall review inventories of personal property to determine the existence of excess or obsolete items that could be declared surplus property and shall notify the Central Warehouse Manager.

Section 28.2 Surplus Property Listing

A listing of surplus property shall be maintained by each Division and such property shall be transferred between Divisions as needed prior to any other disposition method handled by the Central Warehouse. The Central Warehouse shall maintain a surplus property list of all items that are located at the Central Warehouse and scheduled to be sold either through a public on-site auction or public on-line bid sale.

Section 28.3 Surplus Property Trade-In Allowance

Prior to trading for credit against a new purchase or service, the Purchasing Agent shall determine the fair market value and document the disposal in the surplus item file with reference to the Purchase Order for the new materials or services.

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Section 28.4 Proceeds From Sales

All proceeds from the sale of surplus property shall be deposited in an established revenue account of the City determined by the Finance Director.

Section 28.5 Donation of Surplus Property

Surplus personal property may be donated to organizations in exchange for services that would benefit the local Flagstaff community, where such value would exceed the revenues generated from a sale through an auction or sealed bid, as determined in writing by the Director. For donations valued in excess of $50.00, the receiving organization shall execute a receipt or contract according to how the donation will be used. Any donation, exceeding $500.00 in value, shall be approved by the City Council.

ARTICLE 29 PROTESTS

An actual or prospective Bidder or Proposer, who is aggrieved in connection with the solicitation or award of a contract, may protest any aspect of a solicitation prior to award of a contract.

Section 29.1 Time for Filing Protests

A. Protests based upon alleged improprieties in a solicitation that are apparent before the solicitation due date shall be filed not less than five (5) working days before the

solicitation due date. Contracts shall be final and no protest pursuant to this section may be filed after award.

B. In cases other than alleged improprieties in a solicitation, protests shall be filed within ten (10) days after the aggrieved person knows or should have known the facts and circumstances upon which the protest is based. However, in no event, shall the protest be filed later than ten (10) days after issuance of notification of award.

Section 29.2 Filing of a Protest

A. A protest shall be submitted, in writing, to the Director and shall include the following information:

1. The name, address, telephone number and e-mail address of the Protestant;

2. The signature of the Protestant or its representative;

3. Identification of the solicitation and contract number;

4. A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and

5. The form of relief requested.

B. The Director, without waiving the City's right to dismiss the protest for lack of timeliness, may consider any protest that is not filed timely.

C. The Director shall give notice of the protest to the successful vendor if award has been made, or if no award has been made, to all actual or prospective Bidders or Proposers.

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D. The Director shall review the formal protest and issue a written ruling within fourteen (14) days of receiving the formal protest in accordance with Section 29.1, "Time for Filing Protests", and Section 29.2, "Filing of a Protest". The Director may also give notice of the ruling to any other persons involved in the solicitation whose interests may be affected by the ruling requested from the Director.

~~E. If the Director fails to issue a decision within the time limits set forth in subsection (D) of this section, the protestant may proceed with a request for a hearing as if the Director had issued an adverse decision.~~

Section 29.3 Stay of Procurements During the Protest

In the event of a timely protest under Section 29.1, "Time for Filing Protests", the City may proceed further with the solicitation or with the award of the contract unless the Director makes a written determination that there is a reasonable probability that the protest will be sustained or that the stay of procurement is not contrary to the substantial interests of the City.

Section 29.4 Confidential Information

A. Material submitted by a Protester shall not be withheld from an interested party except to the extent that the withholding of information is permitted or required by law or as determined pursuant to Procurement Code Manual provisions for confidential material.

B. If the Protester believes the protest contains material that should be withheld, a statement advising the Director of this fact shall accompany the protest submission.

Section 29.5 Remedies

A. If the Director sustains the protest in whole or part and determines that a solicitation or proposed contract award does not comply with the procurement statutes and regulations, the Director shall implement an appropriate remedy.

B. In determining an appropriate remedy, the Director shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement process, the good faith of the parties, costs to the City, the urgency of the procurement and the effect of the relief.

C. An appropriate remedy may include one or more of the following:

1. Reissue the solicitation and award a contract consistent with this Procurement Code Manual; or
2. Such other relief as is determined necessary to ensure compliance with the City Charter, City ordinances and/or this procurement Code Manual.

~~***Section 29.6 Dismissal Before Hearing***~~

~~The Director shall dismiss a protest, upon a written determination, before scheduling a hearing if:~~

~~1. The protest does not state a valid basis for protest; or~~

~~2. The protest is untimely pursuant to Article 29, "Protests".~~

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ARTICLE 30 HEARINGS (Discretionary)

These procedures apply to a claim or controversy by an interested party arising out of a solicitation issued by the City, a proposed award of a City contract, or a debarment from the City procurement process. Hearings required or permitted by this Procurement Code Manual shall be conducted by the City Manager or designee.

Section 30.1 Request for Hearing

A. If a controversy or formal protest is not resolved by the Protestant and the Director, the Protestant may request a hearing in writing ("Hearing Request"), to the Director, within ten (10) days. The hearing will be conducted by the City Manager, or the City Manager's designee ("Hearing Officer") and shall be held within thirty (30) days after the Hearing Request is received by the Director, unless the parties agree otherwise.

B. Award of a City contract may be postponed if a timely Hearing Request is received.

Section 30.2 Rights and Responsibilities

A. Generally. Parties may be requested by legal counsel at the hearing before the Hearing Officer. A party may present testimony and documentary evidence and argument with respect to the issues and may examine and cross examine witnesses.

B. Preparation. A party shall have all witnesses, documents and exhibits available on the date of the hearing.

C. Exhibits. A party shall provide a copy of each exhibit to all other parties at the time the exhibit is offered to the Hearing Officer, unless it was previously provided to the other parties.

Section 30.3 Ex Parte Communications

A. A party shall not communicate, either directly or indirectly, with the hearing Officer about any substantive issue in a pending matter unless:

1. All parties are present;

2. It is during a public meeting of the City Council of which notice was given as required by the Arizona Revised Statutes and City ordinances;

3. It is during a scheduled proceeding, where an absent party fails to appear after proper notice; or

4. It is in writing with copies to all parties.

B. All parties shall not file a document or send a letter to the Hearing Officer without sending a copy to the other parties. All parties shall make sure that all other parties are notified and given a copy of any document sent to a Hearing officer.

Section 30.4 Conduct of Hearing

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A. Recording of Hearing. The Hearing Officer will have a recording made of the hearing at the expense of the City. To maintain the objectivity of the hearing record, the Hearing Officer shall control the process of making the recording during the hearing. If the Protestant or its representatives request a transcript of the proceeding, it shall pay the costs to the City, in burdened staff time or actual cost of a contract stenographer, of creating the transcript.

B. Opening. The Hearing Officer shall begin the hearing by stating the nature and scope of the hearing, and identifying the parties, counsel, and witnesses for the record.

C. Stipulations. The Hearing officer shall enter into the record any stipulation, settlement agreement, or consent order entered into by any of the parties before or during the hearing.

D. Opening Statements. The Protestant may make an opening statement at the beginning of a hearing. All other parties may make statements in a sequence determined by the Hearing Officer.

E. Order of Presentation. After opening statements, the Protestant shall begin the presentation of evidence, unless the parties agree otherwise or the Hearing Officer determines that requiring another party to proceed first would be more expeditious or appropriate, and would not prejudice any other party.

F. Examination and Documentary Evidence. A party shall conduct direct and cross examination of witnesses on the order and manner determined by the Hearing Officer to expedite and ensure a fair hearing. The Hearing Officer shall make rulings necessary to prevent argumentative, repetitive, or irrelevant questioning and to expedite the examination. The rules of evidence do not apply, and the Hearing Officer may admit evidence over hearsay or other objections where the offered evidence has substantial probative value and reliability. The Hearing Officer shall mark exhibits and admit them into the record as evidence as the parties present them. Copies of records and documents prepared in the ordinary course of business may be admitted. Summary accounting records may be admitted subject to satisfactory proof of the reliability of the summaries.

G. Closing Argument and Post Hearing Memoranda. When all evidence has been received, parties shall have the opportunity to present closing argument, in a sequence determined by the Hearing Officer. The Hearing Officer may permit or require closing oral argument to be supplemented by written memoranda. The Hearing officer may permit or require written memoranda, as well as proposed findings, to be submitted simultaneously or sequentially after the hearing.

H. Conclusion of Hearing. Unless otherwise provided by the Hearing Officer, the hearing is concluded upon the submission of all evidence, the making of final argument, or the submission of all post hearing documents, whichever occurs last.

I. Closing of the Hearing Record. At the end of the hearing, the Hearing Officer shall set deadlines for submission of post hearing filings and the date for the closing of the record.

J. Findings. The Hearing Officer shall issue written findings within ten (10) days of the close of the record. The original of the findings shall be sent to the City Clerk with copies to the City Council and the parties.

Section 30.5 Failure of Party to Appear for Hearing

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~~If a party fails to appear at a hearing, the Hearing officer may proceed with the presentation of the evidence of the party who is present.~~

~~Section 30.6 Witnesses~~

~~All witnesses at the hearing shall testify under oath or affirmation.~~

~~Section 30.7 Burden of Persuasion~~

~~Unless otherwise provided by law:~~

1. ~~The party asserting a claim, right, or entitlement has the burden of persuasion; and~~

2. ~~A party asserting an affirmative defense has the burden of establishing the affirmative defense.~~

~~Section 30.8 Disruptions~~

~~A person shall not interfere with access to or from the hearing room, or interfere, or threaten interference with the hearing. If a person interferes, threatens interference, or disrupts the hearing, the Hearing Officer may order the disruptive person to leave or be removed.~~

~~Section 30.9 Hearing Record~~

A. ~~Maintenance. The City clerk shall maintain the official record of a matter.~~

B. ~~Transfer of Record. Any party requesting a copy of the record or any portion of the record shall make a request to the City Clerk and shall pay the costs of duplication, based upon the City's copying charges.~~

C. ~~Release of Exhibits. Exhibits shall be released:~~

1. ~~Upon the order of a court of competent jurisdiction ; or~~

2. ~~Upon written request of the party who submitted the exhibits if the time for judicial appeal has expired and no appeal is pending.~~

~~Section 30.10 Finality of Hearing Officer's Findings~~

A. ~~The Hearing officer's findings shall be final and documented in written format and made part of the solicitation file.~~

ARTICLE 3~~0~~1 SUSPENSION, DEBARMENT

A. The Director may suspend or debar any person from consideration for award of a contract pursuant to this Procurement Code Manual. Suspension of any person shall not exceed six (6) months. A debarment shall not exceed three (3) years.

B. The causes for suspension or debarment may include, but are not limited to, the following:

1. Conviction of any person or any subsidiary or affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a

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public or private contract or subcontract, or in the performance of such contract or subcontract.

2. Conviction of any person or any subsidiary or affiliate of any person under any statute of the Federal Government, this State or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of

records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a City contractor.

3. Conviction or civil judgment finding a violation by any person or any subsidiary or affiliate of any person under state or federal antitrust statutes.

4. Violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, such as either of the following:

   a. Knowingly failing without good cause to perform in accordance with the specifications or within the time limit provided in the contract.

   b. Failure to perform or unsatisfactory performance in accordance with the terms of a contract, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.

5. Any other cause deemed to affect responsibility as a City contractor, including suspension or debarment of such person or any subsidiary or affiliate of such person by another governmental entity for any cause listed in the established rules.

C. Before imposing a suspension or debarment, the Director shall give the affected party written notice of the grounds for suspension or debarment and shall afford such person an opportunity for hearing.

Section 30~~1~~.1 Resolution of Contract Controversies - Materials, Services and Construction Contracts

A. The Purchasing Agent and the end-user shall have the authority and responsibility to enforce all performance and terms under all contracts where they are named as Administrator.

B. If any issue regarding performance under the contract cannot be resolved by mutual agreement between the Purchasing Agent/end-user and the Vendor/Contractor shall, through the City Attorney's Office, pursue resolution as provided in the terms of the original contract or under applicable law. The Purchasing Agent shall prepare a written decision informing the vendor of the required performance**.**

1. Final written decision shall include:

   a. A description of the controversy;

   b. A reference to the pertinent contract provision;

   c. A statement of the factual areas of agreement or disagreement;

   d. A statement of the decision, with supporting rationale; and

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e. Instructions for appeal

After preparation of the decision, the Contract Administrator shall send the decision to the Director who shall deliver the decision to the Vendor/Contractor by certified mail, return receipt requested, or by any other method that provides evidence of receipt.

C. If the Vendor/Contractor fails to comply with all terms of the notice of final decision, the Vendor/Contractor may be declared in default and the contract may be terminated based upon the review and procurement/legal opinion from the Director and City Attorney's Office.

The Vendor/Contractor may be suspended or debarred under the provision of Article 31, "Suspension, Debarment". The Director may render a decision for the suspension and debarment of the Vendor/Contractor if violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, such as either of the following:

a. Knowingly failing without good cause to perform in accordance with the specifications/scope of work or within the time limit provided in the contract.

b. Failure to perform or unsatisfactory performance in accordance with the terms of a contract, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the Vendor/Contractor shall not be considered to be a basis for debarment.

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RESOLUTION NO. 2013-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ADOPTING A PROCUREMENT CODE MANUAL, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff generally follows procurement practices utilized by the State of Arizona;

WHEREAS, the Flagstaff City Council desires to adopt uniform procedures for the procurement of goods, services, and construction, and for disposal of surplus personal property.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The City of Flagstaff hereby adopts the Procurement Code Manual attached hereto as Exhibit A establishing uniform procedures for the procurement of goods, services, and construction and for disposal of surplus personal property.

Any future changes to the Procurement Code Manual shall be adopted by Resolution of the Flagstaff City Council.

SECTION 2. This resolution shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

EXHIBIT 'A'

PROCUREMENT CODE MANUAL

CITY OF FLAGSTAFF
PURCHASING SECTION

CITY OF FLAGSTAFF
211 W. ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

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ARTICLE 1 PURPOSE; DIRECTOR AUTHORITY AND DUTIES; DELEGATION

A. Purpose.

The City operates as a centralized Purchasing Section under the supervision of a Purchasing Director ("Director"), which shall have for its purpose the purchase of materials, services, and construction for the City and shall:

1. Establish efficient procurement, inventory and disposition of surplus personal property procedures;

2. Purchase all materials, services, and construction for the City at the lowest possible cost commensurate with quality needed;

3. Exercise positive financial control over purchases;

4. Clearly define authority for the purchasing function;

5. Assure the quality of purchases; and

6. Provide procurement assistance to all City Departments and Divisions;

B. Director Authority and Duties.

The Director shall:

1. Except as otherwise provided in this Procurement Code Manual, the Director shall establish rules consistent with this Procurement Code Manual, governing the procurement of all materials, services and construction to be procured by the City. Rules and procedures for the procurement of construction and professional design services, shall also be consistent with Arizona Revised Statutes, (A.R.S.) Title 34, Public Buildings and Improvements.

2. Except as otherwise provided in this Procurement Code Manual, procure all materials, services and construction required by any Department or Division of the City in accordance with the provisions of this Procurement Code Manual and such procurement rules as may be established pursuant to this Procurement Code Manual.

3. Establish rules and procedures for the management of inventories of material and surplus personal property belonging to the City.

4. Sell, trade or otherwise dispose of surplus personal property belonging to the City in compliance with requirements of the City Charter.

5. Establish and maintain programs for the inspection, testing and acceptance of materials, services and construction.

6. Discourage collusive and restrictive bidding and endeavor to obtain as fair and open competition as possible on all purchases.

7. Prepare and recommend to the City Council revisions and amendments to this Procurement Code Manual.

8. Keep informed of current developments in the field of purchasing, prices, market conditions and new products.

9. Prescribe and maintain such procedures as necessary for the operation of the centralized procurement function.

10. Maintain a Bidder's list, material, service and construction references and all records needed for the efficient operations of the centralized purchasing function.

C. Delegation of Authority.

The Director hereby delegates the powers and duties of the Director authorized by this Procurement Code Manual to the Purchasing Section Staff.

ARTICLE 2 APPLICABILITY

A. The provisions of this Procurement Code Manual apply only to procurements initiated after its effective date. The City Attorney's office, in consultation with the Director, shall interpret the provisions the provisions of this code in the event of any ambiguity.

B. The provisions of this Procurement Code Manual are applicable to every purchase of materials, services and construction with public monies, including federal grants, and federal assistance monies except as otherwise provided in this section. Nothing in this Procurement Code Manual shall supersede the **Flagstaff City Charter**, or the terms and conditions of any grant, gift or bequest accepted by the City Council. If the procurement involves the expenditure of grants, federal assistance or contract monies or is subject to state law, the director shall comply with federal and state law and authorized regulations which are mandatorily applicable and which may not be reflected in this Procurement Code Manual.

C. Contracts for construction, as defined in Article 12, and contracts for the services of architects or engineers to be used in connection with construction contracts shall be governed by the provisions of A.R.S. Title 34, Public Buildings and Improvements. Procedures and other provisions of this Procurement Code Manual, and rules established pursuant thereto, shall apply to such contracts only to the extent such Procurement Code Manual provisions, procedures and rules are not inconsistent with A.R.S. Title 34, Public Buildings and Improvements.

D. Professional services, such as appraisals, title searches/reports and policies, used in support of Real Property Transactions, are subject to all applicable Sections of this Procurement Code Manual.

E. The following contracts are not subject to this Procurement Code Manual:

1. Intergovernmental agreements;

2. Agreements negotiated by the Risk Management Manager or the City Attorney for the settlement of litigation or threatened litigation; and

3. Easement Agreements or Right of Entry Agreements.

ARTICLE 3 SUPPLEMENTARY GENERAL PRINCIPLES OF LAW

Nothing in this Procurement Code Manual shall supersede Article VIII, “Contracts”, Sections 1 through 10, of the Flagstaff City Charter.

ARTICLE 4 DEFINITIONS

The words defined in this section shall have the meanings set forth below whenever they appear in this Procurement Code Manual, unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular provision.

Addendum means any formal notification of any revision to pertinent information contained in either an informal or formal solicitation.

Advantageous means in the best interest of the City.

Affiliate means any person whose governing instruments require it to be bound by the decision of another person or whose governing board includes enough voting representatives of the other person to cause or prevent action, whether or not the power is exercised. It may also include persons doing business under a variety of names, or where there is a parent-subsidiary relationship between persons.

Alternative Project Delivery Methods means construction related projects that utilize Construction-Manager-At-Risk, Design-Build or Job-Order-Contracting, instead of the traditional Design-Bid-Build method of construction project delivery.

Authorized Purchase means any purchase that has been requisitioned and that has gone through the appropriate approval processes.

Best and Final Offer means a formal process, conducted by the Purchasing Agent as the last phase of a Request for Proposals process after formal discussions and/or Proposer presentations are conducted.

Best Interests of the City means advantageous to the City.

Brand Name or Approved Alternate Specification means a specification that uses one (1) or more manufacturers' names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet City requirements, and that provides for the submission of equivalent products.

Brand Name Specification means a specification limited to one (1) or more items by manufacturers name or catalogue numbers.

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Capital Improvements means construction related projects involving the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property.

Change Order means a written order, approved by the City's Change Order Committee and signed by an authorized agent of the City, which directs the contractor or the City, to make changes that are authorized by the change order clause of the original contract.

Construction means the process of building, altering, repairing, improving or demolishing any public structure or building, or other public improvements of any kind to any public real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings or real property.

Construction Manager means a person who provides management and/or technical services required to implement a capital project pursuant to the project guidelines.

Construction-Manager-At-Risk (CMAR) means a project delivery method in which:

(A) There is a separate contract for design services and a separate contract for construction services.

(B) The contract for construction services may be entered into at the same time as the contract for design or at a later time.

(C) Design and construction of the project may be in sequential phases or concurrent phases.

(D) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Contract means all types of City agreements, regardless of what they may be called, for the procurement of materials, services, or construction or the disposition of personal property.

Contract Modification means any written alteration in the terms and conditions of any contract accomplished by mutual action of the parties to the contract.

Contractor means any person who has a contract with the City.

Cost Data means information concerning the actual or estimated cost of labor, material, overhead, and other cost elements that have been actually incurred or that are expected to be incurred by the contractor in performing the contract.

Data means documented information, regardless of form or characteristic.

Days mean calendar days unless otherwise specified.

Debarment means an action taken by the director, under the provisions of this Procurement Code Manual, to prohibit a person from participating in City procurements for three (3) years.

Department/Division means an organizational work unit as defined by the City of Flagstaff Organization Chart.

Designee means a duly authorized representative of a person holding a superior position.

Design-Build **(DB)** means a project delivery method in which:

(A) There is a single contract for design services and construction services.

(B) Design and construction of the project may be in sequential phases or concurrent phases.

(C) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Design-Bid-Build **(DBB)** means a project delivery method in which:

(A) There is a sequential award of two separate contracts.

(B) The first contract is for design services.

(C) The second contract is for construction.

(D) Design and construction of the project are in sequential phases.

(E) Finance services, maintenance services and operations services are not included.

Director means the Director of the Purchasing Section or designee.

Employee means an individual drawing a salary through the payroll process of the City whether elected or not.

End User means any City employee who will actually be using the material or service being requested.

Field **Order** means a paperless purchase order number given out by the Purchasing Section for Immediate, necessary, purchases, under one thousand dollars ($1,000), by City staff who are in need of various materials needed to repair fixtures or equipment.

Interested Party means an actual or prospective Bidder or Proposer whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract or by the failure to award a contract. Whether an actual or prospective Bidder or Proposer has an economic interest will depend upon the circumstances of each case.

Invitation for Bids (IFB) means all documents, whether attached or incorporated by reference, which are used for soliciting formal bids in accordance with the procedures prescribed in this Procurement Code Manuals.

Invitation To Submit Technical Offers means all documents, whether attached or incorporated by reference, which are used for soliciting unpriced technical offers to assist in the evaluation of market place technology to determine what specific technology would be considered to be the most advantageous to the City to be specified in a subsequent competitive solicitation.

Job-Order-Contracting **(JOC)** means a project delivery method in which:

(A) The contract is a requirements contract for indefinite quantities of construction.

(B) The construction to be performed is specified in job orders issued during the contract.

(C) Finance services, maintenance services, operations services, preconstruction services, design services related services may be included.

Life Cycle Cost Assessment (LCCA) means the comprehensive accounting of the total cost of ownership, including initial costs, energy, and operational costs, longevity and efficacy of service and disposal costs.

Local Vendor means any individual or company, with a valid business license, issued by the City of Flagstaff and a business location within the City limits of Flagstaff.

Materials means all personal property, including equipment, supplies, printing and insurance.

May shall be construed as being permissive.

Multi-Step Sealed Bidding means a two-phase process consisting of a technical first phase composed of one (1) or more steps in which Bidders submit un-priced technical offers to be evaluated by the City and a second phase in which those Bidders whose technical offers are determined to be acceptable during the first phase have their priced bid considered.

Person shall include the state, the county, a political subdivision of the state, other governmental entity, a corporation, firm, partnership, limited liability company, association, organization, and any other group acting as a unit, as well as an individual. It includes a trustee, receiver or similar representative.

Price Data means information concerning prices, including profit, for materials, services or construction items substantially similar to those being procured under a contract or subcontract. In this definition, "prices" refers to offered or proposed selling prices, historical selling prices, or current selling prices of the items being purchased.

Private Development means commercial or residential development by the private sector.

Procurement means buying, purchasing, renting, leasing or otherwise acquiring any materials, services and construction. Procurement also includes all functions that pertain to the acquisition of any materials, services or construction including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Code Manual means this Procurement Code Manual, outlining various procurement functions, as approved and adopted by the Flagstaff City Council.

Professional Services means those services requiring special knowledge, education or skill and where the qualifications of persons rendering the services are of primary importance. shall include, but not be limited to, appraisers, attorneys, architects, engineers, surveyors, accountants, psychologists, physicians, and other health professionals.

Project Manager means a person who provides management and/or technical services required to implement a capital project pursuant to the project guidelines.

Proprietary Specification means a specification that describes a material made and marketed by a person having the exclusive right to manufacture and sell such material and excludes other material with similar quality, performance or functional characteristics from being responsive to the solicitation.

Purchasing Agent means the Director, Purchasing Manager, Senior Procurement Specialist, Buyers, or any member of the Purchasing Staff authorized by the Director to commit the City to a purchase and manage, supervise, and monitor the execution of the terms and conditions of a contract.

Purchase Description means the words used in a solicitation to describe the materials, services or construction for purchase and includes specifications attached to, or made a part of, the solicitation.

Purchase Requisition means a formal request for a material, service or construction and electronically submitted through the City's financial software system and processed into a formal purchase order.

Qualified Products List means an approved list of materials, services or construction items described by model or catalogue numbers, that, prior to competitive solicitation, the City has determined will meet the applicable specification requirements.

Recycled Content Product means a product containing a minimum of thirty-five percent (35%) recycled materials except in those cases where the US EPA has adopted procurement guidelines under the Resource Conservation Recovery Act of 1976.

Recyclable Product means a product or package made from a material for which curbside or drop-off collection systems are in place for a majority of City residents or businesses; to divert from City solid waste for use as a raw material in the manufacture of another product or the reuse of the same product.

Request for Information means all documents, whether attached or incorporated by reference, which are used for soliciting unpriced information regarding a specific product or service for evaluation to determine what specifications or scope of work would be considered to be the most advantageous to the City to be specified in a subsequent competitive solicitation.

Request for Proposals (RFP) means all documents, whether attached or incorporated by reference, which are used for soliciting formal proposals in accordance with procedures prescribed in this Procurement Code Manual.

Request for Statements of Qualifications (RSOQ) means all documents, whether attached or incorporated by reference, which are used for soliciting formal statements of qualifications in accordance with procedures prescribed in this Procurement Code Manual.

Requisitioner means any staff member, working for the City of Flagstaff, who has a request for either a material, service or construction and electronically submits a purchase requisition through the City's financial software system.

Responsible Bidder or Proposer means a person who has the capability, skills and experience to perform the contract requirements and the integrity and reliability which will assure good faith performance.

Responsive Bidder or Proposer means a person who submits a bid which conforms in all material respects to the invitation for bids or request for proposals.

Reusable Product A product that can be used several times for an intended end use before being discarded.

Services means the furnishing of labor, time or effort by an independent contractor which does not involve the delivery of a specific end product other than required reports and performance.

Shall The word "shall" shall be construed as being mandatory.

Solicitation means an invitation for bids, a request for technical offers, a request for proposals, a request for quotations, or any other invitation or request by which the City invites a person to participate in a procurement.

Specification means any description of the physical or functional characteristics, or of the nature of a material, service or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service or construction item for delivery.

Surplus Property means any supplies, materials and equipment owned by the City, that no longer has any use to the City. This includes obsolete materials, scrap materials, and supplies, materials and equipment that have completed their useful life cycle.

Suspension means an action taken by the director temporarily disqualifying a person from participating in City procurements for six (6) months.

Sustainably Preferable Product means a product that has a reduced negative effect or increased positive effect on human health and the environment when compared with competing products that serve the same purpose. This term includes, but is not limited to, recyclable products, recycled products and reusable products.

Sustainable Product means a product that achieves performance objectives while respecting the City's values and balancing environmental stewardship, fiscal responsibility, social equity, and community enhancement.

Sustainable Purchasing means purchasing materials, products, and labor in a manner that reflects fiscal responsibility, social equity, environmental stewardship and community enhancement.

Task Order means a written form used in a process associated with On-Call contracts in which a task order form is submitted to initiate professional Architectural, Engineering, Surveying, Landscape Architecture and Geotechnical services from those firms who have been awarded an On-Call contract.

Technical Offer means unpriced written information from a prospective contractor stating the manner in which the prospective contractor intends to perform certain work, its qualifications, and its terms and conditions.

Quotation means a verbal or written commitment to supply materials, services or construction at a stated price and terms.

Request for Quotation (RFQ) means all documents, whether attached or incorporated by reference, which are used for soliciting quotations in accordance with procedures prescribed in the informal procurement process.

ARTICLE 5 UNAUTHORIZED PURCHASE

A. Any purchase made that does not follow any of the applicable processes under the provisions of this Article, is considered an unauthorized purchase.

B. All purchases will be made in accordance with this Procurement Code Manual. The following steps shall be included in the procurement process:

1. Electronic submission of a properly completed purchase requisition;

2. Verification by the requestor that funds are available;

3. The purchase requisition has gone through all other established approval processes;

4. All requisitions for materials, services and construction that are below **fifty thousand dollars ($50,000)** shall be subject to an informal competitive solicitation process under the provisions of Article 7(A); except as provided in Article 2 "Applicability", Article 18 "Sole Source", Article 19 "Emergency Purchase" and Article 20, "Procurements From Solicitations By Other Governmental Entities";

5. All requisitions for materials, services and construction at **fifty thousand dollars ($50,000)** and higher, shall be subject to a formal competitive solicitation process under the provisions of Article 7(B) and any contract award shall be approved by City Council; except as provided in Article 2 "Applicability", Article 18 "Sole Source", Article 19 "Emergency Purchase"; and Article 20, "Procurements From Solicitations By Other Governmental Agencies"; and

6. All purchases for materials, services and construction shall have a properly executed purchase order and a contract, if a contract is deemed necessary, given the particular purchase, to be processed by the Purchasing Section.

C. An employee making a purchase not in conformance with this Procurement Code Manual, adopted rules and established procedures may be subject to:

1. Verbal consultation with individual;
2. Written reprimand with individual;
3. Revocation of purchasing rights; or
4. Other corrective action, as deemed appropriate

D. Any unauthorized purchase shall be reported to the appropriate Division or Department Head.

ARTICLE 6 DETERMINATIONS

Written determinations, if required by this Procurement Code Manual, shall be retained in the appropriate official record file of the Purchasing Section.

A. Determinations shall fully specify reasons.

B. The Director may specify the format for Determinations.

ARTICLE 7 INFORMAL AND FORMAL PROCUREMENT LIMITS; QUOTE FILE REQUIREMENTS

A. ***Informal Procurement Limit***. Procurement of a material, service or construction, less than **fifty thousand dollars ($50,000.00),** shall be made by informal procedures in accordance with the provisions of Section 7.1 of this Procurement Code Manual and any applicable federal and state laws, rules and regulations except as provided in Article 2, "Applicability"; Article 18, "Sole Source"; Article 19, "Emergency Purchases"; Article 20, "Procurements From Solicitations By Other Governmental Entities". Procurements less than **fifty thousand dollars ($50,000.00)** may be made utilizing a formal procurement process if deemed by the Director to be in the best interest of the City. Procurements less than **fifty thousand dollars ($50,000.00)**, are not required to be approved and awarded by City Council.

B. ***Formal Procurement Limit***. Procurement of a material, service or construction, of **fifty thousand dollars ($50,000.00)** and higher shall be made by formal procedures in accordance with the City Charter and provisions of Article 9 of this Procurement Code Manual and any applicable federal and state laws, rules and regulations, except as provided in Article 2, "Applicability"; Article 18, "Sole Source"; Article 19, "Emergency Purchases". Procurements of **fifty thousand dollars ($50,000.00)** and higher, are required to be approved and awarded by City Council.

SECTION 7.1 INFORMAL PROCUREMENT PROCESS

A. Informal Procurement Process.

Any procurement, established in Article 7 (A) shall be made in accordance with established Procurement Code Manual procedures. Determination as to the use of informal or formal process shall be based on the cost of the item(s), including all taxes, fees, freight, installation and any other miscellaneous costs. The procurement shall be made with such competition as is outlined in B, C and D under this Section. Procurement requirements shall not be artificially divided or fragmented to circumvent the purchasing process under this section or the procedures required by Article 9, "Formal Procurement Process." This section shall not be construed to permit informal purchasing if there is a City Charter or ordinance provision or a Federal or State law, regulation or rule to the contrary.

B. **PURCHASES AT FIVE THOUSAND DOLLARS ($5,000) OR LESS**

For purchases at or less than **five thousand dollars** (**$5,000)**, the Purchasing Agent or requesting Division or Section may direct select the vendor of choice for the purchase of any materials, services or construction requested. Reasonable good faith efforts shall be made to purchase from a Local Vendor by utilizing our local Vendor list as a first resource.

C. **PURCHASES AT FIVE THOUSAND AND ONE DOLLARS ($5,001) UP TO FIFTEEN THOUSAND DOLLARS ($15,000).**

FOR PURCHASES AT FIVE THOUSAND AND ONE DOLLARS ($5,001) **AND UP TO** FIFTEEN THOUSAND DOLLARS ($15,000)**, THE PURCHASING AGENT OR REQUESTING DEPARTMENT SHALL SOLICIT, VERBAL QUOTATIONS FOR THE PURCHASE OF MATERIALS, SERVICES OR CONSTRUCTION FROM, AT MINIMUM**

THREE (3) BIDDERS OR PROPOSERS, AS DETERMINED TO BE THE MOST ADVANTAGEOUS UNDER THE IMMEDIATE CIRCUMSTANCES, EXCEPT AS PROVIDED IN ARTICLE 2, "APPLICABILITY"; ARTICLE 18, "SOLE SOURCE"; ARTICLE 19, "EMERGENCY PURCHASES"; ARTICLE 20, "PROCUREMENTS FROM SOLICITATIONS BY OTHER GOVERNMENTAL ENTITIES". REASONABLE GOOD FAITH EFFORTS SHALL BE MADE TO SOLICIT QUOTES FROM LOCAL VENDORS BY UTILIZING OUR LOCAL VENDOR LIST AS A FIRST RESOURCE. VERBAL QUOTATIONS OBTAINED SHALL BE DOCUMENTED IN THE PROCUREMENT FILE.

D. PURCHASES AT FIFTEEN THOUSAND AND ONE DOLLARS ($15,001) UP TO FORTY NINE THOUSAND NINE HUNDRED AND NINETY NINE DOLLARS ($49,999).

For purchases at **fifteen thousand and one dollars ($15,001)** and up to **forty nine thousand nine hundred and ninety nine dollars ($49,999),** shall be made in accordance with the following procedures:

1. A Purchasing Agent or requesting Department shall solicit at least three (3) Bidders or Proposers to submit written or faxed quotations or proposals on vendor's letterhead or by e-mail. Whenever practicable, the City's standard Request for Quotations (RFQ) or Request for Proposals (RFP) document shall be utilized in an effort to obtain written quotes. The City Attorney's Office shall review the RFQ and RFP prior to issuance, if a contract is required for the procurement. Written quotations obtained shall be documented in the procurement file.

2. The Purchasing Agent may solicit quotations or Proposals from all vendors on the Bidder's list, but at minimum, shall solicit quotations or Proposals from Local Vendors by utilizing our local vendor list as a first resource and those Bidders or Proposers who have specifically requested an opportunity to submit a quotation or Proposal for the specific material, service or construction being requested at that time.

3. Award shall be made to the lowest responsive and responsible Bidder or highest scoring responsive and responsible Proposer submitting a responsive quotation or proposal. The amount of an applicable City Transaction Privilege or Use Tax shall not be a factor in determining the lowest Bidder if a competing Bidder, who is located outside the City, is not subject to an equal tax rate.

4. Whenever required by the Purchasing Agent, Bidders or Proposers shall submit quotes or proposals on the form issued with the Request for Quotation or Proposal, and the quotes shall be recorded and placed in the procurement file.

5. If only one responsive and responsible quotation or proposal is received, a statement shall be included in the procurement file explaining the basis for determining that the price and/or proposal is fair and reasonable. Time permitting, the Purchasing Agent may initiate a second solicitation to include the vendor who provided the only response initially.

6. Whenever practicable, Article 27, "Specification Guidelines" shall be used in the development of specifications for a Request for Quotation or Proposal.

7. Written quotations or proposals transmitted via facsimile machine or e-mail shall be permitted provided the quotation or proposal bears the signature of an authorized agent of the Bidder or Proposer submitting the quotation or proposal.

   a. Quotations or proposals qualified in any manner are subject to rejection in whole or in part.

   b. Alternate quotations or proposals shall be considered unless specifically stated otherwise in the Request for Quotation.

   c. In the event of a discrepancy between the unit price and the extension price, the unit price shall govern.

   d. In the event of tied quotes, the tie shall be broken according to the following, determined by the Director :

      1. Best and final Offer when determined by the Director to be applicable; or

      2. Drawing lots.

   e. The City reserves the right to reject all quotations and seek new quotations with a new Request for Quotation.

THESE PROCEDURES DO NOT SUPERSEDE ARTICLE 2, "APPLICABILITY"; ARTICLE 18, "SOLE SOURCE"; ARTICLE 19, "EMERGENCY PURCHASES"; ARTICLE 20, "PROCUREMENTS FROM SOLICITATIONS BY OTHER GOVERNMENTAL ENTITIES".

Section 7.2 Vendor List

A. Any vendor who would like to be on the City's vendor list must register with the City's Purchasing Section by completing a vendor application. The vendor application can be found on the City's website by clicking on City Hall/Department/Purchasing/Vendor Registration/Vendor Application.

B. Once a vendor's application has been received and approved, the vendor will be assigned a vendor number and placed on the vendor list that will reference the products and/or services they provide.

C. Vendors are encouraged to sign up for electronic bid notifications by clicking on a link "New Bid Notifications", which is where vendors subscribe to be set up to receive automatic bid notifications.

Section 7.3 *Vendor Awards*

A. Contract award information is posted to the City's website and can be viewed by clicking on City Hall/Department/Purchasing/Bid Tabulation.

Section 7.4 Quote File Requirements

A. Verbal and written quote files shall be set up, within the Purchasing Section, to retain for record keeping purposes.

B. Verbal quote files shall be set up by the Purchasing Section for each purchase over **five thousand dollars ($5,000)** and up to **fifteen thousand dollars ($15,000).**

C. Written quote files shall be set up by the Purchasing Section for each purchase over **fifteen thousand dollars ($15,000)** and up to **forty nine thousand nine hundred and ninety nine dollars ($49,999).**

ARTICLE 8 AVAILABLE FUNDS

Unencumbered funds to cover the entire purchase must be available in the appropriate account of the Operating Budget or other appropriate fund against which the purchase is to be charged prior to the commitment to purchase except multi-year contracts, in which case only funds for the first year of the contract need be appropriated.

Section 8.1 Available Funds Identification

A. Solicitations pursuant to the formal bidding process may not be issued when using un-designated funds, contingency funds, or funds transferred between departments unless approved in writing by the Director of Management Services or appointed designee.

B. Solicitations pursuant to Article 9, “Formal Procurement Process”, shall not be issued prior to the appropriate approval for use of certain funds requiring budget transfers to or from capital and salary accounts.

C. Solicitations pursuant to Article 9, “Formal Procurement Process”, shall not be issued prior to the acceptance by the City Council of any grant funds, unless approved in writing by the Director of Management Services or appointed designee.

D. Requestors are responsible for verifying available funds prior to submitting a purchase requisition and shall enter an electronic purchase requisition prior to requesting the issuance of a formal solicitation.

Section 8.2 Petty Cash (Reserved)

Section 8.3 Procurement Cards (Reserved)

ARTICLE 9 FORMAL PROCUREMENT PROCESS

Except as otherwise provided in this Procurement Code Manual, a procurement which exceeds the formal procurement limit specified in Article 7(B), “Formal Procurement Limit”, shall be made in accordance with either Article 10, “Formal Procurement Process—Invitation for Bids”, Article 11, “Formal Procurement Process—Request for Proposals” or Article 12, “Formal Procurement Process—Professional Design Services, Capital Improvements/Construction and Construction Services”.

ARTICLE 10 FORMAL PROCUREMENT PROCESS--INVITATION FOR BIDS

The formal procurement process using an Invitation for Bids is typically used for the purchase of materials and capital improvements/construction projects, where the specifications and/or scope are definitively defined and the price is the determining factor in the award of a contract. The Invitation for Bids document shall include specifications

and/or scope of work, and all terms and conditions applicable to the procurement. The contract's inception is with the Invitation for Bids document that outlines all of the terms and conditions as the contractual language and incorporates the successful Bidder's bid submittal, which is adopted by reference. The Invitation for Bids document contains an Offer and Contract Award form that is signed by both the successful Bidder and the Purchasing Agent, which consummates the contract award.

Section 10.1 Invitation for Bids Determination

The Purchasing Agent shall determine if the Invitation for Bids process is applicable for the selection of the material, service or construction with an estimated expenditure exceeding the formal bid limit.

Section 10.2 Request for Issuance of an Invitation for Bids

A. The requisitioner or "End-user" shall electronically submit a requisition referencing the cost estimate or approved budget for the requested material, service or construction.

B. The Purchasing Agent shall obtain a bid number from the Solicitation Log Book in the Purchasing Section, provide the description of the purchase or project, the Purchasing Agent assigned and determine the appropriate solicitation document and agreement to be used.

C. The Requisitioner or "End-user" shall provide the specifications and/or scope of work to the Purchasing Section to be incorporated into the bid solicitation. Once the bid solicitation is complete, the Purchasing Agent shall forward to the City Attorney's office for review before issuance of the solicitation.

Section 10.3 Invitation for Bids

An Invitation for Bids shall be issued when the evaluation and selection of a vendor for award is based on the lowest, responsive and responsible Bidder. The bid document shall include a purchase description and all contractual terms and conditions applicable to the procurement.

A. An Invitation for Bids shall be issued at least **twenty one (21) days** before the closing date and time for receipt of bids, unless a shorter time is determined necessary in writing by the Purchasing Agent pursuant to a written request from the requesting Department. <u>However, in accordance with the Flagstaff City Charter, public notice of the Invitation for Bids shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of the bids</u>.

B. Sealed Bids shall be opened publicly at the time and place designated in the Invitation for Bids. The amount of each bid, and such other relevant information as may be specified by rule, together with the name of each Bidder shall be recorded. The bids shall not be open for public inspection until after a contract is awarded, except to the extent the Bidder designates, and the Director concurs, that trade secrets or other proprietary data contained in the bid documents shall remain confidential in accordance with established rules.

C. Bids shall be unconditionally accepted without alteration or correction, except as authorized in item (D) of this section. Bids shall be evaluated based on the requirements

set forth in the Invitation for Bids as prescribed in the procurement rules. No criteria may be used in bid evaluation that are not set forth in the Invitation for Bids.

D. Correction or withdrawal of erroneous bids before or after bid opening, based on bid mistakes, may be permitted in accordance with established rules. After bid opening, no corrections in bid prices or other provisions of bids prejudicial to the best interest of the City or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Director.

E. The contract shall be awarded to the lowest responsive and responsible Bidder whose bid conforms in all material respects to the requirements and criteria set forth in the Invitation for Bids. The amount of any applicable City of Flagstaff Transaction Privilege or Use Tax is not a factor in determining the lowest Bidder. The contract file shall contain the basis on which the award is made.

F. The multi-step sealed bidding method may be used if the Director determines, in writing, that it is not practicable to initially prepare a definitive purchase description which is suitable to permit an award based on competitive sealed bidding. An Invitation for Bids may be issued requesting the submission of technical offers to be followed by an Invitation for Bids soliciting priced offers limited to those Bidders whose offers are determined to be technically acceptable under the criteria set forth in the first solicitation.

Section 10.4 Invitation for Bids, Format, Content, Public Inspection

A. In all competitive sealed bidding procurements, the Purchasing Section shall issue the standard Invitation for Bids document established and approved by the Purchasing Section and the City Attorney's office.

B. The Invitation for Bids shall include the following:

1. Instructions and information to Bidders concerning the bid submission requirements, including the time and date set for bid opening, the address of the office where bids are to be received, the period that the bid shall remain open, and any other special information;

2. The purchase description, specifications, evaluation criteria, delivery or performance schedule, and inspection and acceptance requirements;

3. The standard contract terms and conditions, including warranty and bonding or other security requirements, as applicable;

4. If the Invitation for Bids incorporates documents by reference, the Invitation for Bids shall specify where such documents may be obtained;

5. An Invitation for Bids may require the submission of bid samples, descriptive literature, technical data and may require inspection or testing of a product before award;

6. Invitation for Bids shall require, from all Bidders, the submission of a non-collusion affidavit on a form included in the Invitation for Bids document. Failure of any Bidder to provide the non-collusion affidavit, as a part of his sealed bid, shall be grounds for disqualification of the bid; and

7. Invitation for Bids shall be advertised, at least one (1) time, in the Arizona Daily Sun and posted to the City's website.

C. Solicitations posted on the City's web site are available for downloading, as well as other means of obtaining a solicitation as follows:

1. Interested Bidders may subscribe to receive an e-mail based notification of all current solicitation opportunities;

2. Interested Bidders may pick up solicitations from the Purchasing Section during normal business hours; or

3. INTERESTED BIDDERS CAN EMAIL THE PURCHASING SECTION AND REQUEST AN ELECTRONIC COPY OF THE SOLICITATION VIA EMAIL.

Section 10.5 Pre-Bid Conference

A pre-bid conference may be conducted within a reasonable time before bid opening to discuss the procurement requirements and solicit comments from prospective Bidders. Pre-bid conferences may be held multiple times at the discretion of the Purchasing Agent and the end-user.

A. Pre-bid conferences are typically non-mandatory, but prospective Bidders are highly encouraged to attend. Prospective Bidders who cannot physically attend, can conference in by phone. Prospective Bidders who choose this option will need to contact the Purchasing Agent, whose name is on the cover page of the bid document to get the phone number and conference ID number.

B. Pre-bid conferences may be mandatory if the Purchasing Agent and end-user determine that the bid specifications are too complex and would warrant mandatory attendance at the pre-bid conference to discuss and ensure that prospective Bidders fully understand the specifications outlined in the bid document. Prospective Bidders who cannot physically attend, can conference in by phone. Prospective Bidders who choose this option will need to contact the Purchasing Agent, whose name is on the cover page of the bid document to get the phone number and conference ID number.

C. Prospective Bidders who submit a bid in response to an Invitation for Bids, but did not attend a mandatory pre-bid conference (either physically or by phone) will be deemed nonresponsive and their bid shall not be considered for evaluation and award.

Section 10.6 Addendum to Invitation for Bids

A. An Addendum to an Invitation for Bids shall be issued if necessary to:

1. Make changes in the Invitation for Bids;

2. Correct defects or ambiguities;

3. FURNISH TO OTHER BIDDERS INFORMATION GIVEN TO ONE BIDDER IF THE INFORMATION WILL ASSIST THE OTHER BIDDERS IN SUBMITTING BIDS, OR IF THE LACK OF THE INFORMATION WILL PREJUDICE THE OTHER BIDDERS; OR

4. Inform Bidders of alternate materials accepted for bid.

B. An addendum to an Invitation for Bids shall be so identified and shall be posted to the City's web site and sent by the Purchasing Section to all persons who provided an "Acknowledgement of Receipt" form when practicable, depending on the number of prospective Bidders who submitted this form.

C. All addendums shall be issued at least seven (7) days prior to bid opening to allow prospective Bidders to consider them in preparing their bids, unless a shorter time is determined necessary, in writing, by the Purchasing Agent pursuant to a written request from the requesting Department. If the time and date set for bid opening do not permit sufficient time for bid preparation, the time and date for bid opening shall be extended in the addendum or, if necessary, by fax, e-mail**,** or telephone and then confirmed in the addendum.

Section 10.7 Pre-Opening Modifications or Withdrawal of Bids

A. Bidders may modify or withdraw their bid at any time before bid opening if the modification or withdrawal request is received in writing before the time and date set for bid opening in a location designated in the Invitation for Bids for receipt of bids.

B. All documents concerning a modification or withdrawal of a bid shall be retained in the appropriate procurement file.

Section 10.8 Late Bids, Late Withdrawals, and Late Modifications

A. A bid, modification or withdrawal is late and shall not be accepted if it is received at the location designated in the Invitation for Bids for receipt of bids after the time and date referenced in the solicitation document.

B. A late bid, late modification, or late withdrawal shall be rejected unless the bid, modification, or withdrawal is received before contract award at the location designated in the Invitation for Bids for receipt of bids and would have been timely received but for the action or inaction of the City.

C. Bidders submitting bids, modifications or withdrawals that are rejected as late shall be so notified as soon as practicable.

D. All documents concerning a late bid, late modification, or late withdrawal shall be retained in the appropriate procurement file.

E. All late bids shall be returned, unopened, to the vendor.

Section 10.9 Receipt, Opening, Recording of Bids, and Confidential Information

A. Each bid and modification shall be date and time-stamped upon receipt and stored unopened in a secure place, within the Purchasing Section, until the time and date set for bid opening.

B. Bids and modifications shall be opened publicly and in the presence of one or more witnesses at the time, date, and location designated in the Invitation for Bids for bid opening. The name of each Bidder, the bid price, and other information deemed appropriate shall be read aloud and recorded on a bid tabulation form. . The name of the required witness shall also be recorded. All other information in a Bidder's bid package (e.g., trade secrets or other proprietary information, shall not be made available for public inspection until after a contract has been awarded, except to the extent the Bidder designates, and the Director concurs, that trade secrets or other proprietary data contained in their bid submittal shall remain confidential in accordance with established rules.

C. All bids shall be irrevocable for, a minimum of, ninety (90) days or as deemed appropriate by the Director.

D. After contract award, or at the Director's discretion, the bids shall be available for public inspection except to the extent that the withholding of information is permitted or required by law. If the Bidder designates a portion of the bid as confidential, disclosure of such portion shall be made in accordance with the following:

1. If a Bidder believes that a bid contains information that should be withheld, a statement advising the Director of this fact shall accompany the submission, and the information shall be so identified wherever it appears. The information identified by the person as confidential shall not be disclosed until the Director makes a written determination;

2. The Director shall review the statement and information and shall determine in writing whether the information shall be withheld; and

3. If the Director makes the determination to disclose the information, the Director shall inform the Bidder in writing of such determination.

Section 10.10 Mistakes in Bids

A. A Bidder may correct mistakes discovered before the time and date set for bid opening by withdrawing or correcting the bid as provided in Section 10.7, "Pre-opening Modification or Withdrawal of Bids".

B. After bid opening, a bid mistake, not resulting from an error in judgment may not be corrected or withdrawn. Other bid mistakes may be corrected or withdrawn pursuant to the following:

1. After bid opening, the Director may either waive minor informalities in a bid or allow the Bidder to correct them if a written determination is made that such action would not result in a pecuniary competitive bidding advantage to that

Bidder. Nothing in this section shall be construed as requiring the Director to waive any informalities or to allow their correction.

2. After bid opening, the bid may not be withdrawn and shall be corrected to the intended bid if a bid mistake and the intended bid are evident on the face of the bid.

3. After bid opening, the Director may permit a Bidder to withdraw a bid if:

   a. A mistake, not resulting from an error in judgment, is evident on the face of the bid but the intended bid; or

   b. The Bidder establishes to the Director's satisfaction that a mistake was made not resulting in an error in judgment.

4. In the event of a discrepancy between the unit price and a multiplied subtotal the unit price shall govern.

5. Mistakes shall not be corrected after award of the contract except where the Director makes a written determination that it would be unconscionable not to allow the mistake to be corrected.

C. If correction or withdrawal of a bid after the bid opening is permitted or denied, the Director shall prepare a written determination showing that the relief was permitted or denied under these established rules and regulations.

Section 10.11 Bid Evaluation and Award

A. The contract shall be awarded to the lowest responsible and responsive Bidder whose bid meets the requirements and evaluation criteria set forth in the Invitation for Bids.

B. A product acceptability evaluation shall be conducted solely to determine whether a Bidder's product is acceptable as set forth in the Invitation for Bids and not whether one Bidder's product is superior to another Bidder's product. Any Bidder's offering that does not meet the acceptability requirements shall be rejected as non-responsive.

C. Bids shall be evaluated to determine which Bidder offers the lowest cost to the City in accordance with the evaluation criteria set forth in the Invitation for Bids. Only objectively measurable criteria that are set forth in the Invitation for Bids shall be applied in determining the lowest Bidder. Examples of such criteria include, but are not limited to, transportation cost, energy cost, ownership cost and other identifiable costs or life cycle cost formula. Evaluation factors need not be precise predictors of actual future costs, but to the extent possible the evaluation factors shall be reasonable estimates based upon information the Director has available concerning future use.

D. A contract may not be awarded to a Bidder submitting a higher quality item than that designated in the Invitation for Bids unless the Bidder is also the lowest Bidder as determined under Subpart C of this Section. <u>This Section does not permit negotiations with any Bidder, unless the lowest, responsive and responsible Bidder's bid exceeds the available monies budgeted for the material, service or construction, which would allow negotiations with the lowest, responsive and responsible Bidder</u>.

E. In the event two or more low responsive bids from responsible Bidders are identical in price and meet all the requirements and criteria set forth in the Invitation for Bids, the tie shall be broken according to the following determined by the Director:

1. Best and Final offer when determined by the Director to be applicable; or

2. Draw lots

F. A record showing the basis for determining the successful Bidder shall be retained in the procurement file.

G. The Purchasing Agent involved with the purchase shall provide a written notice of award to the successful Bidder within **twenty-four (24) hours** of Council award. For procurements equal to or in excess of the formal procurement limit, each unsuccessful Bidder shall be notified in writing of the award within **fourteen (14) days**. Notice of award shall be made available to the public.

Section 10.12 Only One Bid Received

If only one responsive and responsible bid is received in response to an Invitation for Bids, an award may be made to the single Bidder if the Director determines that the price submitted is fair and reasonable, and that other prospective Bidders had reasonable opportunity to respond and there is not adequate time for re-solicitation. Otherwise, the bid will be rejected pursuant to the provisions of Article 15, “Cancellation or Rejection of Solicitations”, and:

A. New bids may be solicited; or

B. If the Purchasing Agent determines, in writing, that the need for the material, service or construction continues and the acceptance of the one bid is not advantageous to the City, the procurement may then be conducted under Article 18, **“**Sole Source” or Article 19, “Emergency Purchase”, as appropriate.

Section 10.13 Multi-Step Sealed Bidding

A. The multi-step sealed bidding method may be used if the Director determines that:

1. Available specifications or purchase descriptions are not sufficiently complete to permit full competition without technical evaluations and discussions to ensure mutual understanding between each Bidder and the City;

2. Definite criteria exist for evaluation of technical offers;

3. More than one technically qualified source is expected to be available; and

4. A fixed price contract will be used.

B. The Purchasing Agent may hold a pre-bid conference with Bidders before submission or at any time during the evaluation of the unpriced technical offers.

Section 10.14 Phase One Of Multi-Step Sealed Bidding

A. Multi-step sealed bidding shall be initiated by the issuance of an Invitation to Submit Technical Offers. The Invitation to Submit Technical Offers shall be issued according to Section 10.3, "Invitation for Bids", and shall contain the following information:

1. Notice that the procurement shall be conducted in two phases;

2. The best description of the material or services desired;

3. A statement that unpriced technical offers only shall be considered in phase one;

4. The requirements for the technical offers, such as drawings and descriptive literature;

5. The criteria for evaluating technical offers;

6. The closing date and time for receipt of technical offers and the location where offers should be delivered or mailed;

7. A statement that discussions may be held; and

8. A statement that only bids based on technical offers, determined to be acceptable in phase one, shall be considered for award.

B. The Invitation to Submit Technical Offers may be amended after the submission of the unpriced technical offers. The amendment shall be distributed only to Bidders who submitted unpriced technical offers, and those Bidders shall be permitted to submit new unpriced technical offers or to amend the offers already submitted. If an amendment materially changes the procurement, the Invitation to Submit Technical Offers shall be canceled in accordance with Article 15, "Cancellation or Rejection of Solicitations".

C. Unpriced technical offers shall not be opened publicly, but shall be opened in the presence of the Procurement Agent and at least one witness. The contents of unpriced technical offers shall not be disclosed to unauthorized persons.

D. Unpriced technical offers shall be evaluated solely in accordance with the criteria set forth in the Invitation to Submit Technical Offers and shall be determined to be either acceptable for further consideration or unacceptable. A determination that an unpriced technical proposal is unacceptable shall be in writing, state the basis of the determination and be retained in the contract file. If the Director determines a Bidder's unpriced technical offer is unacceptable, the Purchasing Agent shall notify that Bidder of the determination and that the Bidder shall not be afforded an opportunity to amend its technical offer.

E. The Purchasing Agent may conduct discussions with any Bidder who submits an acceptable or potentially acceptable technical offer. During discussions, the Purchasing Agent shall not disclose any information derived from unpriced technical offers to any other Bidder. After discussions, the Purchasing Agent shall establish a closing date for receipt of final technical offers and shall notify, in writing, Bidders submitting acceptable

or potentially acceptable offers of the closing date. The Purchasing Agent shall keep a record of all discussions.

F. At any time during Phase One, offers may be withdrawn in accordance with Section 10.7, "Pre-Opening Modifications or Withdrawal of Bids".

Section 10.15 Phase Two of Multi-Step Sealed Bidding

A. Upon completion of Phase One, the Purchasing Agent shall issue an Invitation for Bids and conduct Phase Two under Section 10.3, "Invitation for Bids", as a competitive sealed bidding procurement, except that the Invitation for Bids shall be issued only to Bidders whose technical offers were determined to be acceptable in Phase One.

B. Unpriced technical offers of unsuccessful Bidders shall not be open to public inspection until after a contract has been awarded, except to the extent set forth in Section 10.9, "Receipt, Opening, Recording of Bids and Confidential Information".

ARTICLE 11 FORMAL PROCUREMENT PROCESS – REQUEST FOR PROPOSALS

If the Director determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the City, a contract may be entered into by competitive sealed proposals. The Purchasing Section shall issue the standard Request for Proposals document established and approved by the Purchasing Section and the City Attorney's office. A Request for Proposals shall be issued when the evaluation and selection of a vendor for award includes other established evaluation criteria in addition to price and/or the scope of work/specifications are not definitively defined. The Request for Proposal document shall include a scope of work, and all contractual terms and conditions applicable to the procurement.

Section 11.1 Request for Proposals Determination

The Purchasing Agent shall determine if the Request for Proposals process is applicable for the selection of the material or service. Request for Proposals shall not be used for design-bid-build construction projects. However, a Request for Proposals may be used for any of the Alternative Project Delivery Methods (e.g., JOC, CMAR or Design-Build) as phase 2 of a Request for Statements of Qualifications process.

Section 11.2 Request for Issuance of a Request for Proposals

A. The requisitioner or "End-user" shall electronically submit a requisition referencing the cost estimate or approved budget for the requested material or service.

B. The Purchasing Agent shall obtain a proposal number from the Solicitation Log Book, located in the Purchasing Section and provide the description and the Purchasing Agent assigned.

C. The Requisitioner or "End-user" shall provide the specifications and/or scope of work to the Purchasing Section. Once the solicitation is complete, the Purchasing Agent shall forward to the City Attorney's office for review before issuance of the solicitation.

Section 11.3 Request for Proposals

A. Request for Proposals may be considered to be more practicable or advantageous if it is necessary to:

1. Use a contract other than a fixed-price type;

2. Conduct oral or written discussions with Proposers concerning technical and price aspects of their proposals;

3. Afford Proposers an opportunity to revise their proposals;

4. Compare the different price, quality, and contractual factors of the proposals submitted;

5. Award a contract in which price is not the determining factor; and/or

6. Specifications and/or scope of work are not clear or well-defined.

7. Proposals shall be opened publicly at the time and place designated in the Request for Proposals. Only the name of each Proposer shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing Proposers during the process of evaluation. The proposals shall be open for public inspection after contract award. Except to the extent the Proposer designates and the Director concurs, trade secrets or other proprietary data contained in the proposal documents shall remain confidential in accordance with established rules.

8. Specific numerical weighting is not required. However, the Request for Proposal document shall state the relative importance of price and other evaluation factors.

9. As provided in the Request for Proposals, and under established rules, discussions may be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible to being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and before award for the purpose of clarification. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers.

10. The award shall be made to the responsible Proposer whose proposal is determined in writing to be the most advantageous to the City taking into consideration the evaluation factors set forth in the Request for Proposals. No other factors or criteria may be used in the evaluation. The amount of any applicable City Transaction Privilege or Use Tax is not a factor in determining the most advantageous proposal. The contract file shall contain the basis on which the award is made.

B. Request for Proposals shall set forth those factors listed in Section 10.4, “Invitation for Bids, Format, Content, Public Inspection” that are applicable and shall also state:

1. The type of materials or services required and a description of the work involved;

2. The type of contract to be used;

3. An estimated duration that the service will be required;

4. That cost or pricing data is required;

5. That discussions may be conducted with Proposers who submit proposals determined to be reasonably susceptible of being selected for award;

6. The minimum information that the proposal shall contain;

7. The closing date and time for receipt of proposals; and

8. The evaluation criteria that will be used to evaluate proposal responses. Numerical weighting is not required. However, the Request for Proposal document shall reference each evaluation criterion's relative importance.

C. A Request for Proposals shall be issued at least **twenty one (21) days** before the closing date and time for receipt of proposals, unless a shorter time is determined necessary in writing by the Director pursuant to a written request from the requesting Department receiving the materials or services. In accordance with the Flagstaff City Charter, public notice of the Request for Proposals shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of the proposals.

D. In all competitive sealed Request for Proposals, the Purchasing Section shall issue a Request for Proposals using a solicitation document approved by the Purchasing Section and the City Attorney's office.

Section 11.4 Solicitation Opportunities

1. Solicitations shall be advertised in the Arizona Daily Sun and posted on the City's website. Prospective Proposers can download the solicitation and all other related documents at: flagstaff.az.gov/departments/purchasing/bidpostings-overview. After the heading "Bids available for download," click on "bid postings". All solicitations may be picked up from the Purchasing Section during normal business hours.

2. Interested Bidders can download and complete a Vendor Application form from the City's website. The Vendor Application form allows a Vendor to subscribe to receive an e-mail based notification of all current solicitation opportunities.

Section 11.5 Pre-Proposal Conferences

Pre-proposal conferences may be convened in accordance with the same procedures outlined in Section 10.5, "Pre-Bid Conferences".

Section 11.6 Late Proposals, Modifications or Withdrawals

A. A proposal received after the closing date and time for receipt of proposals is late and shall not be considered except under the circumstances set forth in Section 10.8, "Late

Bids, Late Withdrawals and Late Modifications". A best and final offer received after the closing date and time for receipt of best and final offers is late and shall not be considered except under the circumstances in accordance with the same procedures outlined in Section 10.8 (B), "Late Bids, Late Withdrawals and Late Modifications".

B. A modification of a proposal received after the closing date and time for receipt of proposals is late and shall not be considered except under the circumstances in accordance with the same procedures outlined in Section 10.8(B), "Late Bids, Late Withdrawals and Late Modifications".

C. A modification of a proposal resulting from an addendum issued after the closing date and time for receipt of proposals or a modification of a proposal resulting from discussions during negotiations shall be considered if received by the closing date and time set forth in the addendum or by the closing date and time for submission of best and final offers, whichever is applicable. If the modifications described in this subsection are received after the respective date and time described in this subsection, the modifications are late and shall not be considered except under the circumstances in accordance with the same procedures outlined in Section 10.8 (B), "Late Bids, Late Withdrawals and Late Modifications".

D. A proposal may be withdrawn at any time before the closing date and time for receipt of best and final offers. Withdrawal of a proposal after submission of best and final offers is permissible only in accordance with Section 11.11 (B), "Mistakes in Proposal Response".

Section 11.7 Receipt of Proposals

A. Each proposal received shall be date and time-stamped and retained in a secure place, within the Purchasing Section, until the closing date and time for receipt of proposals. A record of proposals shall be prepared and shall contain the name of each Proposer, the subject of the Request for Proposals and the assigned Request For Proposals number for which the proposal was submitted.

B. Proposals shall be opened in the presence of one (1) or more witnesses. During the evaluation process, proposals and modifications shall be shown only to those individuals involved in the evaluation and scoring process.

C. If only one proposal is received in response to a Request for Proposals, the Purchasing Agent may either make an award in accordance with Section 11.12, "Contract Award for Request for Proposals", or if time permits, re-solicit.

Section 11.8 Evaluation of Proposals

A. Evaluation of proposals shall be based on the evaluation criteria set forth in the Request for Proposals.

Section 11.9 Discussions with Responsible Proposers and Revisions to Proposal

A. Discussions may be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for award; for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussions and revision of proposals, and such revisions may be

permitted after submissions and prior to award, for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Proposers. The purpose of such discussions may be to:

1. Determine in greater detail such Proposer's qualifications;

2. Explore with the Proposer the scope and nature of the project, the Proposer's proposed presented approach, the relative utility of alternate methods of approach and method of performance;

3. Determine that the Proposer will make available the necessary personnel and facilities to perform within the required time; and

4. Agree upon compensation which is fair and reasonable, taking into account the estimated value of the required services/equipment, the scope and complexity of proposed project and nature of such services/equipment.

B. After an evaluation committee has reviewed all of the initial proposals, discussions may be held between the responding Proposers and the evaluation committee. Such discussions are conducted to more fully understand the initial proposals submitted by the Proposers.

C. Following the initial proposal review and discussions phase, the evaluation committee may either recommend an award to a specific firm or firms, if their proposal is clearly the best offer, or further define the RFP's needs within the scope of the original RFP and call for best and final offers.

D. Proposal information may not be disclosed to any other Proposer. Each Proposer's information and pricing shall be kept under strict security until after an award recommendation has been made.

E. All responsive and responsible Proposers are to be given a fair and equal opportunity to respond to any narrowed scope/specification needs stated within the written best and final offer document that may be issued by the Director. If the evaluation process clearly proved (with supportive evidence) that certain Proposers were incapable of meeting the scope and needs of the RFP in a satisfactory manner, then those Proposers may be removed from further consideration during the best and final offer phase of the RFP evaluation process. The criteria for being removed from best and final consideration must be well documented and placed in the bid/contract file.

F. Best and final offers shall be requested in formal writing by the Purchasing Section and a reasonable time period given to Proposers for making a quality response. Any requested, best and final offer shall be within the scope of the original RFP and used to further identify and clarify specific service/product needs and appropriate pricing requirements based on those further clarified needs. .

Section 11.10 Best and Final Offers; Tied Proposals

A. If discussions are conducted pursuant to Section 11.9, "Discussions With Responsible Proposers and Revisions to Proposal", the Purchasing Agent shall issue a formal written

request for best and final offers. The request shall set forth the date, time and place for the submission of best and final offers. Best and final offers shall be requested only once, unless the Purchasing Agent makes a written determination that it is advantageous to the City to conduct further discussions or change the City's requirements. The request for best and final offers shall inform Proposers that, if they do not submit a best and final offer, their immediate previous offer will be construed as their best and final offer.

B. In the event of tied proposals, the tie shall be broken according to the following determined by the Director:

1**.** Best and final offer when determined by the Director to be applicable; or

2**.** Draw lots.

Section 11.11 Mistakes in Proposal Response

A. Prior to the time and date set for receipt of best and final offers, any Proposer may withdraw their best and final offer or correct any mistake by modifying their best and final offer.

B. Proposers submitting a best and final offer, may withdraw a proposal or correct a mistake after the specified due date, in accordance with Section 10.10, “Mistakes in Bids”.

Section 11.12 Contract Award for Request for Proposals

A. The contract shall be awarded to the Proposer whose proposal is responsive and responsible and determined in writing to be the most advantageous to the City based on the factors set forth in the Request for Proposals. The determination shall explain the basis of the award.

B. If the Contract(s) awarded exceeds the formal procurement limit, each unsuccessful Proposer shall be notified in writing of the award.

C. After contract award or as determined by the Purchasing Agent**,** the proposals shall be open for public inspection, except to the extent that the withholding of information is permitted or required by law. If the Proposer designates a portion of the proposal as confidential, disclosure of such portion shall be made in accordance with the following:

1. IF A PROPOSER BELIEVES THAT A PROPOSAL CONTAINS INFORMATION THAT SHOULD BE WITHHELD, A STATEMENT ADVISING THE PURCHASING AGENT OF THIS FACT SHALL ACCOMPANY THE SUBMISSION AND THE INFORMATION SHALL BE SO IDENTIFIED WHEREVER IT APPEARS. THE INFORMATION IDENTIFIED BY THE PROPOSER AS CONFIDENTIAL SHALL NOT BE DISCLOSED UNTIL THE PURCHASING AGENT MAKES A WRITTEN DETERMINATION;

2. The Purchasing Agent shall review the statement and information and shall determine in writing whether the information shall be withheld; and

3. IF THE PURCHASING AGENT MAKES THE DETERMINATION TO DISCLOSE THE INFORMATION, THE PURCHASING AGENT SHALL INFORM THE PROPOSER IN WRITING OF SUCH DETERMINATION.

ARTICLE 12 FORMAL PROCUREMENT PROCESS – PROFESSIONAL DESIGN SERVICES, CAPITAL IMPROVEMENTS/CONSTRUCTION AND CONSTRUCTION SERVICES

The formal procurement process for professional design services and capital improvements/construction projects utilizes different solicitation documents than the Request for Proposals. If the procurement is for professional design services, the Purchasing Agent shall utilize the Request for Statements of Qualifications solicitation. If the procurement is for capital improvements/construction, the Purchasing Agent shall utilize the Invitation for Bids (IFB) or one of the Alternative Project Delivery Methods, such as Construction Manager At Risk (CMAR), Design Build (DB) or Job Order Contracting (JOC), as deemed appropriate. If any of the Alternative Project Delivery Methods are utilized, the solicitation and contract award shall be based on qualifications utilizing the Request for Statements of Qualifications (RSOQ). In the event a decision is made by the Purchasing Agent to have a phase 2 of the solicitation process, a Request for Proposals may be used to include pricing information. Both the Request for Statements of Qualifications and the Request for proposals documents shall include specifications and/or scope of work, and all contractual terms and conditions applicable to the procurement.

Section 12.1 Request for Solicitation Determination

The Purchasing Agent shall determine if the Invitation for Bids or one of the Alternative Project Delivery Methods, followed by a Request for proposals, if there is a phase 2, is more appropriate for the selection of the service or construction with an estimated expenditure exceeding the formal procurement limit.

Section 12.2 Request for Issuance of a Formal Solicitation

A. The requisitioner or “End-user” shall electronically submit a requisition referencing the cost estimate or approved budget for the requested service or construction.

B. The Purchasing Agent shall obtain a bid number from the Solicitation Log Book in the Purchasing Section, provide the description of the purchase or project, the Purchasing Agent assigned and determine the appropriate solicitation document and agreement to be used.

C. The Requisitioner or “End-user” shall provide the specifications and/or scope of work to the Purchasing Section. Once the solicitation is complete, the Purchasing Agent shall forward to the City Attorney’s office for review before issuance of the solicitation.

Section 12.3 Professional Design Services

Professional Design Services are those services that are legally required to be accomplished, reviewed and approved by professionals registered to practice in the State of Arizona and pertain to the following professional services:

1. Architect services
2. Engineering services
3. Assayer services
4. Geologist services
5. Landscape Architect services
6. Land Surveying services

Contracts for these professional design services shall be solicited through a Request for Statements of Qualifications, except as otherwise provided for in Article 18, Sole Source, Article 19, Emergency Purchase, or Article 20, "Procurements From Solicitations by Other Governmental Entities". The Purchasing Section shall issue the standard Request for Statements of Qualifications document established and approved by the Purchasing Section and the City Attorney's office. All contracts for professional services referenced above, shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and the appropriate Article or Section of this Procurement Code Manual.

The Request for Statements of Qualifications, shall be issued at least **twenty one (21) days** before the closing date and time for receipt of statements of qualifications, unless a shorter time is determined necessary in writing by the Director. In accordance with the Flagstaff City Charter, public notice of the Request for Statements of Qualifications shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of statements of qualifications.

Section 12.4 Capital Improvements/Construction

A. Capital Improvements is the construction related projects involving the process of building, altering, repairing, improving or demolishing any public structure or building or other public improvements of any kind to any public real property, which extends the life or increases the productivity of the real property. Construction is the process of building, altering, repairing, improving or demolishing any public infrastructure facility, including public structure, public building, or other public improvements of any kind to any real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing public infrastructures or facilities, including structures, buildings or real property.

B. Contracts for capital improvements/construction shall be solicited utilizing an Invitation for Bids process or one of the Alternative Project Delivery Methods, except as otherwise provided for in Article 18, "Sole Source" or Article 19, "Emergency Purchase".

C. The Purchasing Section shall issue the appropriate, selected, solicitation document established and approved by the Purchasing Section and the City Attorney's office.

D. All contracts for Capital Improvements/construction shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and the appropriate Article or Section of this Procurement Code Manual.

E. Bidders shall submit subcontractor lists for all subcontracts that are above $5,000. Bids not in compliance with this requirement shall be deemed non-responsive. Submission of the subcontractor list shall act as Bidder certification that the work shall be performed by

either the Bidder or the listed subcontractors. Substitutions may be allowed for reasons including, but not limited to, subcontractor non-responsiveness, insolvency, or any other reason deemed by the Director to be in the best interest of the City.

Section 12.5 Construction Services

Construction Services is a combination of construction and one or more related services, such as finance services, maintenance services, operations services, design services and pre-construction services, as these services are authorized in the definitions of Construction Manager at Risk, Design Build or Job Order Contracting as follows:

A. Construction-Manager-At-Risk is a project delivery method in which:

1. There is a separate contract for design services and a separate contract for construction services;

2. The contract for construction services may be entered into at the same time as the contract for design services or at a later time;

3. Design and construction of the project may be in sequential phases or concurrent phases; and

4. Finance services, maintenance services, operations services, preconstruction services, and other related services may be included.

B. Design-Build is a project delivery method in which:

1. There is a single contract for design services and construction services;

2. Design and construction of the project may be in sequential phases or concurrent phases; and

3. Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included.

C. Job-Order-Contracting is a project delivery method in which:

1. The contract is a requirements contract for indefinite quantities of construction;

2. The construction to be performed is specified in job orders issued during the contract;

3. Finance services, maintenance services, operations services, preconstruction services, design services and other related services may be included; and

4. The project limit shall be set by the Director in accordance with A.R.S. Title 34, Public Buildings and Improvements.

D. <u>Design-Bid-Build</u> is the traditional project delivery method, other than the three (3) alternative project delivery methods, referenced above, in which:

1. There is a sequential award of two (2) separate contracts;

2. The first contract is for design services;

3. The second contract is for the actual construction;

4. Design and construction of the project are in sequential phases; and

5. Finance services, maintenance services and operations services <u>are not included</u>.

Contracts for construction services shall be solicited through a construction-manager-at-risk, design-build or job-order-contracting selection process utilizing a Request for Statement of Qualifications, except as otherwise provided for in Article 18, "Sole Source" or Article 19, "Emergency Purchase". The Purchasing Section shall issue the standard Request for Statements of qualifications document established and approved by the Purchasing Section and the City Attorney's office. All contracts for professional services referenced above, shall be awarded and administered in accordance with the requirements of A.R.S. Title 34, Public Buildings and Improvements and the appropriate Article or Section of this Procurement Code Manual.

The Request for Statements of Qualifications, shall be issued at least **twenty one (21) days** before the closing date and time for receipt of statements of qualifications, unless a shorter time is determined necessary in writing by the Director. <u>In accordance with the Flagstaff City Charter, public notice of the Request for Statements of Qualifications shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of statements of qualifications</u>.

<u>ARTICLE 13</u> *<u>FORMAL SOLICITATION ADVERTISING</u>*

A. The Purchasing Agent shall advertise all formal solicitations as follows:

1. Invitation for Bids--- At least one (1) time in a local newspaper of general circulation no less than five (5) days prior to bid opening.

2. Request for Proposals—At least one (1) time in a newspaper of general circulation no less than five (5) days prior to proposal opening.

3. Request for Statements of Qualifications--- At least two (2) consecutive times in a newspaper of general circulation no less than six (6) days apart and no more than ten (10) days apart prior to the statement of qualifications opening. The opening shall not be less than five (5) days from the last advertisement.

B. The requisitioning department shall budget for this required advertising.

C. The City web site references all formal solicitation opportunities.

D. The Purchasing Section may mail a notice of solicitation and any addendums to persons listed on the City Bidder's List and any person requesting the information. Bidnet,

Arizona Procurement Technical Assistance Network, Construction News, Dodge, and other resources deemed appropriate by the Purchasing Section may be included in mailing lists for all applicable solicitations. All solicitations listed on the City's web site are available for downloading. Interested Bidders may subscribe to receive an e-mail based notification of all current solicitation opportunities by downloading and completing a vendor application from the City's website. The vendor application can be found by going to the City's website home page, clicking on City Hall, and then Departments, and then Purchasing and then vendor registration and then the link for vendor application.

E. All solicitations may be picked up from the Purchasing Section during normal business hours. For construction related projects involving plan sets, the City's Project Manager assigned to the project or a designee within their Division or Section shall be responsible for providing and logging plan sets requested by prospective Proposers.

F. The Purchasing Section shall be responsible for scheduling bid or proposal openings and required pre-bid or pre-proposal conferences and post award meetings.

G. The Purchasing Agent shall determine and coordinate any necessary addendums and issue any required addendums, receive bids or proposals and conduct bid or proposal openings.

1. Only the Purchasing Section may supply interested persons with official copies of formal solicitations; and

2. Only a Purchasing Agent may issue a Notice of Award or a Notice to Proceed.

ARTICLE 14 EVALUATION/SELECTION COMMITTEE FOR MATERIALS, SERVICES, PROFESSIONAL DESIGN SERVICES AND CONSTRUCTION

All vendor responses to formal solicitations that contain evaluation criteria, in addition to price, shall be evaluated and scored by an evaluation/selection committee according to the following:

A. The committee shall review and evaluate vendor responses according to the evaluation criteria referenced in the solicitation document. All committee members shall score each vendor according to the scoring matrix provided by the Purchasing Agent.

Section 14.1 Guidelines for Evaluation/Selection Committee; Selection Process

A. ***Appoint Evaluation/Selection Committee for Materials and Services:***

1. The selection of Evaluation Committee members shall be determined, collectively, by the Purchasing Agent and the end-user. The evaluation committee shall consist of at least three (3) people, but preferably five (5) people. For any evaluation committee comprised of more than three (3) members, the committee shall consist of an odd number of members. Committee membership shall be a diverse group familiar with the elements contained in the Scope of Work.

2. Evaluation Committee membership is not restricted to City employees. However, committee members may not receive compensation**,** present a proposal, nor be affiliated with a person presenting a proposal.

3. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

B. ***Appoint Evaluation/Selection Committee for Professional Design Services:***

1. The selection of Evaluation Committee members shall be initiated and determined, collectively, by the Purchasing Agent and the City Project Manager assigned to the project. The evaluation committee shall consist of at least five (5) members, but no more than seven (7) members and shall include at least one (1) member who is a senior management employee of a licensed Contractor and one (1) member who is an Architect or Engineer registered in the State of Arizona. The remaining evaluation committee membership shall be a diverse group familiar with the elements contained in the Scope of Work. A member on the evaluation committee, who is not an employee of the City, shall not be a Contractor under a contract awarded under the procurement or provide any professional services, construction, construction services, materials or other services under the contract.

2. These members may be employees of the City or not an employee of the City. Members who are not employees of the City, outside Contractors, Architects and Engineers serving on an evaluation committee, are not entitled to receive compensation from the City for performing this service, nor be affiliated with a person submitting a statement of qualifications. However, the City may elect to reimburse members who are not employees of the City, outside Contractors, Architects and Engineers for travel, lodging and other expenses incurred in connection with service on an evaluation committee.

3. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

C. ***Appoint Evaluation/Selection Committee for Construction (utilizing a Request for Statements of Qualifications solicitation):***

1. The selection of Evaluation Committee members shall be initiated and determined, collectively, by the Purchasing Agent and the City Project Manager assigned to the project. The evaluation committee shall consist of at least five (5) members, but no more than seven (7) members and shall include at least one (1) member who is a senior management employee of a licensed Contractor and one (1) member who is an Architect or Engineer registered in the State of Arizona. The remaining evaluation committee membership shall be a diverse group familiar with the elements contained in the Scope of Work. A member on the evaluation committee, who is not an employee of the City, shall not be a Contractor under a contract awarded under the procurement or provide any professional services, construction, construction services, materials or other services under the contract.

2. These members may be employees of the City or not an employee of the City. Members who are not employees of the City, outside Contractors, Architects and

Engineers serving on an evaluation committee, are not entitled to receive compensation from the City for performing this service, nor be affiliated with a person submitting a statement of qualifications. However, the City may elect to reimburse members who are not employees of the City, outside Contractors,

Architects and Engineers for travel, lodging and other expenses incurred in connection with service on an evaluation committee.

3. Evaluation Committee members may be required to attend a training session on the elements of evaluating proposal responses from Proposers and the various elements to be scored, given the evaluation criteria outlined in the solicitation document.

Section 14.2 Guidelines for the Selection of Evaluation Criteria Used in a Solicitation Advertised as an Invitation for Bids, Request for Proposals or a Request for Statements of Qualifications

A. Evaluation criteria are determined by the Director and the end-user or City Project Manager, . Evaluation criteria shall be objectively measurable and allow for the evaluation, selection and award of a contract in the best interest of the City. .

B. All solicitations advertised as a Request for Statements of Qualifications shall include the evaluation criterion "Value Added Knowledge and Experience" as follows:

<u>Value Added Knowledge and Experience</u> (10 points/10%)

The team hired by the City must be familiar with local community needs, standards, historical challenges, local codes and site conditions. Additionally, the team must be accessible to City staff and citizens (e.g., public hearings, neighborhood meetings and other citizen outreach identified in the Request for Statements of Qualifications) during the contracted design and construction phase of the Project.

1. Resolution of issues may be part of the project work. Describe your response protocol and how the firm's Project Manager (or responsible person in charge) will be accessible to City staff and citizens.

2. Explain why your firm is particularly qualified to perform your services in the Flagstaff area. Demonstrate the Project Manager's (or responsible person in charge) knowledge of local geology, climate, practices, materials and codes by specifying in the submittal their experience working in the Northern Arizona region or in a region with geology, climate and conditions similar to those of the City of Flagstaff.

   a. Briefly describe two of your most recent projects that were performed in the greater Flagstaff area as defined by the Regional Plan and/or Flagstaff Metropolitan Planning Organization (FMPO) boundaries.

3. During construction what it the response time by a qualified person (decision making authority) to meet in person and resolve concerns and to accommodate unforeseen issues?

C. The Director may establish a specific weight percentage for each Value Added Knowledge and Experience sub-section, not to exceed the total 10 points or 10% assigned for all of the Value Added Knowledge and Experience evaluation criterion.

ARTICLE 15 CANCELLATION OR REJECTION OF SOLICITATIONS

An Invitation for Bids, a Request for Proposals or Request for Statements of Qualifications may be canceled by the Director prior to the solicitation opening. However, all bids, proposals or statements of qualifications submitted by a Bidder or proposer may be rejected after the solicitation opening, but the rejection of solicitation shall be approved by City Council as provided in the City Charter.

Section 15.1 Solicitation Statement

Each solicitation issued by the City shall state that the solicitation may be canceled or bids or proposals rejected in whole or in part.

Section 15.2 Cancellation of Solicitation Before Bids or Proposals Are Due

A. Before bids or proposals are due, a solicitation may be canceled if the Purchasing Agent determines that cancellation is advantageous to the City.

B. If a solicitation is canceled before bids or proposals are due, notice of cancellation shall be posted to the City website and sent to all prospective Bidders or Proposers who completed and provided to the Purchasing Section an Acknowledgment of Receipt form when practicable, depending on the number of prospective Bidders who submitted this form. The notice of cancellation shall identify the solicitation and briefly explain the reason for cancellation.

C. Any bids or proposals received by the City for a canceled solicitation shall be returned to the Bidder or Proposer unopened.

Section 15.3 Cancellation of Solicitation After Bids or Proposals Are Due

A. After opening of bids or proposals, but before award, a solicitation may be canceled if the Purchasing Agent determines that cancellation is advantageous to the City.

B. A notice of cancellation shall be sent to all Bidders or Proposers submitting bids or proposals.

C. Bids or proposals received shall be placed in a sealed file pending a decision of a rebid of the solicitation. In the event of a rebid of the solicitation, the file shall remain sealed until an award is made.

Section 15.4 Rejection of All Solicitations

A. After receipt, opening and evaluation, but before award, all solicitations may be rejected if determined to be in the best interest of the City. However, any recommendations for a solicitation to be rejected shall be approved by the City Council.

B. A notice of rejection shall be sent to all Bidders or Proposers submitting bids or proposals.

Section 15.5 Procurement Procedural Irregularity

The Purchasing Agent shall act to cancel or reject in the event that action is deemed in the best interest of the City due to a procurement procedural irregularity.

ARTICLE 16 DETERMINATION OF BIDDER AND PROPOSER RESPONSIBILITY

A.

B. . The Purchasing Agent shall consider the responsibility of any vendor prior to purchasing materials or services from such vendor. The Purchasing Agent shall prepare a written evaluation of a vendor's responsibility for any procurement for services or materials of $50,000 or more. The evaluation will be placed in the vendor's file.

C. Factors to be considered in determining if a vendor is responsible include those set forth below. Any single factor or combination of factors may be grounds for determination of non-responsibility.

1. The vendor's capacity to do the work, including adequate finances, equipment, facilities, employees and competing commitments;

2. The competency and responsibility of the vendor's proposed subcontractors;

3. The vendor's experience in performing similar work;

4. The vendor's integrity and record of performance:

   a. Positive factors include but are not limited to timely completion within budget, quality of work, prompt resolution of problems, good working relationships and the abilty to resolve disputes without litigation;

   b. Negative factors include but are not limited to past contract terminations or deductions due to failure to perform; termination for cause due to breach; failure to comply with the contract; documented poor performance; customer complaints and/or negative references; unresolved disputes with project owners or subcontractors; and litigation without merit. In addition, any of the grounds set forth in Article 30 for suspension or debarment may be considered.

5. The vendor is qualified legally to contract with the City;

6. Whether the vendor has truthfully supplied all information concerning its responsibility requested by the Purchasing Agent; and

7. Whether the vendor holds any required and active valid State of Arizona license(s) to conduct business or to perform the work proposed.

8. Any other evaluation criteria listed in the solicitation. Examples of other evaluation criteria include but are not limited to: requirement of a balanced bid, requirement that the bid or proposal identify the percentage andcost of work that each subcontractor will perform and a cap on the total project value that can be

completed by subcontractors, or requirement that no work shall be subcontracted.

D. The Purchasing Agent may establish specific responsibility criteria for a particular procurement. All responsibility criteria shall be listed in the solicitation. The solicitation should specify that "The responsibility of the Bidder will be determined based on factors described in Article 16 of the Procurement Code Manual.

E. If the Purchasing Agent determines that a vendor is non-responsible, the determination shall be approved by the Director and in consultation with the City Attorney, shall be in writing and set forth the basis for the determination. A copy of the determination shall be promptly sent to the non-responsible Bidder or Proposer. The Bidder or Proposer may protest the determination by following Article 29, "Protests", Sections 29.1 through 29.6. If the Director in consultation with the City Attorney determines the Bidder or Proposer is non-responsible, no further administrative remedy is available, as the City will not conduct a hearing. The Bidder or Proposer has no due process right to a hearing, but may have the right to file a special action, see Grand Canyon Pipelines, Inc. v. City of Tempe, 816 P.2d 247 (Ariz. App 1991). The final determination shall be made part of the procurement file.

F. If a contractor desires to substitute a subcontractor at any time after contract award, the Director shall evaluate the competency and responsibility of the proposed new subcontractor. The contractor shall submit complete information to the City and the City shall not be liable for any damages for project delays resulting from such substitution. The City reserves the right to reject substitution of contractors where the contractor was selected in part due to the unique and special skills or knowledge of such subcontractor and if the solicitation clearly provides that the City may reject substitution of such subcontractor.

Section 16.1 Request for Review of Responsibility

A. In the event a Purchasing Agent has cause to question the responsibility of the low Bidder or highest scoring Proposer, a formal letter shall be sent to the Bidder or Proposer containing all information available, including the specific areas where responsibility evidence is desired. In the event the low bid appears to be underbid, unbalanced or not financially viable, the Purchasing Agent may require the low Bidder to provide an accounting, showing that the work can be completed at the bid price.

B. Information supplied by the Bidder or Proposer shall be evaluated by the Purchasing Agent.

C. In the event the Bidder or Proposer is determined non-responsible**,** the Bidder or Proposer shall be notified in writing of the decision.

ARTICLE 17 COST OR PRICING DATA

A. The submission of current cost or pricing data may be required in connection with an award in situations in which analysis of the proposed price is essential to determine that the price is reasonable and fair. A Bidder or Proposer shall, when requested, submit current cost or pricing data and shall certify that, to the best of the Bidder's or Proposer's knowledge and belief, the cost or pricing data submitted is accurate, complete and current as of a mutually determined specified date.

B. This certification may also be requested to substantiate requests for price adjustments for contracts with options to extend and any contract modification or change order.

C. This certification may also be requested to substantiate requests for cost reimbursements pursuant to the specific terms and conditions contained in a City contract.

Section 17.1 Reimbursement

Provisions for reimbursement of costs shall, where applicable, be included in the terms of the contract and it shall be required that written approval of the Procurement Agent be obtained by the Bidder or Proposer prior to incurring costs to be reimbursed.

ARTICLE 18 SOLE SOURCE

A. A contract may be awarded for a material, service or construction without competition if the Purchasing Agent determines in writing that there is only one source for the required material or service. The Director may require the submission of cost or pricing data in connection with an award under this section. Sole source procurement shall be avoided, except when no reasonable alternative sources exist. The written determination of the basis for the sole source procurement shall be included in the contract file.

B. The Purchasing Agent shall negotiate with the sole source Bidder or Proposer, to the extent practicable, a contract advantageous to the City.

C. Sole Source purchases authorized by the Purchasing Agent, which exceed the formal procurement limit, shall be awarded pursuant to Article 26, “Award of Contract”.

Section 18.1 Sole Source, Evidence Request

A. Sole Source procurement shall not be used unless there is clear and convincing evidence that there is only one source as determined by the Purchasing Agent.

B. In the event a Department or Division requests a Sole Source procurement, written evidence and report of research to support the request shall be provided to the Purchasing Agent.

C. Negotiations involving Sole Source purchases shall not commence until the Purchasing Agent has approved the Sole Source purchase.

Section 18.2 Sole Source Justification

A. Justification for sole source purchases, at **five thousand and one dollars ($5,001)** and greater, are required.

B. The Purchasing Agent shall approve, prior to any negotiation, any Sole Source purchase over **five thousand dollars ($5,000)** pursuant to Section 18.1, “Sole Source, Evidence Request”.

C. A sole source agreement at **five thousand and one dollars ($5,001)** and up to **forty nine thousand nine hundred and ninety nine dollars ($49,999)** may be approved by

the Director for a period up to five (5) years based on City requirements and market conditions. A sole source agreement at **fifty thousand ($50,000)** and greater, shall be approved by City Council for a period up to five (5) years.

ARTICLE 19 EMERGENCY PURCHASE

A. Notwithstanding any other provision in this Procurement Code Manual, the Director may make or authorize others to make emergency procurements if there is a threat to public health, welfare, or safety or if a situation exists which makes compliance with the procurement process specified in Articles 10, "Formal Procurement Process—Invitation For Bids", Article 11, "Formal Procurement Process—Request For Proposals" and Article 12, "Formal Procurement Process—Professional Design Services, Capital Improvements/Construction And Construction Services" contrary to the public interest. Emergency procurements shall be made with such competition as is practicable under the circumstances.

B. A written determination of the basis for the emergency and for the selection of the particular Bidder or Proposer shall be included in the contract file.

C. Emergency purchases authorized by the Director which exceed the formal procurement limit, shall be reported to the City Council, as a confirming payment.

Section 19.1 Conditions for Emergency Purchase

An emergency shall be deemed to exist if:

A. There is a great public calamity;

B. There is immediate need to prepare for national or local defense;

C. There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or services to protect the public health, welfare or safety; or

D. An essential departmental operation affecting the public health, welfare or safety would be greatly hampered if the prescribed formal or informal purchasing procedure would cause an undue delay in procurement of the needed item or service.

Section 19.2 Emergency Purchase Procedure

A. If the emergency occurs during Purchasing Office hours, the requesting department shall contact the Director or a Purchasing Agent who shall procure or authorize the procurement of the necessary materials, services or construction and fully document the purchase.

B. In the event the emergency occurs after Purchasing Office hours, any City employee may make any necessary procurement after receipt of authorization from the Department's or Division's Manager or Supervisor.

1. By the next working day, a full report of the circumstances of the emergency purchase shall be made by the person making the purchase. The report shall be filed with the Director for inclusion in the appropriate Purchasing records; and

2. If the purchase exceeded the formal bid limit, the Director and the City employee who made the emergency purchase, shall seek approval of the purchase from the City Council as a confirming payment.

ARTICLE 20 PROCUREMENTS FROM SOLICITATION BY OTHER GOVERNMENTAL ENTITIES

The City may enter into contracts for the procurement of materials, services or construction pursuant to specifications, solicitations or contracts issued by other governmental entities. Such purchases shall conform to state procurement statutes and the Purchasing Agent involved shall conduct due diligence and conclude that the solicitations or contracts issued by other governmental entities conform to the purpose and spirit of this Procurement Code Manual.

Section 20.1 Existing Contracts

A. When making a purchase that conforms to the purpose and spirit of this Procurement Code Manual and the purchase exceeds the City's formal bid limit, the Director shall place a written justification for the use of a contract issued by another governmental agency in the City's contract file, provided the Bidder or Proposer is willing to extend the contract to the City and the Purchasing Agent and the requesting Division obtains City Council approval prior to making the purchase.

B. The Purchasing Agent shall execute a Purchase Order or Notice of Award referencing the applicable contract of the soliciting entity.

Section 20.2 Joint Solicitations

A. When the City intends to purchase materials or services with another governmental agency through a contract with that agency and the selected Bidder or Proposer, the City may participate in any solicitation issued by that governmental agency provided:

1. The Procurement Officer of the other governmental agency invites the participation or responds positively to a request by the City to participate;

2. The terms and conditions of the lead agency's solicitation have been reviewed by the Purchasing Agent and the City Attorney's office and determined to be advantageous to the City; and

3. The procurement process governing the solicitation substantially conforms to the purpose and spirit of this Procurement Code Manual.

B. Another governmental agency may join in any formal solicitation issued by the City provided:

1. The governmental agency will be a party to the contract which the City and the selected Bidder or Proposer will enter into; and

2. The participation is not found by the Director to be disadvantageous to the City.

C. The provisions of this joint solicitation rule do not apply to the City's participation in solicitations conducted by, but not limited to, the following governmental entities or groups of governmental entities: The Flagstaff Alliance For The Second Century, the

State of Arizona, Mohave Educational Services Cooperative, the Western States Contracting Alliance (WSCA), U.S. Communities and the Strategic Alliance for Volume Expenditures (SAVE). Participation in these procurements will continue to be subject to the terms and conditions specified in their respective contracts.

Section 20.3 Cooperative Purchasing Contract Awards

Cooperative purchasing contracts shall be awarded as specified in Article 26, "Award of Contract".

Section 20.4 Purchases From Existing Contracts

A. The Director or Purchasing Agent and the Requesting Division shall determine, collectively, whether using an existing contract from another governmental entity would be in the best interest of the City.

B. The terms and conditions of the selected governmental entity's solicitation have been reviewed by the Purchasing Agent and the City Attorney's office and determined to be advantageous to the City.

C. The Director or Purchasing Agent shall make the purchase according to all applicable sections within this Procurement Code Manual.

Section 20.5 Request for Joint Solicitation

A. The Requesting Department shall request, in writing to the Director, participation in a joint solicitation.

1. Written request shall include the volume and estimated value of the purchase, which agency is to conduct the solicitation, and benefit to the City for the joint solicitation; and

2. Upon written approval, by the Director, the City's Requesting Department shall coordinate with the other entity the preparation of specifications.

B. The procurement activity shall be conducted or coordinated by the Director or Purchasing Agent whether the City is the lead agency, or another governmental entity is the lead agency.

Section 20.6 Commitment to Purchase or Participate

The Director or Purchasing Agent, in conjunction with the requesting Division, shall determine if it is advantageous for the City to a purchase pursuant to a contract issued by another governmental entity or to participate in a joint solicitation with another governmental entity.

ARTICLE 21 BID AND CONTRACT SECURITY

The submission of security to guarantee faithful bid and contract performance may be required. In determining the amount and type of security required for each contract, the Director shall consider the nature of the performance and the need for future protection for the City. The requirement for security must be included in the solicitation documents.

Section 21.1 Bid Bond

The Purchasing Agent shall determine, on a case by case basis, the need for Bid Security and the amount in order to protect the interest of the City, except where specifically required by A.R.S.,Title 34, Public Buildings and Improvements.

A. If required by A.R.S.,Title 34, Public Buildings and Improvements, the security shall be in the form of a bid bond issued by a company authorized to issue surety bonds in the State of Arizona or a Cashier's Check made payable to the City of Flagstaff in the amount of ten percent (10%) of the vendor's total bid.

B. Bid Security shall be returned to all but the two lowest responsible and responsive Bidders or Proposer within ten (10) days after the opening of bids, and the remaining securities returned within three (3) days after the execution of the contract.

Section 21.2 Performance and Payment Bonds

The Purchasing Agent shall determine, on a case by case basis, the need for a Performance and/or Payment Bond and the amount in order to protect the interests of the City, except where specifically required by A.R.S., Title 34, Public Buildings and Improvements.

A. If required by A.R.S., Title 34, Public Buildings and Improvements, the security shall be in the form of a Performance Bond or Payment Bond issued by a person authorized to issue surety bonds in the State of Arizona, or upon approval of the Director**,** secured Cashier's Check made payable to the City of Flagstaff in the amount of one hundred percent (100%) of the vendor's total bid. Individual or personal sureties will not be allowed**.**

B. The contract number and dates of performance must be clearly indicated in the Bond.

C. The Director may consider other forms of Performance and Payment guarantee, depending on the project, with the concurrence of the City's Risk Manager and the City Attorney's office.

Section 21.3 Collection of Bid Bonds

The Purchasing Agent shall notify vendors/contractors, in writing, who fail to execute required contracts of their bond forfeiture and shall act to collect the bond amount if a surety was posted.

Section 21.4 Enforcement of Performance Bond

A. The Purchasing Agent shall notify vendors/contractors, in writing, who fail to provide performance bonds of their default, initiate action to award to second low Bidder or re-bid.

B. The City's Project Manager or Purchasing Agent shall notify the Director and the City Attorney's office of any performance deficiency in order that the City may initiate a claim against the performance bond in the event the deficiency cannot be resolved with the vendor/ contractor.

ARTICLE 22 MULTI-TERM CONTRACTS

A. Unless otherwise provided by law, a contract for materials or services may be entered into for a period of time up to five years, as deemed to be in the best interest of the City, if the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first fiscal year period at the time of contracting. A contract may be entered into for a period of time exceeding five years if the Director determines in writing that such a contract would be advantageous to the City and the City Council approves the contract term.

B. Multi-term contracts shall contain provisions for cancellation by the City in the event funds are not appropriated for the continuance of the contract.

Section 22.1 Determination for Contract Periods Over 5 Years

A. Written requests for contracts exceeding five (5) years shall justify the advantage to the City and indicate why more frequent competition is not practicable.

Section 22.2 Establishment of Contract Period

A. The Director and requesting department shall determine the appropriate contract period based on market conditions, nature of the material or service, and applicable Contract Administration factors.

B. Contracts due to expire prior to a formal solicitation for a new term contract award may be extended on a month to month basis, approved by the Director, to maintain organizational service levels until a new formal solicitation can be conducted and a new contract awarded.

Section 22.3 Authority to Renew

A. The Purchasing Director shall have authority to renew a contract if the original contract, approved by City Council, contains a provision that allows for contract renewals upon mutual agreement of both parties and the Purchasing Director has determined in writing that the vendor is not in breach of contract and is performing satisfactorily.

ARTICLE 23 RIGHT TO INSPECT; AUDIT

A. ***Right to inspect***. The City may, at reasonable times, inspect the place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the City.

B. ***Right to Audit***. The City may at reasonable times and places, audit the books and records of any person who submits cost or pricing data to the extent that the books and records relate to the cost or pricing data, or audit the books and records of any person under any contract to the extent that the books and records relate to the performance of the contract. Any person who receives a contract, change order or contract modification for which cost or pricing data is required shall maintain the books and records that relate to the cost or pricing data for three (3) years from the date of final payment under the contract, unless a shorter period is otherwise deemed appropriate by the Director.

ARTICLE 24 CONTRACT PROVISIONS AND AMENDMENTS

A. The Director and the City Attorney's office shall require inclusion in all contracts various provisions regarding appropriate remedies, time of performance, insurance, assurance, price increase limits, options to renew, cost reimbursement and any other terms and conditions, considered to be protective clauses and advantageous to the City.

Section 24.1 Standard Provisions

The Director and the City Attorney's office shall prepare and make available standard contract language for contracts subject to this Procurement Code Manual and State of Arizona statutory requirements. Any modification, deletion, or addition to established contract language shall only be made with the prior approval of the Director and City Attorney's office.

Section 24.2 Effective Dates

All contracts shall state an effective date, initial term of the contract and any contract renewal options after the initial contract term expires and, if applicable, performance dates or notice requirements for implementation date.

Section 24.3 Contract Review Process

A. All contracts shall be reviewed by the Purchasing Agent and the City Attorney's office prior to issuance of a solicitation or execution by the Bidder or Proposer for the purpose of including all applicable contract provisions advantageous to the City.

B. When deemed appropriate, the Director may also require review and approval by other City Staff.

Section 24.4 Contract Preparation Process

A. All contracts shall be referenced by a number assigned by the Procurement Agent.

B. Contracts shall be awarded according to Section 26.1 "Notice of Intent to Award".

C. Formal contracts, at minimum, shall be prepared and signed in triplicate**.** The successful Bidder or Proposer shall sign the contract first, whenever possible. The contract shall then be routed using a "Document Tracking" form to the City Attorney's office for an Attorney's signature and then routed to the City Clerk's office for signature by the City Manager or Mayor, as appropriate, and then signed by the City Clerk. The distribution of signed contracts shall be as follows: one (1) original copy to the Bidder or Proposer, one (1) original copy to be put in the solicitation file within the Purchasing Section and one (1) original copy to the City Clerk's office.

Section 24.5 Contracts to be Maintained by the City Clerk

A. A copy of all original signed contracts, including any associated amendments, shall be forwarded to the City Clerk who shall assign a contract number and maintain all City wide contracts.

Section 24.6 Contract Amendments

Contracts may be amended if the Director, end-user and the City Attorney's office determines, in writing, that such modification is advantageous to the City, except contracts originally awarded by the City Council may be amended only with the approval of the City Council, unless the amendment is to provide necessary clarification, provided by the Director and City Attorney's office, to eliminate varying interpretation.

A. Amendments to contracts shall include signatures of all parties signing the original contract, except where personnel changes have been made to authorized agents of a business entity or the positions of authority within the City. Contract amendments shall be drafted or reviewed by the Purchasing Section and the City Attorney's office prior to signing by the vendor.

B. Amendments that increase the total expenditure commitment from the informal to formal procurement limit are subject to approval through the formal contract award process as required in Section 26.1 "Notice of Intent to Award".

C. Contract amendments shall not alter the terms and conditions or scope of work to the extent that, had the contract been bid in the modified state, the resulting low Bidder could have changed, or to the extent that the bid participation could reasonably have been expected to have increased.

Section 24.7 Contract Amendment Preparation

A. Contract amendments shall be prepared in triplicate, using the standard format provided by the Director, and shall be numbered the same as the original contract and routed in accordance with the same procedures outlined in Section 24.3, "Contract Preparation Process".

B. Contract amendments shall be signed by all parties signing the original contract.

Section 24.8 Contract Amendment Process

A. CHANGES NOT WITHIN THE CONTEXT OF THE ORIGINAL SCOPE OF WORK MAY NOT BE ACCOMPLISHED WITH A CHANGE ORDER, BUT SHALL REQUIRE A CONTRACT AMENDMENT AND CITY COUNCIL APPROVAL IF THE CONTRACT AMOUNT IS AT OR HIGHER THAN THE FORMAL PROCUREMENT LIMIT OF $50,000.

B. Contract amendments shall be reviewed and approved prior to the signing by the vendor in the following sequence:

1. Purchasing
2. City Attorney's Office
3. City Council (If contract amount is at or higher than $50,000)

C. A copy of any contract amendment shall be sent to the Purchasing Office for inclusion in the procurement file. When applicable, a memo citing the original Purchase Order number shall be attached to the modification to authorize increase/decrease to the encumbrance by the amount needed to meet the new contractual commitment.

ARTICLE 25 CHANGE ORDERS

A. ***Change Orders***

The City of Flagstaff recognizes the need for City staff to review and approve change orders; task orders that exceed the City Council approved contract amounts; field orders that exceed the authorized limits; and purchase orders for capital projects that exceed the established limit in the City Procurement Code Manual.

The purpose of the Change Order Committee shall have authority to:

1. **Review and recommend to City Council approvals, modifications, or disapprovals of design and construction change orders exceeding the time and/or dollar contractual amounts approved by the City Council;**

2. **Review and approve individual task orders for on-call consultant services that exceed $100,000 or 365 calendar days;**

3. **Review and approve field orders that exceed $100,000 or 60 calendar days;**

4. **Review and recommend to City Council approval of dollar and time amounts for engineering studies, feasibility studies, reports, contracts, and purchase orders for capital projects that exceed the amount approved by the City Council or that exceed the purchasing limits, as outlined in this Procurement Code Manual; and**

5. **Review anticipated purchases by the City that require approval as determined by the City Manager, City Attorney, or City Director.**

Section 25.1 Change Order Process

A change order shall be in written form for any and all changes in the contract's time, conditions or compensation. This written change shall be submitted to the Change Order Committee.

A. Exception 1 – A Field Order, which is a written and limited change order that is issued under the Contract Allowance provision, does not require Change Order Committee action.

Staff shall have the following field order authorities:

Project Manager - $10,000 and 10 calendar days.
Section Head - $25,000 and 30 calendar days.
Division Head - Full contact allowance amount and 60 calendar days.

Field Orders that exceed $100,000 or 60 calendar days require the Change Order Committee to approve the field order. The Change Order Committee can approve extensions with a "no time limit" cap, if it is a no cost change.

B. Exception 2 – A Task Order, which is a written and limited order for a scope of work and is issued under the "On-Call" Consultant Contract, does not require Change Order Committee action.

Staff shall have the following Task order authorities:
Project Manager - $10,000 and 10 calendar days.
Section Head - $25,000 and 60 calendar days.
Division Head - Contact allowance, up to $100,000 and 120 calendar days.

Task Orders that exceed $100,000 or 120 calendar days require the Change Order Committee to approve the task order. The Change Order Committee can approve extensions with a “no time limit” cap, if it is a no cost change.

C. Contractor may proceed with approved work only upon receipt of a fully executed Change Order and direction of the Purchasing Agent or Project Manager. Due to

extenuating circumstances, confirming change orders are allowed upon Director and Project Manager approval.

D. Change Orders that increase the total expenditure commitment from the informal to formal procurement limit are subject to approval through the formal contract award process as required in Section 26.1 “Notice Of Intent To Award”.

E. No change order(s) shall exceed 25% of the original contract amount of a professional services contract, 15% of the original contract amount of a construction project, 25% of the original contract amount for all other types of contracts OR $50,000; whichever is greater without Council approval.

F. The City’s Project Manager shall be responsible for routing of the change order form and obtaining Contractor approval. One (1) original of the completed and approved Change Order(s) shall be included in the contract file maintained by the Purchasing Agent. Copies shall be sent to Purchasing immediately after all applicable reviews and approval.

G. A COPY OF ANY CHANGE ORDER SHALL BE SENT TO THE PURCHASING OFFICE FOR INCLUSION IN THE PROCUREMENT FILE. WHEN APPLICABLE, A MEMO CITING THE ORIGINAL PURCHASE ORDER NUMBER SHALL BE ATTACHED TO THE CHANGE ORDER TO AUTHORIZE INCREASE/DECREASE TO THE ENCUMBRANCE BY THE AMOUNT NEEDED TO MAKE THE NEW CONTRACTUAL COMMITMENT.

Section 25.2 Change Order Conditions

A. Contract Allowance - Contract allowances of 5%, 7.5% or 10% will be added to all design and construction contracts. The allowance is based on the engineer’s estimate and will be included in design contracts for recommendation of award by City Council. The allowance will also be included in the bid for construction contracts for recommendation of award by City Council.

Contract amount*	Contract Allowance
over $1,000,000 in value	allowance of 5%;
from $999,999.99 to $250,000	allowance of 7.5%
from $249,999.99 or lower	allowance of 10%.

B. Administrative Change Orders - A ten-percent (10%) Administrative Change Order (ACO) amount may be included in all design and construction contracts to be considered by the City Council. The ACO amount is 10% of the total contract less the Contract Allowance amount. The ACO shall not exceed $500,000.

Administrative Authorization

Contract Amount	Allowance	Administrative CO.	Total	Total Percentage
$12,000,000	$600,000	$500,000	$1,100,000	9.2%
5,000,000	250,000	500,000	750,000	15.0%
1,000,000	50,000	100,000	150,000	15.0%
500,000	37,500	50,000	87,500	17.5%
100,000	10,000	10,000	20,000	20.0%

Task order – These are authorized scopes of engineering/design work issued to consultants who have approved on-call contracts with the City.

Section 25.3 Change Order Membership

The Change Order Committee Members will consist of the following:

1. **Public Works Director or designee**
2. **Utilities Director or designee**
3. **City Attorney or designee**
4. **City Engineer or designee**
5. **Purchasing Director or Purchasing Agent**

A. The City Manager shall designate a Chair who shall preside over all the meetings, establish agendas, and distribute meeting minutes.

B. The Change Order Committee meets as necessary on Thursdays (as necessary) at 7:15 a.m. (during summer work hours) and 8:15 a.m. (during winter work hours) in the Council Conference Room.

C. An electronic copy of all change orders must be submitted to the Committee Chairperson by noon on Monday to be scheduled for the following Thursday's meeting.

D. Three original change orders, signed by the Project Manager and Department Head shall be given to the Committee Chairperson after the change order has been approved. The Committee Chairperson will obtain all other necessary signatures including the contractor or consultant and distribute copies to the Project Manager.

ARTICLE 26 AWARD OF CONTRACT

The City Council shall award all contracts for materials, services and construction that meet or exceed the formal procurement limit as set forth in Article 7(B), "Formal Procurement Limit." The Purchasing Director shall award all contracts less than the formal procurement limit.

Section 26.1 Notice of Intent to Award

A. Contracts requiring Council award shall be summarized in a staff summary and posted for at least five days on the City's website prior to award.

1. After Council award, Purchasing shall issue a Notice of Award, along with any associated supplemental Agreement. The Notice of Award shall require that all applicable documents (e.g., insurance certificates, performance and payment bonds and signed Agreement) be submitted to the City within ten (10) days.

2. The Purchasing Agent shall issue a Notice to Proceed for construction and service contracts upon receipt of the, insurance certificates, signed agreement and any applicable bid, performance and payment bonds.

ARTICLE 27 SPECIFICATION GUIDELINES

The Director shall establish guidelines governing the review and approval of specifications for materials, services and construction required by the City as secured through the formal or informal procurement process.

Section 27.1 Content of Specifications

The Director shall establish guidelines governing the content of specifications used in City procurements to ensure adequate competition.

Section 27.2 Samples/Demonstrations

A. Samples of materials, when required during the solicitation process, shall be submitted in accordance with the instructions in the solicitation.

B. Samples shall be furnished, free of charge, to the City submitted with the solicitation and must be accompanied by descriptive memorandum.

C. Bid samples may be held for comparison with deliveries pursuant to a contract award.

D. Samples will be returned according to the time frame included in the solicitation at the Bidder's risk and subject to his expense. The City will not reimburse the vendor for any expendable/consumable items that were consumed during the bid evaluation process.

Section 27.3 Specification Approval

The Purchasing Agent retains the authority to approve or disapprove all specifications to be used in a solicitation.

Section 27.4 Specifications Guidelines

A. A specification may provide alternate descriptions of materials, services, or construction items where two or more design, functional, or performance criteria will satisfactorily meet the City's requirements.

B. To the extent practicable, a specification shall not include any solicitation term or condition, or any contract term or condition.

C. To the extent practicable, if a specification for a common or general use item has been developed, or a qualified products list has been developed for a particular material, service, or construction item, it shall be used.

D. To the extent practicable, specifications shall emphasize functional or performance criteria. When using performance specifications all brands bid shall be evaluated after receipt of bids to determine those meeting specifications.

E. To the extent practicable, specifications shall be written as minimum standards.

F. Unless otherwise specifically stated in the solicitation, any equipment or materials specified shall be standard, new, and state-of-the-art in quality and design, and shall comply fully with all applicable federal and Arizona laws and regulations.

Section 27.5 Maximum Practicable Competition; Brand Name or Approved Alternate; Qualified Products List

A. ***Maximum Practicable Competition***. All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs and shall not be unduly restrictive.

1. To the extent practicable and unless otherwise permitted by this section, all specifications shall describe the City's requirements in a manner that does not unnecessarily exclude a specific material, service or construction item.

2. Proprietary or brand name specifications shall not be used unless the Director determines in writing that such specifications are required and demonstrate technological justification and that it is not practicable or advantageous to use a less restrictive specification.

3. To the extent practicable, the City shall use accepted commercial specifications and shall procure standard commercial materials and avoid proprietary specifications whenever practicable.

B. ***Brand name or approved alternate***. A brand name or approved alternate specification shall only be used when the Director determines in writing that use of a brand name or approved alternate specification is advantageous to the City and the solicitation provides for the submission of equivalent products. The solicitation document shall state that “the City reserves the right to determine what is considered an equivalent product.”

1. A brand name or approved alternate specification shall designate as many different brands as are practicable or approved alternate specifications.

2. A brand name or approved alternate specification shall include a description of the particular design, functional, or performance characteristics that are required, unless the Director determines in writing that the essential characteristics of the brand names designated in the specifications are commonly known.

3. A solicitation that uses a brand name or approved alternate specification shall explain that the use of a brand name is for the purpose of describing the

standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition. The solicitation shall state that products substantially equivalent to those brands designated shall qualify for consideration.

C. ***Qualified products list***. A qualified products list may be prepared and utilized, if the Purchasing Agent determines in writing that testing or examinations of the material or construction items prior to the issuance of the solicitation is desirable or necessary in order to best satisfy the City's requirements. As many potential suppliers as practicable shall be solicited to submit products for testing and examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer its products for consideration in accordance with the schedule or procedure established for this purpose. The qualified products list shall not be modified after the solicitation is issued.

Section 27.6 Inspections and Tests

A. The inspection or testing of any material to verify specification adherence or qualify for a products list, shall be performed in a manner established on a case by case basis.

B. If testing is required, the requirements shall be included in the solicitation.

C. The City reserves the right to require testing or inspection by a recognized testing laboratory or consultant selected by the City.

D. The cost of testing or inspection shall be borne by the Bidder submitting a bid for the products the City is requesting.

Section 27.7 Proprietary Specifications

Proprietary specifications are not justified by past success in performance, the inconvenience of writing specifications, or the desire to maintain a single brand that is not supported by technological justification.

Section 27.8 Product Testing Guidelines

City Staff may test materials or services in a manner agreed upon with the material or service supplier provided the following guidelines are applied:

A. City Staff is not required to test solely for supplier’s benefit;

B. City Staff may not accept materials for testing unless those materials have been purchased through purchasing procedures provided by this Procurement Code Manual;

C. Any testing shall be at the direction and convenience of City staff;

D. The City's name may not be used by any person in connection with any advertising sale, or promotion of any product tested by the City staff; and

E. Any materials testing shall be pursuant to industry standard testing of materials and a written testing agreement shall be in place between the City and the supplier. The Director must be notified of all testing agreements prior to commencement of testing.

Section 27.9 Specifications Prepared by Architects; Engineers; Consultants

All specifications prepared for City contracts shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the City's needs and shall not be unduly restrictive. In the event that suitable specifications cannot be developed by City staff, the Director may retain a specification consultant for the purpose of assisting with the writing of the specifications. The consultant shall be selected pursuant to either Section 7.1, "Informal Procurement Process", or Article 11, "Formal Procurement Process—Request for Proposals".

Section 27.10 Preparation of Specifications by Persons Other than City Personnel

A. The City may contract for the preparation of specifications with persons other than City personnel including, but not limited to, consultants, architects, engineers, designers, manufacturers, and others.

B. The requirements of Article 27, "Specifications Guidelines" shall apply to all specifications prepared by vendors, including, but not limited to, those prepared by consultants, architects, engineers, designers, and other draftsmen of specifications for public contracts. Contracts for the preparation of specifications by other than City personnel shall require the specification writer to adhere to such requirements.

C. The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which the specification was prepared nor is the preparer eligible to supply any product to a Bidder or Proposer on the solicitation for which the specification was prepared; provided however, the Director may make an exception to this provision when justified by the business practices of the applicable industry or it is otherwise in the best interest of the City. The Purchasing Agent shall place in the solicitation file, a written determination, including all relevant facts in any case where an exception is made.

D. The terms and conditions of contracts for preparation of specifications shall reference the rule in Subsection C above.

Section 27.11 Recycled and energy consumptive materials; life cycle costing; environmental procurement.

Guidelines shall be established governing the review and approval of specifications for the procurement of selected materials based on considerations of recycling, energy conservation, life cycle costing and other environmental considerations.

Section 27.12 Environmental/Sustainable Procurement Policy

A. A Sustainable Purchasing Policy, hereinafter referred to as Policy, has been established to ensure the procurement of products and services that reduce the consumption of resources and the production of waste, minimize adverse health effects and reduce costs to the City.

The principles of the Policy are rooted in resource efficiency, life cycle perspective, and pollution prevention. Resource efficiency incorporates preference to reusable content and recycled materials over virgin materials, as well energy and water conservation. Life cycle perspective considers the environmental impact of a product or service over its lifetime (raw material extraction, manufacturing, packaging, transport, energy

consumption, maintenance and disposal). Pollution prevention incorporates processes and practices that prevent the creation of pollution and wastes, rather than managing these after they have been created.

The Policy requires the City to:

1. Strongly promote the purchase and use of materials, products and services that are fiscally responsible, reduce resource consumption and waste, promote local business opportunities, and promote human health and well-being.
2. Minimize the consumption of non-replaceable natural resources by reviewing current and proposed future usage and evaluating the pros and cons of alternatives.
3. Maximize the reuse and recycling of materials. Require a minimum 50% post-consumer waste recycled content for paper. Require recyclability of products in compliance with the City's recycling program, reusability, and performance consistent with City standards to the extent practicable.
4. Use and require contractors and consultants to use products manufactured with maximum practical amount of recovered material, especially post-consumer material.
5. Stimulate demand for products and services supporting the Policy by letting manufacturers and suppliers know the performance the City expects.

B. The Sustainability Program staff shall provide support to Purchasing and Division Staff in their efforts to meet the requirements of the Policy.

C. Procedures and Guidelines may be established as necessary to ensure the continuation of a strong Sustainable Procurement Program.

ARTICLE 28 DISPOSITION OF SURPLUS PERSONAL PROPERTY

A. ***Surplus Personal Property Disposition***

The City Council or designee, may sell, trade, transfer between offices, Divisions or otherwise dispose of surplus personal property pursuant to Article 8, "Contracts", Sections 4, "Transfer and Sale of property Within City Government", and Section 10, "Sale of City Property", number 1 and 3 of the Flagstaff City Charter. Each sale shall be made to the highest responsible Bidder after published notice of the sale in accordance with the following schedule:

1. Informal Process: Personal property having a value of $500.00 or less may be sold without published notice, but written advice of such sale or disposal shall be given to the City Council.

2. Formal Process: Personal property valued in excess of $500.00 shall be sold after published notice of the sale for at least once, but not less than five (5) days prior to the published notice. .

   2.1 All personal property disposition under a formal process, shall be sold by public on-site auction, public on-line bidding process or through a formal competitive sealed bid sale process.

2.2 Any surplus property shall be sold through a formal competitive sealed bid sale, when it is more advantageous to the City than holding it for public on-site auction or public on-line bidding.

2.3 All formal sealed bid sales shall be conducted in a manner substantially similar to the procedures established in Article 10, "Formal Procurement Process—Invitation For Bids" and shall include a description of the property for sale and all terms and conditions applicable to the sale.

2.4 Public notice of any sealed bid sale shall be published at least once in the official newspaper, not less than five (5) days prior to the opening of the bids.

2.5 Any surplus property sold under this formal competitive sealed bid sale process, shall be sold to the person making the highest responsive, responsible, offer most advantageous to the City.

Property seized during the course of a police investigation shall not be subject to this Procurement Code Manual until such time as any State and Federal laws have been complied with and the property is declared surplus by the Police Department.

B. ***Declaration Regarding Surplus Property***

The disposition of all City owned surplus property shall be determined and handled by the City's Central Warehouse. Divisions shall be responsible for property in their possession and as necessary, may declare such property as surplus and shall complete a surplus property form with all required signatures. This form is available on the City of Flagstaff CityNet and shall accompany all items taken to the Warehouse as surplus property and need to reflect whether the item(s) are operational or not, so the information can be given to Bidders.

Section 28.1 Organizational Need

Prior to pursuing any method for disposal of surplus property, the Division or end-user shall first determine that it is of no use to any other Division. Divisions shall review inventories of personal property to determine the existence of excess or obsolete items that could be declared surplus property and shall notify the Central Warehouse Manager.

Section 28.2 Surplus Property Listing

A listing of surplus property shall be maintained by each Division and such property shall be transferred between Divisions as needed prior to any other disposition method handled by the Central Warehouse. The Central Warehouse shall maintain a surplus property list of all items that are located at the Central Warehouse and scheduled to be sold either through a public on-site auction or public on-line bid sale.

Section 28.3 Surplus Property Trade-In Allowance

Prior to trading for credit against a new purchase or service, the Purchasing Agent shall determine the fair market value and document the disposal in the surplus item file with reference to the Purchase Order for the new materials or services.

Section 28.4 Proceeds From Sales

All proceeds from the sale of surplus property shall be deposited in an established revenue account of the City determined by the Finance Director.

Section 28.5 Donation of Surplus Property

Surplus personal property may be donated to organizations in exchange for services that would benefit the local Flagstaff community, where such value would exceed the revenues generated from a sale through an auction or sealed bid, as determined in writing by the Director. For donations valued in excess of $50.00, the receiving organization shall execute a receipt or contract according to how the donation will be used. Any donation, exceeding $500.00 in value, shall be approved by the City Council.

ARTICLE 29 PROTESTS

An actual or prospective Bidder or Proposer, who is aggrieved in connection with the solicitation or award of a contract, may protest any aspect of a solicitation prior to award of a contract.

Section 29.1 Time for Filing Protests

A. Protests based upon alleged improprieties in a solicitation that are apparent before the solicitation due date shall be filed not less than five (5) working days before the

solicitation due date. Contracts shall be final and no protest pursuant to this section may be filed after award.

B. In cases other than alleged improprieties in a solicitation, protests shall be filed within ten (10) days after the aggrieved person knows or should have known the facts and circumstances upon which the protest is based. However, in no event, shall the protest be filed later than ten (10) days after issuance of notification of award.

Section 29.2 Filing of a Protest

A. A protest shall be submitted, in writing, to the Director and shall include the following information:

1. The name, address, telephone number and e-mail address of the Protestant;

2. The signature of the Protestant or its representative;

3. Identification of the solicitation and contract number;

4. A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and

5. The form of relief requested.

B. The Director, without waiving the City's right to dismiss the protest for lack of timeliness, may consider any protest that is not filed timely.

C. The Director shall give notice of the protest to the successful vendor if award has been made, or if no award has been made, to all actual or prospective Bidders or Proposers.

D. The Director shall review the formal protest and issue a written ruling within fourteen (14) days of receiving the formal protest in accordance with Section 29.1, "Time for Filing Protests", and Section 29.2, "Filing of a Protest". The Director may also give notice of the ruling to any other persons involved in the solicitation whose interests may be affected by the ruling requested from the Director.

Section 29.3 Stay of Procurements During the Protest

In the event of a timely protest under Section 29.1, "Time for Filing Protests", the City may proceed further with the solicitation or with the award of the contract unless the Director makes a written determination that there is a reasonable probability that the protest will be sustained or that the stay of procurement is not contrary to the substantial interests of the City.

Section 29.4 Confidential Information

A. Material submitted by a Protester shall not be withheld from an interested party except to the extent that the withholding of information is permitted or required by law or as determined pursuant to Procurement Code Manual provisions for confidential material.

B. If the Protester believes the protest contains material that should be withheld, a statement advising the Director of this fact shall accompany the protest submission.

Section 29.5 Remedies

A. If the Director sustains the protest in whole or part and determines that a solicitation or proposed contract award does not comply with the procurement statutes and regulations, the Director shall implement an appropriate remedy.

B. In determining an appropriate remedy, the Director shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement process, the good faith of the parties, costs to the City, the urgency of the procurement and the effect of the relief.

C. An appropriate remedy may include one or more of the following:

1. Reissue the solicitation and award a contract consistent with this Procurement Code Manual; or
2. Such other relief as is determined necessary to ensure compliance with the City Charter, City ordinances and/or this procurement Code Manual.

ARTICLE 30 SUSPENSION, DEBARMENT

A. The Director may suspend or debar any person from consideration for award of a contract pursuant to this Procurement Code Manual. Suspension of any person shall not exceed six (6) months. A debarment shall not exceed three (3) years.

B. The causes for suspension or debarment may include, but are not limited to, the following:

1. Conviction of any person or any subsidiary or affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.

2. Conviction of any person or any subsidiary or affiliate of any person under any statute of the Federal Government, this State or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of

   records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a City contractor.

3. Conviction or civil judgment finding a violation by any person or any subsidiary or affiliate of any person under state or federal antitrust statutes.

4. Violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, such as either of the following:

   a. Knowingly failing without good cause to perform in accordance with the specifications or within the time limit provided in the contract.

   b. Failure to perform or unsatisfactory performance in accordance with the terms of a contract, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.

5. Any other cause deemed to affect responsibility as a City contractor, including suspension or debarment of such person or any subsidiary or affiliate of such person by another governmental entity for any cause listed in the established rules.

C. Before imposing a suspension or debarment, the Director shall give the affected party written notice of the grounds for suspension or debarment and shall afford such person an opportunity for hearing.

Section 30.1 Resolution of Contract Controversies - Materials, Services and Construction Contracts

A. The Purchasing Agent and the end-user shall have the authority and responsibility to enforce all performance and terms under all contracts where they are named as Administrator.

B. If any issue regarding performance under the contract cannot be resolved by mutual agreement between the Purchasing Agent/end-user and the Vendor/Contractor shall, through the City Attorney's Office, pursue resolution as provided in the terms of the original contract or under applicable law. The Purchasing Agent shall prepare a written decision informing the vendor of the required performance**.**

1. Final written decision shall include:

a. A description of the controversy;

b. A reference to the pertinent contract provision;

c. A statement of the factual areas of agreement or disagreement;

d. A statement of the decision, with supporting rationale; and

e. Instructions for appeal

After preparation of the decision, the Contract Administrator shall send the decision to the Director who shall deliver the decision to the Vendor/Contractor by certified mail, return receipt requested, or by any other method that provides evidence of receipt.

C. If the Vendor/Contractor fails to comply with all terms of the notice of final decision, the Vendor/Contractor may be declared in default and the contract may be terminated based upon the review and procurement/legal opinion from the Director and City Attorney's Office.

The Vendor/Contractor may be suspended or debarred under the provision of Article 31, "Suspension, Debarment". The Director may render a decision for the suspension and debarment of the Vendor/Contractor if violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, such as either of the following:

a. Knowingly failing without good cause to perform in accordance with the specifications/scope of work or within the time limit provided in the contract.

b. Failure to perform or unsatisfactory performance in accordance with the terms of a contract, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the Vendor/Contractor shall not be considered to be a basis for debarment.

ORDINANCE NO. 2013-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 1, *ADMINISTRATIVE,* CHAPTER 1-20, *CONTRACTS AND PROPERTY TRANSACTIONS,* BY REPEALING SECTION 1-20-001-0004 *DETERMINATION OF RESPONSIBILITY OF* BIDDERS AND PROVING FOR A NEW SECTION 1-20-001-0004 *PROCUREMENT CODE MANUAL* RELATING TO CITY PROCUREMENTS OF GOODS, SERVICES AND CONSTRUCTION, AND DISPOSAL OF SURPLUS PERSONAL PROPERTY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the Flagstaff City Council desires to adopt a Procurement Code Manual by resolution.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Flagstaff City Code, Title 1, *Administrative*, Chapter 1-20, *Contracts and Property Transactions,* Section 1-20-001-0004, *Determination of Responsibility of Bidders,* is hereby repealed in its entirety, and shall be replaced with the new text as set forth below (shown as capitalized text):

1-20-01-04 PROCUREMENT CODE MANUAL:

THE CITY COUNCIL MAY ADOPT A PROCUREMENT CODE MANUAL BY RESOLUTION TO GOVERN CITY PROCUREMENTS OF GOODS, SERVICES, AND CONSTRUCTION AND DISPOSAL OF SURPLUS PERSONAL PROPERTY IN ACCORDANCE WITH THE FLAGSTAFF CITY CHARTER AND APPLICABLE LAW. A TRUE AND CORRECT COPY OF SUCH PROCUREMENT CODE MANUAL, AS MAY BE AMENDED, WILL BE MAINTAINED BY THE CITY CLERK AS A PUBLIC RECORD AND MAINTAINED ON THE CITY WEBSITE FOR PUBLIC ACCESS. THE PURCHASING DIRECTOR MAY RECOMMEND PROCUREMENT CODE MANUAL AMENDMENTS FROM TIME TO TIME. A VIOLATION OF THIS SECTION IS NOT SUBJECT TO THE GENERAL PENALTY CLAUSE (CITY CODE SECTION 1-04-001-0001).

SECTION 2. Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed. Ordinance No. 1945 is hereby expressly repealed.

SECTION 3. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. Clerical Corrections.

The City Clerk is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary related to this ordinance as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency within thirty (30) days following adoption by the City Council.

SECTION 5. Effective Date.

This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2013.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY